NURSING AND MIDWIFERY COUNCIL

England & Wales · Charity number 1091434

Details

Status	Registered
Legal form	Other
Registered	2002-03-27
Register	View on the Charity Commission register

Contact

Address	N M C 23 Portland Place London W1B 1PZ
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Activities

Objects: THE MAIN OBJECTIVE OF THE COUNCIL IN EXERCISING ITS FUNCTIONS SHALL BE TO SAFEGUARD THE HEALTH AND WELL-BEING OF PERSONS USING OR NEEDING THE SERVICES OF REGISTRANTS

Activities: The NMC is the independent regulator for nurses and midwives in the UK. Our primary purpose is to protect patients and the public through effective and proportionate regulation of nurses and midwives. We set and promote standards of education and practice, maintain a register of those who meet these standards, and take action when a nurse's or midwife's fitness to practise is called into question.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

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Geography

- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£108,669,000	£130,433,000	£59,689,000	1251
2024-03-31	£107,215,000	£108,333,000	£78,868,000	1150
2023-03-31	£102,885,000	£98,101,000	£76,782,000	1095
2022-03-31	£100,398,000	£92,931,000	£76,311,000	1076
2021-03-31	£92,005,000	£81,560,000	£69,273,000	964

Trustees

Name	Role	Appointed
Ronald George Barclay-Smith	Chair	2025-04-01
Anna Elizabeth Blackstock Walker CB		2020-10-01
Deborah Harris-Ugbomah		2024-05-01
Dr Hussein Mohamed Khatib		2025-10-13
Dr Julia Mundy		2025-10-13
Dr Lynne Wigens		2020-10-01
Dr Margaret Mary McGuire		2022-05-01
Eileen Attracta McEneaney		2020-10-01
Elizabeth Catherine Florence Panel-Coates		2023-11-01
Lindsay Louise Foyster		2023-05-01
Nadine Olivia Pemberton		2023-05-01
RHIANNON ELIZABETH BEAUMONT-WOOD		2024-06-01

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NURSING AND MIDWIFERY COUNCIL

England & Wales - Charity number 1091434

Accounts

Nursing & Midwifery Council

Annual Report and Accounts 2024–2025 and Strategic Plan 2025–2026

Nursing and Midwifery Council

Annual Report and Accounts 2024–2025 and Strategic Plan 2025–2026

Annual Report 2024–2025 and Strategic Plan 2025–2026 presented to Parliament pursuant to Article 50(2) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Accounts presented to Parliament pursuant to Article 52(7) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Ordered by the House of Commons to be printed on

14 July 2025

HC 1187

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Foreword

The 2024–2025 business year was a difficult one for the Nursing and Midwifery Council (NMC) and many of the people with whom we interact: our colleagues, the professionals on our register and the public for whom they care. The latest Professional Standards Authority (PSA) annual review of the NMC's performance – which covers the period 1 July 2023 to 31 December 2024 – reflects some of these significant challenges.

The Independent Culture Review – which was published in July 2024 and is referred to in the PSA review – found that some NMC colleagues had experienced poor behaviours including racism and other forms of discrimination, as well as bullying and harassment. These behaviours are unacceptable.

The report also said that the NMC's troubled culture negatively affected its work on fitness to practise and other areas. Too many cases were being caught up in the organisation's fitness to practise process for too long, resulting in additional stress and anxiety for everyone involved.

During the year, concerns were also raised that the NMC was failing to recognise, respond to and deal appropriately with safeguarding issues within the fitness to practise process. This led to concerns that we were failing to recognise where registrants, members of the public and others involved in our processes were at risk.

We acknowledge that our performance, during this period, was not good enough and that we let many people down – members of the public making referrals, nursing and midwifery professionals who are referred, and staff colleagues.

Through the hard work and dedication of our colleagues, Council members and partners over the last year, we have been taking action to put things right.

In September 2024, we strengthened our work on safeguarding by introducing a safeguarding hub, which reviews all new referrals so that safeguarding risks in cases are identified straight away, and appropriate support can be put in place for registrants where wellbeing concerns are identified.

To support culture transformation, we appointed Judge Peter Herbert OBE as an Independent Adviser to the Council from 1 January.

On 20 January, following Helen Herniman's leadership as Acting Chief Executive and Registrar, Paul Rees MBE was appointed as Interim Chief Executive and Registrar, having turned around culture and performance at other organisations, including having embedded equality, diversity and inclusion.

In February we announced a programme of work to enhance education and standards for nursing and midwifery professionals. This includes modernising the Code and revalidation, progressing a review of practice learning and developing standards for advanced practice. This will ensure our work on education and standards meet the needs of the modern workforce, are fit for the future and protect the public.

In March, we published our Culture Transformation Plan. This is a comprehensive three-year programme, broken down into quarter-by-quarter activities. These revolve around the pillars of strong and effective leadership, values-based decision making, embedding EDI, ensuring psychological safety, enabling enjoyment at work and regulatory fairness.

Through the plan, we are rolling out a coaching programme for all leaders and managers on how to help lead the turnaround of our culture – to become positive, empowering and inclusive.

In March, oversight of the culture transformation work and required governance changes for Council and its committees was also agreed. Under the leadership of our new Chair, this will be folded into this plan over the 2025/26 year.

In April 2025, following the end of Sir David Warren's term as Chair, Ron Barclay-Smith was appointed as Chair, having been Chief Executive of Lincolnshire Health Authority and of two barristers' chambers and Chair of the British Transport Police Authority, among other roles. This followed a long and distinguished career in the Royal Air Force Regiment.

In April 2025, we also signed up to the UNISON Anti-Racism Charter. This further underlines our determination to become an anti-racist organisation – an ambition which lies at the heart of the Culture Transformation Plan.

We are also improving fitness to practise processes and timelines.

In July 2023, at the start of the period covered by the PSA report, the monthly rolling average timeliness figure for completing cases end-to-end within 15 months was 60.8 percent, against a target of completing 80 percent of cases end-to-end within 15 months. As of May 2025, the timeliness figure had climbed to 69.8 percent, demonstrating real progress towards our target.

In the last few months, we have seen record numbers of decisions at screening, with 809 screening decisions made in May 2025 alone.

Since the period covered by the report, we have delivered an average of 624 screening decisions (closures or progressions) over the twelve months to May 2025 – compared to an average of 457 for the same period to May 2024.

We acknowledge the NMC allowed a poor culture to build up over time. However, thanks to the hard work and dedication of our colleagues, Council members and partners over the last year, we are now turning the organisation around and looking forward to a brighter future – for the benefit of the public we protect, the professionals we regulate, and our staff.

Ron Barclay-Smith
Chair
8 July 2025

Paul Rees MBE
Interim Chief Executive and Registrar
8 July 2025

Our role

01

We are the independent regulator for nurses and midwives in the UK and nursing associates in England. Our objectives are set out in the Nursing and Midwifery Order 2001 (as amended).

The overarching aim of the Council is the protection of the public by:

a. Protecting, promoting and maintaining the health, safety and wellbeing of the public

b. Promoting and maintaining public confidence in the professions regulated under the Order

c. Promoting and maintaining proper professional standards and conduct for members of those professions.

Our regulatory responsibilities are to:

- **Maintain the register** of nurses and midwives who meet the requirements for registration in the UK, and nursing associates who meet the requirements for registration in England (the register)
- Set the **requirements for the professional education** that supports people to develop the knowledge, skills and behaviours required for entry to, or annotation on, our register
- Shape the practice of the professionals on our register by **developing and promoting standards**, including our Code, and promoting lifelong learning through revalidation
- **Investigate and, if needed, take action** where serious concerns are raised about a nurse, midwife or nursing associate's fitness to practise.

Our governing body is the Council, which comprises six lay people and six professionals on our register. Our work is overseen by the Professional Standards Authority for Health and Social Care (PSA), which reviews the work of regulators of health and care professions. We are accountable to Parliament through the Privy Council. We are also a registered charity and seek to ensure that all our work delivers public benefit.

Our vision is safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. As the independent regulator of more than 853,000 nurses and midwives in the UK, and nursing associates in England, we have an important role to play in making this vision a reality.

We are here to protect the public by upholding high professional nursing and midwifery standards, which the public has a right to expect. That is why we are improving the way we regulate, enhancing our support for colleagues, professionals and the public, and working with our partners to influence the future of health and social care.



Our core role is to **regulate**. We set and promote high education and professional standards for nurses and midwives across the UK, and nursing associates in England and quality assure their education programmes. We maintain the integrity of the register of those eligible to practise. And we investigate concerns about professionals – something that affects very few people on our register every year.

To regulate well, we **support** nursing and midwifery professionals and the public. We create resources and guidance that are useful throughout professionals' careers, helping them to deliver our standards in practice and address challenges they face. We work collaboratively so everyone feels engaged and empowered to shape our work.

We work with our partners to address common concerns, share our data, insight and learning, to **influence** and inform decision-making and help drive improvement in health and social care for people and communities.

Our values underpin everything we do. They shape how we think and act.

We are fair

We treat everyone fairly. Fairness is at the heart of our role as a trusted, transparent regulator and employer.

We are kind

We act with kindness and in a way that values people, their insights, situations and experiences.

We are collaborative

We value our relationships (both within and outside of the NMC) and recognise that we're at our best when we work well with others.

We are ambitious

We take pride in our work. We are open to new ways of working and always aim to do our best for the professionals on our register, the public we serve and each other.

Performance review 2024–2025

02

Priority outcome 1: Progress fitness to practise referrals in a safe and timely way.

We know that we are taking too long to progress fitness to practise cases which has a profound impact on everyone involved: referrers, professionals, witnesses and NMC colleagues. We implemented some key initiatives across fitness to practise in 2024–2025 and are beginning to see some meaningful progress, but a challenging context has meant less progress than we had hoped for. We responded to this by adjusting our Fitness to Practise Plan. We recognise there is still much more to do and will build on the work within the plan, and our wider improvement activities in 2025–2026, to deliver a sustainable service that is more timely, fair and effective for everyone involved.

Improving our fitness to practise processes

In April 2024, we launched our Fitness to Practise Plan, which sets out how we will deliver fairer, faster and more effective processes so that we resolve cases as early as possible and improve the experience for people involved. We know that this is a long-term effort that requires significant changes in how we work and improvements to our systems. We have committed £30 million over three years to invest in the capacity and capabilities we need that will enable us to deliver the benefits we want to see.

Whilst we made progress in delivering the plan in 2024–2025, challenges emerged that meant we have not made the progress we had initially planned.

Our screening teams received higher than expected volumes of referrals (21 percent higher than our planned assumptions), which put pressure on our systems and ability to deliver change. To manage this increase, we increased the capacity of our screening teams and began to see improved performance in this area in the second half of the year. The Independent Culture Review also highlighted areas of our operational performance that required immediate action.

As a result, in January 2025, we realigned our plan to ensure we are responding effectively to the changing landscape, prioritising the most critical areas and acting with increased pace to deliver regulatory practices that are timely, fair and effective for everyone involved. We also brought in specialist support from PwC to help progress some of our lower-risk cases at screening and explored with PwC different interventions and ways of working to accelerate the delivery of our plan.

Whilst we have not met our key performance indicators, we have made significant improvements.

- We made significant progress in reducing delays in decision-making. In March 2025, we achieved our highest number of screening decisions (806) in a single month in five years, ensuring cases are addressed more promptly. Timely decisions mean fewer people experience unnecessary worry while waiting for an outcome.

- We increased operational efficiency through new tools and targeted changes to our processes. We introduced a case-weighting tool to assess cases based on complexity and risk, helping us to handle each case appropriately whilst providing a fair distribution of work to our teams.
- We improved hearing capacity and experience. We have increased the number of in-person hearings and are scheduling events to full capacity at our London and Edinburgh Offices. We know that some people prefer to attend in-person and others to join remotely, so, where appropriate, we provide a hybrid meeting option where individuals can join from somewhere they feel comfortable. Members of our panel meet in-person to speed up their decision-making.

We know we need to improve at pace and resolve concerns as early as possible whilst not overburdening our colleagues. Taking steps to deliver a more compassionate service is making a difference – we are seeing progress towards our targets of reaching quicker decisions for people and closing 80 percent of cases within 15 months. However, we recognise that it will take time for people to feel a difference.

Listening to the views of professionals and stakeholders about their experiences has been critical to shaping our work, including the Chief Nursing Officers of the four UK nations and other senior nursing and midwifery leaders. We also benefitted from the insight of two seconded executive advisers: Anthony Omo, General Counsel and Director of Fitness to Practise at the General Medical Council and Professor Donna O'Boyle, registered nurse and former Professional Regulatory Adviser at the Scottish Government. As a result, we are adjusting how we assess referrals at the screening stage to enable a more proportionate and robust approach and looking at how we can enhance clinical input into our processes.

A full statistical summary of our fitness to practise work in 2024–2025 can be found in our Annual Fitness to Practise Report 2024–2025.

How we have supported people involved in fitness to practise

We understand that being involved in a fitness to practise investigation can be highly emotional and stressful, whether someone is a member of the public or a nursing and midwifery professional. That is why we aim to put people at the heart of our work, offering a range of support to help them navigate the process and get the support they need.

Public Support Service: For members of the public, our trained public support officers offer information, listen to concerns, and support people who may be finding the process particularly difficult. For those with complex or additional needs, we also offer enhanced services such as advocacy and intermediaries, including speech and language support, to ensure everyone can engage fully and fairly. In 2024–2025, 261 inbound calls took place between members of the public and our support helpline (no comparable data for 2023–2024).

Fitness to Practise Careline: To support professionals, we partner with CiC, a leading employee assistance provider, to provide an independent Fitness to Practise Careline which provides emotional support and practical advice. In 2024–2025 we received 1,047 calls (2023–2024: 735). We also assess referrals for potential safeguarding concerns and, where needed, make onward referrals to external support services. You can read more about this work in our section on safeguarding.

Health pilot: In January 2025, we launched a health pilot at the investigations stage to improve support to individuals whose fitness to practise case relates to a physical or mental health need. For example, providing bespoke, compassionate support for professionals experiencing conditions like dementia or substance misuse. Over the coming year, we will expand the pilot and use real-time feedback to ensure people receive the right support.

Employer advice line: Our employer advice line helps us support employers who may have concerns about a professional's performance, and where appropriate, we can provide advice about local management of those concerns. This early intervention can avoid unnecessary referrals to fitness to practise and unnecessary stress for the professional. In 2024–2025 we received 1,152 calls requesting advice about an individual's fitness to practise (2023-2024: 1,162). Of the 1,152 requests for advice, 38 percent of the calls resulted in employers being advised they did not need to make a referral about a professional on our register at the time of the call.

Referrals helpline: Our referrals helpline is a valuable tool for those who are thinking about raising a concern with us and in 2024–2025 we received 5,294 calls (2023–2024: 5,925).

Early conversations can help us better understand the nature of the concerns and ensure we investigate them appropriately, by:

- Explaining who we are and what our role is
- Exploring how we can help people and what support we can offer through the process
- Identifying whether we are the correct organisation to deal with a concern and signposting to other organisations. This helps avoid unnecessary referrals to fitness to practise and unnecessary stress for the professional.

"We receive a wide range of calls, and whatever the scenario, the key thing we're able to provide is reassurance. The people we speak to have often had difficult experiences and want to know how their voices can be heard. We're here to listen to their concerns and either guide them on making a complete referral or steer them towards another organisation better placed to help."

Sophie Holland,
Call Handler

Looking ahead

In 2025–2026 we will do more to ensure that people involved are supported to engage in fitness to practise, because we know that this achieves better outcomes. We are going to be more proactive in supporting people to engage with us in a way that supports their preferences and will consider how our correspondence and communication approaches can be strengthened to deliver a more compassionate service. As part of this work, in 2025–2026 we have established a Professional Support and Engagement function. Its initial focus will be to review and develop how we support professionals going through our fitness to practise processes.

Improving our processes to make sure they are fair and effective for everyone

As a regulator, it is our responsibility to tackle inequality and promote diversity and inclusion in everything we do. That starts with scrutinising our own processes to make sure they are fair and accessible, and that bias is not present in our decision-making. It also means holding people to account and working with our partners to tackle inequalities that cut across the health and social care sector.

To better understand why certain groups of nursing and midwifery professionals progress further in our fitness to practise processes and receive more severe outcomes, we commissioned the University of Greenwich to review more than 200 of our closed cases as part of our Ambitious for Change research. The research was published in June 2025 and we will use the findings to help us focus our efforts on ensuring the principles of equality, diversity and inclusion (EDI) are embedded across our fitness to practise process and help us ensure that inequalities of treatment are tackled. To support us to deliver this, one of our five flagship EDI targets, agreed in July 2025, is to eliminate ethnicity and gender disparities in the fitness to practise processes by 2030.

We also know some employers appear to refer a higher proportion of male and/or Black professionals compared to the number on our register and sometimes compared to their own workforce demographics. We are using our data, alongside discussions with a select group of employers, to better understand and analyse this. We will work closely with them to monitor and improve their approach.

Performance dashboard as at 31 March 2025

Overall RAG Rating

Outcome 1: Progress fitness to practise referrals in a safe and timely way

KPIs and Indicators

65.8% Percentage of interim orders (IOs) imposed within 28 days of opening the case (target: 80 percent) (12 month rolling)

6,357 Volume of the overall fitness to practise caseload (monitor only)

68.4% Percentage of fitness to practise cases concluded within 15 months of being opened (target: 80 percent) (12 month rolling)

Strategic risks addressed by this priority outcome

Strategic Risk REG18/02: We fail to take appropriate action to address a regulatory concern about a professional on our register, in a timely or person-centred way.

Q1 20 Q4 20

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Priority outcome 2: Build an inclusive, high performance, learning culture

We want the NMC to be a place where all colleagues grow, thrive and embrace the same professional integrity that we expect nursing and midwifery professionals to demonstrate. The Independent Culture Review told us that we need to do a lot more to eliminate discrimination and build a positive, empowering and inclusive culture for NMC colleagues and everyone involved in our regulatory processes. To help achieve this, during 2024–2025, we developed a three-year Culture Transformation Plan and continued to make progress on our people strategic objectives and EDI strategic objectives, including launching a new behaviour framework and an Empowered to Speak Up initiative.

Transforming our culture

In July 2024, an independent review into the NMC's culture, led by Nazir Afzal OBE and Rise Associates, was published. We commissioned the report in response to allegations of racism, bullying and a culture in which colleagues were afraid to speak up and voice their concerns.

More than 1,000 current and former NMC colleagues, and more than 200 panel members who sit on fitness to practise hearings, shared their lived experiences. We thank them for doing so. The Independent Culture Review found a link between our regulatory performance and our culture.

In particular, the continuing challenges with the fitness to practise caseload have put some of our people under immense pressure, as well as contributing to the stress of those caught up in these processes.

The report also found that two NMC colleagues might pass each other in a corridor with experiences that are worlds apart: one may be on an upward career trajectory, highly motivated and satisfied with their work; whilst the other may be subjected to racism, discrimination and bullying. When these issues have been raised in the past, we have not taken enough action to address them and hold people to account. Racism, discrimination and bullying have no place at the NMC.

We accepted all the Report's recommendations and made additional commitments. We have started to make changes to transform colleagues' experience at work, such as introducing a behaviour framework, providing psychological safety development training to senior leadership in key directorates, giving people on fixed term contracts more certainty with permanent contracts and offering extended decompression support to colleagues working on sensitive casework.
These immediate actions have enabled us to set a solid foundation upon which to build transformational change. We want colleagues to enjoy work and create an environment where they can thrive and have a positive impact on our goals. We are embarking on a journey to build a working environment with innovation, learning and continuous improvement at the heart of our approach.

After joining the NMC in January 2025, Paul Rees MBE, Interim Chief Executive and Registrar, hosted seven listening events attended by 770 of our 1,300 colleagues. The feedback from staff has helped shape our comprehensive three-year Culture Transformation Plan designed to bring about a root-and-branch change in our organisational culture. We want to build a culture that is positive, empowering and inclusive for all colleagues, regardless of their background or characteristics – with everyone feeling that they belong.

The Culture Transformation Plan is based on six pillars:

1. Strong and effective leadership
2. Values-based decision-making
3. Embedding EDI
4. Ensuring psychological safety
5. Enjoying work
6. Regulatory fairness.

We will implement our plan in an iterative way, evaluating, learning and improving as we go.

We also commissioned Ijeoma Omambala KC in July 2024 to undertake two reviews of aspects of our work: one on some specific fitness to practise cases, and the other on our handling of whistleblowing. The timeline for delivery of these reviews has shifted for a range of reasons, but it is expected that we will now receive them in summer 2025. We will digest the findings and incorporate relevant actions arising into our improvement plans in the current year.

"When I joined the NMC in January 2025, I committed to delivering a clear vision and plan in March 2025 that would create a positive, empowering and inclusive culture for everyone. I'm delighted that we're now taking this plan forward, underpinned by a strong anti-racist ethos and a commitment to improve the regulatory experience for the public and nursing and midwifery professionals."

Paul Rees MBE
NMC Interim Chief Executive and Registrar

People strategic objectives

Our people strategic objectives are key to building a positive, empowering and inclusive culture at the NMC. A largely new executive team and a clear coaching approach across the organisational leadership will drive change by equipping our managers to be great leaders. This will help us deliver a transformation of our culture, with EDI best practice at the heart of all we do.

In 2024–2025 we:

- Launched revised inclusive recruitment training and corporate induction programme to strengthen our processes. This helps ensure we hire and retain the best people and talent for our roles and are fair and transparent at every step.
- Introduced a new behaviour framework to underpin our expectations of colleagues at each stage of their career. The framework will be rolled out over two years and be embedded in everything from recruitment to appraisals. In 2025, we will refresh it so that it aligns with any new values we introduce.
- Doubled our training budget to support colleagues and address the behaviours and experiences reported in the Independent Culture Review.
- Introduced 360 feedback for our Executive team, which we will roll out to all leaders in 2025–2026. Combined with feedback from our annual staff survey, this will provide our colleagues with robust and achievable objectives.
- Developed our Management Essentials training into a leadership programme with a strong focus on coaching that will be rolled out in 2025.
- Continued our Rising Together and Rising Higher programme which is now in its fifth year. Through direct mentoring and learning the programme aims to support colleagues' development, confidence, and opportunities for promotion. We have excellent representation on the programme from across the NMC and the feedback has been excellent. We have seen a year-on-year increase with more than 50 colleagues now on the programme. Of the 2024 cohort, one in five has so far had a promotion or a senior secondment within the NMC.

Our staff networks continue to go from strength to strength, and 2025 saw the newly-formed Women's Network launch. Our networks play a key stakeholder role, having input into policy and consultations.

Equality, diversity and inclusion strategic objectives

Our EDI plan was reviewed in light of the Independent Culture Review recommendations, to make sure we are taking actions in the areas most needed. We have appointed EDI experts to review our EDI learning and policies to make sure that anti-racist values and behaviours are deeply embedded in our culture. This includes:

- Cultural competency training for our Executive Board to build awareness and leadership accountability
- EDI learning at all levels, designed to equip colleagues with the knowledge and skills needed to foster an inclusive and anti-racist workforce, which will be rolled out in 2025–2026
- A learning suite where anti-racism is woven throughout, ensuring it is not a one-time intervention but a continuous process of growth and reflection
- Committing to and embedding UNISON's anti-racist charter, which we signed up to in April 2025
- Committing to provision of bespoke and appropriate development learning over 2025-2026 on EDI for Council and its committee membership. This will further bolster the insights for governance over the delivery of the culture transformation plan.

We also launched our Empowered to Speak Up initiative in June 2024 which provides a space for colleagues to share concerns with a trained colleague outside of their team, who can provide impartial guidance and listening. We are embedding this ethos of listening, speaking and being curious throughout the organisation through our mandatory training programmes.

To support how we move from commitment to action, we are developing a comprehensive anti-racist approach that focuses on engagement and accountability, embedding anti-racism into policy and processes and measurable goals that steer systemic change. As part of this work, in July 2025, we agreed five EDI strategic objectives that set out how we will achieve positive change in our EDI ambitions, both for our colleagues and those with whom we work.

"As a nurse, the Mid Staffordshire NHS Foundation Trust Inquiry still sticks in my mind, and I understand how important it is to be supported when people have concerns. I wanted to be able to support colleagues here at the NMC and be part of providing a safe and supportive place for anyone to talk about issues or concerns in confidence."

Becky Garnet,
NMC colleague and Empowered to Speak Up ambassador

We are committed to facilitating the use of the Welsh language and ensuring that the Welsh language is not treated any less favourably than English. Each year we publish a Welsh Language Standards Regulations Annual Monitoring Report, you can read the report for 2023–2024 here. The report for 2024–2025 will be published later in the year.

Strengthening our approach to corporate learning

We have many sources of corporate learning, and we know that we need to utilise them more effectively to make improvements. To help achieve this, our quality assurance team now analyses information from across the NMC every six months and produces a report with key themes and risks. This report is scrutinised by the Executive Board and Audit and Risk Committee to inform their decision-making and ensure we are embedding learning effectively. We will continue to develop and refine the approach in 2025–2026.

We have also invested in a new incident reporting process, policy and system that simplifies the categorisation of incidents and uses language that encourages greater reporting and creates a culture of open learning. As well as helping us to learn more effectively from individual events, it will also help us to identify new emerging trends and risks so that we can take quick and appropriate action. Unfortunately, the launch was delayed due to a number of reasons, including delays in agreeing specifications for the system. We are undertaking a lessons learned exercise to strengthen our approach. We launched the new system in June 2025.



Performance dashboard as at 31 March 2025

Overall RAG Rating

Priority outcome 2: Build an inclusive, high performance, learning culture

KPIs and Indicators

+0.9%	Gap in hire rate[1] between white and Black, Asian and ethnic minority applicants (target: +-0.5 percent)
26.3%	Percentage of Black, Asian and ethnic minority colleagues represented in grades 6 and above (No RAG rating as we are monitoring)
9.5%	Percentage turnover (target: 0.1 percent to 12.5 percent)
10.6	Average number of days of sickness absence per person (target: 6.5)
45%	Percentage of serious event review[2] (SER) incident reports completed within eight weeks (target: 100 percent)
97%	Percentage of overall eligible colleagues who completed Ambitious Appraisals (our appraisal process for colleagues) quarterly check-ins (target: 95 percent)

[1] Hire rate is the likelihood of a candidate being hired when applying. We want the difference in hire rate between white and Black, Asian and ethnic minority candidates to be as close to 0 percent as possible.
[2] Further information on our SER process can be found in the Annual Governance Statement.

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Strategic risks addressed by this priority outcome

Strategic risk PEO24/01: Risk that our organisational culture impacts on the productivity, performance, learning and morale of the organisation.

Q1 16 Q4 20

Strategic risk: GOV24/01: We may not effectively prioritise, monitor and manage our portfolio of activity and keep pace with the high level of change (and resources required) to achieve our five Priority Outcomes.

Q1 16 Q4 20

Strategic risk: PEO24/05: Risk of low morale, engagement, and increased turnover due to the challenges of the last year and planned changes this year. The volume of turnover within the Executive Board may create a feeling of instability, continual changes to priorities and direction, as well as the loss of talent, expertise and corporate knowledge.

Q1 16 Q4 20

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Priority outcome 3: Modernise our internal systems, tools, policies and processes

Some of our key internal systems and policies require modernisation to ensure better, safer regulation for the benefit of the public. Successes during 2024–2025 included launching our safeguarding hub and transferring the registration and personal details of registered nurses, midwives and nursing associates from an ageing legacy system to a more modern, sustainable system.

Strengthening our safeguarding process to support people at risk of harm

Improving our safeguarding arrangements was a significant focus for the NMC in 2024–2025. Whilst our risk register rating for safeguarding remains high, a number of steps have been taken to strengthen how we support people at risk of harm.

Launch of our safeguarding hub: In September 2024 we launched our multi-disciplinary safeguarding hub which reviews all cases that are referred to professional regulation. The hub includes colleagues from our safeguarding team, mental health clinical advisers, the public support service and professional support and engagement team. This helps us to identify safeguarding risks at an early stage and support people at risk as quickly as possible.

Between September 2024 and March 2025, the hub reviewed 764 cases with a safeguarding element. The hub focuses on three key areas: information sharing with agencies responsible for safeguarding, management of any safeguarding risks and support to obtain relevant evidence to understand risk. Typically, the most common forms of outcome are providing advice to teams handling the cases or referring the case to external agencies.

Enhancing our safeguarding referrals processes: In addition to safeguarding hub cases, 644 requests for safeguarding advice have been made to the Safeguarding Team. To manage these requests effectively, the Team has adopted a new system of reporting and logging concerns to support the management and analysis of safeguarding data. This enables our teams better to track any safeguarding advice and support given throughout the lifetime of our involvement with any individuals concerned.

Strengthening safeguarding governance: We have strengthened our governance arrangements by establishing a cross-organisational safeguarding board and working group. This helps ensure we are managing safeguarding risks effectively and delivering on our safeguarding priorities. In addition, a new process has been adopted for safeguarding-related referrals to the Charity Commission.

Other improvements include:

- The roll-out of Disclosure and Barring Checks (DBS) for a wider proportion of the organisation and mechanisms to ensure safe recruitment
- Collaboration with our communications team to ensure there is a safeguarding approach for concerns identified on social media
- Reviewing our technology systems to assess how we can better support colleagues to identify and flag safeguarding concerns
- Establishing new roles in the safeguarding team to support the delivery of team priorities and hub work.

Modernisation of technology services

The Modernisation of Technology Services programme is reducing our reliance on ageing technology, which will help us to automate more of our processes, use data more effectively and update our systems more quickly in line with changes to legislation. Ultimately, this makes it easier for people to connect with us and for NMC colleagues to do their jobs, supporting nursing and midwifery professionals to deliver safe, person-centred care.

The programme has had its most successful year to date. Most notably we have completed the transition of our register from an aged legacy system onto a more secure, modern and sustainable platform. This improves how we store and retrieve data and have more confidence that crucial information held on the register will always be accessible to the public.

We have also:

- Launched a new concerns management solution which enables more effective triaging of incoming concerns from the public. A new triage team was established and trained to use the system, and this reduced the number of referrals being considered by the screening team
- Developed a new solution to identify the availability of panel members more efficiently and effectively, and a new interface for panel members to manage their availability and bookings
- Developed the project scope to replace NMC Online, which is the system registered professionals use to submit applications and revalidate their registration
- Established a standard set of EDI data elements that are consistently applied across all systems, revalidation processes and referral forms. Consistent data will strengthen our insight and help us make sure our processes are fair and accessible to all.

Regulatory reform

It is important that our guiding legislation supports modern, effective professional regulation which benefits nurses, midwives and nursing associates and supports people and communities receiving care. We continue to work with UK and devolved governments on a reform agenda for regulation in the longer term which will remove legal barriers that limit our ability to improve and innovate.

Currently, all our regulatory rules must be approved by the Privy Council. In future it is proposed that we will be able to approve our own regulatory rules, which will enable us to modernise our regulatory processes more quickly and respond to changes in the environment in which nurses, midwives and nursing associates work. The reforms will increase our accountability across the four UK nations.

Legislation for the regulation of anaesthesia associates and physician associates has been passed into law. This legislation will act as a template for the future regulation of all health and care professionals.

Environmental sustainability plan

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 in an environmentally sustainable way, and supporting those working in the health and care sector to do the same, particularly in reducing the greenhouse gas emissions which drive climate change.

We launched our first environmental sustainability plan in 2024 and have made important progress.

We have:

- Moved all our electricity to net zero suppliers
- Embedded sustainability into our estates strategy so that any major changes in the future are implemented sustainably
- Built sustainability into our procurement policy
- Made sure that the carbon impact of our investments is built more explicitly into our investment policy
- Moved our colleague pension scheme to a provider that provides strong environmental credentials and options to its members
- Incorporated sustainable practice for registered professionals into wider reviews of our standards and the Code to support those working in the health and care sector.

Key carbon targets in our environmental sustainability plan include being carbon neutral across all emissions by 2030, being net zero for scope one and two emissions on all sites by 2035 and being net zero for all emissions by 2040.

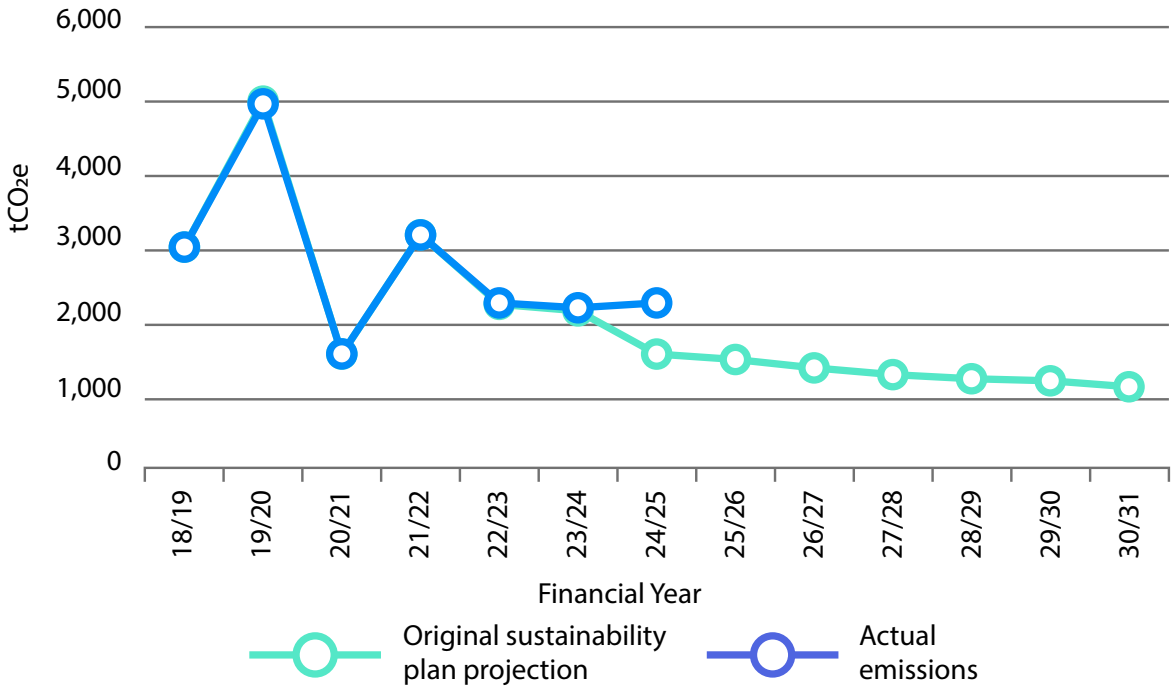
Our carbon impact, which is fairly standard for an organisation of our type and size, is set out in the following table.

Table 1

Tonnes of carbon dioxide equivalent (tCO_2e)	2022–2023	2023–2024	2024–2025
Scope 1 (direct emissions for example gas heating)	155	135	159
Scope 2 (purchased electricity emissions)	45	33	0
Scope 3 (indirect emissions by suppliers)	2,005	1,915	2,034
Total	**2,205**	**2,083**	**2,193**

Whilst we have eliminated scope two emissions and reduced some areas of scope three emissions, overall emissions are above the net-zero trajectory range due to the delay in refurbishing our London office at 23 Portland Place and rising emissions in areas such as homeworking and business travel. Looking forward, given the impact of the delay to refurbishing 23 Portland Place, a key driver will be decisions around our estate, which will be taken over the next two to three years.

Actual emissions (all scopes) against net zero trajectory



Ethical and sustainable investment

Our investments must be consistent with our values and our commitment to environmental sustainability. We reviewed our investment policy in 2024–2025, and made the following changes to strengthen our approach:

- Our revised policy introduces a broader and more nuanced approach to carbon, by measuring and working to reduce the carbon intensity of our investments overall, while also applying a selective ban on the worst offending fossil fuel companies
- Our policy now explains more fully our thinking and approach to companies selling infant formula milk and the concern that some companies are deviating from an approach based on UK law. This aims to protect breastfeeding, as well as safe and appropriate formula feeding, in line with our Code
- We now seek to avoid investment in companies with significant exposure to high interest lending, in addition to existing exclusions on tobacco, gambling, pornography and armaments
- We now seek to apply an ethical filter to all our investments (including selection of banks for cash deposits) rather than just long-term investments.

Performance dashboard as at 31 March 2025

Overall RAG Rating

Priority outcome 3: Modernise our internal systems, tools, policies and processes

KPIs and Indicators

729 — Volume of DBS checks completed (12 month rolling) (target: 900)

0 hours — Unplanned downtime of service availability for NMC website and NMC online (target: less than five hours monthly)

91% — Top desk tickets completed in 50 working hours (target: 90 percent)

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Strategic risks addressed by this priority outcome

Strategic risk REG 24/05: We fail to meet our statutory safeguarding responsibilities to protect people who come into contact with the NMC through our work from abuse or mistreatment.

Q1 20 | Q4 25

Strategic risk TECH 24/01: Unauthorised access to sensitive information and records, or the failure of key business technologies, leading to the loss of confidentiality, integrity, or availability of our information, data, or information systems.

Q1 15 | Q4 16

Strategic risk STR24/07: Risk that we fail to mature our process and culture around data and insights which could potentially impair our progress.

Q1 N/A | Q4 16

Strategic risk FIN21/02: The risk that we may not have the financial resources to invest in activities in our corporate plan, resulting in us failing to achieve our strategic ambitions and priority outcomes.

Q1 12 | Q4 12

Strategic risk 22/04: The risk that external impacts such as climate change, natural disasters, pandemic and national security will have an impact on our ability to be an effective regulator, or to deliver our core regulatory functions.

Q1 12 | Q4 12

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Priority outcome 4: Contribute to the workforce strategies and support professionals in the four nations

The professionals we regulate form the largest part of the health workforce and a critical part of the social care workforce. They are vital to people and communities across the UK and they are currently under considerable pressure. We want our partners to benefit from our insight and be able to use it to inform and implement plans to address workforce challenges and improve care for people. We also want the way we regulate to support nursing and midwifery professionals adapt to future challenges, including the changing needs of people who use services.

To help achieve these aims, during the year, we shared our insights to influence national workforce priorities and reviewed how we can strengthen our approach to practice learning and advanced practice.

Contributing to workforce strategies to improve care for people

By sharing our insights and working with partners we are committed to playing our part in addressing workforce challenges, improving the experiences of professionals and the care that people receive.

We contribute in several ways:

- What we do: Our suite of annual reports provide valuable data and insight on the UK workforce and experiences of care that informs workforce strategies and plans
- Example: Our annual insight report, Spotlight, focused on public expectations and experiences of health and care, and of regulation. This helped us improve our own processes but also provided valuable insight for others in the sector too. You can read the report here
- What we do: We influence workforce policy by participating in government and NHS steering groups and boards
- Example: During 2024–2025, we participated in the Welsh Government's Band Four Programme Board which has overseen preparations to introduce regulated nursing associates in Wales. We were also members of the group developing an adult social care workforce strategy for England, convened by Skills for Care.

Supporting students to develop the skills and knowledge to deliver the best possible care for people

Nursing and midwifery students undertake practice learning placements as part of their education. It helps them to develop professional behaviours and gain the experiences they need to deliver safe, kind and effective care when they qualify. In 2024, we commissioned independent research to understand what contributes to effective practice learning across the UK and in other countries. This will enable us to recognise and acknowledge innovation and ensure that our requirements continue to equip students with the knowledge and skills to deliver the best possible care for people across a diverse range of care settings.

In January 2025, our Council considered the findings of the first phase and approved five key lines of enquiry for the next phase of the pre-registration practice learning review. The findings from this second phase will be presented to Council in July 2026.

To make sure the voices of all stakeholders are considered, the review is being guided by an external steering group, consisting of key partners in UK health and social care, as well as a public advisory group and student advisory group.

EDI considerations were embedded from the outset and remain a prominent focus of the project. For example, one of the key lines of enquiry is to examine the practice learning experiences of students with protected characteristics (including those who require reasonable adjustments) to understand how these are taken into account as part of students' learning, and whether they impact student retention.

Supporting advanced practitioners to meet complex needs within health and care

Experienced nurses and midwives across the UK are increasingly taking on complex, autonomous and expert roles commonly referred to as 'advanced practice'. These roles are beneficial for the public: professionals in these roles demonstrate advanced communications skills, make timely person-centred decisions and support people to seamlessly receive care across different specialities and settings. To make sure risk is being managed effectively, we are undertaking a comprehensive review of advanced practice. Phase one of our review found that while advanced practitioners play an important role in the health and care system, a lack of consistency in education and training, qualifications, responsibilities and governance processes can create a risk to the public that additional regulation can help mitigate.

To best meet this need, through phase two of our review, we are developing a combination of approaches to additional regulation. We made good progress in key areas of this work in 2024–2025:

- We developed potential options for recognising existing advanced practice qualifications. This will ensure proportionate transition arrangements for existing advanced practitioners. In developing these options, we have engaged in conversations with professionals internationally and across the UK to learn lessons from their experience, as well as engaging with professional bodies
- In collaboration with stakeholders across the UK, we introduced advanced practice principles to help develop a shared, consistent approach to advanced practice. These principles will support the public to understand the role of an advanced practitioner, support professionals by setting clear expectations for their practice and help employers develop and sustain systems in which advanced practice can thrive. You can read more about how we collaborated with people later in this report.

EDI considerations have been central throughout this work, including the need to recognise the unique barriers that internationally-educated professionals face in accessing opportunities to develop their careers in advanced practice.

We had intended to progress other workstreams in this programme during 2024–2025. However, we re-sequenced this work to make sure we could collaborate widely and corporately focus on cultural transformation.

Working in partnership to shape our work

Engaging with and empowering members of the public, the professionals on our register and our partners is key to delivering our work and helping drive improvement in health and social care for people and communities.

"As a lay person, my experience with advanced practitioners is that they are absolutely brilliant, but I would now be expecting that kind of brilliance from anybody who's saying they're an advanced practitioner. That this might not be the case concerns me."

Member of public,
explaining why they think regulation will be beneficial

One way we do that is through our Public Voice Forum, which enables members of the public to shape our strategic work. Members are from all four UK countries and from diverse walks of life and communities. Some live with long-term conditions, meaning they interact regularly with professionals on the register. Making sure we are hearing these voices is critical in developing, fine tuning and embedding our standards, and in improving people's experiences of services through people's lived experience of health and social care.

You can learn more about the work of the Public Voice Forum by watching the video in English here and in Welsh here.

We have also continued close, regular engagement with the professionals on our register, employers, educators, health and care leaders and other regulators.

Case study:

When developing principles for advanced practice, we wanted to ensure that diverse voices and experiences shaped our understanding. To achieve this, we engaged with more than 3,000 individuals, through:

- An independent steering group which consists of key professional strategic stakeholders from across the four nations and those with expertise in advanced practice across the breadth of settings and sectors
- A standing public advisory group, comprising both members of the public with lived experience of being cared for by advanced practitioners and representatives of charities and advocacy organisations representing those people
- A joint regulatory working group including all UK health and care professional regulators and four nation system regulators
- Discussions with the Public Voice Forum
- Extensive engagement with nursing and midwifery professionals, through webinars and roundtables, to test assumptions and emerging themes
- Working groups focused on each of the four UK nations to ensure alignment with the existing advanced practice framework in each country. The working groups consisted of strategic colleagues, representing a range of advanced practice level nurses and midwives, including commissioning and workforce leads.

Supporting professionals to join our register

Our register is a key tool for protecting the public, ensuring that only those who meet rigorous standards of character and practice, contributing to improved health and wellbeing, are allowed to join. We aim to make this process as quick and supportive as possible for those applying or re-applying. In 2024–2025, we exceeded our KPIs in this area: 99.9 percent of UK initial registration applications were completed within one day against our target of 97 percent (2023–2024: 99.4 percent) and 99.0 percent of internationally-trained professionals' applications were assessed within 30 days against our target of 95 percent (2023–2024: 99.1 percent).

Our contact centre plays an important role in supporting professionals. In 2024–2025 there were 215,203 calls to the contact centre (2023–2024: 222,905) and 108,845 emails. Our contact centre strives for excellent customer service and, on average for the year, 94.2 percent of people who got in touch with the contact centre and answered our survey said we treated them kindly (2023–2024: 95 percent) and 74.3 percent said we answered their question or query first time (2023–2024: 70.4 percent).

We know that applying to register in a new country can be daunting, especially in situations where people have been forced to move across borders. This can make meeting our requirements in the usual way particularly difficult. In 2023–2024, we launched our forcibly displaced persons policy to support people through this process, and during 2024–2025 we worked with stakeholders to increase awareness of the policy.

Revalidation gives the NMC and the public the confidence that the professionals on our register continue to meet the requirements of safe and effective practice. This year we have reviewed and amended all our revalidation email templates to make the process clearer, reducing the potential for errors in professionals' submissions and to help ensure our data is accurate.

On 31 March 2025, there were 853,707 professionals on our register; an increase of 3.3 percent on the previous year (2023–2024: 826,418).

Number of professionals on our register by registration type at 31 March 2025:

- **46,606** Midwives
- **788,074** Nurses
- **6,245** Dual registered (nurse and midwife)
- **12,782** Nursing associates

Total register **853,707**

Number of registered professionals by country or region of training at 31 March 2025:

- England **518,673**
- Northern Ireland **22,278**
- Scotland **74,733**
- Wales **32,006**
- European Union/ European Economic Area **25,988**
- Rest of the world **180,029**

Professionals on the register by ethnicity:

- Asian or Asian British **148,878** **17.4%**
- Black, African, Caribbean or Black British **110,703** **13.0%**
- Mixed or multiple ethnic groups **7,707** **0.9%**
- Other ethnic group **10,428** **1.2%**
- Prefer not to say **23,009** **2.7%**
- White **552,936** **64.8%**

Professionals on the register by gender:

- Man **95,550** **11.2%**
- Woman **758,127** **88.8%**

Performance dashboard as at 31 March 2025

Overall RAG Rating

Priority outcome 4: Contribute to the workforce strategies and support professionals in the four nations

KPIs and Indicators

99.9%	Percentage of UK initial registrations applications with no concerns completed within one day (target: 97 percent) (12 month rolling)
93.6%	Percentage of UK registrations requiring additional scrutiny completed within 60 days (target: 90 percent) (12 month rolling)
99.0%	Percentage of overseas registration applications assessed within 30 days (target: 95 percent) (12 month rolling)
97.5%	Percentage of readmissions applications completed within 21 days (target: 95 percent)
2,122	Total objective structured clinical examination (OSCE) tests offered per month across our five test centres (volume) (target: more than 3,000)

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

KPIs and Indicators

99.2% Percentage of customers who agreed that the OSCE test centre treated them with 'respect and dignity' throughout the examination process. (target: 95 percent)

92.6% Percentage of contact centre call attempts handled (target: 90 percent)

4.5 Email response rate (days) (target: less than five working days)

94.2% Percentage of customers reporting that the contact centre handled their calls with kindness (target: 95 percent) (12 month rolling)

Strategic risks addressed by this priority outcome

Strategic risk REG18/01: We fail to maintain an accurate register of people who meet our standards (including timeliness of registrations)

Q1 15 Q4 15

Strategic risk REG 19/03: Failure to ensure that educational standards are fit for purpose (including processes to ensure compliance with standards are met).

Q1 8 Q4 8

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Priority outcome 5: Strengthen the integrity of the register

People receiving care in the UK must have confidence in the quality of education, skills and competency of registered nurses, midwives and nursing associates. In 2024–2025, we have focused on improving our international registration processes and controls and our approach to education quality assurance.

Strengthening our international registration processes

In order to join our register, internationally-educated professionals must provide evidence that they meet our standards to provide safe, kind and effective care and meet the character requirements for registration. It is essential for the NMC to maintain the safety and integrity of the register. That is why we investigate thoroughly when concerns are raised with us about possible fraud occurring in the application process.

As reported in last year's annual report, our investigation into Computer-Based Test fraud at the Yunnik test centre in Nigeria found there was evidence of widespread fraudulent activity. To ensure the integrity of the register, all tests were invalidated, and in each case a carefully considered decision is being made about whether or not to remove those individuals from our register, or whether or not to refuse their application to join it. More recently we have investigated potential fraud concerns from an English language test centre in India. In this case our investigation concluded that there was insufficient evidence of fraud and we would close the case once a new test had been taken.

To make sure we learned from these incidents, we commissioned our internal auditors, RSM, to review our existing counter-fraud measures to help identify any system gaps. In most respects, the audit found processes to be soundly designed. However, it did identify some areas where controls could be strengthened and arrangements revisited, for instance developing a more extensive fraud policy that extends beyond financial fraud and clarifying roles and responsibilities for managing fraud. We used this learning, along with our own insight, to develop clear protocols for action when fraud is suspected to help us take swift action as quickly as possible.

As well as taking robust, swift action to protect the public, we recognise that internationally-educated professionals face unique safeguarding risks and can be especially vulnerable to exploitation and coercion. To make sure we are providing appropriate support, our policy now includes consultation with professional groups and networks so that we provide enhanced, tailored support that meets our safeguarding responsibilities and mitigates potential mental health impacts on individuals.

Following the introduction of our revised processes we have seen an increase in the number of fraudulent cases identified by our processes.

Whilst this is encouraging, we know that fraud is constantly evolving and hard to address due to new technology and links with criminal activity such as modern slavery and human trafficking. Given these challenges, we are working closely with our partners across the UK to share information to improve our processes and identify and address fraud.

Strengthening our approach to education quality assurance

We monitor education institutions to ensure that they are delivering programmes that prepare knowledgeable and skilled professionals to meet the complex health and care needs of people and communities. We do this by approving education programmes that meet our standards and by monitoring their compliance.

We recognise there is more we need to do to strengthen our education quality assurance function to make sure we are proactively identifying issues and working collaboratively with key stakeholders.

To strengthen our approach, during 2024–2025, we took the following action:

- We partnered with a new education quality assurance service provider and moved to a new service model focused on agility and flexibility, supported by specific intelligence. This will help us to take action in a timely and proportionate way, reducing the potential impact on students and supporting them to develop the right skills and knowledge to deliver high-quality care throughout their careers. The onboarding of the new partner has been slower than anticipated and we are identifying learning for similar processes in the future
- We have increased capacity and expertise within our teams to strengthen monitoring of programmes and develop a more regional approach to working with approved education institutions (AEIs). This will help build stronger working relationships with AEIs, form greater collaboration and ultimately, identify and manage risks more effectively. We will continue to review our resourcing in 2025–2026 to support us proactively to identify risks
- We reviewed our IT systems and are developing proposals to strengthen the integrity of our data to help us identify and act on risks.

As reported in last year's annual report, in May 2023, we withdrew approval of the midwifery programme at Canterbury Christ Church University. This was the first time we had withdrawn approval of a programme. We took this decision due to the lack of assurance that students would be able to provide safe and effective care to women, babies and families at the point of registration. To capture and embed learning from this experience, we undertook a lessons learned review in 2024–2025, including external feedback. This has provided valuable insight that we will use to strengthen our approach.

In 2025–2026, we will build on these foundations by further embedding and developing our approach to identify and manage risks more effectively for the benefit of students and the public.

Approving quality programmes

Over the past year we approved one new education institution to run a nursing or midwifery programme, increasing the number to 99 (2023–2024: 98) and covering more than 2,527 undergraduate degree programmes and post-registration programmes serving more than 115,000 students. This means more opportunities for students to enter the workforce and extending the provision of care to people across the UK.

Monitoring approved programmes to ensure public trust and confidence in the quality of education

When a concern is raised about a programme, we assess and categorise the concern so that we can make the appropriate regulatory intervention. During 2024–2025 we received 150 new concerns, with 65 categorised as minor, 74 as major and 11 as critical. With all critical concerns we have been working closely with the AEIs to make sure robust action plans and mitigations are in place and outcomes are monitored. At the end of this reporting year, two of the 11 critical concerns remain to be resolved.

In spring 2024, our work to monitor AEIs highlighted themes affecting some approved education institutions. To manage this risk, we asked all AEIs to assure us that programmes were being delivered in line with our standards in these key areas: use of simulated practice learning, reflective practice, and satellite sites. Our subsequent review of 1,128 pre-registration programmes showed that in most cases our standards in these areas were met but that there was some variance. It also identified learning that we are using to strengthen our approach to education quality assurance, its role in protecting the public, and students on programmes.

Supporting midwives to deliver safe, kind and effective care

We have continued to focus on maternity safety, informed by our own insight and insights from external reports such as the CQC National Review of Maternity Services in England (2022 to 2024) and Enabling Safe Quality Midwifery Services and Care in Northern Ireland (2024).

We have engaged with midwives across the UK to reinforce the role our standards play in ensuring safe, kind and effective care in their own practice and in providing effective supervision and assessment of student midwives.

The standards of proficiency for midwives were published in 2019. Since then, two maternity enquiries have been published, Ockenden (interim and final) (2020; 2022) and Kirkup (2022). The midwifery team mapped the standards to the key recommendations of the reports and shared this with directors and heads of midwifery. This was to demonstrate that adopting the standards in full would play a part in demonstrating that the recommendations were being met. In January 2025, we engaged with directors and heads of midwifery to understand how effective the mapping tool had been. The response rate was disappointingly low, so we are considering what more we can do in this area to collaborate with our partners.

Performance dashboard as at 31 March 2025

Overall RAG Rating

Outcome 5: Strengthen the integrity of the register

KPIs and Indicators

99	Number of Approved Education Institutions
2,527	Number of approved programmes
1	Number of monitoring events completed in last quarter
Minor: 85 Major: 106 Critical: 2	Number of concerns
25	Volume of fraudulent applications identified within our processes (detected before entry to register)
3	Volume of incorrect and fraudulent entries to the register

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Volume: 105

Individual: 67

Non Fraud: 38

Volume of registration concerns under Assistant Registrar and/or Registration Investigation team review. (Individual fraud concerns, non-fraud concerns and large-scale fraud concerns (for example computer based test /occupational English test))

71 days

Median age of caseload for applications under review with Assistant Registrar and/or RIT

28%

Percentage of decisions overturned at appeal

3

Volume of cases removed/broken down between registration fraud, and those removed from the register due to failing to meet revalidation requirements

Strategic risks addressed by this priority outcome

Strategic risk REG18/01: We fail to maintain an accurate register of people who meet our standards (including timeliness of registrations).

Q1 15 **Q4 15**

Strategic risk REG 22/04: We fail to take appropriate or timely action to address a regulatory concern regarding the quality of nursing or midwifery education.

Q1 16 **Q4 20**

Performance indicator key

- On or above target.
- Up to 8% below target.
- More than 8% below target.
- Monitor only.

Risk Scores key

- 1–8
- 9–15
- 16–25

Environmental, social and governance review

03

Environmental

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 in an environmentally sustainable way and supporting those working in the health and care sector to do the same, particularly in reducing the greenhouse gas emissions which drive climate change.

You can read more about the action we have taken in 2024–2025 on page 26.

Social

As the regulator of nursing and midwifery professionals, our core purpose benefits society: we exist to protect, promote and maintain the health and wellbeing of the public. In doing so, our work impacts people across society: people receiving care and their families, the professionals on our register and our colleagues. We are committed to supporting those we work with and to playing our part in tackling society's social challenges. The Independent Culture Review made clear that we have not always met that commitment. In the performance review we set out the action we have taken to improve our culture, as well as the positive impact we have had in 2024–2025.

You can read more about:

- Improving our fitness to practise processes so they are more timely, fair and effective for everyone involved on pages 12-13
- Supporting people involved in fitness to practise on page 14
- Transforming our culture to build a positive, empowering and inclusive culture for NMC colleagues and everyone involved in our regulatory processes on pages 17-18
- Delivering our people and EDI strategic objectives, including work to reduce our pay gaps on pages 19-20
- Strengthening our safeguarding process to support people at risk of harm on pages 24-25
- Contributing to workforce strategies to improve care for people on page 30
- Supporting students to develop the skills and knowledge to deliver the best possible care for people on page 31
- Supporting advanced practitioners to meet complex needs within health and care on pages 31-32
- Strengthening our international registration processes on pages 38-39
- Strengthening our approach to education quality assurance on page 39
- Enabling people and communities to shape what we do, so we can make sure the way we regulate is rooted in people's needs and experiences on pages 32-33
- Ensuring our investments are consistent with our values on page 27
- The approach to widening diversity of thought and other diversity aspects through the recruitment practices for the independent Council committee membership on pages 87-88.

Governance

Effective, transparent governance is critical to ensuring positive long-term impact: an organisation must have clear accountability; diversity of perspectives and insights; strong organisational ethics and risk management. In our annual governance statement we set out how we have ensured good governance practices, including through testing our practices through our programme of internal audits.

You can read more about:

- Corporate ethics on page 85
- Board diversity on pages 62-63
- Reviewing and developing governance arrangements for the Culture Transformation Plan on page 91
- Introduction of the Adviser to Council on page 88
- Executive pay on pages 67-71
- Anti-fraud policies on page 104
- Modern slavery on page 104
- Risk management processes on pages 96-101
- The findings of our internal audit programme on pages 109-110.



Strategic plan for 2025–2026

04

Our context

Following a series of challenges, such as the problems with our culture highlighted by the review last year by Nazir Afzal OBE, we are starting to turn the NMC around – and working to win back confidence in our ability to protect the public through the effective regulation of nurses, midwives and nursing associates.

Our context is challenging. We know the journey to establish faster, fairer and more effective regulation that upholds good nursing and midwifery practice will be complex, considering the pressure under which the wider health and care system is operating.

The professionals we regulate form the largest part of the health workforce and a critical part of the social care workforce. They are vital to people and communities across the UK. They are currently under considerable pressure and need effective professional regulation.

We have set out a plan to recover, stabilise and enhance the NMC as a fit-for-the-future organisation, underpinned by a clear programme of cultural transformation and our Fitness to Practise Plan.





Corporate Plan strategic priorities:

- Build a new culture and implement learning from reviews
- Strengthen leadership at the organisation to drive change
- Improve fitness to practise
- Maintain our other core regulatory functions
- Address our most significant challenges.

The turnaround activities provide some of the foundations to enable and accelerate successful delivery of the Corporate Plan and the Fitness to Practise and Culture Transformation plans.

This will enable us to become a trusted regulator that supports professionals to uphold high standards of practice to protect the public and maintain confidence in the professions.

Our strategic roadmap

We are determined to achieve the changes we need in our culture and regulatory processes, but it will not be easy. We are committed to being transparent about our choices and progress, and to taking a phased approach to what we can do. This does not mean losing sight of longer-term projects, plans and activity not covered here, but does mean making tough and realistic decisions about the sequencing of our work, so that we can do it well.

We have split our improvement journey into three phases:

1. Phase one: Recover
2. Phase two: Stabilise and rebuild
3. Phase three: Enhance and improve

We will set clear markers to help us decide when we can move from one phase to the next, and every quarter we will review and refine for the next cycle. We will report transparently on our progress and any adjustments needed. We will publish an updated plan in autumn 2025, which will provide more detail on the activities we are prioritising within our strategic roadmap, following the receipt of anticipated reviews and their recommendations.

Phase one

Recover: ensuring a focus on our core regulatory functions

We will focus on our core regulatory functions. Our approach will be responsive to our changing context, feedback and recommendations from our stakeholders: nursing and midwifery professionals, the public and NMC colleagues.

We will need to collate, rationalise and prioritise any further recommendations that come from anticipated external reviews into our work.

Starting in 2025–2026, we will focus on the most critical areas of recovery, as follows:

1. Build a new culture and implement the learning from reviews

Since the publication of the Independent Culture Review, we have been laying the foundations for culture and performance transformation.

This transformation will enable us to deliver our regulatory work to an improved standard. To deliver this well, we will strive to create a culture that is positive, empowering and inclusive – enabling colleagues to thrive regardless of their characteristics or background.

Our Culture Transformation Plan is based on six pillars:

- Effective leadership
- Values-based decision-making
- Embedding EDI best practice
- Psychological safety
- Ensuring enjoyment at work
- Regulatory fairness.

2. Strengthen leadership at the NMC to drive change

A largely new executive team and a clear coaching approach across the organisational leadership will drive change by equipping our managers to be great leaders.

This will help us deliver a transformation of our culture, with equality, diversity, and inclusion (EDI) best practice at the heart of all we do. Our leaders will inspire and enable their teams to consistently perform at a consistently high level.

3. Improve fitness to practise

The focus of our Fitness to Practise Plan is on delivering faster, fairer and more effective outcomes that consider everyone involved. We will empower our people and use technology to make sure our processes support the people who depend on us. We know we need to improve at pace and resolve concerns as early as possible whilst not overburdening our colleagues. We are seeing progress towards our targets of reaching quicker decisions for people and closing cases within 15 months.

We are making a difference already by taking steps to deliver a more compassionate service, but we recognise that it will take time for people to feel the effects in practice.

4. Maintain our other core regulatory functions, including developing our standards to support nursing and midwifery professionals and protect the public

We will maintain our focus on setting and evolving our standards to meet the needs of today's workforce, whilst ensuring the standards remain fit for the future.

Our other core regulatory functions are education quality assurance, registration (domestic and international) and revalidation.

We will also progress four key areas of work that are fundamental to nursing and midwifery professional practice: the Code, revalidation, practice learning and advanced practice.

To ensure we protect the public through modernised standards, we are sequencing our work to make sure we can collaborate widely and effectively with our stakeholders and the public:

- We will start work to modernise the Code and revalidation in 2025–2026. We will aim to consult between July and October 2026. The modernised Code and revalidation process will come into effect in October 2027
- We will consult on changes to our practice learning requirements between February and March 2026, with a view to transitioning to the new standards from September 2026
- We will publish Principles for Advanced Practice in May 2025. We will develop standards for advanced practice for consultation later than planned, in the 2027–2028 financial year
- We will consider requirements for advanced practitioners as part of the Code and revalidation reviews.

5. Address our most significant challenges

We will also manage any risks to our business operations as an employer and regulator. These include our financial position, the integrity of our register, safeguarding and education quality assurance.

We will continue to direct our resources and efforts to where they are most needed and where they can have the most impact for the benefit of the public. This will also require us to actively consider if we have the resources we need to deliver effective regulation.

Our current professional retention fee is £120 per year, with the fee being reviewed yearly. We have kept the fee at the same level for the last decade, despite a period of substantial inflation, to minimise the impact on the professionals on our register. However, this has meant our income has reduced by 26 percent in real terms. This position is not sustainable in the long term. Any future proposal to increase the fee will be subject to a consultation, in line with our guiding legislation.

Phase two

Stabilise and rebuild: setting the stage for sustainable growth

Stabilising our regulatory functions, and with a new leadership team in place, we will be able to build a sustainable and effective future. We acknowledge that our plans may be impacted by upcoming reviews and recommendations – for example, we have commissioned Ijeoma Omambala KC to investigate our handling of whistleblowing concerns, as well as some fitness to practise cases.

There are likely to be some adjustments to our plans, and some resequencing of activity within phase one or into phase two, to make sure we prioritise on a continuous basis.

In our current plan, priorities will include:

- **Strengthening our workforce and culture:** embedding, reviewing and enhancing our initiatives – building on the foundational people and culture work in phase one, to ensure we maintain a positive and inclusive workplace for the long term
- **Implementing priority actions:** we will continue to take forward learning and actions following external reviews and inquiries which make any recommendations for our regulatory work, focusing on those with the biggest impact on regulation and public protection
- **Developing our standards:** the modernised Code and revalidation process will come into effect in October 2027. If the outcome of our review of practice learning indicates the need to update our practice learning standards, we will transition to new standards from September 2026. We will develop standards of proficiency and associated programme standards for Advance Practice for consultation in the 2027–2028 financial year.

Phase three

Enhance and improve: being the best regulator we can be

Once we have stabilised, we will shift our focus to harnessing data and technology to ensure we regulate as effectively as possible. We will seek to enhance our regulatory performance, prioritising improvements which have the greatest positive impact on public safety.

Our priorities will include the following:

- **Fulfilling our data roadmap:** providing accurate and accessible data to our regulatory teams and partners to provide better use of insight that enhances regulation and strategic workforce planning
- **Modernising our legislation:** we will seek opportunities to modernise our legislation by engaging with the UK government or devolved governments on their regulatory reform agendas, for example the introduction of nursing associates across the devolved nations. Additionally, we also hope to improve the efficiency and fairness of our regulatory work
- **Leveraging new technologies:** we will make use of advanced technology to increase operational efficiency and improve the experience of NMC staff and the public who engage with our regulatory processes
- **Concluding work on our standards:** with a refreshed Code and revalidation guidance coming into effect in October 2027, we will also continue to finalise draft standards in preparation for consultation on advanced practice. Standards and any transitional arrangements will be finalised during 2027–2028 and, if required, new practice learning standards will be implemented.

Financial Review

05

Income and expenditure

Our total income for 2024–2025 was £108.6 million (2023–2024: £107.2 million) and total expenditure was £130.4 million (2023-2024: £108.3 million). This has resulted in a net deficit of expenditure over income of £21.8 million (2023–2024: £1.1 million deficit) before the gains on our investments and the net movement on the actuarial gain and asset ceiling adjustment on the defined benefit pension scheme. After taking these into account, our total funds were £59.7 million (2023–2024: £78.9 million).

We had planned for a £17.7 million deficit in 2024–2025 before gains or losses on investments, but over the past year we have taken decisions that led to higher deficit outturn than budgeted. These reflect the longer-than-planned fitness to practise investment and the Independent Culture Review and the commitments we have made publicly about our culture transformation journey. Meeting the costs of additional specialist support (£2.9 million), a provision (£3.1 million) for potential additional costs related to ongoing employment tribunal cases, and lower than expected income from overseas professionals are the main contributing factors of reporting higher than budgeted net deficit this year.

Income from registration and application fees was £105.3 million, marginally below the budget, but a 2.0 percent increase on the previous year (2023–2024: £103.3 million). This was driven by the number of nurses, midwives and nursing associates on our permanent register growing by 3.3 percent, to 853,707 at 31 March 2025.

However, our income expectation is now broadly flat in cash terms due to the steady reduction in the applications volume from internationally trained professionals. Income from this source was, therefore, £1.6 million below budget for the year. A reduction in overseas applications would negatively impact our main registration income in future years due to substantial time lag between internationally trained professionals applying to join the register and joining the register. We now anticipate overall increase in the register volume to reduce from an originally expected 3.3 percent to 1.8 percent from 2026–2027.

Our total expenditure of £130.4 million was £2.9 million (2.4 percent) higher than we had budgeted and £22 million (20 percent) higher than the previous year. The year-on-year increase in expenditure was largely due to several significant cost drivers including additional investment, particularly to fund fitness to practise improvement and cost of immediate actions post the Independent Culture Review report, and the provision for potential additional costs related to ongoing employment tribunal cases.

Note 5 to the accounts sets out our fully-allocated costs for each charitable activity as required by the Charities Statement of Recommended Practice (SORP). This separates out the direct costs of each activity alongside the associated support costs that have been allocated using headcount or overhead usage. The commentary that follows is based on the direct cost column before allocation of support costs.

Direct costs of fitness to practise were £69.0 million, a significant increase on £53.2 million in 2023–2024. This has been driven by additional investment in this area required to improve the timeliness in dealing with cases safely and swiftly under a revised Fitness to Practise Plan.

This protects the public by delivering a greater volume of more timely and more proportionate decisions, and minimises the distress for those involved, and remains our key priority. It also creates significant financial demands as we move to improving further the timeliness in dealing with cases. This is the key driver behind our planned further investment in fitness to practise during 2025–2026 and 2026–2027. Lower-than-expected spend on external legal services for both core (case investigations) and non-core activities (Hight Court Interim Order extensions, legal reviews and witness statements) and some recruitment challenges have meant that investment in this area has been slower than anticipated and some costs have been deferred to later years.

As a result, we have indicatively budgeted for deficits in the next two years in line with our Financial Strategy as we work to reduce the time taken to complete cases, which requires a significant additional investment. This is made possible by our strong level of reserves.

The direct costs of maintaining the register were £6.2 million in 2024–2025 (2023–2024: £5.6 million).

Overall support costs (including facilities, finance, people and technology) were £39.5 million (2023–2024: £35.6 million).



Pensions

The NMC has two pension schemes: a defend benefit scheme, which was closed to new entrants in November 2013 and closed to future accrual of benefits with effect from 1 July 2021; and a defined contribution scheme, into which all new employees are auto-enrolled.

NMC contributions to the defined contribution scheme are expensed in the year they are due.

The assets of the defined contribution scheme are attributable to individual employees and are not, therefore, shown in our accounts.

With respect to the defined benefit pension scheme for the purposes of our accounts and in line with FRS 102, its assets are revalued to market value and independent actuaries update their estimate of the value of the liability each year. The liability is estimated as the discounted present value of the pension benefits due to members of the scheme. The estimate of the liability depends on a number of standardised actuarial assumptions including expected mortality rates, inflation and yields on corporate bonds over a number of years into the future.

During the year, the market value of the defined benefit scheme assets reduced by £5.3 million and the liability reduced by £5.1 million, resulting in the scheme showing a net surplus of £14.3 million at the end of the year.

For a number of years up to and including 2020–2021 the net position on the defined benefit scheme shown in our balance sheet was a deficit, being the difference between the value of the scheme assets and the higher value of the pension liability. However, FRS 102 valuations since then (31 March 2022, 2023, 2024 and 2025) have shown a surplus with the value of the scheme assets being higher than the estimated liability. Legal advice has confirmed that recovery of the surplus by the NMC from the pension scheme is a very remote possibility. It could only happen once all the liabilities of the scheme have been discharged. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus". As a result, an asset ceiling adjustment has been applied to bring the net position to neither a surplus nor a deficit on the balance sheet.

This treatment of the surplus is only for the purposes of our accounts. The pension trustees, who are independent of the NMC, retain control over the scheme's assets and any surplus, however calculated, that relates to them.

During 2022–2023 a triennial review of the defined benefit scheme was also completed by the pension scheme trustees, based on its position at 31 March 2022. This was carried out by the actuary reporting to the trustees and was for the purpose of defining whether the NMC still needs to contribute recovery payments to the scheme to ensure that it has sufficient funds to meet expected liabilities. As required, this was done according to actuarial and The Pensions Regulator standards rather than in line with the FRS 102 requirements used for the accounts.

The result of this valuation also showed a surplus – even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer.

As a result of this triennial review also showing a surplus, the independent pension trustees have agreed with us that recovery plan payments are no longer required. Under the previous recovery plan agreed with the pension scheme trustees, we paid £1.9 million in 2022–2023. This position will be reviewed at the next triennial review as at 31 March 2025.

Investments

Nurses, midwives and nursing associates pay their registration fee either annually or quarterly in advance. Taken together with our reserves, this means that we hold significant cash balances.

In line with Council's investment policy, we have some £41.6 million invested in stock markets for the long term.

We regularly review and update our investment policy, including its ethical and sustainability dimensions. Our current investment policy, reviewed and amended in January 2025, is available on our website and includes a reduction in the target rate of return on the investment from three percent above the consumer price index (CPI) measure of inflation (CPI+3 percent) net of investment management costs to CPI+1 percent net of investment management costs.

The target rate of return was reduced in order to de-risk the investment, reducing volatility as we prepare to draw down on the amount invested to fund activity.

Whilst we recognise that investing in equities, funds and bonds carries risk, by investing through expert investment managers – whose performance is overseen and scrutinised by our Investment Committee – we expect that such investment will deliver an above-inflation return over the long term and thereby help to avoid or mitigate the need to increase our fees.

In 2024–2025, dividend and interest income from the portfolio, which is reinvested, was £1.0 million (2023–2024: £0.9 million), with an unrealised gain on investments of £2.2 million (2023–2024: £3.1 million) at the year end. The statement of financial activities shows investment management costs of £0.18 million (2023–2024: £0.17 million). The total value of the investment fund at the year end is £41.6 million.

This is the same as the £41.6 million we have invested in total since inception in July 2020, being £33.0 million of capital invested and £8.6 million dividend and interest income reinvested.

As the unrealised gain shows, the return on the investment this year was lower than last year, mainly reflecting the reduction in the target rate of return and de-risking that took place during the year. The annualised growth rate since inception has been 6.41 percent. Returns since the target rate of return was reduced have been ahead of the new target.

The interest earned on our bank deposits, plus the interest and unrealised gain on our short term investments during the year was £2.6 million (2023-2024: £2.9 million). The decrease compared to the previous year is because both interest rates and cash balances have been lower in 2024–2025 than they were in 2023–2024. We have also been active in ensuring our cash is placed in high-yielding accounts at low-risk institutions.

Reserves

In a change from previous years, we are not setting a target level for 'free reserves' (defined as Total Funds less the net book value of our tangible and intangible fixed assets). This is since such a measure potentially results in us holding an unnecessarily high level of cash and liquid investments that could be better used to invest in delivering improvements to the service we provide to the public.

Instead, Council has approved a year end reserves level of cash and other liquid investments in a range of £30 million to £60 million. In addition to setting a free reserves range, our approach in previous years was to set a minimum cash level to ensure liquidity. This has been set at £20 million for several years, which is also in line with the conclusions of our recent externally-supported review of investment policy. This enables us both to manage in-year fluctuations, and some limited degree of unexpected cost.

Measured against our annual budget plan and indicative budgets, and given the typical £10 million drop in cash between March and August each year (mainly caused by fluctuating levels of receipts from the professionals on our register), this means we need to be targeting about £30 million as the absolute minimum reserve level at the end of March each year.

In terms of the maximum reserves we should target, the previous range between upper and lower limits of £25 million is probably a reasonable indicator, as is a fairly typical level for charities of six months' spend. Both point to an indicative upper limit of about £60 million beyond which it is difficult to justify holding reserves unless we have specific investment plans in mind.

The Council reviews the target range of reserves at least annually.

Ron Barclay-Smith
Chair
8 July 2025

Paul Rees MBE
Interim Chief Executive and Registrar
8 July 2025

Remuneration Report

06

The publication of the Independent Culture Review was a humbling moment for the NMC. Colleagues spoke up about racism and other forms of discrimination, bullying and harassment. These are substantial challenges, but we are going to create an environment where our people can thrive, with values-driven leadership that's underpinned by collaboration and teamwork.

The People and Culture Committee plays an important role in achieving this change: its remit is to ensure there are appropriate systems in place for remuneration and succession planning at the NMC, as well as oversight of both the people and equality, diversity and inclusion (EDI) strategic objectives.

The findings from the Independent Culture Review have informed all aspects of the Committee's work, including remuneration and succession planning. The Committee has also scrutinised delivery of the recommendations from the Independent Culture Review and progress on our people and EDI strategic objectives to ensure the NMC is making sustainable changes to its culture. The Committee was pleased to welcome an independent member, Bola Ogundeji, from 1 February 2025, who brings further HR and culture change expertise. The Committee is also including more sessions that bring in the voice of colleagues to help inform the Committee's decisions and work.

In reaching decisions on remuneration, the Committee considered a range of factors, including sector benchmarking, overall affordability and the need to ensure our approach to pay attracts and retains colleagues fairly and effectively. These decisions have been taken using benchmarking data and insight from reward consultants.

The National Audit Office (NAO) audits the aspects of this report marked "subject to audit".

Council allowances and expenses

The Council is the governing body of the NMC and has ultimate decision-making authority as described in the annual governance statement. The Council members are the charity trustees.

Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to the Chair of Council, Council members, Associates and Independent members (known as Partner members in our Standing Orders).

To manage conflicts of interest, the Council has put in place arrangements for an Independent Panel made up of external experts to assess the appropriate level of allowances. The Council has agreed that it will not exceed the level of allowance recommended by the Panel.

The People and Culture Committee is responsible for overseeing the establishment of the Independent Panel and reviewing its findings for consideration by Council. The most recent review was considered by Council in July 2022. In line with the findings of that review, Council agreed a three percent uplift to the Council member annual allowance (from £14,724 to £15,166), Independent member daily rate (from £286 to £295) and Associate annual allowance (from £10,296 to £10,605).

This was the first increase since 2017. The Chair's allowance remained at £78,000. In recognition of the additional responsibility and time commitment for Committee Chairs, it was agreed that these roles could receive additional allowances. These allowances are determined by the Chair of Council, in line with a process agreed by the People and Culture Committee.

For 2024–2025, Chair of the Audit and Risk Committee and the Chair of the People and Culture Committee each received an additional annual allowance of £2,000 and the Chair of the Investment Committee and the Accommodation Committee each received an additional annual allowance of £250. Allowances paid to Council members and Associates in 2024–2025 amounted to £263,911 (2023–2024: £263,837). No extra-contractual payments were made to any Council, Associate or Partner member in 2024–2025.

Allowance payments to Council members, Associates and Independent members are made through payroll, with deductions for income tax and National Insurance. Expenses directly incurred in the performance of duties are reimbursed in accordance with the Council's Travel, Accommodation and Expenses policy.

Expenses are made up of travel, accommodation, meals and subsistence, and are incurred when members are carrying out their duties.

The expenses received by members vary widely due to the costs of travel and accommodation for attending meetings from home locations across the UK, including travel from Wales, Scotland, Northern Ireland and parts of England which necessitate overnight stays, and the cost of reasonable adjustments. They also vary because some members undertake more activities that require travel, whereas others undertake more activities that can be undertaken virtually. Where any meetings are held in London, expenses are considered to be a taxable benefit in kind. The NMC pays the income tax and National Insurance arising through a PAYE settlement agreement with HMRC. All expenses incurred by Council members and Associates are included in table 1. Taxable expenses for 2024-2025 were £76,800, compared to £47,800 in 2023-2024. This increase was due to additional in-person activity compared to the previous year, primarily related to overseeing culture transformation and improving our fitness to practise process.

When Council meetings are in London, members attend evening meals with members of the Executive and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC. The value of the benefit is shown gross, including the attributable income tax.

Method used to assess performance

The Council regularly reviews its own effectiveness. It also has an agreed policy and process in place for reviewing performance of Council, Associates and Independent members.

The performance review of the Chair of the Council is undertaken by the Vice-Chairs and includes a self-assessment by the Chair, peer assessment by Council colleagues and input from the Chief Executive and Registrar. A similar process is in place for individual Council and Associate members led by the Chair, and by the Committee Chair for Independent members.

Diversity of our Council members, Associates and Partner members

Diversity data, on 31 March 2025, for our Council members, Associates and Partner members is shown below.

At 31 March 2025, in total there were 12 Council members, zero Associates and eight Independent members (31 March 2024: 12 Council members, two Associates, six Independent members).

Age

41–50	51–55	56–60	61–65	66–70	71–75
2	4	5	4	3	2

(at 31 March 2024: 41–50: 4, 51–60: 9, 61 and over: 7)

Disability

No	Yes	Prefer not to say
20	0	0

(at 31 March 2024: No disability: 18, Declared disability: 1, Prefer not to say: 1)

Sexual orientation

Heterosexual or straight	Gay or lesbian	Prefer not to say
16	3	1

(at 31 March 2024: Heterosexual or straight: 17, Gay or lesbian: 2, Prefer not to say: 1)

Ethnicity

13 White: British, English, Northern Irish, Scottish or Welsh

2 Black: African

1 Asian: Bangladeshi

1 Asian: Indian

1 Black: British African - Caribbean

1 Black: Caribbean

1 White: Irish

(at 31 March 2024: White - British: 14, Asian - Indian: 2, Asian - Bangladeshi: 1, Black - African: 1, Black - Caribbean: 1, White - Irish: 1)

Religion or belief

12 Christian

6 No religion

1 Muslim

1 Prefer not to say

(at 31 March 2024: Christian: 12, No religion: 5, Muslim: 1, Prefer not to say: 1, Sikh: 1)

Gender

16 Woman

4 Man

(at 31 March 2024: Woman 14, Man 6)

Socio-economic background

What was the occupation of your main household earner when you were about aged 14?

9 Modern professional and traditional professional occupations

4 Routine, semi-routine manual and service occupations

2 Clerical and intermediate occupations

2 Senior, middle or junior managers or administrators

2 Small business owners

1 Other

(no comparable data for 2023-2024)

We changed our diversity monitoring categories from 1 April 2024, and so there are some instances where the categories do not match.

Table 1: Council allowances and expenses (subject to audit by the NAO)

	2024–2025				2023–2024			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Sir David Warren (Chair)	75–80	2,700	80–85	0	75–80	2,100	80–85	1,300
Sir Hugh Bayley (to 30 April 2023)	0	0	0	0	0–5 FYE 15–20	0	0–5	200
Rhiannon Beaumont-Wood (from 1 June 2024)	10–15 FYE 15–20	8,700	20–25	0	0	0	0	0
Professor Karen Cox (to 30 April 2023)	0	0	0	0	0–5 FYE 15–20	0	0–5	100
Lindsay Foyster (from 1 May 2023)	15–20	6,900	20–25	300	10–15 FYE 15–20	6,800	20–25	400
Deborah Harris-Ugbomah FCA (from 1 May 2024)	15-20 FYE 15–20	9,800	25-30	0	0	0	0	0
Claire Johnston	15–20	2,100	15–20	100	15–20	2,500	15–20	700
Eileen McEneaney MBE	15–20	9,800	25–30	300	15–20	5,100	20–25	600
Dr Margaret McGuire OBE	15–20	7,300	20–25	300	15–20	4,500	15–20	1,400
Flo Panel-Coates (from 1 November 2023)	15–20	5,500	20–25	0	5–10 FYE 15–20	800	5–10	0

	2024–2025				2023–2024			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Nadine Pemberton Jn Baptiste (from 1 May 2023)	15–20	8,100	20–25	0	10–15 FYE 15–20	6,100	15–20	0
Marta Phillips OBE (to 30 April 2023)	0	0	0	0	0–5 FYE 15–20	0	0–5	100
Derek Pretty (to 30 April 2024)	0–5 FYE 15–20	600	0–5	100	15–20	3,700	20–25	700
Anna Walker CB	15–20	700	15–20	0	15–20	700	15–20	400
Ruth Walker MBE (to 30 April 2024)	0–5 FYE 15–20	0	0–5	300	15–20	4,600	20–25	500
Sue Whelan Tracy	15–20	5,700	20–25	200	15–20	4,700	15–20	300
Dr Lynne Wigens OBE	15–20	5,900	20–25	100	15–20	3,400	15–20	600
Associates								
Jabulani Chikore (to 28 February 2025)	5–10 FYE 10–15	0	5–10	0	10–15	500	10–15	700
Navjot Kaur Virk (to 15 November 2024)	5–10 FYE 10–15	3,000	5–10	300	10–15	2,500	10–15	700
Totals	**263.9**	**76,800**	**340.8**	**2,000**	**263.8**	**47,800**	**311.7**	**8,500**

Totals subject to rounding.

Senior management team remuneration and performance assessment

The Executive is the senior management team and comprises the Chief Executive and Registrar (Chief Executive) and Executive Directors, including those in acting or interim roles. All Executive Directors report directly to the Chief Executive. No Executive Directors are members of the Council or trustees of the NMC. Remuneration details are disclosed in full for all these individuals in table 2.

The Chief Executive and Registrar is the only employee appointed directly by and accountable to the Council. The Council has delegated authority to the Chief Executive to the extent described in the Scheme of Delegation (Annexe 1 to Standing Orders, paragraphs 6–11) and reflected in the annual governance statement later in this report.

Executive performance assessment

The People and Culture Committee reviews the performance of all members of the Executive annually.

The Committee reviews reports from the Chair on the performance of the Chief Executive and Registrar. The Committee also reviews reports from the Chief Executive and Registrar on the performance of the Executive Directors.



Executive remuneration 2024–2025

The remuneration of the Executive is approved by the People and Culture Committee in line with the Executive pay framework approved in 2016 and updated in 2020 to reflect the new organisational structure and Executive Director roles within this.

The Executive's remuneration for 2024–2025 was agreed by the People and Culture Committee in February 2024. In line with advice from independent executive pay advisers, the People and Culture Committee concluded that for 2024–2025 the Executive should receive a 1.5 percent pay award.

This was a lower pay award than for other employees, which was an average of 5.1 percent including pay progression.

The remuneration of the Executive team is set out in table 2. In total the Executive team (including Interim Executive Directors and Acting Executive Directors) were paid £1.643 million in 2024–2025 (2023–2024 £1.408 million).

As set out earlier in this report, when Council meetings are in London, members of the Executive team attend evening meals with Council and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC, and the value of the benefit is shown gross including the attributable income tax. The Executive team do not receive any other taxable benefits. In line with the limits and processes outlined in our policy for colleagues' expenses, Executive members can claim travel, accommodation and subsistence when undertaking business trips.

The NMC did not operate any performance-related pay or bonus arrangements for 2024–2025 remuneration. None of the Executive therefore received any performance bonuses as part of their 2024–2025 remuneration.

During 2024–2025, we were due to implement a stronger link between base pay and performance, based on Ambitious Appraisal results, which would have informed remuneration for 2025–2026. This was delayed to allow us to further embed Ambitious Appraisals and link appraisals to our behaviour framework.

The link between performance and pay was implemented for Executive Directors, with Executive Directors receiving no pay increase for 2025–2026 (see section on Executive Remuneration 2025–2026 for further information). In line with our total reward strategy across the organisation, to better reflect our commitments to the public and our registrants, a stronger link between base pay and performance is being implemented in 2025–2026.

Andrea Sutcliffe's CBE and Paul Rees' MBE employment contracts require notice of six months to be given by either party to terminate the contract. For Executive Directors the period is three months.

Table 2: Executive team remuneration (subject to audit by the NAO)

	2024–2025					2023–2024				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Paul Rees MBE Interim Chief Executive and Registrar from 20 January 2025	40–45 FYE 200–205	100	5,000	45–50	1,200	0	0	0	0	0
Andrea Sutcliffe CBE[1] Chief Executive and Registrar to 7 October 2024	200–205 FYE 185–190	200	8,000	210–215	300	185–190	700	15,000	200–205	5,200
Ruth Bailey[2] Executive Director of People and Organisational Effectiveness (job share) to 6 January 2025	70–75 FYE 95-100	500	0	70–75	100	90–95 FYE 155–160	500	(1,000)	90–95	300
Lise-Anne Boissiere[2] Executive Director of People and Organisational Effectiveness (job share) to 6 January 2025	75-80 FYE 105–110	0	8,000	85-90	0	105–110	200	15,000	120–125	200
Sam Donohue[3] Acting Executive Director, Professional Practice from 2 December 2024	50–55 FYE 145–150	0	4,000	50–55	2,300	0	0	0	0	0
Kuljit Dhillon[4] Interim Executive Director of Strategy and Insight from 23 September 2024	75–80 FYE 150–155	300	11,000	85–90	400	0	0	0	0	0
Sam Foster Executive Nurse Director of Professional Practice	185–190	200	26,000	210–215	15,200	175–180	700	23,000	200–205	20,300

	2024–2025					2023–2024				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Helen Herniman[5] Executive Director of Resources and Technology Services to 4 July 2024, Acting Chief Executive and Registrar 5 July 2024 to 19 January 2025, Executive Director of Resources and Technology Services from 20 January 2025	190–195	600	17,000	205–210	14,800	160–165 FYE 155–160	500	21,000	180–185	7,900
Gavin Kennedy Interim Executive Director of People and Organisational Effectiveness from 6 January 2025	30–35 FYE 145–150	100	5,000	35–40	0	0	0	0	0	0
Lesley Maslen Executive Director of Professional Regulation	170–175	500	24,000	190–195	3,000	165–170	700	24,000	190–195	1,700
Matthew McClelland Executive Director of Strategy and Insight to 30 September 2024	75–80 FYE 155–160	200	11,000	90–95	400	160–165 FYE 155–160	500	22,000	180–185	1,500
Tom Moore Interim Executive Director of Resources and Technology Services from 13 May 2024 to 19 January 2025	105–110 FYE 145-150	0	11,000	115–120	500	0	0	0	0	0

	2024–2025					2023–2024				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Miles Wallace Acting Executive Director of Communications and Engagement to 30 September 2023[6] and from 18 December 2024	40–45 FYE 145–150	100	6,000	45–50	0	60–65 FYE 125–130	500	9,000	70–75	1,200
Edward Welsh Executive Director of Communications and Engagement	125–130	0	17,000	140–145	400	135–140 FYE 155–160	0	17,000	150–155	700
Emma Westcott[7] Executive Director of Strategy and Insight from 7 February 2025	20-25 FYE 145–150	0	3,000	20-25	0	0	0	0	0	0
Totals	**1,485**	**3,127**	**154,557**	**1,643**	**38,600**	**1,259**	**4,451**	**144,515**	**1,408**	**39,000**

1. Andrea Sutcliffe CBE was paid 6 months' pay in lieu of notice, covering 8 October 2024 to 7 April 2025, meaning she received more (an extra 7 days) than a full year's salary in the financial year. That, together with annual leave Andrea was paid for, explains why her salary band is higher than her full year equivalent.

2. Ruth Bailey and Lise-Anne Boissiere job-shared the role of Executive Director of People and Organisational Effectiveness between 7 November 2022 and 6 January 2025. Ruth Bailey worked 0.6 full time equivalent (FTE) for the whole period. Lise-Anne Boissiere worked 0.6 FTE until August 2023, 0.8 FTE from September 2023 to June 2024 and 0.6 FTE from July 2024 to January 2025. Lise-Anne Boissiere was on secondment from the Ministry of Housing, Communities and Local Government (formerly the Department for Levelling Up, Housing and Communities).

3. Sam Donohue was appointed Acting Executive Director of Professional Practice to cover Sam Foster's absence from work.

4. Khuljit Dhillon was on secondment from the General Medical Council.

5. Helen Herniman was appointed Acting Chief Executive and Registrar between 5 July 2024 and 7 October 2024 to cover Andrea Sutcliffe's leave due to ill health and between 8 October 2024 and 19 January 2025 to cover the vacant post, before Paul Rees MBE joined the NMC on 20 January 2025.

6. Miles Wallace was appointed Acting Executive Director of Communications and Engagement from 13 December 2021 to cover Edward Welsh's leave due to ill health. Edward returned to work in December 2022 on a phased return to work. Miles returned to his substantive post in October 2023. Miles was appointed Acting Executive Director of Communications again on 18 December 2024, again to cover Edward's leave due to ill health.

7. Emma Westcott was appointed Acting Executive Director of Strategy and Insight on 7 February 2025 due to Kuljit being on leave ahead of leaving the organisation on 21 April 2025.

8. Current directors are members of the defined contribution pension scheme.

9. The value of directors' pension benefits is the employer contributions made into their pension funds. In regard to Lise-Anne Boissiere, whose pension is a defined benefit civil service pension, the NMC has made an accounting policy choice, in line with the SORP, to report the pension benefits as the employer contributions made into their pension funds.

10. Totals subject to rounding.

Executive remuneration for 2025–2026

The People and Culture Committee considered Executive remuneration for 2025–2026 in February 2025. The Committee's consideration was informed by external benchmarking evidence, overall affordability and the Executive's Ambitious Appraisal results. The Committee decided there would be no pay increase for Executive Directors, with effect from 1 April 2025.

This reflects the Executive receiving "not met" on their Ambitious Appraisal shared objectives, but the Committee acknowledged the very difficult context, and commitment of the Executive Board in 2024–2025 in delivering learning and improvement following the Independent Culture Review.

Off payroll engagements and exit packages

In line with HM Treasury requirements, information must be published on highly paid and/or senior off payroll engagements at the year end, and the number and cost of exit packages agreed and paid during the year and the prior year.

None of the Council or the Executive team is engaged off payroll. All off payroll engagements are assessed using the Government's employment status for tax calculator to identify the correct method of engagement.

Table 3: Off payroll engagements

Off payroll engagements as of 31 March 2025, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2025	7
Of which:	
Number that have existed for less than one year at time of reporting	4
Number that have existed for between one and two years at time of reporting	3
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
For all new off payroll engagements, or those that reached six months in duration, between 1 April 2024 and 31 March 2025, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2024 and 31 March 2025	5
Of which:	
Number assessed as within IR35	0
Number assessed as outside IR35	5
Number engaged directly and are on the payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 4: Exit packages (subject to audit by the NAO)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Number of departures where special payments have been made	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Less than £10,000	18	7	1	3	19	10	0	0
£10,001 – £25,000	0	0	2	3	2	3	0	2
£25,001 – £50,000	0	0	0	0	0	0	0	0
£50,001 – £100,000	0	1	1	0	1	1	0	0
£100,000 – £150,000	0	0	0	0	0	0	0	0
Greater than £150,000	0	0	0	0	0	0	0	0
Total number of exit packages	**18**	**8**	**4**	**6**	**22**	**14**	**0**	**2**
Total cost £	**48,926**	**137,761**	**145,441**	**39,641**	**194,368**	**177,402**	**0**	**23,500**

1. Totals subject to rounding.

Remuneration and performance assessment of other employees

All employees have a six-month probation period on commencing employment and a notice period of one to three months, depending on their grade.

The remuneration of all employees is reviewed annually taking into account a range of information including employee turnover, recruitment activity, pay gaps and retention trends, benchmarking data and overall affordability.

April 2024 represents the second year of the new structures and pay policy. The standard rate increase varied based on which pay grade, with lower grades receiving a higher standard rate increase of 2.5 percent and higher-graded colleagues receiving a standard rate increase of 1.5 percent. The overall cost of the standard rate increase will be 2.2 percent of salary budget, and the progression increase will be a 2.9 percent increase of salary budget meaning a total increase budget of 5.1 percent.

In 2023 we transitioned to a new performance and development review process (Ambitious Appraisals), moving to quarterly reviews and a cycle that ends in December each year. To enable full moderation and consistency checking of outcomes ahead of linking appraisals to pay outcomes, 2023 was a transition year and the process was not linked to pay for 2023–2024. In January 2024 we moved to our new appraisal and objectives setting process, which was going to be linked to pay progression from April 2025. Executive board and People and Culture Committee have agreed that for April 2025 annual pay review we will further delay the link between progression pay and Ambitious Appraisals until April 2026. This period would be used to further embed Ambitious Appraisals and link appraisal to our behaviour framework.

April 2025 represents the third year of the new structures and pay policy. The standard rate increase varied based on which pay grade, with lower grades receiving a higher standard rate increase of 2.5 percent, median grades receiving 1.5 percent and higher-graded colleagues receiving a standard rate increase of 1.0 percent. The overall cost of the standard rate increase will be 1.9 percent of salary budget, and the progression increase will be a 2.7 percent increase of salary budget, meaning a total increase budget of 4.6 percent.

UNISON is the recognised trade union with which we engage on agreed matters, including pay, terms and conditions of employment and ways of working.

Pension arrangements

Up until 30 June 2021, we had two active pension schemes: a defined benefit pension scheme and a defined contribution scheme.

Employees who joined the NMC before November 2013 were able to join the defined benefit pension scheme. The scheme was closed to employees joining the NMC after 1 November 2013. On 23 March 2021, following a consultation, the Council approved closure of the defined benefit scheme to future accrual of benefits with effect from 1 July 2021.

This achieved the objectives of harmonising benefits for all colleagues, reducing the NMC's exposure to financial risk and enabling costs to be redirected to other expenditure.

Our current active pension scheme is a defined contribution pension scheme. Employees can opt to contribute to this scheme by salary sacrifice. Employees in the scheme contribute a minimum one per cent of their salary which is matched by the NMC contributing eight percent (2023–2024: eight percent). From 1 April 2021, the NMC matched additional employee contributions up to a maximum total employer contribution of 14 percent.

To receive an employer contribution of 14 percent, an employee would need to contribute at least seven percent. We encourage and support colleagues to reflect on how to best plan for their retirement and ensure they are taking full advantage of our pension scheme. At 31 March 2025, 1,166 employees (91.5 percent) were members of the defined contribution scheme (31 March 2024: 1,069, 92.2 percent). The slight decrease in employee percentage in the pension scheme is at least partly due to more new starters still being in their opt-out period at 31 March 2024.

Further information about remuneration and pensions is contained in notes 9 and 18 to the accounts.

NMC grading structure and pay differentials

Table 5: Employees by grade and gender on 31 March 2025

Pay Level	Male	Female	Male	Female	Male	Female
	Number of colleagues		As a percentage of all colleagues		As a percentage of pay level	
1–4	167	438	13.0%	34.1%	27.6%	72.4%
5–7	169	359	13.2%	27.9%	32.0%	68.0%
8–11	42	101	3.3%	7.9%	29.4%	70.6%
Executive Directors, including Interim/ Acting	3	5	0.2%	0.4%	37.5%	62.5%
Interim Chief Executive and Registrar	1	0	0.1%	0.0%	100.0%	0.0%
Total employees	**382**	**903**	**29.7%**	**70.3%**	**29.7%**	**70.3%**

Table 6: Employees by grade and ethnicity on 31 March 2025

Pay Level	White	Black, Asian and ethnic minority	Undisclosed or prefer not to answer	White	Black, Asian and ethnic minority	Undisclosed or prefer not to answer	White	Black, Asian and ethnic minority	Undisclosed or prefer not to answer
	Number of colleagues			As a percentage of all colleagues			As a percentage of pay level		
1–4	178	338	89	13.9%	26.3%	6.9%	29.4%	55.9%	14.7%
5–7	280	181	67	21.8%	14.1%	5.2%	53.0%	34.3%	12.7%
8–11	103	29	11	8.0%	2.3%	0.9%	72.0%	20.3%	7.7%
Executive Directors, including Interim/ Acting	6	0	2	0.5%	0.0%	0.2%	75.0%	0.0%	25.0%
Interim Chief Executive and Registrar	0	1	0	0.0%	0.1%	0.0%	0.0%	100.0%	0.0%
Total employees	**567**	**549**	**169**	**44.1%**	**42.7%**	**13.1%**	**44.1%**	**42.7%**	**13.1%**

Fair pay disclosures (subject to audit by the NAO)

Remuneration in the following calculation is based on annualised, full-time equivalent salary of all staff (not including contractor and agency staff) as at the reporting date. It does not include paid annual leave, employer pension contributions, taxable expenses or the cash equivalent transfer value of pensions.

The highest salary in 2024–2025 was £202,000 (2023–2024: £185,120). The change in average salary from 2023–2024 to 2024–2025 was an increase of 5.2 percent due to the salary increase for all eligible employees – as part of the April 2024 pay review. No employees received performance pay or bonuses in either the current or previous financial year. On 31 March 2025 the range of remuneration at the NMC was £22,103 to £202,000 (on 31 March 2024: £21,564 to £185,120).

In 2024–2025, the highest remuneration was 4.70 times the median remuneration of NMC employees, which was £42,990. In 2023–2024, the highest remuneration was 4.41 times the median remuneration of NMC employees, which was £41,942. This represents a 0.09 increase in the median remuneration gap, year on year. The median remuneration salary has increased because of the annual pay review and progression increase agreed in April 2024.

However the pay gap increased because the highest salary has increased (2024–2025: £202,000, 2023–2024: £185,120).

In 2024–2025, the highest remuneration was 5.97 times the lower quartile remuneration of NMC employees, which was £33,830. In 2023–2024, the highest remuneration was 5.61 times the lower quartile remuneration of NMC employees, which was £33,004. This is a 0.36 increase in the lower quartile remuneration gap year on year. This increase was primarily because of the increase in the highest salary (2024–2025: £202,000, 2023–2024: £185,120).

In 2024–2025, the highest remuneration was 3.28 times the upper quartile remuneration of NMC employees, which was £61,590. In 2023–2024, the highest remuneration was 3.11 times the upper quartile remuneration of NMC employees, which was £59,531. This represents an increase in the upper quartile remuneration gap of 0.17, year on year. This increase was because of the increase in the highest salary (2024–2025: £202,000, 2023–2024: £185,120).

Pay gap reporting

Since 2017, legislation has required us to publish our gender pay gap data; in addition, since 2020 we have also published our ethnicity and disability pay gap data. This data provides insight into where we need to improve in order to offer inclusive employment opportunities regardless of gender, ethnicity and disability.

We have used the same methodology used for gender pay calculations to calculate both our ethnicity and disability pay gaps.

Our 2025 pay gap data is shown in the table below with 2024 data for comparison. Our 2024 results can also be found in our pay gap reports.

Pay gap	As at 5 April 2025	As at 5 April 2024	UK average for 2024[3]
Gender - Median	7.8%	9.6%	12.1%
Gender - Mean	5.2%	6.5%	13.1%
Ethnicity - Median	32.3%	30.9%	Insufficient declarations to calculate accurate figures
Ethnicity - Mean	21.5%	21.6%	
Disability - Median	-12.8%	-10.6%	
Disability - Mean	-12.6%	-9.4%	

We recognise that this data highlights the need for improvement. Over the past year we have made some progress, but we know we have much more to do. We have also learned from the past about the importance of aligning our ambitions with our resources, ensuring realistic and impactful goals. To that end we will prioritise the delivery of the actions from the Independent Culture Review and implementing our Culture Transformation Plan to help address the issues that colleagues have clearly told us need to improve.

In the following section we set out high-level analysis of our pay gap data and what we are doing in response. A more detailed account will be published in our pay gap reports.

[3] Ethnicity pay reporting: guidance for employers - GOV.UK (www.gov.uk)

Gender pay gap

Our mean gender pay gap on 5 April 2024 was 6.5 percent. On 5 April 2025 this decreased to 5.2 percent.

This decrease reflects an increase in female colleagues in our upper quartile and upper middle quartile (1.4 and 3.2 percentage increase in females compared to April 2024), and an increase in male colleagues working in our lower quartile (1.0 percent more males in our lower quartile compared to April 2024).

Ethnicity pay gap

Our mean ethnicity pay gap as of 5 April 2024 was 21.6 percent. Our 2025 figures show a decrease to 21.5 percent. This decrease has mainly been due to our new CER being Black, Minority Ethnic, replacing our previous white CER. Our median ethnicity pay gap as of 5 April 2024 was 30.9 percent. Our 2025 figures show that this has increased to 32.3 percent, an increase of 1.4 percentage. The increase was mainly due to an increase in Black, Asian and ethnic minority colleagues in our lower quartile.

We are aiming to narrow the ethnicity pay gap via NMC-wide and local interventions including creating targets.

These targets include increasing the hire rate for Black, Asian and ethnic minority applicants at Grade six and above and increasing representation of Black, Asian and ethnic minority colleagues at the shortlisted stage in roles at grade eight and above. As of April 2025, the percentage of Black, Asian and ethnic minority colleagues working at grade six and above increased by 0.8 percent to 26.3 percent (25.5 percent March 2024).

This has been supported by the development of inclusive recruitment training and targeted training and support for colleagues on building their careers and completing job applications.

Disability pay gap

Our mean disability pay gap on 5 April 2024 was -9.4 percent, and on 5 April 2025, it stands at -12.6 percent. This means that colleagues who have told us they are disabled are on average paid more than people who have not. This is a 2.3 percent increase in favour of disabled colleagues compared to April 2024. The main reason for this is there has been an increase in colleagues declaring a disability in our upper quartile and upper middle quartiles, with 31 more colleagues declaring a disability compared to in our lower and lower middle quartile where the number of colleagues declaring a disability increased by 17.

Overall colleagues declaring a disability increased to 12.6 percent from 9.8 percent in 2024 meaning an increase of 2.8 percent. We recognise despite this increase that under-reporting of disability in the workforce may be a cause of the inverse disability pay gap here, as our data shows that people in our top pay quartile are more likely to tell us they are disabled than colleagues in our bottom pay quartile.

21.0 percent of our lowest paid colleagues have not shared any monitoring data about whether they are disabled or not, compared to 9 percent of our highest paid colleagues. Overall, non-declaration has reduced by 0.7 percentage points compared to April 2024. We are pleased that non-declaration has reduced and will continue to take steps to reduce it further in 2025–2026.

We have taken steps, with the support of our Workaround network, to increase the number of colleagues sharing diversity monitoring data with a particular focus on disability.

Ron Barclay-Smith
Chair
8 July 2025

Paul Rees MBE
Interim Chief Executive and Registrar
8 July 2025

Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts

07

The Nursing and Midwifery Order 2001 requires that annual accounts are prepared and audited. The Council and its Chief Executive and Registrar (as Accounting Officer) handle the preparation and approval of the accounts.

The accounts are prepared following the determination received from the Privy Council which requires the accounts to be prepared in accordance with the Charities Statement of Recommended Practice Accounting and Reporting (SORP) revised 2019, and that the accounts also comply with the applicable law and accounting standards issued (Appendix 1).

Under these requirements, and the separate legal requirements applying to charities registered in England and Wales, and to those registered in Scotland, the NMC must prepare accounts for each financial year which give a true and fair view of the state of the NMC's affairs and of its net movement in funds for that period. In preparing these accounts they must:

- Observe the applicable accounts determination issued by the Privy Council
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates on a reasonable basis
- Prepare the accounts on a going concern basis unless it is inappropriate to presume the NMC will continue in operation
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the accounts.

The Council and its Chief Executive and Registrar are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NMC and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Nursing and Midwifery Order 2001. They are also responsible for safeguarding the assets of the NMC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Privy Council has appointed the Chief Executive and Registrar as Accounting Officer for the Nursing and Midwifery Council. In his capacity as Accounting Officer, he is responsible for the execution of the Council's obligations under section 52 of the Nursing and Midwifery Order (as amended). In doing so, he is asked to consider the principles set out in Chapter 3 relating to the responsibilities of Accounting Officers and wider guidance contained in Managing Public Money (HM Treasury, 2013, with annexes revised March 2018).

So far as we know, there is no relevant audit information of which the NMC's auditors are unaware. We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the NMC's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Principal place of business

The NMC works across England, Northern Ireland, Scotland and Wales. Its principal place of business is:

23 Portland Place,
London W1B 1PZ

Advisers

Bankers:

HSBC Bank Plc
1 Centenary Square,
Birmingham, B1 1HQ

Statutory auditor

Comptroller and Auditor General,
National Audit Office,
157–197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Investment managers

Sarasin & Partners LLP
Juxon House,
100 St Paul's Churchyard,
London EC4M 8BU

Internal auditor

RSM Risk Assurance Services LLP
25 Farringdon Street,
London EC4A 4AB

Solicitors

Addleshaw Goddard LLP
60 Chiswell Street,
London EC1Y 4AG

Bates Wells
10 Queen Street Place,
London EC4R 1BE

Capsticks Solicitors LLP
1 St Georges Road,
London SW19 4DR

Mills & Reeve LLP
24 King William Street,
London EC4R 9AT

Trowers & Hamlins LLP
3 Bunhill Row,
London EC1Y 8YZ

Shepherd and Wedderburn LLP
9 Haymarket Square,
Edinburgh, EH3 8FY

Shean Dickson Merrick Solicitors
38–42 Hill Street,
Belfast, BT1 2LB

Weightmans
The Hallmark Building,
105 Fenchurch St,
London EC3M 5JG

Annual governance statement

08

We are an independent statutory body. Our statutory objectives and responsibilities are set out in the Nursing and Midwifery Order 2001, as amended (SI 2002/253), (the Order).

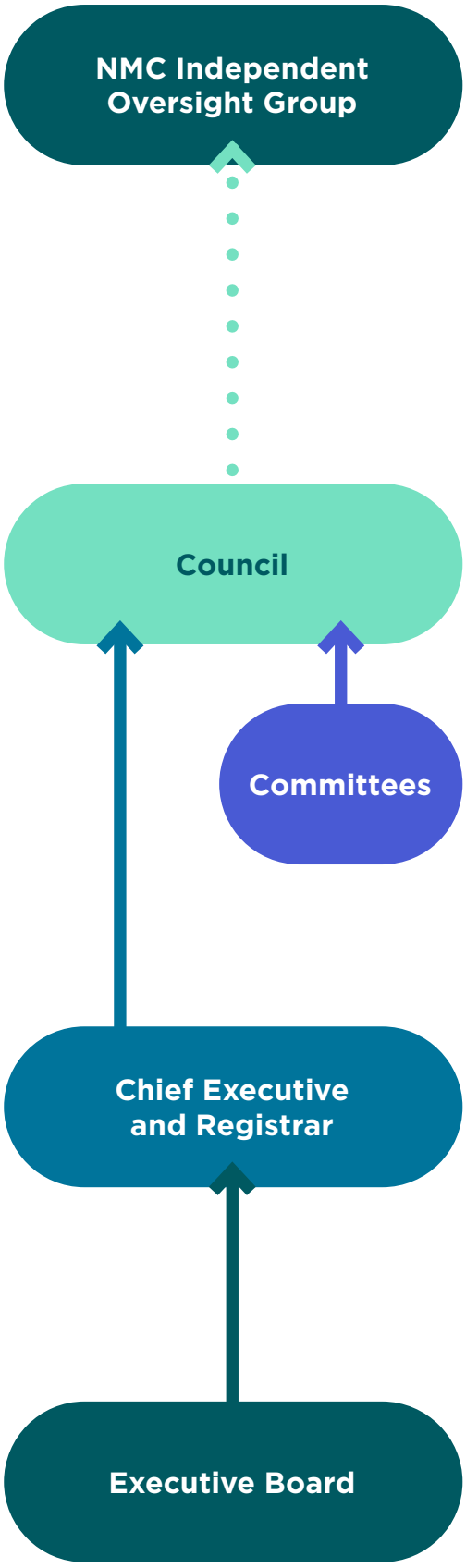
We are also a registered charity; registered in England and Wales (1091434) and in Scotland (SC038362). Our charitable object reflects our overarching statutory objective: to protect and safeguard the health and wellbeing of the public. The Council takes account of Charity Commission (CC) and Office of the Scottish Charity Regulator (OSCR) guidance in making decisions; throughout this report we explain how our work demonstrates public benefit.

As a regulator, we expect the professionals on our register to uphold the highest professional standards and values. It is only right and proper that we hold ourselves equally accountable to maintain the highest standards of governance and uphold our values. We strive to meet the principles and recommended practice contained in the Charity Governance Code and the National Council for Voluntary Organisations Charity Ethical Principles, and our practice complies with the Cabinet Office Corporate Governance Code of Good Practice for central government departments to the extent that it is applicable.

The Council conducts its business in accordance with the seven principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership (Nolan Principles) – and we are committed to ensuring all our work is guided by our organisational values.

The Independent Culture Review made clear that we have work to do to ensure our culture aligns with these principles and embodies our values. We are committed to creating a positive, empowering and inclusive workplace culture so that we can realise our vision: safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. During the year, we have made changes to our governance arrangements to ensure it provides effective oversight and scrutiny of our culture transformation work and fosters the culture we want to create.

Governance structure



In response to the findings of the Independent Culture Review, the Government asked the PSA to establish the **NMC Independent Oversight Group** (IOG) to oversee improvements to our culture and performance. The group includes representation from the professions across the four nation, Unison and other experts. Its role is to review, scrutinise and challenge, rather than deliver change itself. It is not the purpose of the group to duplicate the role of the Council. The IOG provides external assurance alongside our internal governance, which is focused on delivering positive and sustainable outcomes.

The Council is our governing body and the Council members are the charity trustees. Members of the Council are collectively responsible for ensuring that the NMC is well-run, solvent and delivers public benefit.

Committees support Council by fulfilling specific functions delegated by Council and set out in their terms of reference. These include providing additional scrutiny, advising on strategic development and overseeing implementation of strategies.

The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council. As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

The Executive Board is the key management decision-making body. The Board works with the Chief Executive and Registrar to develop and implement strategies, policies, business plans and budgets; ensure effective and efficient use of resources, finance and people; and identify and manage risk.

The Council

The Council is our governing body. Its remit is to (a) set our strategic direction and corporate objectives, in line with our core purpose; (b) ensure effective systems are in place for managing performance and risk; and (c) maintain probity in, and public accountability for, the exercise of our functions and the use of funds.

Our Scheme of Delegation sets out which matters can only be decided by the Council.

In accordance with good governance, the Council undertakes regular reviews of its own effectiveness, including externally facilitated reviews. The most recent review took place in 2023–2024 and was undertaken by Campbell Tickell.

Overall, the review found that there is generally a good framework for the governance of the NMC. The review recommended some changes to develop a more strategic approach and ensure the Council is making best use of its time. Of the 19 recommendations, 15 have been completed so far. This includes formally extending the scope of the Remuneration Committee (now People and Culture Committee) to reflect its wider people and EDI focus, as well as amending the Council's meeting schedule to support more focused discussions. Work is underway to complete the outstanding four recommendations. This includes establishing a Finance and Resources Committee, which will incorporate the work of Investment and Accommodation Committees and provide wider assurance on financial and resource management to the Council. The first initial meeting of this Committee took place in June 2025 to consider its terms of reference.

Separate to this work, we are also strengthening our approach to escalating matters to Council by developing a formal escalation policy. This has been delayed but will be in place by the end of the summer.

Membership

The Council is made up of 12 members of which half must be professionals on our register and half must be lay members, as set out in the Nursing and Midwifery Council (Constitution) (Amendment) Order 2008 (SI 2008/2553). Lay members are people who have never been a registered nurse, midwife or nursing associate. As a UK-wide regulator, the Council's membership must include at least one member who lives or works wholly or mainly in each of England, Wales, Scotland and Northern Ireland.

The Chair and members of the Council are appointed by the Privy Council, following open and competitive selection processes. The Privy Council receives assurance from the Professional Standards Authority for Health and Social Care (PSA) on the robustness of our appointment or reappointment processes.

Council members receive a full induction on appointment and undertake individual appraisals annually. These inform future individual and collective development, as well as consideration of reappointments.

Council Associate scheme

The Council established an Associate scheme in July 2020 (Standing Orders, paragraph 3.7) to provide opportunities for individuals with the potential to develop the skills and expertise needed to be Non-Executive Directors, similar to a Non-Executive Director apprenticeship. Associates are involved in all aspects of the Council's work in a similar way to appointed Council members but are not trustees. The majority of Council decisions are made by consensus but on the rare occasion of a decision by formal vote, Associates do not participate. Associates receive a full induction on appointment and undertake individual appraisals annually. During the year there were two Associates, Jabulani Chikore and Navjot Kaur Virk. A decision will be taken on recruitment of new Associates in the early part of 2025–2026.

Adviser to Council

To support culture transformation at the NMC, Judge Peter Herbert OBE was appointed as an Independent Adviser to the Council from 1 January 2025 for a one year term. In this role, he provides oversight and challenge to Council and provides assurance to the public and stakeholders that the NMC is delivering on its commitment to culture transformation. As an Independent Adviser, he is not a trustee of the organisation, but does take part in Council and Committee meetings and has access to any information, colleagues and stakeholders required.

Meetings

The Council is committed to openness and transparency and seeks to conduct as much business as possible at open meetings which members of the public can attend. Matters can only be considered in confidential meetings if they fall within an exemption set out in the Council's Standing Orders (paragraph 5.2.5). In addition to formal meetings, Council members and Associates attend seminars, hold video conferences and participate in a wide range of other activities. These activities help ensure Council members have the insight they need to hold the Executive to account and make informed decisions.



Council member attendance 2024–2025

Member	Council attendance	
	Number of sessions eligible to attend*	Percentage of sessions attended
Sir David Warren (Chair)	18/18	100
Rhiannon Beaumont-Wood (from 1 June 2024)	16/16	100
Lindsay Foyster	17/18	94
Deborah Harris-Ugbomah FCA (from 1 May 2024)	16/18	89
Claire Johnston	16/18	89
Eileen McEneaney MBE	18/18	100
Dr Margaret McGuire OBE	17/18	94
Flo Panel-Coates	18/18	100
Nadine Pemberton Jn Baptiste	15/18	83
Derek Pretty (to 30 April 2024)	0/0	N/A
Anna Walker CB	16/18	89
Ruth Walker MBE (to 30 April 2024)	0/0	N/A
Sue Whelan Tracy	15/18	83
Dr Lynne Wigens OBE	16/18	89

*Includes public and confidential meetings that members were eligible to attend. Members also attend seminars and other meetings for information, which are not included.

Council committees

Under Article 3 (12) of the Order, the Council may establish discretionary committees in connection with the discharge of its functions and delegate any of its functions to them, other than the power to make rules. As set out in the Standing Orders, the Council may appoint Independent members to the committees. These are members that are not Council members and are known as Partner members in the Standing Orders.

To strengthen our governance arrangements, during the year the following improvements were implemented:

- **Audit and Risk Committee:** The Committee made changes to its workplan and approach to provide specific oversight and challenge on the implementation of recommendations (from internal audit, external audit and other external experts), greater oversight of how strategic corporate risks are being managed and specific assurances on the robustness of the NMC's systems and internal controls. The Committee was renamed Audit and Risk Committee (previously known as Audit Committee) to reflect the revised approach. Following a competitive process, two Independent members have joined the Committee to provide additional diversity of thought, as well as financial and technology expertise: Joyce Sarpong on 1 October 2024 for a term of three years and Clare Minchington on 1 April 2025 for a term of three years.
- **People and Culture Committee:** From 1 April 2024, the scope of Remuneration Committee (now called People and Culture Committee) was extended to reflect its wider people and EDI focus. Following a competitive recruitment process, Bola Ogundeji joined the Committee on 1 February 2025 as an Independent member for a term of three years, to provide additional diversity of thought and HR and culture change expertise.
- **Risk:** To strengthen risk oversight, the terms of reference for committees were updated to explicitly include scrutinising the risk register of its area of work and sharing any potential gaps with Council.

The remit, membership and attendance record for each Committee is set out below. Committees also made a number of decisions by correspondence outside of the meetings identified below, where necessary and in accordance with Standing Orders.

Appointment of Council members to the Audit and Risk, People and Culture, Investment and Accommodation Committees is governed by the Council's Standing Orders and Scheme of Delegation, together with a set of principles adopted by the Council in 2015. Council committee membership is reviewed regularly. The Chair is an ex-officio member of all the Council committees, except Audit and Risk Committee and Appointments Board.

Audit and Risk Committee	
Remit	The remit of the Audit and Risk Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of the financial statements and the annual report, recommending to Council amendments to the strategic risk register identified through the course of the Committee's work.
Key activities	Providing the Council with regular assurances as to the effectiveness of the systems and controls by: Commissioning and scrutinising assurances on quality within fitness to practise. Scrutinising proposed governance arrangements for the Culture Transformation Plan to ensure clear roles and responsibilities and robust oversight. Reviewing the narrative only in the Annual Report and Accounts, reviewing the Annual Fitness to Practise Report and recommending to the Council the approval of those reports. The Committee also reviewed the reports from the NAO, and the Executive's responses to recommendations made by the internal and external auditors. Reviewing the accounting policies for the year to 31 March 2025. Reviewing risk management and assurance arrangements, including undertaking comprehensive reviews of the risks, mitigations and sources of assurance about core work. Approving the internal audit work plan for 2024–2025, reviewing internal audit report outcomes and overseeing action to progress closure of outstanding internal audit recommendations. Reviewing serious events and data breaches, to ensure organisational sharing and implementing learning to prevent recurrence. Reviewing single tender actions and seeking assurance that proper procurement processes are being adhered to by the Executive and that any single tender actions are justifiable. Monitoring the implementation and use of the internal Whistleblowing and Anti-Fraud, Modern Slavery, Bribery, and Corruption policies to be assured that any issues raised are comprehensively investigated and any action and learning is taken forward.

Membership	Member	Attendance
	Deborah Harris-Ugbomah FCA (Chair from 1 May 2024)	5 of 5
	Derek Pretty (Chair to 30 April 2024)	1 of 1
	Eileen McEneaney MBE	5 of 6
	Joyce Sarpong (from 1 October 2024) (Independent member)	2 of 2
	Sue Whelan Tracy	4 of 6

People and Culture Committee		
Remit	Ensure that there are appropriate systems in place for Executive remuneration and succession planning, considering annual pay review for all employees, as well as progress against the people and EDI strategic objectives, and any significant changes to the employee pay and grading structure or pension schemes.	
Key activities	Approving selection processes for the Chair of Council and Committee Independent members. Agreeing to recommend to Council the annual pay award for 2025–2026 and reviewing the total reward proposal. Reviewing Executive reward. Reviewing progress on delivery of the culture review recommendations, the people strategic objectives and internal aspects of the EDI strategic objectives.	
Membership	**Member**	**Attendance**
	Ruth Walker MBE (Chair to 30 April 2024)	1 of 1
	Dr Lynne Wigens OBE (Chair from 1 May 2024)	11 of 11
	Lindsay Foyster	10 of 11
	Dr Margaret McGuire OBE	11 of 11
	Bola Ogundeji (from 1 February 2025) (Independent member)	2 of 2
	Anna Walker CB	10 of 11

Investment Committee		
Remit	The remit of the Investment Committee is to oversee the implementation of the Council's investment strategy; determine the allocation and movement of funds in accordance with the investment strategy; and monitor the NMC's investment portfolio. Decision-making and implementation of the investment strategy is delegated to the Investment Committee.	
Key activities	Undertaking a review of our approach to investments, resulting in a revised policy that will support the NMC to achieve its financial strategy. Working with our investment managers to ensure environmental, social and governance issues are appropriately considered when managing the portfolio.	
Membership	**Member**	**Attendance**
	Derek Pretty (Chair to 30 April 2024)	1 of 1
	Sue Whelan Tracy (Chair from 1 May 2024 to 31 December 2024)	4 of 4
	Sir David Warren (Chair from 1 January 2025 to 31 March 2025)	5 of 5
	Rhiannon Beaumont Wood (from 1 June 2025)	4 of 4
	Thomasina Findlay (Independent member)	4 of 5
	Claire Johnston	5 of 5
	Nick McLeod-Clarke (Independent member)	5 of 5

Accommodation Committee		
Remit	To oversee the implementation of the Council's Accommodation Plan within the financial and other parameters set by the Council.	
Key activities	Considering how to progress plans to refurbish 23 Portland Place, particularly in light of Council's decision to pause the refurbishment to support the NMC to safely and swiftly reduce the fitness to practise caseload.	
Membership	**Member**	**Attendance**
	Sue Whelan Tracy (Chair to 31 December 2024)	1 of 1
	Nadine Pemberton Jn Baptise (Chair from 29 January 2025)	0 of 0
	Anna Walker CB	1 of 1
	Flo Panel-Coates	1 of 1

Appointments Board		
Remit	The remit of the Appointments Board is to assist the Council in connection with the exercise of any function relating to the appointment of Fitness to Practise panel Chairs and members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Fitness to Practise panel members to the Registration Appeals panel.	
Key activities	Overseeing the selection process for new Panel Members and Chairs which resulted in over 150 appointments and overseeing reappointment of 65 Panel Members. Reviewing progress on implementing three-year plan for delivering high quality panels. Reviewing and approving the revised Panel Member Services Agreement.	
Membership The Appointments Board is made up entirely of non-Council (Independent) members, appointed following open and competitive recruitment processes.	**Member**	**Attendance**
	Jane Slatter (Chair to 5 August 2024)	2 of 2
	Surinder Birdi (Chair from 6 August 2024)	7 of 7
	Robert Allan (to 30 September 2024)	2 of 3
	Ken Batty (from 1 August 2024)	5 of 5
	Amanda Rawlings (to 9 July 2024)	1 of 1
	Yasmin Ullah	7 of 7
	Susan Young (from 6 August 2024)	5 of 5

The Chief Executive and Registrar

The Chief Executive and Registrar is appointed by, and accountable to, the Council. The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council.

As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

After five years as Chief Executive and Registrar, Andrea Sutcliffe stepped down on 3 July 2024 due to ill health. The initial recruitment process to appoint the Interim Chief Executive and Registrar was unsuccessful. Helen Herniman was appointed Acting Chief Executive and Registrar from 4 July 2024 to 19 January 2025 while a revised process was run. Paul Rees MBE was appointed Interim Chief Executive and Registrar from 20 January 2025 for a period of one year. Recruitment for a permanent Chief Executive and Registrar was launched in May 2025.

Executive Board

The Executive Board is the key management decision-making body. The Board's membership comprises the Chief Executive and Registrar, Executive Directors, General Counsel and Chief of Staff.

The Executive Directors are Key Management Personnel as defined by FRS 102. The Board works with the Chief Executive and Registrar to develop and implement strategies, policies, business plans and budgets; ensure effective and efficient use of resources, finance and people; and identify and manage risk. The Board advises or makes recommendations to Council on those matters which are ultimately for the Council to decide.

The Executive Board regularly reflects on its own operation and how business is conducted.

To support the Board to have visibility and focus on the key risks and issues facing the organisation, from December 2023 to January 2025, the Board met three times a month in different modes. These modes were focused on Learning, Fitness to Practise and Core business. Whilst this approach supported the Board to focus on key themes, in January 2025, the Board reflected and agreed that it also restricted agile agenda planning and the different modes were ceased. The Board currently meets weekly.

During 2024–2025, there was significant turnover in membership of the Executive team and the Independent Culture Review identified the need to strengthen how the Executive works together as a team. Strengthening Executive ways of working, and leadership within the NMC more widely, is a key focus of the Culture Transformation Plan.

Performance monitoring and data quality

The Council monitors our progress against our corporate plan and budget through quarterly performance reports presented at public meetings. These reports were refreshed for 2024–2025 to reflect the priority outcomes we sought to achieve within our corporate plan.

The reports provide updates against our strategic projects and programmes, key performance indicators (KPIs), our budget and investments and corporate risk exposure.

These quarterly reviews give Executive Board and Council the opportunity to assess progress and adapt activity within the plan to ensure the most effective use of resources and mitigation of risks. Over the course of 2024–2025, we have continued to streamline our monthly reporting to the Executive Board, drawing attention to the most important discussion points on budget, performance and risk.

Risk management and internal control

The Council is responsible for establishing and maintaining a sound system of risk management and internal control, which is designed to identify and manage rather than eliminate risk and provide reasonable assurance of effectiveness.

In 2024–2025 we refreshed our approach to risk management, differentiating strategic risks (those that threaten our ability to deliver expected outcomes and harm our ability to grow and prosper) from operational risks (those that may impact the work we carry out on a day-to-day basis) with clear links between them. The risks continue to be overseen and regularly reviewed by the Executive Board and Council committees best placed to advise on how we manage each risk.

Our risk management framework sets out a clear structure and process for embedding risk management into our day-to-day work across all levels of the organisation. It includes the use of risk registers, performance dashboards and the role of risk coordinators to champion risk management within a directorate and maintain operational risk registers to identify compound risks. This ensures we have the best oversight and management of risks with multiple review points and that we are responding to risk appropriately.

The Audit and Risk Committee provides assurance to the Council about the operation of the system of internal control and risk management.

This includes overseeing the internal audit workplan and its findings, as well as undertaking regular targeted comprehensive assurance reviews to delve deeper into specific risk problems or assurance mechanisms. At each Audit and Risk Committee meeting strategic risks are reviewed with suggested amendments to scores or content discussed. The Council considers strategic risk exposure and the register at Open meetings on a quarterly basis and updates to our risk appetites once a year.

The Chief Executive and Registrar is responsible for enabling an effective system of risk management and internal control, and together with the Executive Directors, for ensuring that the system is effective across the organisation. The Executive is responsible for identifying and evaluating risks, putting in place appropriate mitigations and monitoring and reporting progress. The Executive Board reviews strategic risk exposure monthly.

The effectiveness of our risk management and internal control processes

We undertake an annual review of the effectiveness of our internal control environment and risk management, assessing each directorate against a set of key criteria and reviewing sample evidence to ensure our internal control environment reflected the standards set out in our policy and guidance.

The 2024–2025 review concluded that we have substantial assurance across three of our directorates, partial assurance across two directorates and reasonable assurance for one directorate. Results were similar to last year, with the exception of Professional Regulation, which has improved from partial to reasonable assurance this year. The areas of weakness for those that only attained 'partial' assurance were mostly for low eLearning completion rates. All directorates have put into place additional checks and sessions to help to manage risk.

The directorates that were weakest in this area last year have improved.

The review also highlighted the need for more detailed analysis on progressing EDI improvements and ensuring risk scores reflected the controls in place. We have since published metrics for our revised EDI strategic objectives and are developing metrics for our Culture Transformation Plan and people strategic objectives. Once established this will provide a cohesive set of metrics that provide assurance on progress in building a culture that is positive, empowering and inclusive for all colleagues, regardless of their background or characteristics.

Whilst overall we have reasonable assurance in our risk management and internal control processes, we recognise there is important work to strengthen our approach further. We will also be strengthening our review process to help us identify areas of further development, including looking at controls related to the delivery of the corporate plan.



Key issues and risks

In the following table, we provide an account of the highest rated risks we managed during 2024–2025, the action we have taken and the action we plan to take next year.

Risk: We fail to meet our statutory safeguarding responsibilities to protect people who come into contact with the NMC through our work, from abuse or mistreatment.

Potential impact: Impacts to life or serious harm to individuals.

What we have done to manage the risk during 2024–2025

As part of the new strategic risk register for 2024–2025, we included a risk relating to our statutory safeguarding responsibilities to protect people who come into contact with the NMC through our work from abuse or mistreatment. This was previously a risk factor of our legal risk in 2023–2024, but we decided to create a separate risk to ensure that safeguarding is managed appropriately with the focus and visibility that it needs. This is now our highest rated risk on the register with multiple controls in place that will help reduce the likelihood and impact of the risk over time.

We have launched our Safeguarding Hub and increased the number of people focussed on safeguarding. We have also implemented a new safeguarding review learning process and revised policy guidance. We have conducted an initial analysis to identify training needs and introduced safeguarding level one online training for all colleagues.

What we are doing going forward

We will produce a Safeguarding Framework with further mitigations and controls. We will triangulate data received from audits, reviews and reports to form a workplan to provide assurance on addressing learning and develop an audit programme to provide assurance on embedded safeguarding good practice across all areas.

Risk: We fail to take appropriate action to address a regulatory concern about a professional on our register in a timely or person-centred way.

Potential impact: This could lead to compromised public safety and poor experience for those involved in our processes.

What we have done to manage the risk during 2024–2025

We launched our Fitness to Practise Plan in April 2024. Since then, to support the plan, we have increased capacity across teams to support case progression, with a focus at Screening and strengthened decision-making guidance on concerns outside professional practice. We have developed a quality dashboard to enable better reporting against the plan and created robust governance to deliver it. The plan has been re-prioritised where needed in light of recommendations from the Independent Culture Review. Towards the end of the year we announced a strategic partnership with PwC to review our casework processes and support us to co-design new ways of working that support timely, safe case progression and are sustainable for the future.

What we are doing going forward

We are continuing to work on improving the quality and availability of operational data. We will also continue to provide additional capacity across all teams to support case progression. The outputs of the work with PwC will be considered and where appropriate, implemented in 2025–2026. Initial discussions identified the need to enhance quality assurance within our processes, which will be taken forward.

Risk: We may not effectively prioritise, monitor and manage our portfolio activity and keep pace with the high level of change (and resources required) to achieve our five priority outcomes.

Potential impact: Resources are not utilised to best effect, leading to capacity issues for our colleagues, slow decision-making and unrealised benefits for professionals on our register and the public.

What we have done to manage the risk during 2024–2025

We increased our risk score in this area in June 2024 to recognise increasing pressures and materialised issues relevant to the delivery of Priority Outcomes one (fitness to practise), two (Learning Culture), and five (Integrity of the Register). We have used our annual business planning and budgeting process and quarterly progress reporting to inform where we may need to make changes to our planned activity. We have six-monthly strategic review points with Council to consider the internal and external context and adjust our plans and regular prioritisation informed by performance reporting.

What we are doing going forward

We are planning to revisit our corporate plan and budget during the first part of the 2025–2026, updating them to reflect choices we need to make around a number of areas of learning. For instance, from Ijeoma Omambala KC's report; and from our work on accelerated improvement that we have been undertaking with PwC. We will strengthen the link between relevant internal performance reports to spot emerging risks and the impact on our portfolio landscape. Our Change and Continuous Improvement team will become part of the Resources and Technology Services directorate to support more streamlined and effective ways of working.

Risk: Risk that our organisational culture impacts on the productivity, performance, learning and morale of the organisation

Potential impact: Our ability to learn and improve to deliver better outcomes for our people, registrants, and the public.

What we have done to manage the risk during 2024–2025

The Independent Culture Review emphasised that this risk has materialised, resulting in an increased risk score following the report publication in June 2024. We have produced an implementation plan setting out how we will deliver against the 36 recommendations in the report. We have strengthened the link between the EDI and people strategic objectives and the Culture Transformation plan with clear accountability, milestones and achievements to communicate to colleagues with regular reporting through our People and Culture Committee. We have also introduced the Empowered to Speak Up guardian service and Empowered to Speak Up ambassadors to help us raise awareness of issues and develop a listening culture, enabling swift action to be taken where we have evidence of bullying, harassment or discrimination.

What we are doing going forward

Establishing a new Culture Steering Group chaired by the Interim Chief Executive and Registrar, with expert coaches as members to focus on improving culture and performance. We will also implement our Culture Transformation Plan that will include cultural competence training, coaching for leaders and psychological safety coaching for managers, as well as updating our behaviour framework and embedding our new values. This plan has also been aligned with our EDI and people strategic objectives.

Risk: We fail to take appropriate or timely action to address a regulatory concern regarding the quality of nursing or midwifery education.

Potential impact: This could lead to poor student experiences and students lacking the proficiencies to provide safe, kind and effective care.

What we have done to manage the risk during 2024–2025

We increased our risk score in June 2024 due to a lack of resource to manage a new education quality assurance (EdQA) contract transition along with core business due to a shortage of staff in key areas. Since that time we have partnered with a new EdQA service provider and moved to a new service model focused on agility and flexibility. We have worked collaboratively with education institutions and other partners to discuss and reduce identified risks, and we have increased capacity and expertise within our team to strengthen systematic monitoring of programmes.

What we are doing going forward

We are revising our project in collaboration with key stakeholders, reviewing resource constraints and intended deliverables. We are developing an improvement plan to review processes and centralise gathered data to generate intelligence which will inform EdQA activity areas of focus. We plan to establish a Strategic Advisory Committee with joint external chairmanship to provide oversight, scrutiny and an opportunity for increased co-production. We will hold a summer conference for all Official Correspondents and Lead Midwives for Education as a forum for information sharing and a feedback platform to improve collaborative working.

Risk: Risk of low morale and engagement, contributing to a loss of talent, expertise, corporate knowledge, and key relationships in parts of the business as this is a challenging time for the organisation, coupled with instability at the Executive level of the organisation.

Potential impact: Organisational instability, loss of existing talent with the inability to attract new candidates impacting on the delivery of our work. Loss of Corporate knowledge, increased turnover, changing priorities and approach from frequent changes at senior levels.

What we have done to manage the risk during 2024–2025

We included a new strategic risk in June 2024 focusing on the impact of high turnover at the Executive levels and the risk of instability that this brings to the organisation. During 2024–2025, our Chief Executive and Registrar (CE&R), Chair of Council and four Executive Directors left the organisation. We also welcomed an Interim CE&R in January 2025 and a new Chair, Ron Barclay-Smith, in April 2025. Mitigations in place are:

- Appointment of Interim Chief Executive and Registrar who started on 20 January 2025
- People and Organisational Effectiveness (POE) portfolio has been reviewed to focus on People and Culture
- Recruitment of senior roles brought forward to secure a permanent leadership team
- Successful recruitment for Chair of Council who joined us in April 2025
- Succession planning for Deputy Directors (DDs), Assistant Directors (ADs), and Heads in critical delivery roles
- Identification of knowledge gaps across the Executive and devising a plan to address them
- The Executive have positively engaged in the 360-feedback process, leadership training and offered coaching to ensure a consistent corporate learning
- Behaviour framework in place
- Embedding our ambitious appraisals process
- Recruitment training as a requirement for those who sit on recruitment panels
- Investment in psychological safety to support colleagues across NMC.

What we are doing going forward

- Engaging the workforce on the recruitment of all posts
- Use of appropriate recruitment agencies to source an inclusive, experienced and skilled pool of candidates for roles
- Revision of our recruitment due diligence process for high profile and senior roles
- Engaging network chairs in Executive Board meeting decisions to close the corporate learning loop.

Public interest (whistleblowing)

Our policy on whistleblowing encourages colleagues and others who work for, or with us, to speak up if they see something wrong. We review the policy regularly and have continued to raise awareness of the policy and associated guidance by promoting it through the Chief Executive and Registrar's weekly message and other internal communications.

The Independent Culture Review highlighted that there is more we need to do to ensure that all colleagues feel able to raise concerns. To strengthen our approach to whistleblowing we are reviewing our policy with support from an external law firm and learning from Protect, a leading whistleblowing charity. We will also incorporate learning from Ijeoma Omambala KC's investigation into how we handled a recent whistleblowing case.

The Audit and Risk Committee receives a report on whistleblowing at every meeting. During 2024–2025, the Committee received updates on three sets of whistleblowing concerns, two that were raised in 2024–2025 and one that was raised in 2023–2024.

The first set of concerns related to aspects of our regulatory casework and our workplace culture. As reported in our Performance Review, we commissioned Nazir Afzal and Ijeoma Omambala to investigate these concerns and are committed to implementing transformational change.

The second set of concerns was about a number of areas within the NMC, including safeguarding and the role of registrants within the NMC, as well as raising concerns about our workplace culture, in particular, some aspects of leadership.

These concerns were investigated and recommendations made to improve our approach. Our Culture Transformation Plan sets out a detailed, quarter by quarter plan for addressing some of the challenges within the organisation, and we have commissioned a piece of work on the role of registrants within the NMC and expect to act on the recommendations in the year ahead. You can read more about the work to strengthen our safeguarding approach in the Performance Review.

The third set of concerns related to the standard of case preparation. The investigation found that there were assurance mechanisms in place that ensure the quality of the service, and while there were areas for improvement, there were plans in place to take action.

The whistleblowing policy was also used to raise other concerns that were found to not be whistleblowing. These were then considered through other processes, such as our complaints or grievance processes.

The NMC is a 'prescribed person' in law. This means that concerns may be raised with us by nurses, midwives, nursing associates, students or other healthcare professionals who identify wrongdoing in their workplaces or practice placements. Each year we publish a joint report with other health and social care regulators on how we handled whistleblowing disclosures. The joint report on whistleblowing disclosures for 2023–2024 can be found on our website here Whistleblowing disclosures: The action we took in 2023–24 - The Nursing and Midwifery Council. The joint report for 2024–2025 will be published later this year.

Safeguarding and protecting people

Through our work we engage with a wide range of people, including those involved with our regulatory processes, our stakeholders, and our colleagues. We recognise that many people engaging with us may have complex needs or be at risk of harm and we are committed to putting the appropriate support in place for them.

Our policy on safeguarding and protecting people sets out our responsibilities and the actions we will take when we identify a safeguarding concern, including establishing a tailored approach to support the individual concerned.

Improving our safeguarding arrangements has been a significant focus for the NMC in 2024–2025. You can read more about the work to strengthen our safeguarding approach in the Performance Review.

Information governance and lapses in protective security

Incidents are reported, managed and investigated in line with our Serious Event Review (SER) process through which learning and recommendations for improvement are identified. The table below provides a breakdown of the number of information security incidents reported internally in 2024–2025, with 2023–2024 figures shown for comparison.

Information security incidents include unauthorised disclosure of data (data breaches) and other types of information security incidents such as loss of IT equipment. Of the 72 information security incidents recorded in 2024–2025 (75 in 2023–2024), 65 were unauthorised disclosure of data (data breaches).

	2024–2025	2023–2024
Critical	0	1
Major	1	2
Moderate	10	14
Minor	61	58
Total	**72**	**75**

In 2024–2025 we reported four personal data breaches to the Information Commissioner's Office (ICO) (three in 2023–2024). It has not taken any regulatory action in relation to the breaches.

Anti-fraud, bribery and corruption

During 2024–2025 there has been one instance of fraud, relating to bank mandate fraud. This took place in August 2024 when we mistakenly paid nearly £4,600 into a fraudster's bank account. The incident was identified and reported quickly with immediate steps taken to prevent recurrence. Details of the fraud were provided to the police and the banks concerned and to the Audit and Risk Committee.

Following the suspected fraud in our overseas registration processes, we have also introduced robust anti-fraud policies covering overseas registrations to reduce the risk of similar fraud in the future. You can read more about this work in the Performance Review section of this report.

Otherwise, we continue to have policies in place for colleagues on anti-fraud and bribery, personal interests and outside appointments, whistleblowing, claiming expenses and gifts and hospitality. The gifts and hospitality policy is in place for Council members, Associates, Independent members and colleagues and a register of all gifts and hospitality accepted or declined is maintained.

No modern slavery issues have been identified during the year (2023–2024: none). In accordance with the Modern Slavery Act 2015 we updated and published our Modern Slavery Statement on our website in September 2024. This year's statement will be published during 2025–2026.

Through our regulatory processes, we were made aware of five modern slavery concerns outside of the NMC. We shared information on these cases with appropriate bodies, including the Care Quality Commission, Gangmasters and Labour Abuse Authority, Employment Agency Standards Inspectorate and the immigration department of the Home Office.

As reported in last year's annual report, our investigation into Computer-Based Test fraud at the Yunnik test centre in Nigeria found there was evidence of widespread fraudulent activity at the test centre. When we began receiving admissions and testimony from Yunnik test takers, some individuals mentioned feeling pressured or coerced into using a proxy. There is no evidence so far which indicates the Yunnik centre was involved in human trafficking, however, we approached the Human Trafficking Foundation to share for advice and guidance. We passed on information about the proxies to the National Crime Office.

Serious Event Review process

Through our Serious Event Review (SER) process, we investigate incidents and near misses so that we can learn from them and improve the way we work. Under our incident reporting process, we distinguish between Adverse Incidents (AIs) and Serious Events (SEs) based on the severity of the incident.

Incidents are classified as AIs when they have minimal impact on our organisation and our work, although they still provide valuable learning. SEs are incidents that impact, actually or potentially, more seriously our organisation and our work. Learning from SERs is reported to the Executive Board and Audit and Risk Committee every six months.

During 2024–2025, a total of 173 corporate incidents and near-misses were reported compared with 169 for 2023–2024. Of the 173 corporate incidents reported in 2024–2025, 66 were classified as SEs (compared with 61 in 2023–2024), and the remaining 108 were AIs (compared with 108 in 2023–2024). The majority of Serious Events (84 percent for 2024–2025) occurred within the Professional Regulation directorate. We review the incidents and near-misses each quarter to categorise them by type, for example, information security incidents, and to identify key themes which in turn are graded high, medium or low level risk.

High risk themes in 2024–2025 included delayed or inadequate response to information suggesting a wellbeing concern, including a risk of suicide or self-harm. The most commonly occurring theme was information security breach in emailing third parties (75 incidents relating to emails sent to third parties in 2024–2025). This is higher than the number of data breaches (65) recorded in the information governance section of this report because the SER process captures the lowest level of incident.

Reporting incidents and learning from them is key to improving our performance as a regulator. We recognise we need to strengthen our approach and have invested in a new incident reporting process, policy and system that simplifies the categorisation of incidents and uses language that encourages greater reporting and creates a culture of open learning. As well as helping us to learn more effectively from individual events, it will also help us to identify new emerging trends and risks so that we can take quick and appropriate action. Unfortunately, the launch was delayed due to a number of reasons, including delays in agreeing specifications for the system. We are undertaking a lessons learned exercise to strengthen our approach. We launched the new system in June 2025 and are implementing a robust change management plan to ensure it is embedded effectively and helps create a culture of open learning.

Learning from complaints about our work

Complaints matter to us. Each time an issue is raised by a person using our services it provides us with an important opportunity to foster a learning culture and continuously improve.

We identified 251 learning points from complaints made to us in 2024–2025 (2023–2024: 154) which we used to improve our services.

In 2024–2025, we received 1,400 formal complaints (2023–2024: 1,634). We responded to 92.5 percent of these within 20 working days (2023–2024: 92 percent within 20 working days).

Of the overall 1,400 complaints, 208 were related to open applications to our register. We also received 505 complaints from people who were associated with an open fitness to practise case.

We received 59 (2023–2024: 49) complaints from parliamentarians, including members of the UK Parliament and devolved legislatures in Scotland, Wales and Northern Ireland.

Of these 59 complaints we received in 2024–2025, we responded to 50 (85 percent) of these within 20 working days (2023–2024: 90 percent).

We aim to handle any complaints about the service we have provided in a fair and timely way, treating those who raise complaints with respect and listening to their concerns. Following our response, 60 people remained unhappy (2023–2024: 38). We reviewed our handling of these in an average of 14 working days (2023–2024: 17 working days).

We continue to focus on improving the performance of our Enquiries and Complaints function. We carried out an end-to-end review of our handling of complex complaints relating to fitness to practise in 2023–2024. The initial findings are that the team responds in a professional and empathetic way and manages expectations clearly. It found that we need to make improvements to our quality assurance and Customer Relationship Management system. We will implement the final recommendations from the review during 2025–2026.

Freedom of information

We are committed to being as open and transparent as possible, while adhering to our legal obligations under freedom of information and data protection legislation. This includes people's right to access their personal information, and the right to challenge the way we use and process their personal data. We also respond to third-party disclosure requests from organisations such as the Disclosure and Barring Service and Disclosure Scotland, with whom we can share personal information if there is a legal basis for disclosure.

415 freedom of information requests were received and 80 percent were responded to within the statutory deadline of 20 working days.

This compares with 90 percent of 373 requests for 2023–2024. The 10 percent decrease in performance was due to staffing changes and capacity issues within the Management Information team.

1,112 third-party requests were received and 96 percent were responded to within the statutory deadline of one calendar month. This compares with 95 percent of 1,176 requests for 2023–2024.

399 General Data Protection Regulation requests were received and 92 percent were responded to within the statutory deadline of one calendar month. This compares with 93 percent of 420 requests for 2023–2024.

The total number of information requests responded to on time this year was 1,770 out of 1,962, which is 92 percent (2023–2024: 1,872 out of 1,969; 95 percent).

If someone is unhappy with how their request for information has been handled, they can request an internal review.

We received a total of 22 requests for internal reviews during 2024–2025 (2023–2024: 20 requests). This is proportionately very low: only one percent of cases.

Where people remain dissatisfied following the outcome of their internal review, they can refer us to the Information Commissioner's Office (ICO). When the ICO chooses to investigate beyond initial enquiries they will seek further information from us, and, in 2024–2025, there were five cases (2023–2024: no cases). Out of the five cases, the ICO issued a decision notice in respect of one case, and we worked with the requester to provide additional information.

Serious incident/notifiable event reporting

Issues which require reporting to the Charity Commission are identified through several routes, including our policies and processes for Serious Event Reviews; Whistleblowing; Anti-Fraud, Bribery and Corruption; and Safeguarding. In accordance with guidance from the Charity Commission and the Office of the Scottish Charity Register (OSCR), where we identify an issue, permission is sought from the Council, as trustees, to report to the Charity Commission. If more urgent reporting is needed, we seek permission from the Chair and Council is informed at the earliest opportunity.

As reported in last year's annual report, we informed the Charity Commission of concerns about aspects of our regulatory casework and our workplace culture, including the investigations we commissioned, and actions taken in response. The Charity Commission's regulatory compliance case remains open and we have kept it updated on progress throughout the year and will continue to do so.

During 2024–2025, we informed the Charity Commission of two serious incidents. One of the cases arose from a safeguarding matter.

As noted in the safeguarding section of this report, we are taking forward action to further strengthen our approach to safeguarding. The other case related to the failure to appoint an Interim Chief Executive and Registrar in July 2024. We have taken forward learning from this incident to inform future recruitment.

As we are registered with the Charity Commission, we are not required to report incidents to the OSCR as well. However, in line with our commitment to four country accountability, we report all relevant incidents to both the OSCR and the Charity Commission.

Professional Standards Authority oversight

The Professional Standards Authority (PSA) oversees and reports to Parliament on the work of health and social care professional regulators, including the NMC.

PSA Annual Review of Performance July 2023–December 2024

The PSA's annual review of the NMC's performance for July 2023–December 2024 was published in June 2025. You can read the full report here. The report reflects the conditions and context of a particularly challenging year for the organisation and found that we did not meet seven of the standards. These relate to education quality assurance, maintaining the register, fitness to practise, and general standards relating to addressing performance concerns, clarity of purpose and EDI. In line with their process, the PSA escalated their concerns to the Secretary of State and ministers in the devolved administrations.

We take this very seriously. Given the challenges we faced, we had anticipated not meeting these standards and are well underway with improvements – ensuring that we focus on, and deliver against, our core purpose of protecting the public. These improvements are being delivered under new leadership, with Paul Rees MBE as Interim Chief Executive and Registrar and Ron Barclay Smith as our new Chair of Council. As noted in the performance review, we have significant turnaround activities in place to create an inclusive organisation and modernise how we regulate, including our Fitness to Practise Plan, a three-year Culture Transformation Plan and ambitious EDI strategic objectives. We are reviewing the PSA's recommendations to ensure our improvement plans address them, and will adjust our plans where needed.

Alongside the positive impact these plans are now starting to have, it is reassuring to have met several other key PSA Standards. These include maintaining up-to-date standards for registrants, which are kept under review and prioritise service user safety; and ensuring that our fitness to practise decisions are proportionate, consistent and fair.

We remain committed to upholding our regulatory duty of protecting the public. As we have set out in the strategic plan section of this report, we are ensuring a focus on delivering our core regulatory functions: setting standards, education quality assurance, registration, revalidation and fitness to practise to ensure safe and effective nursing and midwifery care for everyone.

Independent Oversight Group

In response to the findings of the Independent Culture Review, the Government asked the PSA to establish the NMC Independent Oversight Group to oversee improvements to our culture and performance. The group includes representation from the professions across the four nation, Unison and other experts. The group has received regular updates on our progress and provided insight and advice to support our progress. You can read more about the work here.

Internal audit annual opinion 2024–2025

Our risk-based annual internal audit programme is agreed and overseen by our Audit and Risk Committee. The programme for 2024–2025 consisted of six internal audits. During the year it was agreed that an internal audit on Strategy – Customer Satisfaction and Experience would be replaced with an internal audit on Data Quality.

Internal Audit Assignment	Assessment
Financial controls, including registration fees	Substantial assurance
New panel members – recruitment and EDI arrangements Business Continuity Plans Contract management and outsourced arrangements and assurance mechanisms People and Culture - Recruitment	Reasonable assurance
Data quality	Partial Assurance

As noted in the table, one audit received an assessment of partial assurance, the data quality audit.

The purpose of the review was to consider the policies and procedures in place around data quality and whether these provide a standardised approach to the entry of data.

The review considered a selection of four data sets and found that while the overall caseload KPI is guided by a methodology and guidance, there were other areas that needed strengthening, for example the NMC does not have an established suite of policies, procedures and operational guidance which detail the required processes to source, validate and report on data. The review also found scope for improving the current data governance process by establishing a data quality framework and resuming meetings of the appropriate oversight group. The Executive is taking forward work to strengthen the approach.

Our internal auditor reviews the implementation of audit recommendations and provides regular updates to the Audit and Risk Committee. Nine actions from prior year reports were overdue and not implemented.

The majority of these (seven) relate to the Serious Event Review audit and were delayed due to the delays in the implementation of the new Log and Learn system. Ensuring the implementation of the system is an area of focus for the Executive. All other recommendations from audits, where action has fallen due in the period, have been implemented or were superseded.

The Head of Internal Audit's overall annual opinion is that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

Overall assessment of effectiveness of governance and assurance

As Chair of the Council and Accounting Officer, we have reviewed the effectiveness of governance, risk management and internal controls.

In reaching our assessment, we have relied upon a range of evidence, including the opinion and report of the Head of Internal Audit, assurances from Helen Herniman, Executive Director of Resources and Technology Services, who was Acting Chief Executive and Registrar from 5 July 2024 to 19 January 2025, the corporate assessment of the quality of controls and assurance in place in directorates and the annual review of the effectiveness of risk management.

We have also relied on the Opinion and Audit Findings Report of the National Audit Office.

Overall, we consider that there is reasonable assurance that there are adequate arrangements in place for governance, risk management and control.

Notwithstanding this assessment, we recognise there is a need to strengthen our arrangements. We have plans to achieve this but we need to ensure we implement these effectively by maintaining a high level of scrutiny over:

- The implementation of the Culture Transformation Plan, Fitness to Practise Plan, people strategic objectives and EDI strategic objectives
- Strengthening risk management, enhancing quality assurance and ensuring we embed our revised whistleblowing policy and escalation policy
- The stability of senior leadership
- Safeguarding, recognising this is an area where policy and process has been given significant attention during the year with an expectation that this area shows significant improvement in 2025–2026
- The implementation of the new Log and Learn process, underpinned by a change management plan that embeds the new approach and creates a culture of open learning
- The progression of the Modernisation of Technology Services programme and strengthening of data quality controls.



Ron Barclay-Smith
Chair
8 July 2025

Paul Rees MBE
Interim Chief Executive and Registrar
8 July 2025

Independent auditor's report to the trustees of the Nursing and Midwifery Council

09

Opinion on financial statements

I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2025.

The financial statements comprise: the Nursing and Midwifery Council's:

- Balance Sheet as at 31 March 2025;
- Statement of Financial Activities, Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2025 and their net expenditure before net gains/(losses) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder; and
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006, and in accordance with the Charities Act 2011.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section* of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's ***Revised Ethical Standard 2024***. I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nursing and Midwifery Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nursing and Midwifery Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and Chief Executive and Registrar with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's report thereafter. The Council and Chief Executive and Registrar are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001.

In my opinion, based on the work undertaken in the course of the audit, the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Nursing and Midwifery Council or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns;
- the Governance Statement does not reflect compliance with determinations by the Privy Council.

Responsibilities of the Council and of the Chief Executive and Registrar for the financial statements

As explained more fully in the Statement of Responsibilities of the Council, and of the Chief Executive and the Registrar, the Council and its Chief Executive and Registrar is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Nursing and Midwifery Council from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and

- preparing financial statements which give a true and fair view and are in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006

- preparing the Annual Report which includes the Remuneration Report, in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006

- assessing the Nursing and Midwifery Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council and the Chief Executive and Registrar anticipates that the services provided by the Nursing and Midwifery Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs (UK)).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud.

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Nursing and Midwifery Council's accounting policies, key performance indicators and performance incentives.
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Nursing and Midwifery Council's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Nursing and Midwifery Council's controls relating to the Nursing and Midwifery Council's compliance with the Charities Act 2011, and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006
- inquired of management, internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant external specialists, including actuarial experts where relevant, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Nursing and Midwifery Council for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Nursing and Midwifery Council's framework of authority and other legal and regulatory frameworks in which the Nursing and Midwifery Council operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Nursing and Midwifery Council.

The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I addressed the risk of fraud in revenue recognition by testing unusual adjustments to revenue.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Rachel Nugent
(Senior Statutory Auditor)

11 July 2025

For and on behalf of the

Comptroller and Auditor General
(Statutory Auditor)

National Audit Office
157-197 Buckingham Palace Road
Victoria

The Certificate and Report of the Comptroller and Auditor General to the trustees of the Nursing and Midwifery Council and the Houses of Parliament

10

Opinion on financial statements

I certify that I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2025 under the Nursing and Midwifery Order 2001.

The financial statements comprise: the Nursing and Midwifery Council's:

- Balance Sheet as at 31 March 2025;
- Statement of Financial Activities, Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2025 and their net expenditure before net gains/(losses) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder; and
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006, and in accordance with the Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's ***Revised Ethical Standard 2024***. I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nursing and Midwifery Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nursing and Midwifery Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and Chief Executive and Registrar with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereafter. The Council and Chief Executive and Registrar are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001.

In my opinion, based on the work undertaken in the course of the audit, the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Nursing and Midwifery Council or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns;
- the Governance Statement does not reflect compliance with determinations by the Privy Council.

Responsibilities of the Council and of the Chief Executive and Registrar for the financial statements

As explained more fully in the Statement of Responsibilities of the Council, and of the Chief Executive and the Registrar, the Council and its Chief Executive and Registrar is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Nursing and Midwifery Council from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- preparing financial statements which give a true and fair view and are in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006
- preparing the Annual Report which includes the Remuneration Report, in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006
- assessing the Nursing and Midwifery Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council and the Chief Executive and Registrar anticipates that the services provided by the Nursing and Midwifery Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud.

The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Nursing and Midwifery Council's accounting policies, key performance indicators and performance incentives.
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Nursing and Midwifery Council's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Nursing

and Midwifery Council's controls relating to the Nursing and Midwifery Council's compliance with the Charities Act 2011, and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006

- inquired of management, internal audit, and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant external specialists, including actuarial experts where relevant regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Nursing and Midwifery Council for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Nursing and Midwifery Council's framework of authority and other legal and regulatory frameworks in which the Nursing and Midwifery Council operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Nursing and Midwifery Council. The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001 and the determination of the Privy Council thereunder as well as the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations [6 and 8] of the Charities Accounts (Scotland) Regulations 2006, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

- I addressed the risk of fraud in revenue recognition by testing unusual adjustments to revenue.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

11 July 2025

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements for the year ended 31 March 2025

Statement of financial activities for the year ended 31 March 2025

	Note	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Income from:			
Charitable activities:			
Fees	2	105,316	103,338
Other income	3	158	114
Total		**105,474**	**103,452**
Investment income:	3	3,195	3,763
Total income		**108,669**	**107,215**
Expenditure on:			
Raising funds	4	(177)	(173)
Charitable activities	5	(130,256)	(108,160)
Total		**(130,433)**	**(108,333)**
Net expenditure before net gains/ (losses)		**(21,764)**	**(1,118)**
Gain/(loss) on investments	14	2,585	3,204
Net expenditure		**(19,179)**	**2,086**
Net movement in funds		**(19,179)**	**2,086**
Reconciliation of funds:			
Total funds brought forward		78,868	76,782
Total funds carried forward		**59,689**	**78,868**

All funds brought and carried forward are unrestricted in the current and previous financial years. All activities reflected in the above two periods were derived from continuing operations. All recognised gains and losses are included in the above statement.

The notes on pages 132 to 161 form part of these accounts.

Balance sheet as at 31 March 2025

	Note	As at 31 March 2025 £'000	As at 31 March 2024[1] £'000
Fixed assets			
Intangible assets	11	25,239	20,193
Tangible assets	12	15,206	16,632
Investments	14	41,606	38,557
Total fixed assets		**82,051**	**75,382**
Current assets			
Debtors	15	4,426	4,519
Investments	14	7,405	16,585
Cash at bank and in hand		34,326	46,088
Total current assets		**46,157**	**67,192**
Liabilities:			
Creditors: amounts falling due within one year	16	(63,977)	(58,979)
Total current liabilities		**(63,977)**	**(58,979)**
Net current assets		**(17,820)**	**8,213**
Total assets less current liabilities		**64,231**	**83,595**
Creditors: amounts falling due after more than one year	17	(647)	(874)
Provisions for liabilities	18	(3,895)	(3,853)
Net assets excluding pension liability		**59,689**	**78,868**
Defined benefit pension scheme liability	19	**-**	**-**
Total net assets		**59,689**	**78,868**
The funds of the NMC			
Unrestricted funds		**59,689**	**78,868**
Total funds		**59,689**	**78,868**

The Board of Trustees approved the accounts on 02 July 2025 and it is signed on their behalf by:

Ron Barclay-Smith
Chair
8 July 2025

Paul Rees MBE
Interim Chief Executive and Registrar
8 July 2025

The notes on pages 132 to 161 form part of these accounts.

[1] For the year ending 31 March 2024, £874k of lease premium has been reclassified from 'Creditors: amounts falling due within one year' to Creditors: amounts falling due after more than one year.

Statement of cash flows for the year ended 31 March 2025

	Note	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Cash flows from operating activities			
Net cash provided by operating activities (see note A)		**(16,663)**	**932**
Cash flows from investing activities			
Interest earned from bank deposits	3	2,211	2,851
Cash withdrawal - short and long-term deposits	14	9,523	13,027
Purchase of tangible and intangible assets	11 & 12	(6,833)	(8,353)
Net cash provided by/(used in) investing activities		**4,901**	**7,525**
Change in cash and cash equivalents in the reporting period		**(11,762)**	**8,457**
Cash and cash equivalents at the beginning of the year		**46,088**	**37,631**
Cash and cash equivalents at the end of the year		**34,326**	**46,088**

There were no financing activities in the year.

The notes on pages 132 to 161 form part of these accounts.

Note A: Reconciliation of net income to net cash flow from operating activities		Year ended 31 March 2025	Year ended 31 March 2024
	Note	£'000	£'000
Net income from the reporting period (as per the statement of financial activities)		(19,179)	2,086
Interest earned from bank deposits	3	(2,211)	(2,851)
Dividends and interest earned on fixed asset investment portfolio	3	(984)	(908)
(Gain)/loss on investments	14	(2,585)	(3,146)
Investment management charge	14	177	173
Depreciation and amortisation charges	11 & 12	4,052	3,793
Loss on capital work in progress disposal		-	56
(Gain)/Loss on disposal		39	-
(Increase) in debtors		93	(749)
Increase in creditors and provisions		4,813	2,478
Less capital accruals		(878)	-
Net cash inflow from operating activities		**(16,663)**	**932**

Analysis of cash and cash equivalents	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Cash at bank and in hand	12,216	7,888
Short term investments	22,110	38,200
	34,326	**46,088**

Analysis of changes in net debt

The NMC had no debt during the year.

In accordance with the Charities SORP, FRS 102:

In the balance sheet, cash at bank and in hand means bank accounts with instant access or investments maturing within three months of the balance sheet date. Investments with maturities of between three and twelve months are classified as current asset investments.

In the above 'Analysis of cash and cash equivalents', cash at bank and in hand means bank accounts with instant access while investments maturing within three months of the balance sheet date are classified as short-term investments.

In note 14, investments with maturities of between three and 12 months have been classified as short-term deposits.

The NMC does not hold any physical cash.

1. Notes to the accounts

1. Basis of preparation and accounting policies

We prepare our accounts in accordance with the Charities Statement of Recommended Practice (SORP 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102). As set out in our Accounts Direction from the Privy Council, which is reproduced at Appendix 1, we also have regard to the Government Financial Reporting Manual (FReM), to the extent that the requirements of the FReM clarify or build on the requirements of the Charities SORP.

We meet the definition of a public benefit entity under FRS102.

Under the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2024, the ONS has designated the NMC for consolidation into the DHSC. Copies of the departments accounts can be obtained from their website.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

a. Going concern

The accounts are prepared on the going concern basis.

Our objective is to protect the public by regulating nurses and midwives in England, Wales, Scotland and Northern Ireland, and nursing associates in England. We are funded by the registration fees paid by nurses, midwives and nursing associates.

Taking into account our relatively secure source of income and our significant reserves, the Council has reviewed our circumstances, work plans, budgets, cash flow forecasts and our current and forecast reserves levels and is comfortable with deficit budgets in the short term (1–2 years) as we fund significant investment programmes. With our significant deficit in 2024–2025 and a planned deficit of £24 million in 2025–2026, we are necessarily still developing plans for 2026–2027.

However, even if we assume continued spend and income in 2026–2027 were to be in line with 2025–2026, we would still have reserves of around £20 million at 31 March 2027. This would mean we are still viable 12 months after the accounts are signed but would be below the lower end of our approved year end reserves of cash and other liquid investments of £30 million.

Consultation exercises by the Department of Health and Social Care on the UK model of regulation for healthcare professionals, and the passing of the 'Anaesthesia Associates and Physician Associates Order 2024' make clear the presumption of the continued future need for our regulatory functions.

Given the continued need for our regulatory functions and our financial position outlined above, the Council considers that adequate resources continue to be available to fund our activities for the foreseeable future and there are no material uncertainties about the NMC's ability to continue as a going concern.

b. Accounting convention

We prepare our accounts under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated on the relevant accounting policy notes.

c. Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, we are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may ultimately differ from those estimates. The significant areas subject to estimation and judgement are:

- Depreciation/amortisation

  The useful economic lives and depreciation/amortisation method (straight line - equal instalments) of fixed assets are based on management's judgement and experience.

- Pensions

  The principal assumptions used to calculate the surplus in the defined benefit pension scheme are those as set out in note 19. An asset ceiling has been applied to bring the net position to nil, recognising that the NMC does not have an unconditional right to a surplus.

- Employment Tribunal provision

  The provision for employment tribunal represents our best estimate of the potential costs of ongoing cases. These are reviewed annually and increased where additional costs may arise following the outcome of an employment tribunal. Costs that can be accurately measured and are due to be paid in the next financial year have been transferred to accruals.

d. Income

All income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

- Income from charitable activities

  Nurses, midwives and nursing associates must pay an annual registration fee to be registered with the NMC and able to practise. Registration fees are paid either annually in advance or quarterly in advance. We recognise the fees as income on a monthly basis across the year to which the registration fee applies. The deferred income amount within our creditors is the value of fees that we have received at each balance sheet date that relate to a future financial year. Other fees including verification fees are credited to income on the day of receipt.

- Investment and interest income

  Investment and interest income is accounted for when receivable.

e. Expenditure

- Charitable activities

  Expenditure on charitable activities includes all expenditure related to the objects of the charity which comprise: standards promotion and policy development, education, maintaining the register, fitness to practise, and communication and public engagement. See note 5.

- Support costs

  Support costs are the costs of our corporate functions including premises, IT, finance and human resources. They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

f. Fund accounting

All currently held funds are unrestricted and reported as such in the accounts. They are available for use at the discretion of the Council to support the general objectives of the NMC.

Restricted grant funding that has previously been received has been used in accordance with the specific restrictions imposed and fully utilised.

g. Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities (SoFA) in equal amounts over the periods of the leases.

h. Employee benefits

- Holiday pay

  Holiday pay is recognised as an expense in the period in which the service is received.

- Termination benefits

  Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

- Pension costs

  Retirement benefits are provided by a defined benefit scheme and a defined contribution scheme. Payments are made to pension trusts, which are financially separate from the NMC.

  The defined benefit scheme was closed to future accrual of benefits with effect from 1 July 2021 and, as a result of the triennial review as at 31 March 2022 showing a surplus, even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer, no recovery plan payments are currently required.

  The difference between the market value of the assets of the pension fund and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, except that an asset is only recognised where the Charity has an unconditional right to that surplus. As the NMC does not have an unconditional right to a surplus, an asset ceiling adjustment has been applied to bring the net position on the balance sheet to nil, with the

actuarial gain and the asset ceiling adjustment both charged to the SoFA.

The service cost of pension provision relating to the period, together with the costs of any benefits relating to past service and the pension finance cost, which is a charge equal to the increase in the present value of the Pension Fund's liabilities at the previous year end, less a credit equivalent to the Pension Fund's long-term expected return on assets are allocated to the SoFA.

Payments to the defined contribution scheme are made on the basis of set percentage contributions by the NMC and employees, and the costs are charged to the SoFA as incurred. The NMC has no obligation to pay further contributions.

i. Fixed assets

Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £5,000 and when they are ready for use. Assets are initially measured at cost and are depreciated/amortised to write them down over their estimated useful lives in equal instalments as follows:

Long leasehold premises - 23 Portland Place[2]	50 years
Office fit out and refurbishment	Period of the lease or the useful economic life of the asset
Furniture	10 years
Internally developed software	3–10 years
Software	3–5 years
Equipment	3–5 years

[2] See Note 12.1.

We revalued 23 Portland Place during 2013–14 and on first adoption of FRS102 opted to use this valuation as deemed cost going forward.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated. When a fixed asset is disposed of the NMC recognises a gain or loss on the disposal in the SoFA.

Internal costs such as staff wages that are directly incurred on software development are capitalised as part of the project they relate to.

j. Investments

Fixed asset investments are initially capitalised at cost and subsequently recognised at market value at the balance sheet date.

Gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their cost if acquired during the year, and are charged or credited to the statement of financial activities in the year of disposal.

The movement in market values during the year for assets held at the year-end is credited or charged to the statement of financial activities based on the market value at the year-end.

Current asset investments are investments with maturities of between three and 12 months and are recognised at market value at the balance sheet date.

k. Debtors

Debtors and accrued income are recognised at the amount due at year-end. Prepayments are valued at the amount prepaid.

l. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a maturity of three months or less at the balance sheet date.

m. Creditors

Creditors are recognised where we have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

n. Provisions

Provisions are recognised where we have a present legal or constructive obligation as a result of a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

o. Financial instruments

The NMC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost consist of cash balances, investments, trade and other debtors. Investments in the stock market are held at market value. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

2. Fee income

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Registration fees	101,116	96,060
Other fees paid by registrants	4,200	7,278
Total	**105,316**	**103,338**

3. Investment, grant and other income

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Interest earned from bank deposits	2,211	2,851
Dividends and interest earned in our fixed asset investment portfolio	984	912
Investment income total	**3,195**	**3,763**
Other income	158	114
Total	**158**	**114**

In the prior year 2023–2024, £70,000 of other income was received under a contract with the Department of Health and Social Care for work undertaken by the NMC to set up a temporary register to support nursing resources in response to the Coronavirus pandemic. No such income was received from the Department of Health and Social Care in 2024–2025.

4. Analysis of expenditure on raising funds

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Investment management charge	177	173

The investment management charge for the year includes £168k (2023–2024: £173k) from our fixed asset investment and £9k (2023–2024: £nil) from our current asset investment.

5. Analysis of expenditure on charitable activities

Year ended 31 March 2025	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2024–2025 £'000
Activities undertaken directly						
Employee costs	8,082	1,385	6,076	36,470	2,740	54,753
Other costs	2,647	61	163	32,509	667	36,047
Support costs						
Employee costs	1,926	271	2,424	11,820	669	17,110
Other costs	2,112	297	2,658	16,545	734	22,346
Total	**14,767**	**2,014**	**11,321**	**97,344**	**4,810**	**130,256**

Year ended 31 March 2024	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2023–2024 £'000
Activities undertaken directly						
Employee costs	7,405	1,162	5,476	31,314	2,810	48,167
Other costs	1,914	25	119	21,836	544	24,438
Support costs						
Employee costs	1,683	251	2,223	10,573	724	15,454
Other costs	1,771	265	2,340	14,963	762	20,101
Total	**12,773**	**1,703**	**10,158**	**78,686**	**4,840**	**108,160**

6. Analysis of support costs

Year ended 31 March 2025	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2024–2025 £'000
Facilities	241	34	303	5,056	84	5,718
Finance and procurement	394	55	495	2,417	137	3,498
HR	948	133	1,194	5,821	329	8,425
ICT	1,148	162	1,444	7,044	399	10,197
Governance	495	70	623	3,037	172	4,397
Legal	223	31	281	1,370	78	1,983
Depreciation	456	64	574	2,800	158	4,052
Corporate Improvement	133	19	168	820	46	1,186
Total	**4,038**	**568**	**5,082**	**28,365**	**1,403**	**39,456**

Support costs are the costs of our corporate functions including premises, IT, finance and human resources.

They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

Year ended 31 March 2024	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2023–2024 £'000
Facilities	207	31	273	5,111	89	5,711
Finance and procurement	440	66	581	2,768	189	4,044
HR	785	117	1,036	4,933	338	7,209
ICT	999	149	1,321	6,286	430	9,185
Governance	433	65	571	2,721	185	3,975
Legal	177	27	235	1,122	77	1,638
Depreciation	413	61	546	2,595	178	3,793
Total	**3,454**	**516**	**4,563**	**25,536**	**1,486**	**35,555**

7. Governance Costs

The breakdown of governance costs (included within support costs) is:

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Council members' allowances, national insurance, travel and subsistence	529	601
Auditors' remuneration for audit services: HW Fisher LLP	-	80
Auditors' remuneration for audit services: NAO	101	17
Professional Standards Authority annual fee	2,120	2,059
Operating costs (including salaries)	1,647	1,218
Total	**4,397**	**3,975**

In order to correctly show the prior year fee paid to the Professional Standards Authority, £136k has been reclassified from Professional Standards Authority annual fee to Operating costs in the year ended 31 March 2024.

Of the £101,000 NAO audit fee for the year ended 31 March 2025, only £98,000 of this fee includes VAT. The remaining £3,000 relates to the second-tier audit and this statutory appointment does not attract VAT.

8. Total resources expended by cost category

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Salaries and associated costs	71,863	63,621
Fitness to practise related costs	32,509	21,836
IT development and support	5,679	5,125
Professional fees	5,929	4,277
Rent payable on office leases	2,137	1,922
Other premises costs	2,680	3,001
Other employee-related costs	2,166	1,644
Quality assurance of education	1,813	1,310
Depreciation/amortisation	4,052	3,793
Printing, postage and stationery	111	117
Finance and insurance costs[3]	981	1,191
Council and committee costs	513	496
Total	**130,433**	**108,333**

Expenditure on consultancy

The definition of consultancy is the provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions. On this basis consultancy costs have been identified as below. These costs are included mainly in the Professional fees category, and also in the IT development and support category.

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Consultancy	3,549	916

The year on year increase to consultancy fees is due to a corporate improvement programme including work to support the culture review and fitness to practice.

[3] Includes trustees' indemnity insurance.

9. Information regarding employees

Salaries and associated costs	Executive	Other employees	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000	£'000	£'000
Wages and salaries	1,391	57,281	58,672	51,935
Social security costs (Employer's NI contributions and Apprenticeship levy)	170	6,079	6,249	5,486
Defined contribution pension costs - present employees[4]	154	5,706	5,860	5,269
Temporary and contract workers	-	3,673	3,673	3,242
Termination payments[5]	94	100	194	143
Total	**1,809**	**72,839**	**74,648**	**66,075**
Capitalised staff costs	-	(2,785)	(2,785)	(2,454)
Total	**1,809**	**70,054**	**71,863**	**63,621**

[4] Further information about the NMC's employee pension schemes can be found in Note 19.

[5] This includes £182,000 of payments in lieu of notice and £12,000 of redundancy payments. There were no extra-contractual payments in the year. (2023–2024: extra contractual payments of £39,000, redundancy payments of £66,000 and payments in lieu of notice of £38,000).

Information relating to higher-paid employees (including the Executive)

There were 304 (2023–2024: 242) employees (including members of Executive for the period) whose remuneration fell in the following bands:

	Year ended 31 March 2025	Year ended 31 March 2024
Renumeration bands (£)	**Number of employees**	**Number of employees**
60,001 – 70,000	148	115
70,001 – 80,000	62	57
80,001 – 90,000	53	37
90,001 – 100,000	14	12
100,001 – 110,000	10	5
110,001 – 120,000	5	6
120,001 – 130,000	5	2
130,001 – 140,000	1	3
140,001 – 150,000	2	-
150,001 – 160,000	-	-
160,001 – 170,000	-	3
170,001 – 180,000	1	1
180,001 – 190,000	1	1
190,001 – 200,000	1	-
200,001 – 210,000	1	-
Total	**304**	**242**

Key management is made up of the Chief Executive and Registrar and the Executive directors. The total benefits of the key management, including employers national insurance and pension contributions were £1,809,000 (2023–2024: £1,562,000). The above table includes ten Executive directors who received more than £60,000 in the year. For more information on Executive remuneration in the year, see the Remuneration report.

In 2024–2025, one director with remuneration in the £200,000–£210,000 band included an exit package of £94,000.

All other movement in bandings was through the 2024–2025 standard annual pay increase.

The total benefits of the Trustees, including employers national insurance were £283,000 (2023–2024: £266,000). For more information on Trustee remuneration in the year, see the remuneration report.

	Year ended 31 March 2025	Year ended 31 March 2024
	Number of employees	Number of employees
Average number of permanent and fixed-term contract employees during the year:		
Executive	9	9
Other employees	1,164	1,068
Average number of agency temporary staff and contractors during the year	78	73
Total	**1,251**	**1,150**

10. Charitable status

We are registered as a charity in England and Wales with the Charity Commission (charity no. 1091434) and in Scotland with the Office of the Scottish Charity Regulator (charity no. SC038362).

Due to our charitable status we are not liable to corporation tax on our charitable activities or on our investment income and gains. We also receive charitable rate relief from the City of Westminster, London Borough of Newham and Edinburgh City Council.



11. Intangible fixed assets for use by the charity

	Software	Internally developed software	Capital work in progress	Total
	£'000	£'000	£'000	£'000
Cost:				
01 April 2024	2,109	26,163	6,697	**34,969**
Additions	-	2,158	5,374	**7,532**
Disposals	-	(590)	-	**(590)**
Transfers	-	4,794	(4,794)	**-**
31 March 2025	**2,109**	**32,525**	**7,277**	**41,911**
Amortisation:				
01 April 2024	2,109	12,667	-	**14,776**
Amortisation charge for the year	-	2,449	-	**2,449**
Disposals	-	(553)	-	**(553)**
31 March 2025	**2,109**	**14,563**	**-**	**16,672**
Net Book Value:				
31 March 2024	-	13,496	6,697	**20,193**
31 March 2025	**-**	**17,962**	**7,277**	**25,239**

Capital work in progress projects are assets that are not yet ready for use. They are added to the fixed asset register when ready for use at cost and amortised in equal instalments.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated. When a fixed asset is disposed of, the NMC recognises a gain or loss on the disposal in the SoFA.

In 2024–2025, £4.738 million of work in progress relating to our Modernisation of Technology Services programme (MoTS) and £0.056 million relating to our Test of Competence Management programme (ToC) were brought into use. A further £1.984 million of additions relating to the MoTS and £0.174 million relating to the ToC programmes was also capitalised during the year.

Carrying value of material intangible assets

Year ended 31 March 2025	Gross book Value	Net book value	Remaining life
	£'000	£'000	(months)
Application processes of the register database	8,135	2,500	65
Improvements to NMC Register	3,398	2,115	80
Register of Registrants of England and Wales	5,641	5,385	114
Structured data in the registrant database	2,095	1,781	101
Total	**19,269**	**11,781**	

Year ended 31 March 2024	Gross book Value	Net book value	Remaining life
	£'000	£'000	(months)
Application processes of the register database	8,135	2,962	77
Improvements to NMC Register	3,398	2,430	92
Structured data in the registrant database	2,095	1,990	113
Total	**13,628**	**7,382**	

11.1 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use. These include the Modernisation of Technology project and the Test of Competence management project.

12. Tangible fixed assets for use by the charity

	23 Portland Place long leasehold premises[6]	Building refurbishment	Furniture	Equipment	Capital work in progress[7]	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost:						
01 April 2024	15,448	13,619	181	2,497	-	**31,745**
Additions	-	-	-	130	49	**179**
Disposals	-	-	-	(11)	-	**(11)**
31 March 2025	**15,448**	**13,619**	**181**	**2,616**	**49**	**31,913**
Depreciation:						
01 April 2024	3,486	9,790	158	1,679	-	**15,113**
Depreciation charge for the year	354	654	11	584	-	**1,603**
Disposals	-	-	-	(9)	-	**(9)**
31 March 2025	**3,840**	**10,444**	**169**	**2,254**	**-**	**16,707**
Net Book Value:						
31 March 2024	11,962	3,829	23	818	-	**16,632**
31 March 2025	**11,608**	**3,175**	**12**	**362**	**49**	**15,206**

[6] See Note 12.1.
[7] See Note 12.2.

Capital work in progress projects are assets that are not yet ready for use. They are added to the fixed asset register when ready for use at cost and depreciated in equal instalments.

Fixed assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated. When a fixed asset is disposed of the NMC recognises a gain or loss on the disposal in the SoFA.

In 2024–2025, £130k of additions relating to technology improvements was capitalised in the year (2023–2024: £247k). There were disposals of £11k in the year also relating to technology improvements.

12.1 Long leasehold premises

The UKCC (the NMC's predecessor body) acquired the leasehold interest in 23 Portland Place, London W1B 1PZ from the General Nursing Council for England and Wales at nil cost. The lease has a peppercorn rent of £250 a year and expires in the year 2933. The lease was valued as at 31 March 2014 on an existing use basis, by external valuers Carter Jonas, at £17.185 million. There is a restrictive covenant on the lease which restricts the use and occupation of the property to the NMC.

12.2 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets are not yet ready for use.

13. Related party transactions

We are accountable to Parliament through the Privy Council. The Nursing and Midwifery Order 2001 sets out the nature of our relationship with the Privy Council and the reporting mechanisms required. While not accountable to the Department of Health and Social Care, we have regular contact with the Department on policy and other matters.

During the period 1 April 2024 to 31 March 2025, the total allowance paid to the Chair was £78,000 (2023–2024: £78,000), and allowances, travel and subsistence and training expenses paid to, or incurred in relation to, members of the Council (Trustees) were £339,047 (2023–2024: £311,686). Council members are paid directly via the NMC payroll.

Details of amounts paid to individual Council and Executive members are set out in the Remuneration report.

During the year, the NMC engaged IT services from Gartner U.K. Limited. The partner of Matthew McClelland, Executive Director of Strategy and Insight up to September 2024, is the Regional Vice President of Business Development at Gartner U.K. Limited. The NMC paid Gartner U.K. Limited a total of £55,440 during the year (2023–2024: £37,280).

During the year, the NMC engaged facilitation and coaching services from Aim Higher Leadership Ltd.

John Welsh, the brother of Edward Welsh, Director of Communications and Engagement, is an external associate sub-contractor of Aim Higher Leadership Network.

The NMC paid Aim Higher Leadership Network a total of £8,546 during the year (2023–2024: £nil).

There were no balances outstanding with related parties at year-end.

14. Investments

Fixed asset investments	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Market value at 1 April	38,557	34,676
New capital invested	-	-
Dividends and interest received and retained in fund	984	908
Management fees charged at source	(168)	(173)
Net gain/(loss) on revaluation	2,233	3,146
Market value at 31 March	**41,606**	**38,557**
Comprising the following:		
Fixed income securities	21,634	5,190
Equities	7,894	28,476
Property funds	1,143	1,301
Alternative investment funds	4,407	2,471
	35,078	**37,438**
Cash	6,528	1,119
Market value at 31 March	**41,606**	**38,557**

Current asset investments	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Market value at 1 April	7,062	-
New capital invested	-	7,000
Interest received and retained in fund	-	4
Management fees charged at source	(9)	-
Net gain/(loss) on revaluation	352	58
Market value at 31 March	**7,405**	**7,062**
Short-term deposits (maturity of more than 3 months but less than 12 months)	-	9,523
	7,405	**16,585**

15. Debtors

	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Debtors	297	64
Prepayments and accrued income	4,129	4,455
Total	**4,426**	**4,519**

16. Creditors (amounts falling due within one year)

	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Creditors and accruals	20,255	15,478
Other taxes and social security	1,747	1,573
Deferred income	41,975	41,928
Total	**63,977**	**58,979**

Deferred income is the value of Registrant fees received at each balance sheet date that relate to a future financial year. £41,928,000 deferred as at 31 March 2024 was released in the year and £41,975,000 was deferred as at 31 March 2025.

The creditors and accruals figure for 31 March 2024 has been reduced due to a transfer of £874,000 to 'Lease premium' under 'Creditors (amounts falling due after more than one year)', note 17.

17. Creditors (amounts falling due after more than one year)

	As at 31 March 2025	As at 31 March 2024[8]
	£'000	£'000
Lease premium	647	874
Total	**647**	**874**

18. Provisions

	Dilapidations[9]	Employment tribunal[10]	Total
	£'000	£'000	£'000
At 1 April 2024	(753)	(3,100)	(3,853)
Additions	(92)	(3,050)	(3,142)
Utilised in the year	-	1,675	1,675
Releases	-	-	-
Transfer to accruals	-	1,425	1,425
At 31 March 2025	**(845)**	**(3,050)**	**(3,895)**

[8] For the year ending 31 March 2024, £874k of lease premium has been reclassified from 'Creditors (amounts falling due within one year)' to 'Creditors (amounts falling due after more than one year)'.

[9] The provision for dilapidations represents our best estimate of the costs of putting our leased properties back into the condition they were in prior to the start of our leases.

[10] The provision for employment tribunal represents our best estimate of the potential costs of ongoing legal cases. In 2024–2025, we increased the provision to reflect additional costs that may arise following the outcome of an employment tribunal. The outcome may have implications for a wider group of individuals and is still outstanding in the financial year. Costs that can be accurately measured and are due to be paid in the next financial year have been transferred to accruals.

19. Pension commitments

We operate two pension schemes: a defined contribution scheme and a defined benefit scheme.

The defined contribution scheme

Having transferred from The Peoples Pension during the financial year, our main pension scheme is a defined contribution scheme now operated by Aviva. The minimum contribution level is that employees contribute one percent of their pensionable salary and the NMC contributes eight percent (2023–2024: eight percent).

Employees may make additional contributions which are matched by the NMC up to a maximum employer contribution of 14 percent.

As at 31 March 2025, 92 percent of employees were members of the defined contribution pension scheme. Employees also have the option of making their contributions through a salary sacrifice scheme introduced at the beginning of 2021–2022.

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
NMC's (employer's) defined contribution scheme contributions made in year	5,860	5,269
	%	%
NMC's (employer's) basic contribution defined contribution scheme	8.00%	8.00%
Employees' basic contribution defined contribution scheme	**1.00%**	**1.00%**

The defined benefit scheme

Employees who joined the NMC before November 2013 were able to join our defined benefit pension scheme, The Nursing and Midwifery Council and Associated Employers Pension Scheme, scheme registration number 101652586. It is a funded, multi-employer scheme with the Department of Health and Social Care, administered by Isio. The National Assembly for Wales and NHS Education for Scotland, the previous participants, withdrew from the scheme during 2013 and 2015 respectively. In March 2021, following a consultation with the active members of the Scheme, Council decided to close the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. Therefore, at 31 March 2025 no employees are active members of the scheme.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. Contributions have been charged to the Statement of Financial Activities (SoFA) so as to spread the cost of pensions over employees' working lives.

The latest completed valuation of the scheme was carried out on behalf of the pension trustees by Premier Pensions Management Limited as at 31 March 2022, using a full yield curve approach. At the date of the valuation, the value of the NMC section of the scheme assets on a low dependency basis was £74.4 million. The value of the assets represented 107 percent of the value of the benefits, which had accrued to members after allowing for expected future increases in earnings and pensions.

If the scheme had been wound up on the valuation date (31 March 2022), the assets would have been approximately 86 percent of the amount necessary to purchase insurance contracts to meet the accrued benefits for active members and past leavers and the current benefits for pensioners. The estimated deficit would have been £12.4 million.

As a result of the triennial review showing a surplus, the independent pension trustees have agreed that recovery plan payments are no longer required. The value of Recovery Plan payments in the year ended 31 March 2025 was £nil (31 March 2024: £nil). The value of other, non-recovery plan payments in the year was £nil (2023–2024: £nil).

The next triennial valuation will be as at 31 March 2025.

The FRS 102 valuation is based on a full assessment of the liabilities of the scheme as at 31 March 2025.

Although this valuation shows a surplus, legal advice has confirmed that the NMC does not have an unconditional right to that surplus. This is because the NMC, as one of two scheme employers, does not have unilateral power to direct the scheme towards a scenario that would produce a surplus and because, even at the point at which any surplus could be distributed, how to distribute that surplus between the scheme employers rests solely with the Trustees, acting on actuarial advice. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

In June 2023, the High Court judged that amendments made to Virgin Media's pension scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016.

The Nursing and Midwifery Council and Associated Employers Pension Scheme was contracted out and amendments were made during the relevant period. As such, the ruling could have implications for the Scheme.

The Court of Appeal upheld the 2023 High Court ruling in July 2024. Detailed investigations into any potential impact for the Scheme have not yet commenced, but the Nursing and Midwifery Council and the Trustees of the Scheme will continue to seek advice on the matter and act accordingly. As there is a potential for additional liabilities to be identified in due course, we are disclosing this issue as an unquantified contingent liability at the 2025 year-end. We will continue to review the position and this issue and update further at the 2026 year-end when we expect further clarity to be available.

Amounts recognised in Balance Sheet	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Assets at fair value	68,224	73,573
Present value of defined benefit obligation	(53,912)	(59,031)
Surplus/(Deficit)	**14,312**	**14,542**
Asset ceiling adjustment	(14,312)	(14,542)
Net liability	**-**	**-**

Amounts recognised in SoFA	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Expected return on plan assets	3,479	3,514
Curtailment	-	-
Interest on pension obligation	(3,479)	(3,514)
Net amount recognised in SoFA	**-**	**-**

Amounts recognised in Other Comprehensive Income	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Return on plan assets in excess of interest income	6,634	3,727
Actuarial loss/(gain) on demographic assumptions	(51)	(778)
Actuarial loss/(gain) on financial assumptions	(5,347)	(2,529)
Actuarial loss/(gain) on experience adjustment	(308)	1,011
Change in the asset ceiling excluding interest	(928)	(1,431)
Total loss/(Gain)	-	-

	%	%
NMC's (employer's) contribution defined benefit scheme	0.00%	0.00%
Employees' contribution defined benefit scheme	0.00%	0.00%

Reconciliation of present value of defined benefit obligation	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Opening balance at 1 April 2024	**59,031**	**60,450**
Current service cost	-	-
Curtailment	-	-
Interest cost	2,781	2,797
Employee contribution	-	-
Actuarial (gain)/losses	(5,706)	(2,296)
Benefits paid	(2,194)	(1,920)
Closing balance at 31 March 2025	**53,912**	**59,031**

Reconciliation of fair value of plan assets	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Opening balance at 1 April 2024	**73,573**	**75,706**
Expected return on assets	3,479	3,514
Actuarial gain/(losses)	(6,634)	(3,727)
Employer contribution	-	-
Employee contribution	-	-
Benefits paid	(2,194)	(1,920)
Closing balance at 31 March 2025	**68,224**	**73,573**

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Asset ceiling at start of period	**(14,542)**	**(15,256)**
Interest on the asset ceiling	(698)	(717)
Change in asset ceiling not included in income statement	928	1,431
Asset ceiling at end of period	**(14,312)**	**(14,542)**

Reconciliation of change in funded status	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Opening balance at 1 April 2024	**-**	**-**
Pension expense	-	-
Actuarial gain/(losses)	(928)	(1,431)
Employer contribution	-	-
Asset ceiling adjustment	928	1,431
Closing balance at 31 March 2025	**-**	**-**
Actual return on plan assets	**(3,155)**	**(213)**

History of experience adjustments	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000	£'000	£'000
Defined benefit obligation	(53,912)	(59,031)	(60,450)	(96,036)
Plan assets	68,224	73,573	75,706	101,836
Surplus/(Deficit)	**14,312**	**14,542**	**15,256**	**5,800**
Experience adjustments on scheme liability - gain/(loss)	308	(1,011)	(1,332)	(4,347)
Experience adjustments on scheme assets	(6,634)	(3,727)	(29,384)	2,845

Expected contribution in following period	As at 31 March 2025
	£'000
Employer (including fees)	-
Employee	-
Total	**-**

Principal assumptions	As at 31 March 2025	As at 31 March 2024
	%	%
Discount rate	5.65%	4.80%
Retail price inflation	3.10%	3.15%
Consumer price inflation	2.50%	2.50%
Pension increases	2.95%	2.95%
Expected return on assets	5.65%	4.80%
Life expectancy at age 60	**Years**	**Years**
Males born 1962	25.7	25.8
Females born 1962	28.6	28.6
Males born 1982	27.0	27.0
Females born 1982	29.8	29.7

Scheme assets	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Growth funds	14,208	22,111
Bonds	23,818	16,407
Gilts	-	-
Liability driven investments	12,958	17,466
Cash	3,038	2,899
Insured annuities	14,202	14,690
Total	**68,224**	**73,573**

20. Capital commitments

At 31 March 2025, £18,000 for office machinery capital expenditure relating to tangible assets had been contracted for but not provided for in the accounts.

There has been no capital expenditure relating to intangible assets that had been contracted for but not provided for in the accounts.

The capital commitments table included in prior years annual accounts, showing amounts approved but not contracted for, does not meet the definition of an contractual commitment per Charities SORP (FRS 102) as the NMC are able to withdraw from approved spend. As such, the table has been removed as it is not a requirement according to the SORP (FRS 102) framework.

21. Operating lease commitments

At 31 March 2025 we had the following future minimum operating lease payments:

Land and buildings	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Leases which expire:		
Within one year	2,131	2,034
Between one and five years	2,924	5,027
Total	**5,055**	**7,061**

We lease premises at 2 Stratford Place, London, for the period until 21 July 2028 with a break clause at 21 July 2026; 1 Westfield Avenue, London, for the period until 6 February 2029 and 10 George Street, Edinburgh for the period until 14 November 2034 with a break clause at 17 May 2026.

22. Financial instruments

Financial instruments play a more limited role in creating and managing risk than would apply to a commercial organisation.

	As at 31 March 2025	As at 31 March 2024
	£'000	£'000
Financial assets	87,763	105,749
Financial liabilities	(22,002)	(17,925)

Financial assets consist of cash balances £34.326 million (2023–2024: £46.088 million), investments in fixed term bank deposits £7.405 million (2023–2024: £16.585 million) and debtors £4.426 million (2023–2024: £4.519 million) held at amortised cost and investments in the stock market (via investment managers) £41.606 million (2023–2024: £38.557 million) held at market value.

Financial liabilities held at amortised cost comprise creditors and accruals £20.902 million (2023–2024: £16.352 million) and other taxes and social security £1.747 million (2023–2024: £1.573 million).

23. Comparative statement of financial activities

In the year ended 31 March 2024, all income and expenditure was unrestricted with no brought forward restricted balance.

24. Extra-contractual payments

There were no extra-contractual payments in the period ended 31 March 2025: £nil (31 March 2024: £38,894). Further detail can be found in the Remuneration report.

25. Contingent assets and contingent liabilities

In June 2023, the High Court judged that amendments made to Virgin Media's pension scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary.

The High Court's decision has wide ranging implications, affecting other schemes that were contracted- out on a salary-related basis, and made amendments between April 1997 and April 2016.

The Nursing and Midwifery Council and Associated Employers Pension Scheme was contracted out and amendments were made during the relevant period.

As such the ruling could have implications for the Scheme. The Court of Appeal upheld the 2023 High Court ruling in July 2024. Detailed investigations into any potential impact for the Scheme have not yet commenced but the Nursing and Midwifery Council and the Trustees of the Scheme will continue to seek advice on the matter and act accordingly. As there is a potential for additional liabilities to be identified in due course we are disclosing this issue as an unquantified contingent liability at the 2025 year-end. We will continue to review the position and this issue and update further at the 2026 year-end when we expect further clarity to be available.

26. Post-balance sheet events

There have been no events after the balance sheet date requiring adjustment or disclosure in these accounts.

The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.



Appendix

The Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010

Their Lordships make the following determination in exercise of powers conferred by article 52(1) of the Nursing and Midwifery Order 20019.

This determination has effect from 23rd February 2010.

Interpretation

1. In this Determination-

"the accounts" means the accounts which it is the Council's duty to keep and prepare under article 52(1) of the Nursing and Midwifery Order 2001 in respect of the financial year ending on 31st March 2010 and subsequent financial years;

"the Charities' SoRP" means the "Accounting and Reporting by Charities: Statement of Recommended Practice 2005" prepared by the Charities Commission or any updated edition in force for the relevant financial year.

"the Council" means the Nursing and Midwifery Council;

"the FReM" means the Government Financial Reporting Manual issued by HM Treasury which is in force for the relevant financial year.

Determination

2. The accounts must-

a. be prepared so as to give a true and fair view of the Council's state of affairs as at 31st March of the financial year in question and of the incoming resources and application of resources of the Council for that financial year; and

b. disclose any material incoming or outgoing resources that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Subject to paragraph 4, in order to comply with paragraph 2(a), the accounts must be prepared-

   a. in compliance with the accounting principles and disclosure requirements contained in the Charities' SORP; and

   b. having regard to the requirements of the FReM to the extent that those requirements clarify, or build on, the requirements of the Charities' SORP.

4. Where the presence of exceptional circumstances means that compliance with the requirements of the Charities SORP or the FReM would give rise to the preparation of accounts which were inconsistent with the requirement in paragraph 2(b), those requirements should be departed from only to the extent necessary to give a true and fair view of that state of affairs.

5. In cases referred to in paragraph 4, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned and the spirit of the Charities' SORP and the FReM.

6. This determination shall be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council

Dated: 18th July 2011

Nursing & Midwifery Council

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nmc.org.uk

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NURSING AND MIDWIFERY COUNCIL

England & Wales - Charity number 1091434

Accounts

Nursing & Midwifery Council

Annual Report and Accounts 2023-2024 and Strategic Plan 2024-2026

Nursing and Midwifery Council

Annual Report and Accounts 2023–2024 and Strategic Plan 2024–2026

Annual Report 2023–2024 and Strategic Plan 2024-2026 presented to Parliament pursuant to Article 50(2) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Accounts presented to Parliament pursuant to Article 52(7) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Ordered by the House of Commons to be printed on

18 July 2024

HC 144



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Foreword

The Nursing and Midwifery Council (NMC) has taken some important regulatory actions as well as managed significant organisational challenges during the past year. As a regulator and employer, we have become acutely aware of the need to learn and improve, to do better for the professionals on our register, the public we serve and each other.

Our main priority was to reduce our fitness to practise caseload safely and swiftly to protect the public. Despite process improvements and the dedication of colleagues, we did not meet our target of fewer than 4,000 cases by 31 March 2024. This was in part because of an increase in referrals but it is also true that overall, we are taking too long to deal with individual cases. We recognise the impact this has on everyone involved: referrers, witnesses and their families, the professionals under scrutiny and NMC colleagues. As a result, we are making the biggest additional investment in a decade to support a plan that will ensure we can continue making decisions that keep people safe, but in a more timely and considerate way that will be sustainable into the future.

2023–2024 was a hugely challenging year for the professionals on our register, our partners and the public, in the context of the wider health and social care sector across the four countries of the UK. Workforce pressures, widespread industrial action, an ageing population and rising demand for health and social care – including complex, individual needs and choices – all carry increased risk. This means increased agility and adaptation is required from nursing and midwifery professionals when caring for people and their families.

We welcome the contribution that all registered professionals make to the health and wellbeing of the public.

As of 31 March 2024, there was a record high of 826,418 nurses, midwives and nursing associates on our register (2022–2023: 788,638).

Protecting the integrity of this growing register has never been more important to safeguard people and communities. In March 2023, a significant concern arose around fraudulent activity at a third-party computer-based test centre to which we responded swiftly and robustly. We are now learning from this to help strengthen controls and processes for how we support internationally trained registrants to join the NMC register, and we remain vigilant across this area of regulation.

Our quality assurance (QA) of nursing and midwifery education programmes ensures that education institutions deliver NMC approved programmes that prepare students for the standards required for entry to the register. We approved five new education institutions, bringing the total to 98 and covering more than 1,900 undergraduate degree programmes and post-registration programmes serving 120,000 students overall. We also acted when our standards were not met. To ensure that the integrity of the register was maintained, and that we discharged our role in public protection, we took the unprecedented decision to withdraw approval of a midwifery training programme at Canterbury Christ Church University.

In managing the challenges of 2023–2024, we recognised there is more we need to do to strengthen our QA function and make sure we are proactively identifying issues and taking action in a timely and proportionate way. We're improving our QA approach and working collaboratively with key stakeholders.

We continued to support nursing and midwifery professionals to practise safely and our colleagues to perform at their best. We consulted on developing approaches for the further regulation of advanced practice, supported professionals' revalidation, expanded our Welcome to the UK programme and published our first insight report to help influence positive changes within the sector. Initiatives benefiting NMC colleagues included our new People Plan with enhanced training, pay reward and policy changes to improve experiences and opportunities.

We actively invite independent, objective scrutiny, as part of our commitment to being a learning organisation. When whistleblowing concerns about our culture and effectiveness as a regulator were raised internally and later published in ***The Independent***, we took them seriously. They reflect issues we know we need to tackle around our regulatory processes and how we foster a diverse, inclusive and discrimination-free workplace and psychological safety for all our colleagues. We have instituted independent investigations to examine the concerns raised, will report the findings transparently and act on the recommendations made.

We understand the importance and significant impact on people of the challenges we face. We embrace the opportunity to achieve the best for people including our NMC colleagues, and are laying the foundations to make the difference we need to become a better employer and a better regulator. We know that reforming our legislation will help us achieve this and we will continue to work with the UK Government to develop a new legal framework that will modernise how we regulate.

These and other factors have guided the reprioritisation of our plans for 2024–2026, focused on the most significant risks to our work and areas where improvement will have the biggest positive impact on people's experiences of our role. We will monitor and review our progress against our corporate plan, remaining sensitive to the wider landscape and adapting where needed to ensure that we continue to deliver our regulatory duties.

We would like to thank all those who helped deliver what we achieved last year and who will partner with us in the future. This includes our dedicated colleagues, Council members, the professionals on our register and their employers, and the engagement and insights of our partners, our Professional Strategic Advisory Group, Midwifery Panel and Public Voice Forum. With all their help we will continue to focus on achieving safe, effective and kind care that is equitable, person-centred and rooted in the lived experience of the people and communities we serve.

Sir David Warren
Chair
3 July 2024

Andrea Sutcliffe
Chief Executive and Registrar
3 July 2024

Our role

We are the independent regulator for nurses and midwives in the UK and nursing associates in England.
Our objectives are set out in the Nursing and Midwifery Order 2001 (as amended).

The overarching aim of the Council is the protection of the public by:

a. protecting, promoting and maintaining the health, safety and wellbeing of the public

b. promoting and maintaining public confidence in the professions regulated under the Order

c. promoting and maintaining proper professional standards and conduct for members of those professions.

Our regulatory responsibilities are to:

- **maintain the register** of nurses and midwives who meet the requirements for registration in the UK, and nursing associates who meet the requirements for registration in England
- **set the requirements for the professional education** that supports people to develop the knowledge, skills and behaviours required for entry to, or annotation on, our register
- shape the practice of the professionals on our register by **developing and promoting standards** including our Code, and promoting lifelong learning through revalidation
- **investigate and, if needed, take action** where serious concerns are raised about a nurse, midwife or nursing associate's fitness to practise.

Our governing body, our Council, is made up of six lay people and six professionals on our register. Our work is overseen by the Professional Standards Authority for Health and Social Care, which reviews the work of regulators of health and care professions. We are accountable to Parliament through the Privy Council. We are also a registered charity and seek to ensure that all our work delivers public benefit.

Our vision is safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. As the independent regulator of more than 826,000 nurses and midwives in the UK, and nursing associates in England, we have an important role to play in making this vision a reality.

We are here to protect the public by upholding high professional nursing and midwifery standards, which the public has a right to expect. That is why we are improving the way we regulate, enhancing our support for colleagues, professionals and the public, and working with our partners to influence the future of health and social care.

Our core role is to **regulate**. We set and promote high education and professional standards for nurses and midwives across the UK, and nursing associates in England and quality assure their education programmes. We maintain the integrity of the register of those eligible to practise.

And we investigate concerns about professionals – something that affects very few people on our register every year.

To regulate well, we **support** nursing and midwifery professionals and the public. We create resources and guidance that are useful throughout professionals' careers, helping them to deliver our standards in practice and address challenges they face. We work collaboratively so everyone feels engaged and empowered to shape our work.

We work with our partners to address common concerns, share our data, insight and learning, to **influence** and inform decision-making and help drive improvement in health and social care for people and communities.

Our five strategic themes guide how we prioritise and phase our work, as well as new investment in people and other resources. They are:

1. Improvement and innovation
2. Proactive support for our professions
3. More visible and better informed
4. Engaging and empowering the public, professionals and partners
5. Greater insight and influence.

Our values underpin everything we do. They shape how we think and act.

We are fair

We treat everyone fairly. Fairness is at the heart of our role as a trusted, transparent regulator and employer.

We are kind

We act with kindness and in a way that values people, their insights, situations and experiences.

We are collaborative

We value our relationships (both within and outside of the NMC) and recognise that we are at our best when we work well with others.

We are ambitious

We take pride in our work. We are open to new ways of working and always aim to do our best for the professionals on our register, the public we serve and each other.

Performance review 2023–2024

Maintaining an accurate and transparent register

Key activity in 2023–2024: We worked with qualified nurses and midwives in the UK, and nursing associates in England, to support them to join our register. Our register increased by 4.8 percent, supporting the health and care sector to provide safe, kind and effective care to people and communities. We also addressed concerns about our third-party computer-based test activity to protect the public and ensure those on our register are suitably qualified.

Our register is one of the main ways we protect the public. Only those people who are on our register may practise as a registered nurse, midwife or nursing associate. To join our register, individuals must demonstrate their character and practice meets our standards for care that improves everyone's health and wellbeing.

Addressing concerns about our computer-based test to ensure we protect the public

It is essential that our registration processes ensure professionals can provide safe, kind and effective care for the public when they join the register. One way in which an internationally educated professional can demonstrate they meet our standards is by taking a computer-based test (CBT), which assesses their clinical and numeracy competency.

In March 2023, Pearson VUE, our CBT provider, alerted us to anomalous data at one of its third-party CBT test centres, Yunnik Technologies Test Centre in Ibadan, Nigeria. Pearson VUE immediately stopped testing at this centre while we investigated the issue. Most of the individuals who sat their CBT at the centre are not considered to have joined our register fraudulently. However, objective and independent analysis of the data clearly indicates that the overall pattern of test-taking was statistically significantly quicker than at other test sites, and we suspect some people fraudulently obtained their CBT, probably by use of a proxy tester (where someone takes the test on behalf of someone else). We therefore took the decision to invalidate all tests taken at the site (affecting 1,955 individuals), irrespective of the time taken to complete the test.

Where we had additional concerns that people had achieved their test score fraudulently, we took the following action.

- We referred 48 professionals on our register to an independent panel to decide whether they gained fraudulent entry to the register, with the first hearings taking place in March 2024.
- We determined that 669 applicants had more likely than not, obtained their test result fraudulently. These applications are referred to an Assistant Register once complete. So far, almost all of the applications considered by the Assistant Registrar have been refused on the basis that the character requirements are not met.

For the remaining applicants and professionals on the register, there are no concerns about fraud, so either their cases will be closed or their application will resume once a new test has been taken successfully.

Additionally, we have permanently exited out of all third-party-operated CBT test sites and Pearson VUE has implemented enhanced security and monitoring controls. Our internal auditor also undertook an advisory audit of our anti-fraud arrangements across our registrations function. They found that extensive controls were in place to tackle individual fraudulent activity and made some suggestions to further strengthen our controls in this area, particularly in relation to fraud attempted on a larger scale.

We have kept employers and key partners, including trade unions and other support groups, updated while we have worked through this issue. Importantly, we have encouraged them to support individuals affected and proactively tackle any incidents of racism or discrimination that may have arisen.

Our register

As of 31 March 2024, there were 826,418 nurses, midwives and nursing associates on the permanent register. This represents an increase of 4.8 percent since March 2023 and is a record high. This is encouraging overall, given the well-publicised pressure on health and care services at a time of rising demand for care.

In 2023–2024, we processed 29,754 UK registration applications (2022–2023: 26,585) and 31,037 international registration applications (2022–2023: 25,346).

We continually review the quality and content of our data and information. When improved data or additional information becomes available, we retrospectively update our previously published information. This means that when comparing data in our latest reports against some of our previous publications, you may see small changes in some data.

We have continued to help nursing and midwifery professionals to join the register quickly once they have demonstrated safe and effective practice.

- In 2023–2024, 99.5 percent of UK initial registration applications were processed within one day against our target of 97 percent (2022–2023: 99.0 percent).
- In 2023–2024, 97.4 percent of UK initial registration applications were completed where a concern was raised within 60 days against our target of 90 percent (2022–2023: 93.7 percent).
- In 2023–2024, 99.1 percent of internationally trained professionals' applications were assessed within 30 days against our target of 95 percent (2022–2023: 99.9 percent).

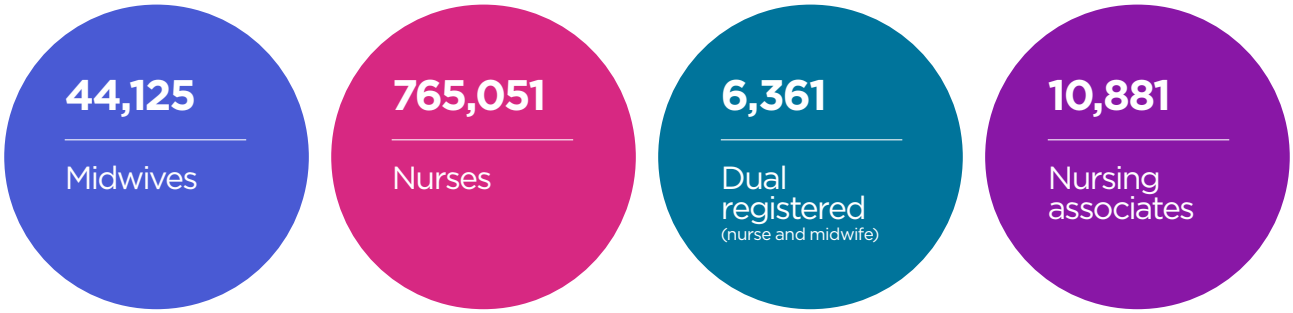
Since March 2020, we have maintained a temporary register made up of professionals with the skills and expertise to work in support of the Covid-19 emergency and to help tackle the Covid-19 backlog in elective care. With the end of the pandemic, the UK Government confirmed that temporary registration would end in March 2024 and we closed the register on 31 March 2024.

We recognise the invaluable contributions these professionals made and encouraged them to join our permanent register so that they could continue to support the health and wellbeing of people in their care. Of 22,133 who joined, 7,430 transferred to our permanent register.

"We remain incredibly proud of the nurses and midwives who joined the Covid 19 temporary register. The height of the pandemic was a frightening time for us all, but thousands of professionals stepped forward to help support essential health and care services. They have made a vital difference to people's lives and we're immensely grateful for their contribution, particularly in the Covid 19 vaccination programme."

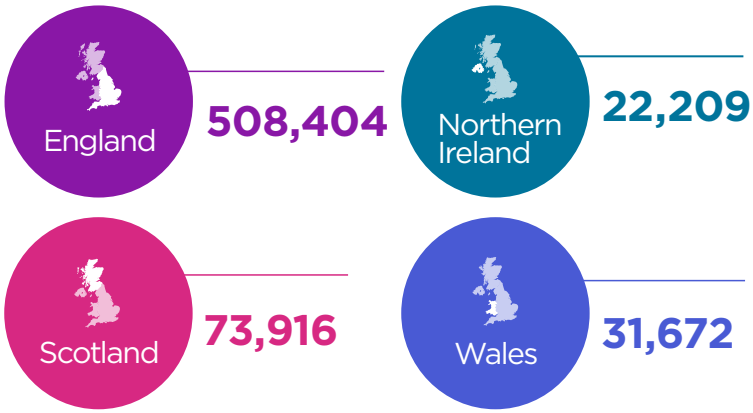
Andrea Sutcliffe,
Chief Executive and Registrar

Number of professionals on our permanent register by registration type at 31 March 2024



Total register **826,418**

Numbers of registered professionals by country or region of initial registration at 31 March 2024





How we have supported people to join our register

We want to make sure everyone who meets our standards can join our register and provide safe, kind and effective care for the public across the UK.

Our contact centre is the first point of call for many people who wish to join our register. The contact centre team also handles thousands of enquiries each year from professionals already on the register and those who may be looking to re-join after a period away.

In 2023–2024 there were 222,905 calls to the contact centre (2022–2023: 190,754). The team also received 40,432 emails. Our contact centre strives for excellent customer service and, on average for the year, 95 percent of people who got in touch with the contact centre and answered our survey said we treated them kindly (2022–2023: 96 percent).

This year, to support graduates to join the register and start practising as quickly as possible, we have attended events aimed at students and sent targeted communications to explain how to join.

We know that applying to register in a new country can be daunting for people and especially so in situations where people have been forced to move across borders. This can make meeting our requirements in the usual way particularly difficult. To better support people who find themselves in this situation we launched our policy on forcibly displaced persons in 2023–2024. This helps us to support eligible applicants through the registration process, while also ensuring they meet our standards and can provide the safe, effective and kind care people have the right to expect. We have also continued to run our Welcome to the UK programme, which aims to prepare internationally recruited professionals for the cultural and ethical differences of working in the UK. Through this work we hope to improve retention, the professionals' experience and, most importantly, the care they provide.

How revalidation enhances professional development and care

In 2023–2024, 219,962 professionals successfully completed the revalidation process (2022–2023: 228,295), demonstrating that they continue to meet the requirements of safe and effective practice.

232,977 professionals were due to revalidate in 2023–2024, which means a revalidation rate of 94.4 percent in 2023–2024 (241,783 professionals or 94.4 percent in 2022–2023).

Revalidation gives us and the public the confidence that the professionals on our register continue to meet the requirements of safe and effective practice. The elements of the revalidation process provide the public with assurance that those providing their care regularly reflect on their practice, identify their learning needs and are continually developing. We consider lifelong learning to be an important part of our approach to regulation.

To support nurses, midwives and nursing associates with the revalidation process, we regularly engage with professionals and employers about our revalidation requirements and how they can meet them in the various settings in which they work, including providing resources to structure and record learning.

We share the data we collect on revalidation every year in our annual revalidation reports. You can read these reports here.

We use this information to monitor how the process is going and see where we can make improvements to support the professionals on our register.

"I've found the templates and forms really useful and will continue to use them over the next two years until my revalidation and beyond."

Claire,
Nursing associate

Setting robust professional and education standards

Key activity in 2023–2024: Through independent research and extensive engagement with the public, professionals and stakeholders from across the UK, we assessed what benefit to the public further regulation of advanced practice would bring. We also supported people to understand our standards, so that professionals and students are empowered to deliver the best possible care for people, and those receiving care know what to expect and what is best for them.

We set standards of education, training, proficiency, conduct and performance for nurses, midwives and nursing associates. We review and maintain these standards to ensure they keep pace with how health and care is changing, and to support professionals throughout their careers to deliver the highest standards of care across different fields of practice in line with our Code. We also set education standards, which must be followed by all approved education institutions. These education standards support students to gain the knowledge and skills required to deliver the best possible care for people and communities. We take action where our standards are not met or are at risk of not being met.

How we are supporting advanced practitioners to meet complex needs within health and care

During 2023–2024, we assessed the need for additional regulation of advanced nursing and midwifery practice. We know that these roles are beneficial for the public: professionals in these roles demonstrate advanced communications skills, make timely person-centred decisions and support people to seamlessly receive care across different specialities and settings. But we also know that the increased complexity of the care they provide carries increased risk to the public, especially as the number of roles grow. Our aim was to explore the risk to public protection and identify the proportionate regulatory response to ensure safe, kind and effective care.

To ensure that people are at the heart of this review we established an advanced practice public advisory group (PAG). The group comprised people with lived experience of receiving care from advanced practitioners, as well as representatives from charities and advocacy organisations representing specific communities.

They gave us invaluable insight, including that they felt that these more complex, autonomous roles with much higher accountability require a higher level of regulation. A video of the two co-hosts discussing the group can be found here.

In March 2024, our Council considered a range of evidence and views, including independent research by The Nuffield Trust and the views of the PAG. Our Council concluded that additional regulation of advanced practice is needed for both nursing and midwifery professionals.

We are now developing a combination of approaches to additional regulation in collaboration with the public, professionals and our partners to ensure any proposed changes are in the best interests of people receiving care.

"I was aware of her role and thought it was marvellous because she was taking some of the strain off the GPs. Her knowledge was amazing. She took more time with me than a GP would as she explained her role."



Member of the Public Advisory Group, sharing her experience of care from an advanced practice nurse.

Supporting people to understand and apply our standards

As well as setting standards, we also support professionals and students to better understand our standards, which empowers them to deliver the best possible care for people.
A particular focus for 2023–2024 was providing guidance and support on the changes we made to our pre-registration education programme standards in January 2023.
In March 2024, we also launched #OurCode, a video-led campaign aimed at encouraging students to share reflections on how the Code and the standards will underpin their future practice and guide their decision-making.

We also support those receiving care to understand our standards so they can know what to expect and access the care that is best for them. For instance, our For Every Pregnancy campaign was aimed at women receiving maternity care, increasing understanding of how midwives can work in partnership with women, so that women can reach informed decisions about their care. The campaign video has been viewed more than 129,000 times. You can find the video here.

Working in partnership to shape our work

Engaging and empowering the public, the professionals on our register and our partners is key to delivering our work and improving health and care systems across the United Kingdom.

We aim to make the voice of the public and people who use health and care services central to everything we do. The Public Voice Forum enables members of the public to shape our strategic work. Members are from all four UK countries and from diverse walks of life and communities. Some live with long-term conditions, meaning they interact with professionals on our register regularly. Making sure we are hearing these voices is critical in developing, fine-tuning and embedding our standards, and in improving people's experiences of services through people's lived experience of health and social care. You can learn more about the work of the Public Voice Forum by watching the video in English here and in Welsh here.

Beyond the forum, we benefit from the engagement and insights of our partners; Professional Strategic Advisory Group; Midwifery Panel and other advisory groups, where people shape specific projects through their expertise, professional and personal experiences. You can read more about the advisory group we set up to support our advanced practice review on page 15 of this report. We are grateful for the contributions people make to our work – they help us get things right.

We have also continued close, regular engagement with the professionals on our register, employers, educators, health and care leaders and other regulators.

We also maintained our relationships with the UK Government, devolved ministers and officials. This has helped us respond to challenges collaboratively and in consideration of how our decisions impact on professionals and people receiving care and their families across all four countries of the UK.

"We continue to receive very positive feedback from the NMC's stakeholders about its engagement with them and its openness to collaboration."

Professional Standards Authority (PSA)
Annual Monitoring Report of the NMC 2022–2023

Quality assuring nursing and midwifery education programmes

Key activity in 2023–2024: We approved five new institutions to run a nursing or midwifery programme, meaning more opportunities for students to enter the workforce and extending the provision of care to people across the UK. We also took regulatory action in response to serious concerns about the delivery of Canterbury Christ Church University's midwifery programme. In managing the challenges of 2023–2024, we recognised there is more we need to do to strengthen our Quality Assurance (QA) function and make sure we are proactively identifying issues and taking action in a timely and proportionate way, so we began a review of our education QA function to ensure it is fit for the future.

We monitor education institutions to ensure that they are delivering programmes that prepare knowledgeable and skilled professionals to meet the complex health and care needs of people and communities. We do this by approving education programmes that meet our standards and by monitoring their compliance. We take action where our standards are not met or are at risk of not being met, so that the public can have trust and confidence in the quality of education, skills and competency of future nurses, midwives and nursing associates.

Review and improvement of our education quality assurance function

This year we procured a new quality assurance (QA) service provider which will enable us to be more agile and flexible in our approach. This will help us proactively identify issues and take action in a timely and proportionate way, reducing the potential impact on students and supporting them to develop the right skills and knowledge to deliver high-quality care throughout their careers.

In managing the challenges of 2023–2024, we recognised there is more we need to do to strengthen our QA function and make sure we are proactively identifying issues and working collaboratively with key stakeholders. To develop an improved approach, we commissioned an independent adviser to review the QA function to ensure it is fit for the future. The diagnostic phase of this review was completed in March 2024 and we will start to implement improvements across nine workstreams, including lessons learned from the concerns with Canterbury Christ Church University. Developing an improved approach to education QA is a priority within our corporate plan for 2024–2026.

Monitoring approved programmes to ensure public trust and confidence in the quality of education

Every year, approved education institutions (AEIs) must submit an annual self-report to show how they, along with their practice learning partners, continue to meet our standards and requirements.
As part of individual self-reporting, they also need to let us know how they are addressing and managing ongoing issues and concerns, so that we are assured that all approved programmes continue to equip students with the knowledge and skills they need to provide safe, kind and effective care to the public and their families.
This year we enhanced the self-reporting requirement by using data on students' experiences from the National Student Survey. Where that data identified potential issues, we sought assurance from the AEI on how they were responding. This helped ensure that issues were identified and rectified as early as possible, improving the experience for students and supporting them to develop the skills they need to deliver high-quality care for people when they qualify.
98 AEIs were required to submit an annual self-report for the academic year 1 September 2022 to the 31 August 2023. We are currently reviewing submissions and nine have been given full assurance, 60 need to resubmit and 29 do not need to re-submit but do require feedback that may result in further actions to provide assurance.

To provide additional assurance, we require new programmes to provide additional information to us and, where we have identified concerns, we place education providers and programmes under enhanced scrutiny.

Towards the end of 2023–2024, thematic concerns emerged from our monitoring activity and in March 2024 we wrote to all AEIs to seek assurances on the use of simulated practice learning in nursing programmes and the inclusion of reflection as part of all pre-registration programmes, particularly when being included as practice learning hours. We will be analysing the responses and we will take appropriate regulatory action where required.

When a concern is raised about a programme, we assess and categorise the concern so that we can make the appropriate regulatory intervention.
During 2023–2024 we received a total of 254 new concerns, with 162 being categorised as minor, 85 as major and six as critical. With all critical concerns we have been working closely with the AEIs to ensure robust action plans and mitigations are in place and outcomes are monitored. There has been an increase in the total number of concerns over the last three years, with an additional 147 concerns in 2023–2024 compared to 2021–2022.
The number of concerns being categorised as critical this year have also doubled since 2022–2023 (six in 2023–2024 and three in 2022–2023).
We recognise the need to strengthen our QA function, and the review of the function and additional investment will help us make sure we are proactively identifying issues and making interventions as quickly as we can.

Improving safety in maternity for women, children and babies

Following significant engagement with Canterbury Christ Church University over serious concerns we had with the delivery of its midwifery programme, we informed the university in May 2023 of our final decision to withdraw approval. We took this decision due to the lack of assurance that students would be able to provide safe and effective care to women, babies and families at the point of registration.

Following withdrawal of the programme we worked closely with the university and NHS England to support the transfer of students to the University of Surrey so that they could complete their studies and provide care. To help support the regional workforce we have also approved the University of Greenwich to run its approved midwifery programme from its Medway Campus.

We have not had similar levels of concerns with Canterbury Christ Church University's nursing provision. However, we are aware that the university has been wrongly counting high levels of reflective time as practice learning.

The university has put in place mitigation plans which we approved for its students to make up their missing hours prior to registration. For those already on the register, work is being completed to review the deficit in hours each registrant had, and a review of the supervised work they have undertaken since finishing their programme.

Approving quality programmes

Over the past year we have approved five new education institutions to run a nursing or midwifery programme, increasing the number to 98 (2022–2023: 93) and covering more than 1,900 undergraduate degree programmes and post-registration programmes serving more than 120,000 students. This means more opportunities for students to enter the workforce and extending the provision of care to people across the UK.

Additionally, 2023–2024 is the second and final year for AEIs to seek approval of post-registration specialist community public health nursing (SCPHN) and community nursing specialist practice programmes that align to the new 2022 standards. The majority of AEIs who currently deliver these post-registration programmes are seeking approval in this second transition year. All AEIs post-registration programmes must be approved and delivered in line with the 2022 standards by 1 September 2024.

Responding fairly to fitness to practise concerns

Key activity in 2023–2024: We know that we are taking too long to progress fitness to practise cases and we are acutely aware of the additional stress and impact this has on all those involved. During the year, we made improvements to our fitness to practise processes and agreed an 18-month improvement plan that will be the biggest additional investment in fitness to practise for over a decade. This will improve how we work so that we can make timely, considerate and quality decisions to keep people safe in a way that is sustainable for the future.

One way we regulate professionals and maintain public safety is to investigate concerns about nurses, midwives and nursing associates – something that affects a very small number of the professionals on our register every year. When we receive a concern, we work to assess its nature, the context in which it occurred and whether the knowledge, education or behaviour of the professional falls below the standards we expect to deliver safe, effective and kind care to the public. We also engage with the nurse, midwife or nursing associate to understand what steps they have taken to strengthen their practice and prevent similar incidents from happening again.

In the small number of cases where we determine those standards have not been met, we will take action. In the most serious of cases, we will remove people from the register.

Improving our fitness to practise processes

We want our fitness to practise processes to be timely, considerate and straightforward for everyone involved. We know that we are taking too long to progress cases and we are acutely aware of the additional stress and impact this has on all those involved: referrers, professionals and NMC colleagues. To improve our processes and to help achieve a sustainable caseload, we developed a new Fitness to Practise Plan during 2023–2024. Launched in April 2024, this 18-month plan will be the biggest additional investment in fitness to practise for over a decade. Through it we will significantly increase resource levels and improve our processes through 30 targeted improvements, including the phased introduction of a new case management platform. This will improve how we work so that we can make timely, considerate and quality decisions to keep people safe in a way that is sustainable for the future.

As well as developing our 18-month plan, during 2023–2024, we also recruited an additional 41.8 full-time equivalent roles, strengthened the leadership in the directorate and made improvements to the ways we work – for instance, setting up case clinics to provide additional support to our teams and improving the online form which people use to make referrals to us. While these actions increased our decision-making capacity, we did not meet the targets we set at the start of the year, in part due to an increase in referrals.

While we have not managed to meet our targets this year, our new improvement plan will enable us to deliver sustainable long-term improvements to our processes. This will be monitored through a holistic measurement framework that includes milestones, outputs, key performance indicators, people data and benefits monitoring. You can find more detail on our performance in 2023–2024 and our plans for 2024–2025 in our Annual Fitness to Practise Report 2023–2024.

KPI Target: Reduce our caseload to 4,000 cases by April 2024

Result: 5,994 cases

KPI Target: Impose 80 percent interim orders within 28 days of opening the case.

Result: 67 percent

How we have supported people involved in fitness to practise

Our referrals helpline is a valuable tool for those who are thinking about raising a concern with us. In 2023–2024 we received 5,925 calls via the referral helpline. Through the helpline we explain who we are, whether we are the right organisation to deal with the concerns, how we can help people and what support we can offer them. Talking people through the steps of making the referral helps us to better understand what the concern is about and to investigate it appropriately. We launched the helpline in December 2022.

We also operate an employer advice line to support employers with concerns about performance and, where appropriate, provide advice about local management of those concerns to avoid unnecessary referrals. This year we received 1,162 requests for advice about individuals' fitness to practise. This continues to reflect the upward trend of calls received since the service was established in 2016.

Of the 1,162 requests for advice, 55 percent of the calls resulted in employers being advised they did not need to make a referral about a professional on our register at the time of the call.

Thirlwall Inquiry

Lucy Letby's crimes had a devastating impact on the parents of the babies she murdered and injured, and our thoughts and sympathies remain with them. Following the conclusion of the criminal trial in August 2023, we followed our fitness to practise process and in December 2023, Ms Letby was struck off our register. As we have a significant interest in the Thirlwall Inquiry and professional regulation has been explicitly referenced in the terms of reference, we have been designated as a core participant. We have provided written evidence on our role and the regulatory actions we have taken and will continue to assist the inquiry in whatever way we can. We will continue to learn lessons to ensure that public trust and confidence in us and the regulatory system are maintained.

Improving processes to make sure they are fair and effective for everyone

Key activity in 2023–2024: In response to concerns about our regulatory processes and our workplace culture, we commissioned independent, robust, transparent investigations into the concerns, and are committed to acting on the findings. We have also improved our own processes and supported our partners to do so too.

All nursing and midwifery professionals and students should be able to work and learn free from bias and discrimination. We know that this is not currently the case. As well as the impact this has on professionals, the fair treatment of professionals is linked to better care for members of the public and people who use services. We need to hold ourselves and partners accountable for our part in these disparities; ensuring that we are an inclusive organisation with regulatory processes that are fair for everyone.

During 2023–2024, whistleblowing concerns and findings from internal surveys emphasised the need for us to reflect on our workplace culture, our regulatory processes and how we foster a diverse, inclusive and discrimination-free workplace. We know creating and sustaining the right culture is a key enabler to us regulating and supporting professionals well. We know that we have got things wrong and we are committed to a rigorous, transparent and independent investigation of the concerns and to acting on the key findings.

We appointed Ijeoma Omambala KC in November 2023 to carry out investigations into the specific cases raised as part of the concerns about our regulatory casework and our handling of the whistleblowing concerns. The findings from the investigations are due to be published in summer 2024.

Separately, we appointed Nazir Afzal OBE and Rise Associates to carry out an independent review of our culture. The appointment of Nazir Afzal OBE and Rise Associates followed extensive involvement of our internal People and Culture Advisory Group, which has been established to provide challenge and advice to our Executive Board and Council. The People and Culture Advisory Group brings together colleagues from our staff networks, union and employee forum among others. The findings from the review are due to be published on 9 July 2024.

We are acutely aware of the need to do better for our colleagues, the professionals on our register and the public we serve. We recognise the serious impact this has had, and continues to have, on our colleagues and the people we work with. We are committed to learning from the findings and have begun work to develop robust action plans that will lead to sustained change. We will publicly report against these plans, including in next year's annual report.

Alongside this work we took a number of actions during 2023–2024.
To support our colleagues:

- We developed a new equality, diversity and inclusion (EDI) dashboard so that data and trends on key areas, such as pay gaps, are more accessible to colleagues. This helps ensure all colleagues can engage with and feel empowered to contribute to conversations about how we improve EDI across the NMC.

- We developed an NMC Empowered to Speak Up initiative, which launched in June 2024 to help develop a transparent, inclusive and open culture that empowers colleagues to share perspectives and raise concerns in the knowledge they will be listened to and acted on.

- We recognise the important work of our employee networks and invested in the development of a new operational framework that clarifies roles and responsibilities, leading to more effective collaboration and better outcomes for colleagues. In May 2024, in recognition of our work to build strong networks, we were awarded the Radius Certified Mark: "We invest in our employee networks".

To strengthen our regulatory processes and support our partners:

- We progressed actions identified by our Ambitious for Change research, which considered why professionals with specific protected characteristics experience different outcomes from our regulatory processes. These actions included refreshing the EDI data we capture on employer referrals so that our teams can have targeted discussions with employers to help ensure there is no bias or unfairness in their decision-making. The final phase of the research is an independent review of our decision-making in fitness to practise to better understand why certain groups may face different outcomes, with findings due in 2024–2025.

- We continued to collect, monitor and report on the diversity data of the professionals on our register and those using our regulatory services. This means we can take an evidence-based approach to tackling discrimination and inequality and to embedding the framework for improved decision-making.

- We worked with Approved Education Institutions (AEIs) to embed EDI into their curriculum practices, as we know that students with specific protected characteristics face disparities in their education outcomes.

- We updated our policy on reasonable adjustment for people using our services, such as professionals going through our fitness to practise process. This work supports people by removing barriers in our processes, enhancing accessibility and improving the customer experience.

We know there is much more we need to do to create a culture that is free from discrimination, advances equality, celebrates diversity, promotes inclusion and psychological safety and prioritises openness and learning in the interest of colleagues, professionals and the public. We will revisit our priorities in these areas in light of the findings of the review of our culture and Ijeoma Omambala KC's investigations.

Supporting colleagues to thrive

Key activity in 2023–2024: We reformed our reward structures, built management capability and introduced a more consistent, ambitious approach to appraisals, as well as refreshed key policies and processes.

2023–2024 was the first year of our new People Plan and we have made significant progress. To support colleagues to perform at their best, we launched our new Ambitious Appraisals process with greater focus on accountability and consistency.

We also launched Management Essentials Training, which helps managers to develop the skills they need to be a manager at the NMC and ensures a consistent approach across the organisation. 250 managers took part in 2023–2024, with the majority of attendees reporting that it was invaluable to learn with a peer group. We also reformed our reward structures (further detail in our remuneration report) and refreshed key policies and processes to improve the experience of colleagues in the workplace.

Since October 2020 we have run a mentoring programme called Rising Together, which aims to address the lack of progression for colleagues, particularly Black and minority ethnic colleagues, into more senior roles. This year, to strengthen this approach we developed the Rising Higher programme to provide additional support, workshops and coaching for colleagues that have completed Rising Together. We know that these programmes alone will not remove the barriers colleagues face, but they play an important role in supporting colleagues to dismantle some of the challenges in a collaborative way. This links to work in our wider Equality, Diversity and Inclusion Plan, and our People Plan, including the development of inclusive recruitment training and engagement work to target people from underrepresented backgrounds at job fairs and via social media.

The concerns raised about our culture (see page 23) have prompted an important and much needed period of reflection. In light of the recommendations from the independent investigations, we will be revisiting our priorities on People and Equality, Diversity and Inclusion. This is to ensure we are taking actions in the areas most needed to develop a culture that supports all colleagues to perform at their best.

“My experience with the programme has been truly enriching. Through networking opportunities and immersion in different processes, I have been able to broaden my knowledge and skill set significantly.”

Rising Together mentee

Environmental sustainability

Key activity in 2023–2024: We published our first environmental sustainability plan, which outlines our ambition to reduce our environmental impact, promote sustainable practice among nurses, midwives and nursing associates and build our resilience to climate risks.

We recognise the serious impact of the climate crisis and its effects on people's health. 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 know this issue is important to nurses, midwives and nursing associates, and we want to encourage and support sustainable change across the sector, for the benefit of both the professionals on our register and the people they care for, for generations to come.

Earlier in 2024, we published our first environmental sustainability plan. This outlines our ambition to (1) reduce our environmental impact, (2) promote sustainable practice among nurses, midwives and nursing associates and (3) build our resilience to climate risks.

While this plan sets an initial direction for this journey, it will require review and development as we adapt to changing circumstances. Key carbon targets in the plan include being carbon neutral across all emissions by 2030, being net zero for scope 1 and 2 emissions (definition in the table below) on all sites by 2035 and being net zero for all emissions by 2040. Our actual carbon impact, which is fairly standard for an organisation of our type and size, is set out in the following table. This reflects the first of our annual updates in impact since publishing our plan.

Tonnes of Carbon Dioxide equivalent (tCO2e)	2022–2023	2023–2024
Scope 1 (direct emissions, for example, gas heating)	155	135
Scope 2 (purchased electricity emissions)	45	33
Scope 3 (indirect emissions by suppliers)	2,005	1,915
Total	**2,205**	**2,083**

Note: 2022–2023 emissions differ slightly to those in our environmental sustainability plan since they have been adjusted to reflect some subsequent methodological improvements in our measurements, including some changes made by the Government to standard emissions factors. This means that data above is calculated on a consistent basis.

We are targeting specific measures to improve this as part of our core business. Our electricity contract at 23 Portland Place has moved to a net zero carbon tariff from April 2024. In technology, our transfer of data to a net zero cloud provider will reduce our operational emissions significantly and is already underway, as is scrutiny of our wider supply chain. We also monitor and measure the carbon impact of our investment portfolio and exclude investment in companies that produce fossil fuels.

Delivering our corporate plan in 2023–2024

Our corporate plan sets out our priorities for the year. It helps us to fulfil our regulatory functions and realise our vision of safe, kind and effective nursing and midwifery practice that improves everyone's health and wellbeing.

During 2023–2024, we made some important progress on our 2023–2025 two-year plan. We comprehensively engaged with stakeholders to explore whether to further regulate advanced practice, leading to the decision to develop a combination of approaches to additional regulation (see page 15). We also published our first ever annual insight report, Spotlight on Nursing and Midwifery to share insights around the quality and safety of care, and to help influence positive changes within the sector for the benefit of the professionals on our register and the public receiving care.

But there were also areas where we did not make the progress we wanted. We are hugely disappointed that we did not meet our target for improving the time it takes to manage concerns about nursing and midwifery professionals (you can find more detail on this on page 21). Concerns were also raised about our culture and effectiveness as a regulator (see further detail on page 23).

When the context changes, so must the plan. We carefully considered how best to respond to these challenges and decided that we should pause some work in our corporate plan so that we can refocus our efforts and deliver the best for people over the next two years (please read more on page 39).

Improvement and innovation

Corporate commitment

Reduce our fitness to practise caseload and make improvements to how we regulate to ensure that we process cases in a timely, safe, proportionate and efficient way.

Impact

This work will further reduce our fitness to practise caseload by improving our productivity, making sure that processing is timely and proportionate, while maintaining safety, and that we spend money effectively.

- People's fitness to practise cases will conclude safely and more swiftly.
- If we can't help people with their concerns, we will direct them at the earliest opportunity to other organisations who are better placed to help.
- We will support people more during the fitness to practise process. For example, through intermediary support to help them engage, or through clearer guidance on our website.

Status at 31 March 2024

Off track: You can read more about the action we are taking in response on page 21.

Corporate commitment

Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair for everyone.

Impact

Through this work:

- We will be able to respond more effectively and provide reassurance to people by building the confidence, awareness and knowledge of all colleagues on EDI issues.
- We will help tackle the discrimination and inequality faced by professionals, which will in turn help address the inequalities in people's experiences of health and social care.
- We will engage with seldom-heard groups to help us understand, and work to address the barriers people experience that may prevent them from receiving good care.

Status at 31 March 2024

Some delays and uncertainties: You can read more about this work and the action we are taking on page 24.

This work will be revisited in light of the recommendations from the independent investigations, reflecting the serious findings in the reports.

Corporate commitment

Close the Covid-19 emergency register.

Impact

In March 2020, we created a temporary register made up of professionals we considered to be fit, proper and suitably experienced to work in support of the Covid-19 emergency. With the end of the Covid-19 pandemic, the temporary register was closed on 31 March 2024.

Status at 31 March 2024

Completed: You can find out more information on this work on page 12.

Corporate commitment

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.

Impact

As society and nursing and midwifery practice have changed, our legislation, written in 2001, has failed to keep pace. It is overly prescriptive and is difficult to change. It is vital that our legal framework is updated soon so we have the right tools to regulate well, and so we can better support the professionals on our register to deliver the best possible care for people and communities. Reformed legislation will help us deliver better, safer regulation:

- Our register will be clearer and easier for the public to understand and people can be confident that everyone using the title 'nurse' is on our register.
- We will act more rapidly to protect the public if someone cannot meet the required standards of proficiency or conduct, while encouraging learning from genuine mistakes.
- We will strengthen our approach to quality assurance of nursing and midwifery education, so we will be able to intervene more effectively to make sure the high standards the public deserve are maintained.

Status at 31 March 2024

On track

Corporate commitment

Continue to ensure the objective structured clinical examination (OSCE) capacity meets demand and to explore ways of improving access.

Impact

In certain circumstances professionals can demonstrate they meet our standards by taking the OSCE. Providing the right level of OSCE capacity supports professionals to progress through our registration application process and gain UK registration, helping to boost nursing and midwifery care provision in the UK.

Status at 31 March 2024

Completed: Completed and ongoing monitoring is part of our business as usual.

Corporate commitment

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

Impact

This work will ensure that suitably qualified internationally trained professionals have a clear and smooth path to our register, enabling the public to have increased access to safe, kind and effective care.

Status at 31 March 2024

On track

Proactive support for professionals

Corporate commitment

Review regulation of advanced nursing and midwifery practice.

Impact

We know that advanced practice roles are beneficial for the public. Through this work we reviewed whether specific regulation for these roles is needed to ensure safe, kind and effective care.

Status at 31 March 2024

On track: You can find out more information on this work on page 15.

Corporate commitment

Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.

Impact

Our revised standards will give educators greater flexibility to organise and deliver their programmes, which will deliver the following benefits:

- It will widen participation in nursing and midwifery programmes through flexibility in admissions criteria, creating new, more inclusive opportunities for people to join the professions.
- Students will be able to develop their confidence and competence in various practice situations through increased simulated practice learning, which in turn will benefit the people they care for.
- Student midwives will need to gain experience of leadership and team working with different maternity providers, to enable them to experience different approaches to delivering holistic and person-centred midwifery care.

Status at 31 March 2024

On track

Corporate commitment

Implement a new data-driven and proportionate approach to education quality assurance which enables us to have a more holistic oversight of institutions and their programmes to make appropriate interventions.

Impact

Through this work we will enhance the ways we capture, record and analyse data on our approved education institutions and their programmes. This will enable us to make more targeted interventions where we identify potential concerns and strengthen our focus on equality, diversity and inclusion. We will be able to do more to ensure students are taught to our standards, which support them to provide safe, effective and kind care. We will use data and a greater insight into equality, diversity and inclusion concerns to make sure programmes are inclusive for all students.

Status at 31 March 2024

Off track: You can read more about the action we are taking in response on page 18.

More visible and better informed

Corporate commitment

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

Impact

We will deliver targeted campaigns to build engagement and trust with the public, nursing and midwifery students and professionals so that they will have a broader understanding of our role and how we regulate, support and influence.

Status at 31 March 2024

Some delays due to a pause: Some delays as audience insight work has been postponed due to pause in strategy development and due to stakeholder pressures. Decisions to delay were taken to ensure we achieved the best outcomes from our key messages.

Corporate commitment

Expand our national and local outreach to embed regulation, support and influence at local level.

Impact

Through this work:

- We will expand our support into a wider breadth of services and settings, supporting professionals to provide the best and safest care wherever they practise.
- We will help improve settings where people access care by creating a joined-up system, in which we share our learning and intelligence with other regulators, employers and wider stakeholders.
- We will support the professionals on our register by valuing their contributions, upholding standards for the professions and using our advice to avoid referrals we cannot act on.

Status at 31 March 2024

Some delays: Some delays as recruitment for expanding advisory capacity has been paused to address other priority activity.

Empowering and engaging

Corporate commitment

Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.

Impact

We want to create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement. We want to make it easier for people who use our website to find information about our services and understand how they work.

Status at 31 March 2024

Paused: This work has been paused so that we can focus our efforts on our newly agreed key priorities.

Greater insight and influence

Corporate commitment

Improve our insight and use it to enhance our regulatory impact and influence in the sector.

Impact

Through this work:

- We will share our insights to highlight issues that we know affect the quality and safety of care that people receive, such as workforce shortages and poor organisational cultures.
- We will improve our data about different audiences so that we understand the impact we have on people with different diversity characteristics, and address any disproportionality.
- We will work with our partners in health and social care to share data and insights to better understand and tackle issues of poor care, such as those in maternity.

Status at 31 March 2024

On track

Fit for the future

Corporate commitment

Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy.

Impact

Based on NMC colleagues' feedback, we will implement key initiatives to address the issues that matter to them such as our rewards package, developing leaders and internal progression.

Status at 31 March 2024

While good progress was made in delivering actions against a refreshed plan (see page 25), we recognise this work will need to be reviewed and updated to reflect the serious findings of the independent investigations to ensure we deliver sustained improvements.

Corporate commitment

Improve the way we are structured so that we can deliver our strategy.

Impact

Through this work we will make targeted structural changes so we can deliver our functions more efficiently and effectively in the medium term, which in turn will support frontline professionals to deliver better care to the public.

Status at 31 March 2024

Paused: This work has been paused so that we can focus our efforts on our newly agreed key priorities.

Corporate commitment

Update the digital systems that support how we regulate to improve the experience for our customers and colleagues.

Impact

We want to make it easier for people to connect with us and for NMC colleagues to do their jobs, supporting nursing and midwifery professions to deliver safe, person-centred care. Modernising our digital systems improves our processes and the way people interact with us, which allows us to progress fitness to practise cases safely and swiftly which has a positive impact for the public and professionals on our register.

Status at 31 March 2024

On track

Corporate commitment

Deliver contemporary IT through our technology improvement programme and core business to improve our efficiency.

Impact

By ensuring our technology is fit for purpose we enable colleagues to do their jobs effectively, including responding promptly to enquiries from professionals, the public and other stakeholders. By investing in contemporary technology, we reduce our cyber security risk, which allows us to better protect data we hold on the public and the professionals on our register and make the best use of our resources (financial and people).

Status at 31 March 2024

Some delays: Some delays as elements of this work have been rephased.

Corporate commitment

Create modern workspaces that support wellbeing and collaboration.

Impact

We want to create an inclusive, accessible and safe environment for all colleagues, so that they can be 'best' in what they do. This enables us to attract and retain the best workforce and to provide an environment that accommodates colleagues from diverse backgrounds, which is a key part of our values and the sort of organisational culture we want to build.

Status at 31 March 2024

Some delays: The full refurbishment of 23 Portland Place has been paused so that we can focus our efforts on our newly agreed key priorities. We are progressing work to create more collaboration space and to make our reception area more welcoming for the public, professionals and stakeholders who visit us.

Corporate commitment

Implement an NMC sustainability and environmental plan.

Impact

We recognise the serious impact of the climate and ecological crisis. From heatwaves to air pollution, climate change and other environmental issues threaten human health in the UK and worldwide. We are, therefore, committed to acting in an environmentally sustainable way and supporting those working in the health and care sector to do the same, particularly in reducing the greenhouse gas emissions driving climate change.

Status at 31 March 2024

On track: You can read more about this work on page 26.

Corporate commitment

Implement the new Welsh language standards.

Impact

In line with the new requirements established by the Welsh Government, we have put in place mechanisms to support the promotion of Welsh language and culture and to enable our colleagues to understand and meet the needs of Welsh-speaking members of the public.

Status at 31 March 2024

Complete

Strategic Plan for 2024–2026

As our performance review highlights, the last 12 months have been a mixed picture of important regulatory action and significant organisational challenges. We have carefully considered how best to respond to these challenges by refocusing our efforts to build the right capacity to deliver the best for people across the next two years. We have identified five priority outcomes between now and 2026. We are also managing the most significant risks to our work that we are facing. This will help us realise our vision for nursing and midwifery and become a better NMC.

Ultimately, people who use health and social care services will have safer, better experiences if we make critical changes and improvements to key areas of our work, our culture and how we interact with people. We will monitor and review our progress against the plan, remaining agile to the wider landscape and adapting where needed to ensure that we continue to deliver our regulatory duties.

Outcome 1

We will progress fitness to practise decisions in a timely and sustainable way that keeps people safe.

We want our fitness to practise process to be timely, considerate, and straightforward for everyone involved. Referrers and professionals need to have their cases dealt with effectively and in a timely way, employers should understand when to refer their employees, and our people should feel proud to work for the NMC and be able to make a positive difference.

We will significantly change capabilities and systems by instituting a new 18-month plan with the biggest investment in fitness to practise for over a decade. This will improve how we work so that we can make timely, considerate and quality decisions to keep people safe in a way that's sustainable for the future.

Outcome 2

We will build an open, inclusive and high-performance learning culture with fairness and equality at its heart.

We want an open, inclusive culture that is free from discrimination, advances equality, celebrates diversity, promotes inclusion and aligns with our values of kindness, fairness, ambition and collaboration. This is key to enabling everyone to perform at their best and learn and grow in their roles, so that we uphold professional standards for nursing and midwifery care, and improve outcomes for people who use health and social care services.

Outcome 3

We will continue to modernise our systems and processes to be fit for the future.

We will ensure better, safer regulation for the benefit of the public with an improved register that's easier to use and understand. Our regulatory digital systems will be updated, making it easier for people to connect with us and for NMC colleagues to do their jobs, supporting nursing and midwifery professionals to deliver safe, person-centred care. Everyone will have confidence and trust that we're keeping their information safe and secure.

Outcome 4

We will inform and support the implementation of workforce strategies across the four UK nations, helping nursing and midwifery professionals deliver safe, kind and effective care.

Partners and the wider sector will benefit from our insight and be able to use it to inform and implement plans to address workforce challenges and improve care for people. The way we regulate will help nursing and midwifery professionals adapt to future challenges, including the changing needs of people who use services.

Outcome 5

We will strengthen processes and procedures to protect the integrity of our register so the public can continue to have confidence in the quality of care they receive.

The public and the professionals on our register will have trust and confidence in the quality of education, skills and competency of registered nurses, midwives and nursing associates to protect the public and deliver safe, effective and kind care to people and their communities.

Financial review

Income and expenditure

Our total income for 2023–2024 was £107.2 million (2022–2023: £102.9 million) and total expenditure was £108.3 million (2022–2023: £98.1 million). This has resulted in a net deficit of expenditure over income of £1.1 million (2022–2023: £4.8 million surplus) before the gains on our investments and the net movement on the actuarial gain and asset ceiling adjustment on the defined benefit pension scheme. After taking these into account, our total funds were £78.9 million (2022–2023: £76.8 million).

We had planned for a £8.0 million deficit in 2023–2024 before gains or losses on investments. The smaller deficit outturn is largely due to healthier income than anticipated, along with slightly lower expenditure across both our core business and on our corporate activities. Our expenditure on programmes and projects was also lower than anticipated due to timing of delivery, with some costs deferred into future years.

Income from registration and application fees was £103.3 million, ahead of the budget, and a significant 2.9 percent increase on the previous year (2022–2023: £100.4 million). This was driven by the number of nurses, midwives and nursing associates on our permanent register growing by 4.8 percent, to 826,418 at 31 March 2024, and by the increase in applications from international professionals. The continuation of both these increases in future remains uncertain in the context of an increasing age profile for the register and the general volatility in the number of international applications. The continuation of the temporary register until March 2024 did not have an impact on our fee income since the professionals on the temporary register did not pay a fee.

Our 'other income' includes £0.07 million (2022–2023: £0.11 million) from the Department of Health and Social Care (DHSC), reimbursing us for the costs of maintaining the temporary register.

Our total expenditure of £108.3 million was £2.8 million (2.5 percent) lower than we had budgeted but £10.2 million higher than the previous year. The year-on-year increase in expenditure was largely due to several significant cost drivers including additional investment in fitness to practise operations (aimed at caseload reduction) and the increase in inflation with its consequential impact on both payroll and non-payroll costs. The underspend against budget in 2023–2024 arose from several factors including slippage in recruitment to fill vacancies, and some deferral in project and programme spend. A smaller than budgeted increase in panellists' holiday pay provision, due to change in the assessment method, was also a factor.

Note 5 to the accounts sets out our fully allocated costs for each charitable activity as required by the Charities Statement of Recommended Practice (SORP). This separates out the direct costs of each activity alongside the associated support costs that have been allocated using headcount or overhead usage. The commentary that follows is based on the direct cost column before allocation of support costs.

Direct costs of fitness to practise were £53.2 million, a significant increase on £48.0 million in 2022–2023. This has been driven by additional investment in this area required to improve the timeliness in dealing with cases safely and swiftly under a revised Fitness to Practise Plan.

This protects the public by delivering a greater volume of more timely and more proportionate decisions, and minimises the distress for those involved, and remains our key priority. It also creates significant financial demands as we move to improving further the timeliness in dealing with cases. This is the key driver behind our planned further investment in fitness to practise during 2024–2025 and 2025–2026. Recruitment challenges in the past two years have meant that investment in this area has been slower than anticipated and some costs have been deferred to later years. As a result, we have indicatively budgeted for deficits in the next two years as we work to reduce the time taken to complete cases, which requires a significant additional investment. This is made possible by our strong level of free reserves.

The direct costs of maintaining the register were £5.6 million in 2023–2024 (2022–2023: £5.5 million).

Overall support costs (including facilities, finance, people and technology) were £35.6 million (2022–2023: £32.3 million).

Pensions

The NMC has two pension schemes: a defined benefit scheme, which was closed to new entrants in November 2013 and closed to future accrual of benefits with effect from 1 July 2021; and a defined contribution scheme, into which all new employees are auto-enrolled.

NMC contributions to the defined contribution scheme are expensed in the year they are due.

The assets of the defined contribution scheme are attributable to individual employees and are not, therefore, shown in our accounts.

With respect to the defined benefit pension scheme for the purposes of our accounts and in line with FRS 102, its assets are revalued to market value and independent actuaries update their estimate of the value of the liability each year. The liability is estimated as the discounted present value of the pension benefits due to members of the scheme. The estimate of the liability depends on a number of standardised actuarial assumptions including expected mortality rates, inflation and yields on corporate bonds over a number of years into the future.

During the year, the market value of the defined benefit scheme assets reduced by £2.1 million and the liability reduced by £1.4 million, resulting in the scheme showing a net surplus of £14.5 million at the end of the year.

For a number of years up to and including 2020–2021 the net position on the defined benefit scheme shown in our balance sheet was a deficit, being the difference between the value of the scheme assets and the higher value of the pension liability. However, FRS 102 valuations since then (31 March 2022, 2023 and 2024) have shown a surplus with the value of the scheme assets being higher than the estimated liability. Legal advice has confirmed that recovery of the surplus by the NMC from the pension scheme is a very remote possibility. It could only happen once all the liabilities of the scheme have been discharged. FRS 102 states that “an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus”.

As a result, an asset ceiling adjustment has been applied to bring the net position to neither a surplus nor a deficit on the balance sheet.

This treatment of the surplus is only for the purposes of our accounts. The pension trustees, who are independent of the NMC, retain control over the scheme's assets and any surplus, however calculated, that relates to them.

During 2022–2023 a triennial review of the defined benefit scheme was also completed by the pension scheme trustees, based on its position at 31 March 2022. This was carried out by the actuary reporting to the trustees and was for the purpose of defining whether the NMC still needs to contribute recovery payments to the scheme to ensure that it has sufficient funds to meet expected liabilities. As required, this was done according to actuarial and The Pensions Regulator standards rather than in line with the FRS 102 requirements used for the accounts.

The result of this valuation also showed a surplus – even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer.

As a result of this triennial review also showing a surplus, the independent pension trustees have agreed with us that recovery plan payments are no longer required. Under the previous recovery plan agreed with the pension scheme trustees, we paid £1.9 million in 2022–2023. This position will be reviewed at the next triennial review as at 31 March 2025.

Investments

Nurses, midwives and nursing associates pay their registration fee either annually or quarterly in advance. Together with our free reserves, this means that we hold significant cash balances.

In line with Council's investment policy, we have some £38.6 million invested in stock markets for the long term with a target rate of return of three percent above the Consumer Price Index (CPI) measure of inflation (CPI+3 percent) net of investment management costs.

While we recognise that investing in equities, funds and bonds carries risk, by investing through expert investment managers – whose performance is overseen and scrutinised by our Investment Committee – we expect that such investment will deliver an above-inflation return over the long term and thereby help to avoid or mitigate the need to increase our fees.

In 2023–2024, dividend and interest income from the portfolio, which is reinvested, was £0.9 million (2022–2023: £0.9 million), with an unrealised gain on investments of £3.1 million (2022–2023: £1.9 million loss) at the year end. The statement of financial activities shows investment management costs of £0.17 million (2022–2023: £0.16 million). The total value of the investment fund at the year end is £38.6 million. This is the same as the £38.6 million we have invested in total since inception in July 2020, being £33.0 million of capital invested and £5.6 million dividend and interest income reinvested.

As the unrealised gain indicates, performance this year has improved relative to last year, reflecting better market conditions. Given recent high inflation, we would have needed an annualised growth rate of 8.7 percent since the inception of our portfolio to achieve our long-term target rate of return of CPI+3 percent to March 2024. Our actual annualised growth rate since inception has been 6.03 percent. Nevertheless, with inflation falling, there is still a reasonable prospect of being able to achieve our long-term growth target in coming years.

We regularly review and update our investment policy, including its ethical and sustainability dimensions. Our current investment policy is available on our website.

The interest earned on our bank deposits during the year was £2.9 million (2022–2023: £1.2 million). The increase compared to the previous year is because interest rates have been significantly higher in 2023–2024 than they were in 2022–2023. We have also been active in ensuring our cash is placed in high-yielding accounts at low-risk institutions.

Reserves

Our reserves policy, found in our Financial Strategy, is to maintain free reserves within a target range. Free reserves are funds that are freely available to spend, so do not include restricted funds, tangible fixed assets, intangible fixed assets and amounts designated for essential future spending. We also set a minimum level for the aggregate forecast cash and investments balance over the coming financial year. The Council reviews the target range of free reserves and the minimum cash and investments balance at least annually.

The target minimum level of free reserves is set to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of the professionals on our register who finance us through the fees that they pay, and the public who benefit from our work.

In March 2024 the Council reviewed the latest position regarding the reserves policy and agreed that the target range of free reserves should remain zero to £25 million, and the minimum aggregate cash and investments balance should remain £20 million.

Our total reserves at 31 March 2024 were £78.9 million (2023: £76.8 million) and free reserves were £42.0 million (2023: £44.5 million). Although free reserves are significantly above the upper end of the target range, this reflects the need to provide for investment planned over the next two years. This planned investment in technology infrastructure and fitness to practise will directly improve our service to the public and to the professionals on our register. It will also produce significant annual cash savings through significant process efficiencies as we enhance our case management.

The strong level of reserves also supports the position of ongoing concern that is set out at note 1a to the accounts.

Sir David Warren
Chair
3 July 2024

Andrea Sutcliffe
Chief Executive and Registrar
3 July 2024

Remuneration report

The Remuneration Committee's remit is to ensure there are appropriate systems in place for remuneration and succession planning at the NMC, as well as oversight of the People Plan and the Equality, Diversity and Inclusion Plan.

To fulfil this remit, the Committee considers the annual pay review for employees, as well as progress against the People Plan and the Equality, Diversity and Inclusion Plan, and any significant changes to the employee pay and grading structure or pension schemes.

The Committee approves reward packages for the Chief Executive and Registrar and Executive Directors on appointment and annual pay increases. The Committee reviews their performance annually, as well as having oversight of Executive succession planning.

The Committee also exercises oversight of Council and Partner member appointment processes and recommends to Council any changes to allowances paid to the Chair, Council members, Associates and Partner members (members of committees who are not Council members).

In reaching decisions on remuneration, the Committee considers a range of factors, including sector benchmarking, overall affordability and the need to ensure our approach to pay attracts and retains colleagues fairly and effectively. These decisions have been taken using benchmarking data and insight from reward consultants.

Other areas of priority focus for the Committee in the year included considering progress against the People Plan and the Equality, Diversity and Inclusion Plan, particularly given the concerns raised about our culture. We are committed to acting on the findings of the investigations and will continue to review and amend our People Plan and Equality, Diversity Inclusion Plan to ensure they support us to make sustainable changes.

In recognition of the role the Committee plays in overseeing the People Plan and the Equality, Diversity and Inclusion Plan, from 1 April 2024, the Committee was renamed People and Culture Committee and its terms of reference were revised to strengthen and clarify its role in this area.

The National Audit Office (NAO) audits the financial aspects of this report.

Council allowances and expenses

The Council is the governing body of the NMC and has ultimate decision-making authority as described in the annual governance statement. The Council members are the charity trustees.

Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to the Chair of Council, Council members, Associates and Partner members.

To manage conflicts of interest, the Council has put in place arrangements for an Independent Panel made up of external experts to assess the appropriate level of allowances. The Council has agreed that it will either accept or reduce the level of allowance recommended by the Panel but will not increase it. The Remuneration Committee is responsible for overseeing the establishment of the Independent Panel and reviewing its findings for consideration by Council. The most recent review was considered by Council in July 2022.

In line with the findings of that review, Council agreed a three percent uplift to the Council member annual allowance (from £14,724 to £15,166), Partner member daily rate (from £286 to £295) and Associate annual allowance (from £10,296 to £10,605). This was the first increase since 2017. The Chair's allowance remained at £78,000. In recognition of the additional responsibility and time commitment for Committee Chairs, it was agreed that these roles could receive additional allowances. These allowances are determined by the Chair, in line with a process agreed by the Remuneration Committee. For 2023–2024, the Chair of the Audit Committee and the Chair of the Remuneration Committee each received an additional annual allowance of £2,000 and the Chair of the Investment Committee and the Accommodation Committee received a combined annual additional allowance of £500. Allowances paid to Council members and Associates in 2023–2024 amounted to £263,837 (2022–2023: £261,237). No extra-contractual payments were made to any Council, Associate or Partner member in 2023–2024.

Allowance payments to Council members, Associates and Partner members are made through payroll, with deductions for income tax and National Insurance.

Expenses directly incurred in the performance of duties are reimbursed in accordance with the Council's Travel, Accommodation and Expenses policy. Expenses are made up of travel, accommodation, meals and subsistence, and are incurred when members are carrying out their duties. The expenses received by members vary widely due to the costs of travel and accommodation for attending meetings from home locations across the UK, including travel from Wales, Scotland, Northern Ireland and parts of England which necessitate overnight stays. They also vary because some members undertake more activities that require travel, whereas others undertake more activities that can be undertaken virtually. Where any meetings are held in London, expenses are considered to be a taxable benefit in kind. The NMC pays the income tax and National Insurance arising through a PAYE settlement agreement with HMRC. All expenses incurred by Council members and Associates are included in table 1.

When Council meetings are in London, members attend evening meals with members of the Executive and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC. The value of the benefit is shown gross, including the attributable income tax.

Method used to assess performance

The Council regularly reviews its own effectiveness. It also has an agreed policy and process in place for reviewing performance of Council, Associates and Partner members. The performance review of the Chair of the Council is undertaken by the Vice-Chairs and includes a self-assessment by the Chair, peer assessment by Council colleagues and input from the Executive. A similar process is in place for individual Council and Associate members led by the Chair, and by the Committee Chair for Partner members.

Diversity of our Council members, Associates and Partner members

Diversity data, on 31 March 2024, for our Council members, Associates and Partner members is shown below. In total there were 12 Council members, two Associates and six Partner members (31 March 2023: 12 Council member, two Associates, six Partner members).

Age

4 41–50

9 51–60

7 61 and over

(2022–2023: 41-50: 2, 51-60: 10, 61 and over: 8)

Disability

18 No disability

1 Declared disability

1 Prefer not to say

(2022–2023: No disability: 18, Declared disability: 1, Prefer not to say: 1)

Sexual orientation

17 Heterosexual or straight

2 Gay or lesbian

1 Prefer not to say

(2022–2023: Heterosexual: 19, Prefer not to say: 1)

Ethnicity

14 White British

2 Indian

1 Bangladeshi

1 Black African

1 Black Caribbean

1 White Irish

(2022–2023: White British: 15, Black African: 1, Black Caribbean: 1, Indian: 1, White British/Irish – 1, White Irish: 1)

Religion or belief

12 Christian

5 None

1 Muslim

1 Prefer not to say

1 Sikh

(2022–2023: Christian: 11, None: 7, Prefer not to say: 1, Sikh: 1)

Gender

14 Female

6 Male

(2022–2023: Female 14, Male 6)

We changed our diversity monitoring categories from 1 April 2024 and these will be reported on in next year's report.

Table 1

Council allowances and expenses (subject to audit by the NAO)

	2023–2024				2022–2023			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Sir David Warren (Chair)	75-80	2,100	80-85	1,300	75-80	1,000	75-80	1,700
Sir Hugh Bayley (to 30 April 2023)	0-5 FYE 15-20	0	0-5	200	15-20	1,800	15-20	600
Professor Karen Cox (to 30 April 2023)	0-5 FYE 15-20	0	0-5	100	15-20	4,000	15-20	300
Lindsay Foyster (from 1 May 2023)	10-15 FYE 15-20	6,800	20-25	400	0	0	0	0
Claire Johnston	15-20	2,500	15-20	700	15-20	2,700	15-20	300
Eileen McEneaney MBE	15-20	5,100	20-25	600	15-20	7,800	20-25	0
Dr Margaret McGuire OBE (from 1 May 2022)	15-20	4,500	15-20	1,400	10-15 FYE 15-20	7,400	20-25	400
Flo Panel-Coates (from 1 November 2023)	5-10 FYE 15-20	800	5-10	0	0	0	0	0
Nadine Pemberton Jn Baptiste (from 1 May 2023)	10-15 FYE 15-20	6,100	15-20	0	0	0	0	0
Marta Phillips OBE (to 30 April 2023)	0-5 FYE 15-20	0	0-5	100	15-20	1,300	15-20	300
Derek Pretty	15-20	3,700	20-25	700	15-20	5,300	20-25	800
Anna Walker CB	15-20	700	15-20	400	15-20	700	15-20	300
Ruth Walker MBE	15-20	4,600	20-25	500	15-20	9,500	20-25	700
Sue Whelan Tracy	15-20	4,700	15-20	300	15-20	3,200	15-20	0
Dr Lynne Wigens OBE	15-20	3,400	15-20	600	15-20	2,500	15-20	300
Associates								
Jabulani Chikore (from 1 March 2023)	10-15	500	10-15	700	0-5 FYE 10-15	0	0-5	0
Tracey MacCormack (until 31 December 2022)	0	0	0	0	5-10 FYE 10-15	400	5-10	300
Dr Gloria Rowland MBE (until 31 December 2022)	0	0	0	0	5-10 FYE 10-15	400	5-10	200
Navjot Kaur Virk (from 1 March 2023)	10-15	2,500	10-15	700	0-5 FYE 10-15	500	0-5	0
Totals	**263.8**	**47,800**	**311.7**	**8,500**	**261.2**	**48,700**	**309.9**	**6,100**

Totals subject to rounding.

Senior management team remuneration and performance assessment

The Executive is the senior management team and comprises the Chief Executive and Registrar (Chief Executive) and Executive Directors, including those in acting or interim roles. All Executive Directors report directly to the Chief Executive. No Executive Directors are members of the Council or trustees of the NMC. Remuneration details are disclosed in full for all these individuals in table 2.

The Chief Executive and Registrar is the only employee appointed directly by and accountable to the Council. The Council has delegated authority to the Chief Executive to the extent described in the Scheme of Delegation (Annexe 1 to Standing Orders, paragraphs 6-11) and reflected in the annual governance statement later in this report.

Executive performance assessment

The Remuneration Committee reviews the performance of all members of the Executive annually. The Committee reviews reports from the Chair on the performance of the Chief Executive and Registrar. The Committee also reviews reports from the Chief Executive and Registrar on the performance of the Executive Directors.

Executive remuneration

The remuneration of the Executive is approved by the Remuneration Committee annually in line with the Executive pay framework approved in 2016 and updated in 2020 to reflect the new organisational structure and Executive Director roles within this.

The Executive's remuneration for 2023–2024 was agreed by the Remuneration Committee in February 2023. In line with advice from independent executive pay advisers, the Remuneration Committee concluded that for 2023–2024 the Executive should receive a 4.0 percent pay award.

This was a lower pay award than for other employees, which was an average of 7.6 percent including pay progression.

Andrea Sutcliffe was appointed Chief Executive and Registrar of the NMC on 14 January 2019. Her remuneration package for 2023–2024 included a base salary of £185,120, employer contributions to the NMC defined contribution pension scheme of £14,810, a one-off payment of £2,136 (as a compensatory payment for a reduction in annual leave[1]) and benefits in kind of £735, giving rise to a total remuneration figure of £202,801.

The remuneration of the Executive team is set out in table 2. In total the Executive team (including interim Executive Directors and acting Executive Directors) were paid £1.408 million in 2023–2024 (2022–2023 £1.313 million).

As set out earlier in this report, when Council meetings are in London, members of the Executive team attend evening meals with Council and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC, and the value of the benefit is shown gross including the attributable income tax. The Executive team do not receive any other taxable benefits. In line with the limits and processes outlined in our policy for colleagues' expenses, Executive members can claim travel, accommodation and subsistence when undertaking business trips.

In 2023–2024, the NMC did not operate any performance-related pay or bonus arrangements. None of the Executive therefore received any performance bonuses. In line with our total reward strategy across the organisation, to better reflect our commitments to our registrants and the public, a stronger link between base pay and performance is being implemented for 2024–2025 onwards.

Andrea Sutcliffe's employment contract requires notice of six months to be given by either party to terminate the contract. For Executive Directors the period is three months.

[1] Previously three members of the Executive team were entitled to 33 days of annual leave, compared to the rest of the organisation who were entitled to 30 days. In aligning their annual leave entitlement with the rest of the organisation, as a compensation agreement, the Committee agreed to a one-off transition payment of the individual's day rate for three days.

Table 2

Executive team remuneration (subject to audit by the NAO)

	2023–2024					2022–2023				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Andrea Sutcliffe Chief Executive and Registrar	185-190	700	15,000	200-205	5,200	175-180	800	14,000	185-190	3,100
Ruth Bailey[1] Executive Director of People and Organisational Effectiveness (job share) from 7 November 2022	90-95 FYE 155-160	500	(1,000)	90-95	300	35-40 FYE 85-90	200	1,000	35-40	0
Lise-Anne Boissiere[1] Executive Director of People and Organisational Effectiveness (job share) from 7 November 2022	105-110 FYE 145-150	200	15,000	120-125	200	35-40 FYE 85-90	100	5,000	40-45	300
Emma Broadbent[2] Acting Executive Director of People and Organisational Effectiveness from 24 January 2022 to 30 September 2022	0	0	0	0	0	75-80 FYE 150-155	300	11,000	85-90	200
Sam Foster Executive Director of Professional Practice from 27 March 2023	175-180	700	23,000	200-205	20,300	0-5 FYE 175-180	100	0	0-5	0
Helen Herniman Executive Director of Resources and Technology Services	160-165 FYE 155-160	500	21,000	180-185	7,900	155-160 FYE 150-155	800	22,000	175-180	1,000
Lesley Maslen Executive Director of Professional Regulation from 8 August 2022	165-170	700	24,000	190-195	1,700	95-100 FYE 150-155	500	14,000	110-115	600
Matthew McClelland[3] Executive Director of Strategy and Insight	160-165 FYE 155-160	500	22,000	180-185	1,500	140-145	700	35,000	175-180	1,500
Tom Scott Interim Executive Director of Professional Regulation from 8 February 2021 to 6 May 2022	0	0	0	0	0	15-20 FYE 135-140	0	2,000	15-20	500
Jennifer Simnett Interim Executive Director of People and Organisational Effectiveness from 5 September 2022 to 31 December 2022	0	0	0	0	0	45-50 FYE 150-155	300	0	45-50	0

	2023–2024					2022–2023				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Miles Wallace[4] Acting Executive Director of Communications and Engagement from 13 December 2021 to 30 September 2023	60-65 FYE 125-130	500	9,000	70-75	1,200	120-125	700	12,000	135-140	1,900
Geraldine Walters Executive Director of Professional Practice to 2 December 2022	0	0	0	0	0	115-120 FYE 165-170	400	9,000	125-130	2,100
Edward Welsh Executive Director of Communications and Engagement	135-140 FYE 155-160	0	17,000	150-155	700	130-135 FYE 150-155	200	17,000	150-155	0
Totals	**1,259**	**4,451**	**144,515**	**1,408**	**39,000**	**1,166**	**5,331**	**141,103**	**1,313**	**11,200**

1. Ruth Bailey and Lise-Anne Boissiere have job-shared the role of Executive Director of People and Organisational Effectiveness since joining the NMC on 7 November 2022. Ruth Bailey worked 0.6 FTE for the whole period. Lise-Anne Boissiere worked 0.6 FTE until August 2023 and 0.8 FTE from September 2023. Lise-Anne Boissiere is on secondment from the Department for Levelling Up, Housing and Communities until 6 November 2025.

2. Tom Scott was engaged as interim Executive Director of Professional Regulation to cover Emma Broadbent's absence. On her return, Emma Broadbent continued as Executive Director without portfolio, overseeing a change programme, while Tom Scott continued as interim Executive Director of Professional Regulation. Emma Broadbent assumed the role of Acting Executive Director of People and Organisational Effectiveness until she left the organisation. Jennifer Simnett was then appointed Interim Executive Director of People and Organisational Effectiveness until December 2022.

3. Matthew McClelland is a deferred member of the defined benefit scheme, and details of the value of his pension benefits in 2022–2023, including 50 percent (£15,402) of an agreed transitional payment of £30,804 on the closure of the defined benefit scheme to future accruals, are shown in table 2. The transitional payment was made as a contribution to the defined contribution pension scheme and the Remuneration Committee agreed that 50 percent of the payment could be made in 2021–2022 and 50 percent in 2022–2023. Matthew McClelland's pension benefits shown above represent employer contributions to the defined contribution pension scheme.

4. Miles Wallace was appointed Acting Executive Director of Communications and Engagement from 13 December 2021 to cover Edward Welsh's leave due to ill health. Edward returned to work in December 2022 on a phased return to work. Miles returned to his substantive post in October 2023.

5. Where salary bands are higher than the full year equivalent it is due to backdated pay rises or selling annual leave days.

6. Current directors are members of the defined contribution pension scheme, except Ruth Bailey, who has opted out (the negative pension contribution in 2023–2024 represents a refund of 2022–2023 contributions due to opting out); and Lise-Anne Boissiere, whose pension is a defined benefit civil service pension. The value of current directors' pension benefits, including Lise-Anne Boissiere's, are the employer contributions made into their pension funds. The disclosure for Lise-Anne Boissiere is a departure from the Government Financial Reporting Manual (FReM), which requires the inclusion of accrued pension benefits. The departure from the FReM was agreed by the Accounting Officer based on the current unavailability of the information. The calculation of the accrued pension benefits figures for 2023-2024 is subject to an exceptional delay following the application of the public service pensions remedy[2], which is also delaying the NMC obtaining the figures for 2022-2023 that were omitted from last year's report. The NMC intends to comply with the disclosure requirements in future.

7. Totals subject to rounding.

[2] www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

Executive remuneration for 2024–2025

The Remuneration Committee considered Executive remuneration for 2024–2025 in February 2024. The Committee's consideration was informed by external benchmarking evidence and overall affordability. The Committee made the following decisions:

- The Committee approved a 1.5 percent increase for each Executive Director, with effect from 1 April 2024, which was consistent with the standard increase of colleagues in grade 10 and 11 roles. This is lower than the overall increase for employees – between 3.5 and 6.5 percent depending on grade, with lower grades receiving the greatest increase – because Executive Directors did not receive progression increases.
- The Chief Executive and Registrar accepted a lower annual increase of 1.4 percent to ensure their salary remained only £2,000 above the second highest paid Executive Director.
- The Committee agreed to an additional increase for the Executive Director of Professional Regulation before the annual increase was applied as they were paid at the lowest point in their pay scale compared with other Executive Directors.

Off payroll engagements and exit packages

In line with HM Treasury requirements, information must be published on highly paid and/or senior off payroll engagements at the year end, and the number and cost of exit packages agreed and paid during the year and the prior year. None of the Council or the Executive team are engaged off payroll. All off payroll engagements are assessed using the Government's employment status for tax calculator to identify the correct method of engagement.

Table 3

Off payroll engagements

Off payroll engagements as of 31 March 2024, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2024	3
Of which:	
Number that have existed for less than one year at time of reporting	3
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
For all new off payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024	3
Of which:	
Number assessed as within IR35	0
Number assessed as outside IR35	3
Number engaged directly and are on the payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	1

Table 4

Exit packages (subject to audit by the NAO)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Number of departures where special payments have been made	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Less than £10,000	7	5	3	0	10	5	0	0
£10,001 - £25,000	0	2	3	2	3	4	2	1
£25,001 - £50,000	0	1	0	0	0	1	0	0
£50,001 - £100,000	1	1	0	0	1	1	0	0
£100,000 - £150,000	0	0	0	0	0	0	0	0
Greater than £150,000	0	0	0	0	0	0	0	0
Total number of exit packages	**8**	**9**	**6**	**2**	**14**	**11**	**2**	**1**
Total cost £	**82,680**	**137,761**	**60,414**	**39,641**	**143,094**	**177,402**	**38,894**	**23,500**

As noted in table 4, two special payments were made to colleagues departing the organisation in 2023–2024. Special payments refer to special severance payments paid to employees and others that are above normal statutory or contractual requirements when leaving employment, whether they resign, are dismissed or reach an agreed termination of contract. In accordance with governance arrangements approved by the Council, the Chief Executive and Registrar and the Remuneration Committee (People and Culture Committee from 1 April 2024) are responsible for approving such payments in accordance with criteria agreed by the Council.

The two special payments made in 2023–2024 were approved in line with our non-contractual payments policy, on the basis that in the exceptional circumstances presented, approval was justified and defensible.

Remuneration and performance assessment of other employees

All employees have a six-month probation period on commencing employment and a notice period of one to three months, depending on their grade.

The remuneration of all employees is reviewed annually taking into account a range of information including employee turnover, recruitment activity and retention trends, benchmarking data and overall affordability. Based on this information the Council approved a standard rate increase in pay for all eligible employees of five percent with effect from 1 April 2023. This increase has also been applied to the minimum and maximum values of each of the staff pay grades introduced in October 2019. The Council approved this investment as evidence from benchmarking and reward consultants had confirmed that our pay ranges had fallen behind comparative organisations.

As part of the People Plan and total reward project, we also conducted a review of our total reward offering in consultation with independent external experts. Following their recommendations, we implemented changes from April 2023 to our pay scales, including narrowing the ranges and introducing a pay progression range for employees to progress through. This will be achieved through the introduction of pay increments linked to performance. This ensures that even the lower end of our pay ranges remains competitive to the external market, addresses colleagues' concerns around unclear pay progression, and reduces any potential equal pay issues occurring in future years. This work cost an additional 2.3 percent of salary budget and was implemented in April 2023.

April 2024 represents the second year of the new structures and pay policy. The standard rate increase varied based on which pay grade, with lower grades receiving a higher standard rate increase of 2.5 percent and higher-graded colleagues receiving a standard rate increase of 1.5 percent. The overall cost of the standard rate increase will be 2.2 percent of salary budget and the progression increase will be a 2.9 percent increase of salary budget meaning a total increase budget of 5.1 percent.

In 2023 we transitioned to a new performance and development review process, moving to quarterly reviews and a cycle that ends in December each year. To enable full moderation and consistency checking of outcomes ahead of linking appraisals to pay outcomes, 2023 was a transition year and the process was not linked to pay for 2023–2024. In January 2024 we moved to our new appraisal and objectives setting process, which will now be linked to pay progression from April 2025.

UNISON is the recognised trade union with which we engage on agreed matters, including pay, terms and conditions of employment and ways of working.

Pension arrangements

Up until 30 June 2021, we had two active pension schemes: a defined benefit pension scheme and a defined contribution scheme.

Employees who joined the NMC before November 2013 were able to join the defined benefit pension scheme. The scheme was closed to employees joining the NMC after 1 November 2013. On 23 March 2021, following a consultation, the Council approved closure of the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. This achieved the objectives of harmonising benefits for all colleagues, reducing the NMC's exposure to financial risk and enabling costs to be redirected to other expenditure.

Our current active pension scheme is a defined contribution pension scheme. Employees can opt to contribute to this scheme by salary sacrifice.

Employees in the scheme contribute a minimum one per cent of their salary which is matched by the NMC contributing eight percent (2022–2023: eight percent). From 1 April 2021, the NMC matched additional employee contributions up to a maximum total employer contribution of 14 percent. To receive an employer contribution of 14 percent, an employee would need to contribute at least seven percent. We encourage and support colleagues to reflect on how to best plan for their retirement and ensure they are taking full advantage of our pension scheme. At 31 March 2024, 1,069 employees (92.2 percent) were members of the defined contribution scheme (31 March 2023: 1,022, 94.2 percent). The decrease in employee percentage in the pension scheme is at least partly due to more new starters still being in their opt-out period at 31 March 2024.

Further information about remuneration and pensions is contained in notes 9 and 19 to the accounts.

NMC grading structure and pay differentials

Table 5

Employees by grade and gender on 31 March 2024

Pay Level	Male	Female	Male	Female	Male	Female
	Number of colleagues		As a percentage of all colleagues		As a percentage of pay level	
1-4	141	390	12.3%	34.0%	26.6%	73.4%
5-7	164	312	14.3%	27.2%	34.5%	65.5%
8-11	45	89	3.9%	7.8%	33.6%	66.4%
Executive Directors, including interim/acting	2	4	0.2%	0.3%	33.3%	66.7%
Chief Executive and Registrar (CE & R)	0	1	0.0%	0.1%	0.0%	100.0%
Total employees	**352**	**796**	**30.7%**	**69.3%**	**30.7%**	**69.3%**

Table 6

Employees by grade and ethnicity on 31 March 2024

Pay Level	White	Black and minority ethnic	Undisclosed or prefer not to answer	White	Black and minority ethnic	Undisclosed or prefer not to answer	White	Black and minority ethnic	Undisclosed or prefer not to answer
	Number of colleagues			As a percentage of all colleagues			As a percentage of pay level		
1-4	175	284	72	15.2%	24.7%	6.3%	33.0%	53.5%	13.6%
5-7	272	154	50	23.7%	13.4%	4.4%	57.1%	32.4%	10.5%
8-11	99	25	10	8.6%	2.2%	0.9%	73.9%	18.7%	7.4%
Executive Directors, including interim/acting	4	0	2	0.3%	0.0%	0.2%	66.7%	0.0%	33.3%
Chief Executive and Registrar (CE & R)	1	0	0	0.1%	0.0%	0.0%	100.0%	0.0%	0.0%
Total employees	**551**	**463**	**134**	**48.0%**	**40.3%**	**11.7%**	**48.0%**	**40.3%**	**11.7%**

Fair pay disclosures (subject to audit by the NAO)

Remuneration in the following calculation is based on annualised, full-time equivalent salary of all staff (not including contractor and agency staff) as at the reporting date. It does not include paid annual leave, employer pension contributions, taxable expenses or the cash equivalent transfer value of pensions.

The highest paid permanent employee in the NMC on 31 March 2024 is the Chief Executive and Registrar, Andrea Sutcliffe, and we have used her salary as the comparator when calculating the differential to the lower quartile, median and upper quartile remuneration of NMC employees.

- The highest salary in 2023–2024 (Andrea Sutcliffe: £185,120). When taking employees of the entity as a whole (excluding the highest paid director), the change in average salary from 2023–2024 to 2022–2023 was an increase of 5.17 percent due to the salary increase for all eligible employees – as part of the April 2023 pay review, where the average increase was 4.3 percent – and the increased demand in salaries from external candidates due to the more competitive recruitment market. No employees received performance pay or bonuses in either the current or previous financial year.
  On 31 March 2024 the range of remuneration at the NMC was £21,564 to £185,120 (on 31 March 2023: £20,395–£176,000).
- In 2023–2024, the highest remuneration was 4.41 times the median remuneration of NMC employees, which was £41,942. In 2022–2023, the highest remuneration was 4.37 times the median remuneration of NMC employees, which was £40,237. This represents a 0.04 increase in the median remuneration gap, year on year. The median remuneration salary has increased since 2022–2023 - as a result of the annual pay review and progression increase agreed in April 2023 - however the pay gap increased because Andrea Sutcliffe accepted her first salary increase in April 2023 since joining the NMC in January 2019.
- In 2023–2024, the highest remuneration was 5.61 times the lower quartile remuneration of NMC employees, which was £33,004. In 2022–2023, the highest remuneration was 5.68 times the lower quartile remuneration of NMC employees, which was £31,000. This is a 0.07 decrease in the lower quartile remuneration gap year on year. This was due to the focus on our lowest paid employees receiving the greatest increase in the April 2023 annual pay review.
- In 2023–2024, the highest remuneration was 3.11 times the upper quartile remuneration of NMC employees, which was £59,531. In 2022–2023, the highest remuneration was 3.07 times the upper quartile remuneration of NMC employees, which was £57,418. This represents an increase in the upper quartile remuneration gap of 0.04 year on year. The upper quartile remuneration salary increased since 2023–2024 due to the reduction in the width of our pay ranges and the introduction of pay progression.

Pay gap reporting

Since 2017, legislation has required us to publish our gender pay gap data; in addition, since 2020 we have also voluntarily published our ethnicity and disability pay gap data. This data provides insight into where we need to improve in order to offer inclusive employment opportunities regardless of gender, ethnicity and disability.

We have used the same methodology used for gender pay calculations to calculate both our ethnicity and disability pay gaps.

Our 2024 pay gap data is shown in the table below with 2023 data for comparison. Our 2023 results can also be found in our Pay Gap reports.

Pay gap	As at 5 April 2024	As at 5 April 2023	UK average for 2023[3]
Gender - Mean	6.5%	8.1%	13.1%
Gender - Median	9.6%	14.6%	12.1%
Ethnicity - Mean	21.6%	21.6%	Insufficient declarations to calculate accurate figures.
Ethnicity - Median	30.9%	28.8%	
Disability - Mean	-9.4%	-6.1%	
Disability - Median	-10.6%	-7.8%	

Note: Ethnicity data for April 2023 does not match what was reported in last year's report as the CIPD (Chartered Institute of Personnel Development) has updated its methodology for calculating ethnicity pay gaps.

A more detailed narrative of these changes will be published in our Pay gap reports.

[3] Ethnicity pay reporting: guidance for employers - GOV.UK (www.gov.uk)

Gender pay gap

Our mean gender pay gap on 5 April 2023 was 8.1 percent. On 5 April 2024 this decreased to 6.5 percent. This decrease reflects an increase in female colleagues in our upper quartile (21 more females compared to April 2023) and an increase in male colleagues working in our lower quartile (17 more males in our lower quartile compared to April 2023).

Ethnicity pay gap

Our mean ethnicity pay gap as of 5 April 2023 was 21.6 percent. Our 2024 figures show that this has remained the same at 21.6 percent. Our analysis shows that over this period the average salary for white and Black and minority ethnic colleagues both increased by 4.7 percent.

Our median ethnicity pay gap as of 5 April 2023 was 28.8 percent. Our 2024 figures show that this has increased to 30.9 percent, an increase of 2.1 percentage points. Our analysis shows that over this period the median salary for a white colleague increased by 6.2 percent compared to an increase of 3.1 percent for a Black and minority ethnic colleague. This was mainly caused by two factors, the first factor being a decrease of 0.8 percentage points of white colleagues in our lower quartile roles. The second factor was even though the number of Black and minority ethnic colleagues working at the NMC increased by 32 colleagues with growth in all quartiles, the largest growth was in our lower quartiles. The number of Black and minority ethnic colleagues working in our upper quartile and upper middle quartile grew by 13, while the number of Black and minority ethnic colleagues working in our lower and lower middle quartile grew by 19, lowering the position of our median salary.

We are committed to taking meaningful action and have already taken some important steps based on what we have learned. One such action is through our Rising Together mentoring programme. Rising Together is designed to build a culture encouraging collaboration, fairness and inclusivity to enable all colleagues to realise their potential. It creates an opportunity for colleagues to receive mentoring support, enabling them to progress in their careers and achieve professional growth. The programme aims to equip our leaders and managers to lead through an inclusive lens, have important conversations and for all colleagues to take ownership of self-development. The programme is now in its fourth year and has seen participant numbers increase year on year. During 2023–2024, to strengthen this approach we developed the Rising Higher programme to provide additional support, workshops and coaching for colleagues that have completed Rising Together. This launched in May 2024.

We are also aiming to narrow the ethnicity pay gap via NMC-wide and local interventions including creating targets. These targets include increasing the hire rate for Black and minority ethnic applicants at Grade 6 and above and increasing representation of Black and minority ethnic colleagues at the shortlisted stage in roles at grade 8 and above.

This has been supported by the development of inclusive recruitment training and forthcoming targeted training and support for colleagues on building their career and completing job applications.

Disability pay gap

Our mean disability pay gap on 5 April 2023 was -6.1 percent, and on 5 April 2024, it stands at –9.4 percent. This means that colleagues who have told us they are disabled are on average paid more than people who have not. This is a 3.3 percentage point increase in favour of disabled colleagues compared to April 2023. The main reason for this is there has been an increase in colleagues declaring a disability in our upper quartile and upper middle quartiles, with six more colleagues declaring a disability compared to in our lower and lower middle quartile where the number of colleagues declaring a disability increased by one.

We recognise that under-reporting of disability in the workforce may be a cause of the inverse disability pay gap here, as our data shows that people in our top pay quartile are more likely to tell us they are disabled than colleagues in our bottom pay quartile.

21.0 percent of our lowest paid colleagues have not shared any monitoring data about whether they are disabled or not, compared to 10 percent of our highest paid colleagues. Overall, non-declaration is down 0.9 percentage points compared to April 2023. We are pleased that non-declaration has reduced and will continue to take steps to reduce it further in 2024–2025.

We have taken steps, with the support of our Workaround network, to increase the number of colleagues sharing diversity monitoring data with a particular focus on disability.

Sir David Warren
Chair
3 July 2024

Andrea Sutcliffe
Chief Executive and Registrar
3 July 2024

Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts

The Nursing and Midwifery Order 2001 requires that annual accounts are prepared and audited. The Council and its Chief Executive and Registrar (as Accounting Officer) handle the preparation and approval of the accounts.

The accounts are prepared following the determination received from the Privy Council which requires the accounts to be prepared in accordance with the Charities Statement of Recommended Practice Accounting and Reporting (SORP) revised 2019 and that the accounts also comply with the applicable law and accounting standards issued (Appendix 1).

Under these requirements, and the separate legal requirements applying to charities registered in England and Wales, and to those registered in Scotland, the NMC must prepare accounts for each financial year which give a true and fair view of the state of the NMC's affairs and of its net movement in funds for that period.

In preparing these accounts they must:

- observe the applicable accounts determination issued by the Privy Council
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates on a reasonable basis
- prepare the accounts on a going concern basis unless it is inappropriate to presume the NMC will continue in operation
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the accounts.

The Council and its Chief Executive and Registrar are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NMC and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Nursing and Midwifery Order 2001. They are also responsible for safeguarding the assets of the NMC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Privy Council has appointed the Chief Executive and Registrar as Accounting Officer for the Nursing and Midwifery Council. In their capacity as Accounting Officer, they are responsible for the execution of the Council's obligations under section 52 of the Nursing and Midwifery Order (as amended). In doing so, they are asked to consider the principles set out in Chapter 3 relating to the responsibilities of Accounting Officers and wider guidance contained in Managing Public Money (HM Treasury, 2013, with annexes revised March 2018).

So far as we know, there is no relevant audit information of which the NMC's auditors are unaware. We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the NMC's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Principal place of business

The NMC works across England, Northern Ireland, Scotland and Wales. Its principal place of business is:

23 Portland Place, London W1B 1PZ

Advisers

Independent external auditor

HW Fisher LLP, Acre House,
11-15 William Road, London NW1 3ER

Bankers

HSBC Bank Plc Space One, Floor 2
1 Beadon Road, London W6 0EA

Statutory auditor

Comptroller and Auditor General,
National Audit Office,
157-197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Investment managers

Sarasin & Partners LLP, Juxon House,
100 St Paul's Churchyard,
London EC4M 8BU

Internal auditor

RSM Risk Assurance Services LLP,
25 Farringdon Street,
London EC4A 4AB

Solicitors

Capsticks Solicitors LLP,
1 St Georges Road, London SW19 4DR

Mills & Reeve LLP,
24 King William Street,
London EC4R 9AT

Addleshaw Goddard LLP,
60 Chiswell Street, London EC1Y 4AG

Trowers & Hamlins LLP, 3 Bunhill Row,
London EC1Y 8YZ

Annual governance statement

We are an independent statutory body. Our statutory objectives and responsibilities are set out in the Nursing and Midwifery Order 2001, as amended (SI 2002/253), (the Order).

We are also a registered charity; registered in England and Wales (1091434) and in Scotland (SC038362). Our charitable object reflects our overarching statutory objective: to protect and safeguard the health and wellbeing of the public. The Council takes account of Charity Commission (CC) and Office of the Scottish Charity Regulator (OSCR) guidance in making decisions; throughout this report we explain how our work demonstrates public benefit.

As a regulator, we expect the professionals on our register to uphold the highest professional standards and values. It is only right and proper that we hold ourselves equally accountable to maintain the highest standards of governance and uphold our values. We strive to meet the principles and recommended practice contained in the Charity Governance Code and the National Council for Voluntary Organisations Charity Ethical Principles, and our practice complies with the Cabinet Office Corporate Governance Code of Good Practice for central government departments to the extent that it is applicable.

The Council conducts its business in accordance with the seven principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership (Nolan Principles) – and all our work is guided by our organisational values – fair, kind, ambitious and collaborative. We are committed to creating a workplace culture that embodies these values and our standards. We foster a learning culture: where we fall short, we are committed to responding openly and transparently, identifying learning and making improvements so that we can realise our vision: safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing.

Governance structure



The Council is our governing body and the Council members are the charity trustees. Members of the Council are collectively responsible for ensuring that the NMC is well-run, solvent and delivers public benefit.

Committees support Council by fulfilling specific functions delegated by Council and set out in their terms of reference. These include providing additional scrutiny, advising on strategic development and overseeing implementation of strategies.

The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council. As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

The Executive Board is the key management decision-making body. The Board works with the Chief Executive and Registrar to develop and implement strategies, policies, business plans and budgets; ensure effective and efficient use of resources, finance and people; and identify and manage risk.

The Council

The Council is our governing body. Its remit is to (a) set our strategic direction and corporate objectives, in line with our core purpose; (b) ensure effective systems are in place for managing performance and risk; and (c) maintain probity in, and public accountability for, the exercise of our functions and the use of funds. Our Scheme of Delegation sets out which matters can only be decided by the Council.

In accordance with good governance, the Council undertakes regular reviews of its own effectiveness, including externally facilitated reviews. The most recent review took place in 2023–2024 and was undertaken by Campbell Tickell. As well as reflecting on current practice, the review also reflected on the impact regulatory reform will have on governance arrangements, including the likely move to a unitary board.

Overall, the review found that there is generally a good framework for the governance of the NMC, with a strong commitment to role modelling the organisation's values and delivering its purpose. The review recommended some changes to develop a more strategic approach and ensure the Council is making best use of its time. This included establishing a Finance and Resources Committee, formally extending the scope of the Remuneration Committee to reflect its wider people focus, reviewing the Council's meeting structure and schedule to ensure it best supports its strategic role, and continuing to evolve the NMC's approach to risk. These changes will be implemented in 2024–2025 and will be covered in detail in next year's annual governance statement.

To support the likely move to a unitary board, the review also made some recommendations to develop the relationship between the Council and Executive. These were embedded into the preparatory work that is already underway for regulatory reform.

Membership

The Council is made up of 12 members of which half must be professionals on our register and half must be lay members, as set out in the Nursing and Midwifery Council (Constitution) (Amendment) Order 2008 (SI 2008/2553). Lay members are people who have never been a registered nurse, midwife or nursing associate. As a UK-wide regulator, the Council's membership must include at least one member who lives or works wholly or mainly in each of England, Wales, Scotland and Northern Ireland.

The Chair and members of the Council are appointed by the Privy Council, following open and competitive selection processes. The Privy Council receives assurance from the Professional Standards Authority for Health and Social Care (PSA) on the robustness of our appointment or reappointment processes.

Council members receive a full induction on appointment and undertake individual appraisals annually. These inform future individual and collective development, as well as consideration of reappointments.

Council Associate scheme

The Council established an Associate scheme in July 2020 (Standing Orders, paragraph 3.7) to provide opportunities for individuals with the potential to develop the skills and expertise needed to be Non-Executive Directors, similar to a Non-Executive Director apprenticeship. Associates are involved in all aspects of the Council's work in a similar way to appointed Council members but are not trustees. The majority of Council decisions are made by consensus but on the rare occasion of a decision by formal vote, Associates do not participate. Associates receive a full induction on appointment and undertake individual appraisals annually.

Meetings

The Council is committed to openness and transparency and seeks to conduct as much business as possible at Open meetings which members of the public can attend. Matters can only be considered in Confidential meetings if they fall within an exemption set out in the Council's Standing Orders (paragraph 5.2.5). In addition to formal meetings, Council members and Associates attend monthly seminars, hold video conferences and participate in a wide range of other activities. These activities help ensure Council members have the insight they need to hold the Executive to account and make informed decisions.

Council member and Associate attendance 2023–2024

	Council attendance	
Member	**Number of sessions eligible to attend***	**% of sessions attended**
Sir David Warren (Chair)	14/14	100
Sir Hugh Bayley (until 30 April 2023)	0	N/A
Professor Karen Cox (until 30 April 2023)	0	N/A
Lindsay Foyster	14/14	100
Claire Johnston	14/14	100
Dr Margaret McGuire OBE	12/14	86
Eileen McEneaney MBE	9/14	64
Flo Panel-Coates (from 1 November 2023)	4/6	67
Nadine Pemberton Jn Baptiste (from 1 May 2023)	10/14	71
Marta Phillips OBE (until 30 April 2023)	0	N/A
Derek Pretty	14/14	100
Anna Walker CB	11/14	79
Ruth Walker MBE	12/12	100
Sue Whelan Tracy	13/14	93
Dr Lynne Wigens OBE	13/14	93
Associate		
Jabulani Chikore	7/7	100
Navjot Kaur Virk	10/14	71

*Includes public and confidential meetings that members/Associates were eligible to attend.

Council committees

Under Article 3 (12) of the Order, the Council may establish discretionary committees in connection with the discharge of its functions and delegate any of its functions to them, other than the power to make rules. The remit, membership and attendance record for each Committee is set out below. Committees also made a number of decisions by correspondence outside of the meetings identified below, where necessary and in accordance with Standing Orders.

Appointment of Council members to the Audit, Remuneration, Investment and Accommodation Committees is governed by the Council's Standing Orders and Scheme of Delegation, together with a set of principles adopted by the Council in 2015. Council committee membership is reviewed regularly. The Chair is an ex-officio member of all the Council committees, except Audit Committee and Appointments Board. On 11 April 2023, the Chair was appointed a full member of Remuneration Committee to reflect his regular attendance.

Audit Committee	
Remit	The remit of the Audit Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of the accounts and the annual report.
Key Activities	Providing the Council with regular assurances as to the effectiveness of the systems and controls by: Reviewing the Annual Report and Accounts and the Annual Fitness to Practise Report and recommending to the Council the approval of those reports. The Committee also reviewed the reports from the External Auditor and NAO, and the Executive's responses to recommendations made by the auditors. Reviewing the accounting policies for the year to 31 March 2024. Reviewing risk management and assurance arrangements, including undertaking comprehensive reviews of the risks, mitigations and sources of assurance about core work. Approving the internal audit work plan for 2023–2024, reviewing internal audit report outcomes and overseeing action to progress closure of outstanding internal audit recommendations. Reviewing serious events and data breaches, to ensure organisational sharing and implementing learning to prevent recurrence.

Key Activities (Continued)	Reviewing single tender actions and seeking assurance that proper procurement processes are being adhered to by the Executive and that any single tender actions are justifiable. Monitoring the implementation and use of the internal Whistleblowing and Anti-Fraud, Modern Slavery, Bribery, and Corruption policies to be assured that any issues raised are comprehensively investigated and any action and learning is taken forward. As part of this work, they also review the Modern Slavery Statement.

Membership

Member	Attendance
Marta Phillips (Chair until 30 April 2023)	1 of 1
Derek Pretty (Chair from 1 May 2023)	5 of 5
Eileen McEneaney	5 of 5
Sue Whelan Tracy	4 of 5

Remuneration Committee

Remit	Ensure that there are appropriate systems in place for remuneration and succession planning, including considering annual pay review for all employees, as well as progress against the People Plan, any significant changes to the employee pay and grading structure or pension schemes.
Key Activities	Approving selection processes for two new Council members and the Chair and two new members of the Appointments Board. Agreeing to recommend to Council the annual pay award for 2024–2025 and reviewing the total reward proposal. Reviewing Executive reward and reviewing progress on the People Plan and internal aspects of the Equality, Diversity and Inclusion Plan.

Membership

Member	Attendance
Ruth Walker (Chair)	3 of 5
Sir Hugh Bayley (to 30 April 2023)	0 of 1
Dr Lynne Wigens	5 of 5
Anna Walker	5 of 5
Sir David Warren (from 11 April 2023)	5 of 5

Investment Committee		
Remit	The remit of the Investment Committee is to oversee the implementation of the Council's investment strategy; determine the allocation and movement of funds in accordance with the investment strategy; and monitor the NMC's investment portfolio. Decision-making and implementation of the investment strategy is delegated to the Investment Committee.	
Key Activities	Reviewing the investment policy and scrutinising the investment managers' response to global economic volatility. Working with our investment managers to ensure environmental, social and governance issues are appropriately considered when managing the portfolio.	
Membership The membership includes two non-Council (Partner) members who provide additional expertise and were appointed following open, competitive recruitment processes.	**Member**	**Attendance**
	Derek Pretty (Chair)	3 of 3
	Thomasina Findlay (Partner member)	2 of 3
	Sue Whelan Tracy	3 of 3
	Nick McLeod-Clarke (Partner member)	3 of 3
	Claire Johnston	2 of 3

Accommodation Committee		
Remit	To oversee the implementation of the Council's Accommodation Plan within the financial and other parameters set by the Council.	
Key Activities	Considering how to progress plans to refurbish 23 Portland Place, particularly in light of Council's decision to pause the refurbishment to support the NMC to safely and swiftly reduce the fitness to practise caseload.	
Membership	**Member**	**Attendance**
	Derek Pretty (Chair)	2 of 2
	Anna Walker	2 of 2
	Dr Lynne Wigens	2 of 2

Appointments Board	
Remit	The remit of the Appointments Board is to assist the Council in connection with the exercise of any function relating to the appointment of Fitness to Practise panel Chairs and members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Fitness to Practise panel members to the Registration Appeals panel.
Key Activities	Recommended the appointment of new Panel Members and Legal Assessors to the Council. Approval of a new three-year plan for delivering high quality panels. Approval of the Panel Member training programme for 2024. Preparation for a selection process for new Panel Members which opened in June 2024.

Membership

The Appointments Board is made up entirely of non-Council (Partner) members, appointed following open and competitive recruitment processes

Member	Attendance
Jane Slatter (Chair)	7 of 7
Robert Allan	6 of 7
Surinder Birdi (from 1 July 2023)	5 of 6
Angie Loveless (until 29 February 2024)	6 of 6
Clare Salters (until 29 February 2024)	6 of 6
Yasmin Ullah (from 1 March 2024)	1 of 1

The Chief Executive and Registrar

The Chief Executive and Registrar is appointed by, and accountable to, the Council. The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council.

As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

Executive Board

The Executive Board is the key management decision-making body. The Board's membership comprises the Chief Executive and Registrar and all Executive Directors (who are Key Management Personnel as defined by FRS 102). General Counsel was a regular attendee and from 11 December 2023 was made a member of the Board (General Counsel is not Key Management Personnel). The Board works with the Chief Executive and Registrar to develop and implement strategies, policies, business plans and budgets; ensure effective and efficient use of resources, finance and people; and identify and manage risk. The Board advises or makes recommendations to Council on those matters which are ultimately for the Council to decide. In doing so, the Board and Council work together in a spirit of collaboration, honesty and openness.

The Executive Board regularly reflects on its own operation and how business is conducted. In December 2023, to support the Board to have visibility and focus on the key risks and issues facing the organisation, the Board agreed a new approach to its meetings. Instead of meeting twice a month, from January 2024, the Board meets three times a month in different modes.

- **Core:** The focus of this meeting is strategy, performance, risk and horizon scanning.
- **Fitness to Practise:** The focus of this meeting is ensuring an organisation wide approach to our number one corporate priority: protect the public by reaching the right decisions in fitness to practise as swiftly and safely as possible and achieve a sustainable caseload.
- **Learning:** The focus of this meeting is the emerging findings from live issues (such as the whistleblowing investigations) as well as feedback and intelligence via our wider corporate learning sources, agreeing actions arising and monitoring implementation and progress.

For its Fitness to Practise and Learning meetings, the Board is joined by two or three Council members who act as critical friends; attending the meetings as an active participant but not as a member (reflecting that these are executive, operational meetings). Council members share their reflections on the progress of these key streams of work with the Council, both informally between meetings and formally at appropriate points at Council meetings.

Performance monitoring and data quality

The Council monitors our progress against our strategy, corporate plan and budget through quarterly performance reports presented at public meetings. These provide updates against our corporate commitments, key performance indicators (KPIs), our budget and investments and corporate risk exposure. In collaboration with the Executive team, the Council decides what performance information and data it wants to review so it can make effective decisions about our performance and risk exposure. The Council considers the quality and content of performance reporting annually through business planning. Over the course of 2023–2024, we have started to strengthen and streamline our monthly reporting to the Executive Board, drawing attention to the most important discussion points on budget, performance and risk.

Risk management and internal control

The Council is responsible for establishing and maintaining a sound system of risk management and internal control, which is designed to manage rather than eliminate risk and provide reasonable assurance of effectiveness. The Council approved and updated the risk management framework in 2021. The Audit Committee provides assurance to the Council about the operation of the system of internal control and risk management. This includes overseeing the internal audit workplan and its findings, as well as undertaking regular targeted comprehensive assurance reviews to delve deeper into specific risk problems or assurance mechanisms. The Council considers corporate risk exposure at Open meetings on a quarterly basis and the full corporate risk register once a year.

The Chief Executive and Registrar is responsible for enabling an effective system of risk management and internal control and, together with the Executive Directors, for ensuring that the system is effective across the organisation. The Executive is responsible for identifying and evaluating risks, putting in place appropriate mitigations and monitoring and reporting progress. The Executive Board reviews corporate risk exposure monthly.

The risk framework sets out a clear structure and process for embedding risk management into our day-to-day work across all levels of the organisation. This includes through the use of risk registers, performance dashboards and the role of risk coordinators to champion risk management within a directorate, maintain the directorate risk register and periodically review team risk registers to identify compound risks.

We have continued to support this framework throughout 2023–2024 by using organisation-wide and bespoke training sessions and tailored workshops, and monthly engagement between risk coordinators and the corporate risk and performance team.

We have been working on a refreshed approach to risk management for 2024–2025, differentiating strategic risks (those that threaten our ability to deliver expected outcomes and harm our ability to grow and prosper) from operational risks (those that may impact the work we carry out on a day-to-day basis) with clear links between them. The risks will be overseen and reviewed by the Executive team and Council committees best placed to advise on how we manage each risk. This ensures we have the best oversight and management of risks with multiple review points and that we are responding to risk appropriately. Further detail will be provided in next year's report.

The effectiveness of our risk management and internal control processes

We undertake an annual review of the effectiveness of our internal control environment and risk management, assessing each directorate against a set of key criteria and reviewing sample evidence to ensure our internal control environment reflected the standards set out in our policy and guidance. The 2023–2024 review concluded that we have substantial assurance across three of our directorates and partial assurance for the other three. Those that attained partial assurance are working towards improving those ratings and early indications show that improvements are already being made. Therefore, we can take assurance that our internal control environment operates adequately at corporate and directorate level.

Key issues and risks

In this section we provide an account of the key risks we managed during 2023–2024, the action we have taken and the action we plan to take next year.

As part of our new strategic risk register for 2024–2025, we have included a risk relating to our statutory safeguarding responsibilities to protect people who come into contact with the NMC through our work from abuse or mistreatment. This was previously a risk factor of our corporate legal risk in 2023–2024 but we have now created a new risk to ensure that safeguarding is managed appropriately with the focus and visibility that it needs. We will provide more detail on this in next year's report.

We recognise the risk that a change in senior leadership presents to the effective running of an organisation. During 2024–2025, two of our Executive Directors announced that they will be leaving the organisation, including Andrea Sutcliffe, Chief Executive and Registrar, who will leave in July 2024 due to ill health. Plans were put in place to appoint interim and substantive successors and we are confident that our system of internal controls, governance and risk management processes, as well as the expertise of existing senior leadership will mitigate the impact of their departures.

Risk

We fail to take appropriate action to address a regulatory concern about a professional on our register in a timely or person-centred way

Potential impact

This could lead to compromised public safety and poor experience for those involved in our processes.

What we have done to manage the risk during 2023–2024

We strengthened our case work by:

- setting up case clinics to provide additional support and advice to teams
- launching a new approach to managing referrals to make sure we are progressing concerns that are appropriate for the NMC
- strengthening our fitness to practise leadership team to provide targeted oversight and support
- identifying resource gaps and recruiting where appropriate.

We also undertook diagnostic work to redesign our Fitness to Practise Plan to strengthen our approach. We also commissioned independent investigations into concerns about discrimination in our processes and committed to acting on the findings.

What we are doing going forward

We will deliver our new 18-month Fitness to Practise Plan and will act on the findings of the independent investigations into concerns about our processes.

Risk

We do not have a learning culture focused on empowering colleagues to do their jobs well, to deliver and raise productivity to give the best possible service for the professionals on our register

Potential impact

This could lead to poor engagement and development of our people, low productivity and poor outcomes and experiences for professionals, referrers and the public.

What we have done to manage the risk during 2023–2024

We delivered the first year of our People Plan, through which we have reformed our reward structures and introduced a more consistent approach to appraisals. We have also worked to improve representation of Black and minority ethnic colleagues in senior roles. We commissioned independent investigations into concerns about our workplace culture and are committed to acting on any recommendations.

To help develop a learning culture, we reviewed our incident reporting process and identified improvements that will support us to manage and learn from incidents. A new system will launch in 2024–2025. We also delivered GDPR training, developed a data protection risk mitigation action plan and established a network of GDPR champions.

What we are doing going forward

We will continue to strengthen our approach through the delivery of our People Plan and other actions, including introducing performance related pay to reward and motivate colleagues, continuing work to improve representation of Black and minority ethnic colleagues, producing a new Wellbeing Strategy and acting on any findings from the independent investigations.

Risk

We fail to take appropriate or timely action to address a regulatory concern regarding the quality of nursing or midwifery education

Potential impact

This could lead to poor student experiences and students lacking the proficiencies to provide safe, kind and effective care.

What we have done to manage the risk during 2023–2024

- We initiated an independent review of our current processes to make sure they are fit for the future.
- We procured a new quality assurance service provider which will enable us to be more agile and flexible in our approach.
- We have worked collaboratively with education institutions and other partners to discuss and reduce identified risks.

What we are doing going forward

- We will increase capacity and expertise within our teams to strengthen systematic monitoring of programmes.
- We will move to a new QA service model that is focused on agility and flexibility, and is supported by more sophisticated intelligence.
- We will complete the review of our operating model and start implementing any improvements.

Risk

That we fail to meet external expectations, including our impact on people, which significantly affects our ability to maintain the trust and confidence of stakeholders, the public and professionals on our register.

Potential impact

Inability to influence or maintain public trust or to deliver our strategic aims.

What we have done to manage the risk during 2023–2024

We have continued to embed our strategic approach to communications and engagement so we can develop consistent, joined-up messaging that is informed by insight and reflects our audiences' priorities across the four countries.

When managing significant challenges – for instance, concerns about the operation of our computer-based test – we have transparently communicated the concerns and our actions, carefully considering the impact on people when planning our communications.

What we are doing going forward

We will continue to communicate openly about the challenges we are managing, including the implementation of recommendations from the investigations and culture review into concerns raised around our culture and fitness to practise.

We will continue to develop our public engagement work to ensure that the perspectives of the public and people receiving care inform our work.

Public interest (whistleblowing)

Our policy on whistleblowing encourages colleagues and others who work for, or with us, to speak up if they see something wrong. We review the policy regularly and have continued to raise awareness of the policy and associated guidance by promoting it through the Chief Executive and Registrar's weekly message and other internal communications.

The Audit Committee receives a report on whistleblowing at every meeting. During 2023–2024 there were four occasions when people used the whistleblowing policy to raise concerns (2022–2023: one).

The first case was found to be a grievance and so was managed through our grievance process.

The second case related to concerns about aspects of our regulatory casework and our workplace culture. As reported in our performance review, we commissioned independent investigations into these concerns, including an investigation into how the concerns were handled when they were first raised with us. The findings of the review into our culture are due to be published on 9 July 2024. We recognise the seriousness of these findings and are acutely aware of the need to do better for our colleagues, the professionals on our register and the public we serve. We are committed to learning from the findings and have begun work to develop action plans that we will publicly report against, including in next year's annual report.

We expect the findings of the other investigations to report in summer 2024. We are committed to learning from the reports and making sustainable changes where we need to, including to our whistleblowing processes. We know we need to do things differently to deliver sustained change and we are committed to doing so.

The third case related to concerns about data and GDPR practices at the NMC. The investigation found that the concerns about data practices had already been recognised by the Executive and plans were in place to address these risks through the NMC's data strategy and road map. The issue raised on GDPR was reviewed by the Data Protection Officer, who concluded that the area identified for improvement was unlikely to increase the risk to the security of personal data.

The fourth case is currently under investigation.

The NMC is a 'prescribed person' in law. This means that concerns may be raised with us by nurses, midwives, nursing associates, students or other healthcare professionals who identify wrongdoing in their workplaces or practice placements. Each year we publish a joint report with other health and social care regulators on how we handled whistleblowing disclosures. The joint report on whistleblowing disclosures for 2022–2023 can be found on our website here. The joint report for 2023–2024 will be published later this year.

Safeguarding and protecting people

Through our work we engage with a wide range of people, including those involved with our regulatory processes, our stakeholders, and our colleagues. We recognise that many people engaging with us may have complex needs or be at risk of harm and we are committed to putting the appropriate support in place for them.

Our policy on safeguarding and protecting people sets out our responsibilities and the actions we will take when we identify a safeguarding concern, including establishing a tailored approach to support the individual concerned.

This year we have continued to see a rise in the number of recorded safeguarding concerns. A total of 366 safeguarding concerns have been logged in 2023–2024. This is 222 more than reported in 2022–2023, when 144 safeguarding concerns were recorded.

Of these concerns, there were 43 referrals to external agencies that were new concerns for the agencies. The increase in safeguarding concerns follows further training and engagement with colleagues to build their knowledge of vulnerability and safeguarding. In total two cases were referred to the Charity Commission, where an incident has resulted in or risked serious harm.

During 2023–2024, we have strengthened our approach to safeguarding through the delivery of our safeguarding workplan and increasing oversight by moving the function to our Professional Practice directorate. We will continue to review and strengthen our approach to safeguarding in 2024–2025.

Information governance and lapses in protective security

During 2023–2024, we continued to align our information security management to ISO 27001, the international information security standard. Incidents are reported, managed and investigated in line with our Serious Event Review (SER) process, through which learning and recommendations for improvement are identified.

The table opposite provides a breakdown of the number of information security incidents reported internally in 2023–2024, with 2022–2023 figures shown for comparison. Of the 75 information security incidents recorded in 2023–2024 (82 in 2022–2023), 49 (65 percent) were unauthorised disclosure of data (data breaches).

	2023–2024	2022–2023
Critical	1	0
Major	2	7
Moderate	14	20
Minor	58	55
Total	**75**	**82**

The one incident classed as critical (level 5) was an incident involving a third-party partner test centre in Nigeria that had a potential impact on the accuracy of our register. Further information on how we handled this case can be found in the performance review section of this report at page 10.

Anti-fraud, bribery and corruption

During 2023–2024 there has been one instance of fraud, relating to the operation of the computer-based test element of our Test of Competence. Further information on the case and action taken in response can be found in the performance review section of this report at page 10. No other instances of actual or suspected fraud, bribery or corruption were detected (2022–2023: none).

We have policies in place for colleagues on anti-fraud and bribery, personal interests and outside appointments, whistleblowing, claiming expenses and gifts and hospitality.

The gifts and hospitality policy is in place for Council members, Associates, Partner members and colleagues and a register of all gifts and hospitality accepted or declined is maintained.

Our current anti-fraud policy is silent on fraud in relation to professionals joining the register. Considering the findings of the internal audit on overseas registration fraud (see page 95 of this report) as well as work undertaken by colleagues across the organisation, we will review our overarching fraud policies, procedures and supporting training.

No modern slavery issues have been identified during the year to date (2022–2023: none).

In accordance with the Modern Slavery Act 2015, we updated and published our Modern Slavery Statement on our website in June 2023 and this year's statement will be published following approval in June 2024.

Serious Event Review process

Through our Serious Event Review (SER) process, we investigate incidents and near misses so that we can learn from them and improve the way we work. Under our incident reporting process, we distinguish between Adverse Incidents (AIs) and Serious Events (SEs) based on the severity of the incident. Incidents are classified as AIs when they have minimal impact on our organisation and our work, although they still provide valuable learning. SEs are incidents that impact, actually or potentially, more seriously our organisation and our work. Learning from SERs is reported to the Executive Board and Audit Committee every six months.

During 2023–2024, a total of 169 corporate incidents and near-misses were reported compared with 160 for 2022–2023. Of the 169 corporate incidents reported in 2023–2024, 61 were classified as SEs (compared with 65 in 2022–2023), and the remaining 108 were AIs (compared with 95 in 2022–2023). The majority of Serious Events (85 percent for 2023–2024) occurred within the Professional Regulation directorate.

Reporting of SERs and learning from them is key to improving our performance as a regulator. We want to strengthen our culture to one of learning and openness, encouraging reporting at all levels in the organisation. To achieve this, we have reviewed the current incident reporting process, including undertaking an internal audit, and plan to introduce a refreshed approach to reporting in 2024–2025 called Log and Learn, which will be underpinned by a new database. A well-managed and fully embedded incident reporting process is a key source of corporate learning and an important part of the NMC's approach to risk management.
The new process will play an important role in shifting our culture to have greater openness and transparency when mistakes arise, so the organisation can collectively learn from them, and prevent a recurrence and/or escalation. As the volume of activity to reduce our fitness to practise caseload increases, the new system will bolster our learning and help us deliver better support for the professionals on our register and the public.

Learning from complaints about our work

Complaints matter to us. Each time an issue is raised by a person using our services it provides us with an important opportunity to foster a learning culture and continuously improve.

We identified 154 learning points from complaints made to us in 2023–2024 (2022–2023: 127) which we used to improve our services.

In 2023–2024, we received 1,634 formal complaints (2022–2023: 1,280). We responded to 92 percent of these within 20 working days (2022–2023: 91 percent within 20 working days).

Of the overall 1,634 complaints, 996 were related to open applications to our register. We also received 406 complaints from people who were associated with an open fitness to practise case.

We received 49 (2022–2023: 44) complaints from parliamentarians, including members of the UK Parliament and devolved legislatures in Scotland, Wales and Northern Ireland. Of the 49 complaints we received in 2023–2024, we responded to 44 (90 percent) of these within 20 working days (2022–2023: 73 percent).

We aim to handle any complaints about the service we have provided in a fair and timely way, treating those who raise complaints with respect and listening to their concerns. Following our response, 38 people remained unhappy (2022–2023: 21). We reviewed our handling of these in an average of 17 working days (2022–2023: 17 working days).

We continue to focus on improving the performance of our Enquiries and Complaints function. We will be carrying out an end-to-end review of our handling of complex complaints relating to fitness to practise in 2024–2025 and will implement the actions arising.

Freedom of information

We are committed to being as open and transparent as possible, while adhering to our legal obligations under freedom of information and data protection legislation. This includes people's right to access their personal information, and the right to challenge the way we use and process their personal data. We also respond to third-party disclosure requests from organisations such as the Disclosure and Barring Service and Disclosure Scotland, with whom we can share personal information if there is a legal basis for disclosure.

373 freedom of information requests were received and 90 percent were responded to within the statutory deadline of 20 working days. This compares with 88 percent of 326 requests for 2022–2023.

1,176 third-party requests were received and 95 percent were responded to within the statutory deadline of one calendar month. This compares with 95 percent of 1,059 requests for 2022–2023.

420 General Data Protection Regulation requests were received and 93 percent were responded to within the statutory deadline of one calendar month. This compares with 90 percent of 350 requests for 2022–2023.

The total number of information requests responded to on time this year was 1,872 out of 1,969, which is 95 percent (2022–2023: 1,609 out of 1,735; 93 percent).

If someone is unhappy with how their request for information has been handled, they can request an internal review.

We received a total of 20 requests for internal reviews during 2023–2024 (2022–2023: 29 requests). This is proportionately very low: only 1 percent of cases.

Where people remain dissatisfied following the outcome of their internal review, they can refer us to the Information Commissioner's Office (ICO). When the ICO chooses to investigate beyond initial enquiries they will seek further information from us, and, in 2023–2024, there were no such cases (2022–2023: no cases).

Throughout 2023–2024 we have continued to invest in our Customer Information and Data Requests team. Colleagues have been undertaking Advanced GDPR Practitioner Certificates to ensure we are as transparent as possible in our responses within the boundaries of the law.

Serious incident/notifiable event reporting

Issues which require reporting to the Charity Commission are identified through several routes, including our policies and processes for Serious Event Reviews; Whistleblowing; Anti-Fraud, Bribery and Corruption; and Safeguarding. In accordance with guidance from the Charity Commission (CC) and the Office of the Scottish Charity Register (OSCR), where we identify an issue, permission is sought from the Council, as trustees, to report to the Charity Commission. If more urgent reporting is needed, we seek permission from the Chair and Council is informed at the earliest opportunity.

During 2023–2024, we informed the Charity Commission of four serious incidents. Two of the cases arose from safeguarding matters. We are awaiting correspondence from the Commission on one of these cases, the Commission was satisfied that the other case had been dealt with appropriately and responsibly. As noted in the safeguarding section of this report, we are taking forward action to further strengthen our approach to safeguarding.

The other two cases relate to incidents discussed elsewhere in this report. These are:

- the incident relating to the operation of the computer-based test element of our test of competence, which the Commission was satisfied was being dealt with appropriately and responsibly
- concerns about aspects of our regulatory casework and our workplace culture, which are still under investigation.

To date we have informed the Charity Commission of one serious incident in 2024–2025. This concerned the most recent whistleblowing concern that is under investigation.

As we are registered with the Charity Commission, we are not required to report incidents to the Office of Scottish Charity Regulator (OSCR) as well. However, in line with our commitment to four country accountability, we report all relevant incidents to both the OSCR and the Charity Commission.

Professional Standards Authority oversight

The Professional Standards Authority (PSA) oversees and reports to Parliament on the work of health and social care professional regulators, including the NMC. On 5 September 2023, the PSA published its annual review of our performance from July 2022 to June 2023. It found that we had met 17 of the 18 Standards of Good Regulation but had not met Standard 15 which requires us to deal with fitness to practise cases as quickly as is consistent with a fair resolution of the case.

This was the fourth consecutive year that we had not met standard 15. In response, on 29 August 2023 the PSA sent a letter to the Secretary of State and ministers in the devolved administrations confirming we had not met Standard 15 again. They acknowledged that addressing the high caseload and improving the time it takes to manage fitness to practise concerns remains our top priority.

They also noted the work of the fitness to practise improvement plan to address these concerns. We had been regularly briefing relevant ministers and government officials and provided a further update in relation to ongoing work to address these challenges, including the fitness to practise 18-month improvement plan, external support and an uplift in internal resources.

The PSA report also included positive feedback on work we had undertaken, including changes we made to our English language requirements and our pre-registration education standards, and the research we undertook into the impact of our regulatory processes on professionals with different diversity characteristics.

Internal audit annual opinion 2023–2024

Our risk-based annual internal audit programme is agreed and overseen by our Audit Committee. The programme for 2023–2024 consisted of seven internal audits. During the year it was agreed that two of the planned audits would be re-scheduled to 2024–2025 to allow for internal audits on the following priority areas: Overseas Registration (Fraud Risk Assessment) and our Serious Event Review process.

Internal Audit Assignment	Assessment
Financial Management Financial Control – Month end and Year end Finance Processes	Substantial assurance
Change and Continuous Improvement	Reasonable assurance
Coding and Reference Data – Approved Education Institutions Serious Event Reviews	Partial assurance
General Data Protection Regulations – Accountability Overseas Registration (Fraud Risk Assessment)	N/A as the assignment was advisory

Further detail on audits that received an assessment of partial assurance:

- Coding and Reference Data – Approved Education Institutions: The purpose of this audit was to consider how the NMC had learnt from coding and reference data issues that had delayed a significant number of newly qualified students from registering with the NMC. The audit found significant input to address the issue and reduce the possibility of recurrence. However, it did identify control weaknesses related to the Serious Event Review process, including the timing of raising the SER and action tracking, management and monitoring. As noted in the SER section of this report, the Executive is taking forward actions to improve this area, including the implementation of a new Log and Learn process.
- Serious Event Reviews (SERs): The purpose of the audit was to support the development of our incident management process by considering its current effectiveness and identifying areas for improvement as we develop a new process (Log and Learn).

The audit found weaknesses in identifying and sharing learning themes across the organisation, data quality within the database and, in some cases, completing investigations and actions in a timely manner. It also identified a need to ensure clarity on accountability for implementing any learning points and ensuring a risk-based approach is taken when identifying actions. The Executive is working to ensure that the new incident management process (Log and Learn) addresses these issues.

Also of particular note was the advisory audit on overseas registration (fraud). This was undertaken following concerns about the operation of the computer-based test at Yunnik Technologies Test Centre in Ibadan, Nigeria, where we identified fraudulent activity. The action we took in response to this can be found in the Performance Review section of this report. This audit assessed the anti-fraud arrangements in place across the organisation as well as the contractual arrangements with Pearson Vue (the NMC's CBT provider) to identify any weaknesses and learning. In most respects, the audit found processes to be soundly designed.

However, it did identify some areas where controls could be strengthened and arrangements revisited – for instance developing a more extensive fraud policy that extends beyond financial fraud, clarifying roles and responsibilities for managing fraud and ensuring third-party contracts are sufficiently robust. The Executive is taking forward the actions identified.

Our internal auditor reviews the implementation of audit recommendations and provides regular updates to the Audit Committee. Three actions from the SER audit in 2022–2023 were not implemented and were re-raised as part of the audit undertaken in 2023–2024. All other recommendations from audits, where action has fallen due in the period, have been implemented or were superseded.

The Head of Internal Audit's overall annual opinion is that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

Overall assessment of effectiveness of governance and assurance

As Chair of the Council and Accounting Officer, we have reviewed the effectiveness of governance, risk management and internal controls.

In reaching our assessment, we have relied upon a range of evidence, including the opinion and report of the Head of Internal Audit, the corporate assessment of the quality of controls and assurance in place in directorates and the annual review of the effectiveness of risk management. We have also relied on the Opinion and Audit Findings Report of our external auditor and the Audit Completion Report and Management Letter of the National Audit Office.

Overall, we consider that there is reasonable assurance that there are adequate arrangements in place for governance, risk management and control. We recognise the need to maintain a high level of scrutiny over the recovery of our fitness to practise caseload, the improvements to the SER process and the progression of the Modernisation of Technology Services programme and the improvements that will bring through more effective IT systems and a greater use of automated systems.

Sir David Warren
Chair
3 July 2024

Andrea Sutcliffe
Chief Executive and Registrar
3 July 2024

Independent auditor's report to the trustees of the Nursing and Midwifery Council

Opinion

We have audited the accounts of the Nursing and Midwifery Council (the 'NMC') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the NMC's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the determination made by the Privy Council under The Nursing and Midwifery Order 2001 (as amended), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report.

We are independent of the NMC in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NMC's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the Report of the Council; or
- sufficient and proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of the Council, Council (being the trustees) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the NMC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 52 (2) of The Nursing and Midwifery Order 2001 (as amended), section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the NMC has in place, the areas of the accounts that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The NMC did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the NMC. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- We considered the incentives and opportunities that exist in the NMC, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the NMC, together with the discussions held with the NMC at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the accounts disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.

- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation including board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the accounts even though we have properly planned and performed our audit in accordance with auditing standards.

The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the NMC.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk. This description forms part of our auditor's report.

Use of our report

This report is made solely to the NMC's trustees, as a body, in accordance with The Nursing and Midwifery Order 2001, part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the NMC's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the NMC and the NMC's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP
Chartered Accountants
Statutory Auditor

3 July 2024

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

The Certificate and Report of the Comptroller and Auditor General to the trustees of the Nursing and Midwifery Council and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2024 under the Nursing and Midwifery Order 2001. The financial statements comprise: the Nursing and Midwifery Council's:

- Balance Sheet as at 31 March 2024;
- Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- The related notes to the financial statements, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 ***Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)***. My responsibilities under those standards are further described in the ***Auditor's responsibilities for the audit of the financial statements*** section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's ***Revised Ethical Standard 2019***. I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nursing and Midwifery Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nursing and Midwifery Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and of the Chief Executive and Registrar with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Council and the Chief Executive and Registrar are responsible for the other information contained within the annual report.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report subject to audit have been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001;
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or

- I have not received all of the information and explanations I require for my audit; or
- certain disclosures of remuneration specified by the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) or the Charities Act 2011, or as required by the determination made by the Privy Council under the Nursing and Midwifery Order 2001 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with determinations by the Privy Council.

Responsibilities of the Council and of the Chief Executive and Registrar for the financial statements

As explained more fully in the Statement of Responsibilities of the Council and of the Chief Executive and Registrar, the Council and its Chief Executive and Registrar are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council are responsible for assessing the Nursing and Midwifery Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Nursing and Midwifery Order 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of my planning process:

- I enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- I obtained an understanding of the legal and regulatory frameworks applicable to the charity. I determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- I considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored my risk assessment accordingly.
- Using my knowledge of the charity, together with the discussions held with the charity at the planning stage, I formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored my procedures according to this risk assessment.

I also obtained an understanding of the Nursing and Midwifery Council's framework of authority and other legal and regulatory frameworks in which the Nursing and Midwifery Council operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Nursing and Midwifery Council. The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustee Investment (Scotland) Act 2005. The key procedures I undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.

- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation including board minutes for discussions of irregularities including fraud.
- In addressing my assurance over regularity, considering any special payments made in year, review of Council and Audit Committee papers and minutes and an overall comparative review of current year to prior year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that I may not have detected some material misstatements in the financial statements even though I have properly planned and performed my audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the Council.

A further description of my responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

4 July 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements for the year ended 31 March 2024

Statement of financial activities for the year ended 31 March 2024	Note	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2023 £'000
Income from:							
Charitable activites:							
Fees	2	103,338	-	103,338	100,433	-	100,433
Grants	3	-	-	-	-	199	199
Other income	3	114	-	114	172	-	172
Total		103,452	**-**	**103,452**	100,605	199	**100,804**
Investment income:	3	3,763	**-**	3,763	2,081	-	2,081
Total income		107,215	**-**	**107,215**	102,686	199	**102,885**
Expenditure on:							
Raising funds	4	(173)	-	(173)	(166)	-	(166)
Charitable activities	5	(108,160)	-	(108,160)	(97,736)	(199)	(97,935)
Total		(108,333)	-	**(108,333)**	(97,902)	(199)	**(98,101)**
Net income before net gains/(losses) on investments		(1,118)	-	**(1,118)**	4,784	-	**4,784**
Gain/(loss) on investments	14	3,204	-	3,204	(1,855)	-	(1,855)
Net income		2,086	-	**2,086**	2,929	-	**2,929**
Other recognised gains/(losses):							
Actuarial gain on defined benefit pension scheme and asset ceiling adjustment	19	-	-	-	(2,458)	-	(2,458)
Net movement in funds		2,086	-	**2,086**	471	-	**471**
Reconciliation of funds:							
Total funds brought forward		76,782	-	76,782	76,311	-	76,311
Total funds carried forward		78,868	-	**78,868**	76,782	-	**76,782**

All funds brought and carried forward are unrestricted in the current and previous financial years. All activities reflected in the above two periods were derived from continuing operations. All recognised gains and losses are included in the above statement.

The notes on pages 116 to 139 form part of these accounts.

Balance sheet as at 31 March 2024	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Fixed assets			
Intangible assets	11	20,193	14,169
Tangible assets	12	16,632	18,152
Investments	14	38,557	34,676
Total fixed assets		**75,382**	**66,997**
Current assets			
Debtors	15	4,519	3,770
Investments	14	16,585	29,612
Cash at bank and in hand		46,088	37,631
Total current assets		**67,192**	**71,013**
Liabilities:			
Creditors: amounts falling due within one year	16	(59,853)	(58,006)
Total current liabilites		**(59,853)**	**(58,006)**
Net current assets		**7,339**	**13,007**
Total assets less current liabilities		**82,721**	**80,004**
Creditors: amounts falling due after more than one year	17	-	(18)
Provisions for liabilities	18	(3,853)	(3,204)
Total net assets		**78,868**	**76,782**
The funds of the NMC			
Unrestricted funds		**78,868**	**76,782**
Total funds		**78,868**	**76,782**

The Board of Trustees approved the accounts on 3 July 2024 and it is signed on their behalf by:

Sir David Warren
Chair
3 July 2024

Andrea Sutcliffe
Chief Executive and Registrar
3 July 2024

The notes on pages 116 to 139 form part of these accounts.

Statement of cash flows for the year ended 31 March 2024	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Cash flows from operating activities			
Net cash provided by operating activities		**932**	**5,821**
Cash flows from investing activities			
Interest earned from bank deposits	3	2,851	1,222
Cash withdrawal - short and long-term deposits		13,027	18,513
Cash investment - fixed asset investments	14	-	(3,000)
Purchase of tangible and intangible assets	11 & 12	(8,353)	(6,806)
Net cash provided by/(used in) investing activities		**7,525**	**9,929**
Change in cash and cash equivalents in the reporting period		**8,457**	**15,750**
Cash and cash equivalents at the beginning of the year		**37,631**	**21,881**
Cash and cash equivalents at the end of the year		**46,088**	**37,631**

The notes on pages 116 to 139 form part of these accounts.

Reconciliation of net income to net cash flow from operating activities	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Net income from the reporting period (as per the statement of financial activities)	2,086	2,929
Interest earned from bank deposits	(2,851)	(1,222)
Dividends and interest earned on fixed asset investment portfolio	(908)	(859)
(Gain)/loss on investments	(3,146)	1,855
Investment management charge	173	166
Depreciation and amortisation charges	3,793	3,163
Loss on capital work in progress disposal	56	-
(Increase) in debtors	(749)	(464)
Increase in creditors and provisions	2,478	2,711
Pension scheme adjustments	-	(2,458)
Net cash inflow from operating activities	**932**	**5,821**

Analysis of cash and cash equivalents	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Cash at bank and in hand	7,888	9,845
Short term investments[4]	38,200	27,786
	46,088	**37,631**

[4] See note 14 investments

Analysis of changes in net debt

The NMC had no debt during the year.

In accordance with the Charities SORP, FRS 102:

In the balance sheet, cash at bank and in hand means bank accounts with instant access or investments maturing within three months of the balance sheet date. Investments with maturities of between three and twelve months are classified as current asset investments.

In the above analysis of cash and cash equivalents, cash at bank and in hand means bank accounts with instant access while investments maturing within three months of the balance sheet date are classified as short-term investments.

In note 14, investments with maturities of between three and 12 months have been classified as short- term deposits.

The NMC does not hold any physical cash.

Notes to the accounts

1. Basis of preparation and accounting policies

We prepare our accounts in accordance with the Charities SORP 2019 (FRS102). As set out in our Accounts Direction from the Privy Council, which is reproduced at Appendix 1, we also have regard to the Government Financial Reporting Manual (FReM), to the extent that the requirements of the FReM clarify or build on the requirements of the Charities SORP.

We meet the definition of a public benefit entity under FRS102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

a. Going concern

The accounts are prepared on the going concern basis.

Our objective is to protect the public by regulating nurses and midwives in England, Wales, Scotland and Northern Ireland, and nursing associates in England. We are funded by the registration fees paid by nurses, midwives and nursing associates. Taking into account our relatively secure source of income and our significant reserves, the Council has reviewed our circumstances, work plans, budgets, cash flow forecasts and our current and forecast reserves levels and is comfortable with deficit budgets in the medium term (3–5 years) as we fund significant investment programmes.

Consultation exercises by the Department of Health and Social Care on the UK model of regulation for healthcare professionals, and the passing of the 'Anaesthesia Associates and Physician Associates Order 2024' make clear the presumption of the continued future need for our regulatory functions.

Given the continued need for our regulatory functions and our financial position outlined above, the Council considers that adequate resources continue to be available to fund our activities for the foreseeable future and there are no material uncertainties about the NMC's ability to continue as a going concern.

b. Accounting convention

We prepare our accounts under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated on the relevant accounting policy notes.

c. Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, we are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Actual outcomes may ultimately differ from those estimates. The significant areas subject to estimation and judgement are:

- Depreciation/amortisation

  The useful economic lives of fixed assets are based on management's judgement and experience.

- Pensions

  The principal assumptions used to calculate the surplus in the defined benefit pension scheme are those as set out in note 19. An asset ceiling has been applied to bring the net position to nil, recognising that the NMC does not have an unconditional right to a surplus.

- Panellist provision

  The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a fitness to practise panellist.

d. Income

All income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

- Income from charitable activities

  Nurses, midwives and nursing associates must pay an annual registration fee to be registered with the NMC and able to practise. Registration fees are paid either annually in advance or quarterly in advance. We recognise the fees as income on a monthly basis across the year to which the registration fee applies.

  The deferred income amount within our creditors is the value of fees that we have received at each balance sheet date that relate to a future financial year. Other fees including verification fees are credited to income on the day of receipt.

- Investment income

  Investment income is accounted for when receivable.

- Government grants

  Grant income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured. For performance related grants, entitlement to the income includes meeting the performance related conditions.

e. Expenditure

- Charitable activities

  Expenditure on charitable activities includes all expenditure related to the objects of the charity which comprise: standards promotion and policy development, education, maintaining the register, fitness to practise, and communication and public engagement. See note 5.

- Support costs

  Support costs are the costs of our corporate functions including premises, IT, finance and human resources. They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

f. Fund accounting

All funds are currently unrestricted and reported as such in the accounts. They are available for use at the discretion of the Council to support the general objectives of the NMC.

We have received restricted grant funding and these funds have been used in accordance with the specific restrictions imposed.

g. Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities (SoFA) in equal amounts over the periods of the leases.

h. Employee benefits

- Holiday pay

  Holiday pay is recognised as an expense in the period in which the service is received.

- Termination benefits

  Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

- Pension costs

  Retirement benefits are provided by a defined benefit scheme and a defined contribution scheme. Payments are made to pension trusts, which are financially separate from the NMC.

The defined benefit scheme was closed to future accrual of benefits with effect from 1 July 2021 and, as a result of the triennial review as at 31 March 2022 showing a surplus, even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer, no recovery plan payments are currently required.

The difference between the market value of the assets of the pension fund and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, except that an asset is only recognised where the Charity has an unconditional right to that surplus. As the NMC does not have an unconditional right to a surplus, an asset ceiling adjustment has been applied to bring the net position on the balance sheet to nil, with the actuarial gain and the asset ceiling adjustment both charged to the SoFA.

The service cost of pension provision relating to the period, together with the costs of any benefits relating to past service and the pension finance cost, which is a charge equal to the increase in the present value of the Pension Fund's liabilities at the previous year end, less a credit equivalent to the Pension Fund's long-term expected return on assets are allocated to the SoFA.

Payments to the defined contribution scheme are made on the basis of set percentage contributions by the NMC and employees, and the costs are charged to the SoFA as incurred.

i. Fixed assets

Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £5,000. Depreciation/amortisation is provided on fixed assets to write them down over their estimated useful lives in equal instalments as follows:

Long leasehold premises - 23 Portland Place[5]	50 years
Office fit out and refurbishment	Period of the lease or the useful economic life of the asset
Furniture	10 years
IT projects	3-10 years
Software	3-5 years
Equipment	3-5 years

We revalued 23 Portland Place during 2013–14 and on first adoption of FRS102 opted to use this valuation as deemed cost going forward.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

Internal costs directly incurred on software development are capitalised as part of the project they relate to.

j. Investments

Fixed asset investments are initially capitalised at cost and subsequently recognised at market value at the balance sheet date.

Gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their cost if acquired during the year, and are charged or credited to the statement of financial activities in the year of disposal.

The movement in market values during the year for assets held at the year-end is credited or charged to the statement of financial activities based on the market value at the year-end.

Current asset investments are investments with maturities of between three and 12 months and are recognised at market value at the balance sheet date.

k. Debtors

Debtors and accrued income are recognised at the amount due at year-end. Prepayments are valued at the amount prepaid.

l. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a maturity of three months or less at the balance sheet date.

[5] See Note 12.1

m. Creditors and provisions

Creditors and provisions are recognised where we have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n. Financial instruments

The NMC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost consist of cash balances, investments, trade and other debtors. Investments in the stock market are held at market value. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

2. Fee income

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Registration fees	96,060	92,828
Other fees paid by registrants	7,278	7,605
Total	**103,338**	**100,433**

3. Investment, grant and other income

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Interest earned from bank deposits	2,851	1,222
Dividends and interest earned in our fixed asset investment portfolio	912	859
Total investment income	**3,763**	**2,081**
Grant income	-	199
Other income	114	172
Total	**114**	**371**

No restricted grant income was received in 2023–2024 (2022–2023: £0.199 million). In 2022–2023 restricted grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register. £0.195 million of this funding was passed directly to the test centre providing the tests for international applicants.

£0.070 million of other income was received under a contract with the Department of Health and Social Care for work undertaken by the NMC to set up a temporary register to support nursing resources in response to the Coronavirus pandemic (2022–2023: £0.110 million).

4. Analysis of expenditure on raising funds

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Investment management charge	173	166

5. Analysis of expenditure on charitable activities

Year ended 31 March 2024	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2023–2024 £'000
Activities undertaken directly						
Employee costs	7,405	1,162	5,476	31,314	2,810	48,167
Other costs	1,914	25	119	21,836	544	24,438
Support costs						
Employee costs	1,683	251	2,223	10,573	724	15,454
Other costs	1,771	265	2,340	14,963	762	20,101
Total	**12,773**	**1,703**	**10,158**	**78,686**	**4,840**	**108,160**

No restricted grant income was received in 2023–2024 (2022–2023: £0.199 million). In 2022–2023 restricted grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register. £0.195 million of this funding was passed directly to the test centre providing the tests for international applicants.

Year ended 31 March 2023	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2022–2023 £'000
Activities undertaken directly						
Employee costs	6,188	1,053	5,124	28,525	2,637	43,527
Other costs	1,818	18	345	19,428	543	22,152
Support costs						
Employee costs	1,275	211	2,157	9,984	709	14,866
Other costs	1,305	217	2,209	13,463	726	17,390
Total	**10,586**	**1,499**	**9,835**	**71,400**	**4,615**	**97,935**

6. Analysis of support costs

Year ended 31 March 2024	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2023–2024 £'000
Facilities	207	31	273	5,111	89	5,711
Finance and procurement	440	66	581	2,768	189	4,044
HR	785	117	1,036	4,933	338	7,209
ICT	999	149	1,321	6,286	430	9,185
Governance	433	65	571	2,721	185	3,975
Legal	177	27	235	1,122	77	1,638
Depreciation	413	61	546	2,595	178	3,793
Total	**3,454**	**516**	**4,563**	**25,536**	**1,486**	**35,555**

Year ended 31 March 2023	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2022–2023 £'000
Facilities	160	26	271	4,492	89	5,038
Finance and procurement	274	45	464	2,148	153	3,084
HR	643	107	1,088	5,036	358	7,232
ICT	745	124	1,260	5,833	414	8,376
Governance	324	54	548	2,536	180	3,642
Legal	153	25	259	1,199	85	1,721
Depreciation	281	47	476	2,203	156	3,163
Total	**2,580**	**428**	**4,366**	**23,447**	**1,435**	**32,256**

7. Governance costs

The breakdown of governance costs (included within support costs) is:

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Council members' allowances, national insurance, travel and subsistence	601	400
Auditors' remuneration for audit services: HW Fisher LLP	80	73
Auditors' remuneration for audit services: NAO	17	17
Professional Standards Authority annual fee	2,195	1,998
Operating costs (including salaries)	1,082	1,154
Total	**3,975**	**3,642**

The £80,000 HW Fisher LLP audit fee for the year ended 31 March 2024 includes translation of its audit opinion into Welsh.

Of the £17,000 NAO audit fee for the year ended 31 March 2024, £1,000 relates to an additional fee for the 2023 audit that was not accrued in the prior year.

8. Total resources expended by cost category

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Salaries and associated costs	63,621	58,393
Fitness to practise related costs	21,836	19,428
IT development and support	5,125	4,922
Professional fees	4,277	3,940
Rent payable on office leases	1,922	2,077
Other premises costs	3,001	2,009
Other employee-related costs	1,644	1,614
Quality assurance of education	1,310	1,047
Depreciation	3,793	3,163
Printing, postage and stationery	117	129
Finance and insurance[6] costs	1,191	921
Council and committee costs	496	458
Total	**108,333**	**98,101**

[6] Includes trustees' indemnity insurance

Expenditure on consultancy

The definition of consultancy is the provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited.

Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions. On this basis consultancy costs have been identified as below. These costs are included mainly in the Professional fees category, and also in the IT development and support category.

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
Consultancy	916	758

9. Information regarding employees

Salaries and associated costs	Executive	Other employees	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000	£'000	£'000
Wages and salaries	1,290	50,645	51,935	46,775
Social security costs (Employer's NI contributions and Apprenticeship levy)	142	5,344	5,486	5,091
Defined contribution pension costs - present employees[7]	130	5,139	5,269	5,199
Temporary and contract workers	-	3,242	3,242	2,688
Termination payments[8]	-	143	143	177
Total	1,562	64,513	**66,075**	**59,930**
Capitalised staff costs	-	(2,454)	(2,454)	(1,537)
Total	1,562	62,059	**63,621**	**58,393**

[7] Further information about the NMC's employee pension schemes can be found in Note 19.
[8] This includes £39,000 extra-contractual payments, redundancy payments of £66,000 and payments in lieu of notice of £38,000 (2022–2023: extra contractual payments of £23,000, redundancy payments of £105,000 and payments in lieu of notice of £49,000).

Information relating to higher-paid employees (including the Executive)

There were 242 (2022–2023: 175) employees (including members of Executive for the period) whose remuneration fell in the following bands:

Remuneration bands (£)	Year ended 31 March 2024	Year ended 31 March 2023
	Number of employees	Number of employees
60,001–70,000	115	76
70,001–80,000	57	58
80,001–90,000	37	15
90,001–100,000	12	11
100,001–110,000	5	5
110,001–120,000	6	3
120,001–130,000	2	2
130,001–140,000	3	2
140,001–150,000	-	1
150,001–160,000	-	1
160,001–170,000	3	-
170,001–180,000	1	1
180,001–190,000	1	-

Key management is made up of the Chief Executive and Registrar and the Executive directors. The total benefits of the key management, including employers national insurance and pension contributions were £1,562,000 (2022–2023: £1,461,000). The above table includes eight Executive directors who received more than £60,000 in the year. For more information on Executive remuneration in the year, see the Remuneration report.

In 2023–2024, one employee with remuneration in the £80,000–£90,000 band included an exit package of £66,000.

All other movement in bandings was through the 2023–2024 standard annual pay increase.

	Year ended 31 March 2024	Year ended 31 March 2023
	Number of employees	Number of employees
Average number of permanent and fixed-term contract employees during the year:		
Executive	9	13
Other employees	1,068	1,017
Average number of agency temporary staff and contractors during the year	73	65
Total	**1,150**	**1,095**

10. Charitable status

We are registered as a charity in England and Wales with the Charity Commission (charity no. 1091434) and in Scotland with the Office of the Scottish Charity Regulator (charity no. SC038362).

Due to our charitable status we are not liable to corporation tax on our charitable activities or on our investment income and gains. We also receive charitable rate relief from the City of Westminster, London Borough of Newham and Edinburgh City Council.

11. Intangible fixed assets for use by the charity

	Software	IT projects	Capital work in progress	Total
	£'000	£'000	£'000	£'000
Cost:				
01 April 2023	2,109	20,626	4,131	**26,866**
Additions	-	3,409	4,694	**8,103**
Transfers	-	2,128	(2,128)	**-**
31 March 2024	**2,109**	**26,163**	**6,697**	**34,969**
Amortisation:				
01 April 2023	2,109	10,588	-	**12,697**
Amortisation charge for the year	-	2,079	-	**2,079**
31 March 2024	**2,109**	**12,667**	**-**	**14,776**
Net Book Value:				
31 March 2023	-	10,038	4,131	**14,169**
31 March 2024	**-**	**13,496**	**6,697**	**20,193**

Capital work in progress projects are added to the fixed asset register and amortised when brought into use.

Fixed assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

In 2023–2024, £2.082 million of work in progress relating to our Modernisation of Technology Services programme (MoTS) and £0.046 million relating to our Test of Competence Management programme (ToC) was brought into use. A further £2.983 million of additions relating to the MoTS and £0.426 million relating to the ToC programmes was also capitalised during the year.

Carrying value of material intangible assets

	Gross book value	Net book value	Remaining life
	£'000	£'000	(months)
Year ended 31 March 2024			
Application processes of the register database	8,135	2,962	77
Improvements to NMC Register	3,398	2,430	92
Structured data in the registrant database	2,095	1,990	113
Total	**13,628**	**7,382**	

	Gross book value	Net book value	Remaining life
	£'000	£'000	(months)
Year ended 31 March 2023			
Application processes of the register database	8,135	3,422	89
Improvements to NMC Register	3,398	2,746	104
Structured data in the registrant database	-	-	-
Total	**11,533**	**6,168**	

11.1 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use. These include the Modernisation of Technology project and the Test of Competence management project.

12. Tangible fixed assets for use by the charity

	23 Portland Place long leasehold premises[9]	Buildings refurbishment	Furniture	Equipment	Capital work in progress[10]	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost:						
01 April 2023	15,448	13,571	181	2,250	101	**31,551**
Additions	-	-	-	247	3	**250**
Disposals	-	-	-	-	(56)	**(56)**
Transfers	-	48	-	-	(48)	**-**
31 March 2024	**15,448**	**13,619**	**181**	**2,497**	**-**	**31,745**
Depreciation:						
01 April 2023	3,132	9,012	139	1,116	-	**13,399**
Depreciation charge for the year	354	778	19	563	-	**1,714**
31 March 2024	**3,486**	**9,790**	**158**	**1,679**	**-**	**15,113**
Net Book Value:						
31 March 2023	12,316	4,559	42	1,134	101	**18,152**
31 March 2024	**11,962**	**3,829**	**23**	**818**	**-**	**16,632**

Capital work-in-progress projects are added to the fixed asset register and depreciated when brought into use.

Fixed assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

In 2023–2024, £247k of additions relating to technology improvements was capitalised in the year. The £48k transfer to Building refurbishment related to the completion costs of the NMC office located at 10 George Street, Edinburgh, Scotland.

A further £56k within capital work in progress relating to the 23 Portland Place refurbishment project was expensed through the statement of financial activities following the cancellation of the project.

[9] See Note 12.1
[10] See Note 12.2

12.1 Long leasehold premises

The UKCC (the NMC's predecessor body) acquired the leasehold interest in 23 Portland Place, London W1B 1PZ from the General Nursing Council for England and Wales at nil cost. The lease has a peppercorn rent of £250 a year and expires in the year 2933. The lease was valued as at 31 March 2014 on an existing use basis, by external valuers Carter Jonas, at £17.185 million. There is a restrictive covenant on the lease which restricts the use and occupation of the property to the NMC.

12.2 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use, including the infrastructure programme.

13. Related party transactions

We are accountable to Parliament through the Privy Council. The Nursing and Midwifery Order 2001 sets out the nature of our relationship with the Privy Council and the reporting mechanisms required. While not accountable to the Department of Health and Social Care, we have regular contact with the Department on policy and other matters.

During the period 1 April 2023 to 31 March 2024, the total allowance paid to the current Chair was £78,000 (2022–2023: £78,000), and allowances, travel and subsistence and training expenses paid to, or incurred in relation to, members of the Council were £311,686 (2022–2023: £309,918).

Council members are paid directly via the NMC payroll. Details of amounts paid to individual Council and Executive members are set out in the Remuneration report.

During the year, the NMC engaged IT services from Gartner U.K. Limited. The partner of Matthew McClelland, Executive Director of Strategy and Insight, is the Regional Vice President of Business Development at Gartner U.K. Limited. The NMC paid Gartner U.K. Limited a total of £37,280 during the year (2022–2023: £37,280). There were no balances outstanding with related parties at year-end.

14. Investments

Fixed asset investments	**As at 31 March 2024**	**As at 31 March 2023**
	£'000	**£'000**
Market value at 1 April	34,676	32,838
New capital invested	-	3,000
Dividends and interest received and retained in fund	908	859
Management fees charged at source	(173)	(166)
Net gain/(loss) on revaluation	3,146	(1,855)
Market value at 31 March	**38,557**	**34,676**
Comprising the following:		
Fixed income securities	5,190	5,082
Equities	28,476	23,204
Property funds	1,301	1,445
Alternative investment funds	2,471	4,249
	37,438	**33,980**
Cash	1,119	696
Market value at 31 March	**38,557**	**34,676**

Current asset investments	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Market value at 1 April	-	-
New capital invested	7,000	-
Interest received and retained in fund	4	-
Management fees charged at source	-	-
Net gain/(loss) on revaluation	58	-
Market value at 31 March	**7,062**	**-**
Short-term deposits (maturity of more than 3 months but less than 12 months)	9,523	29,612
	16,585	**29,612**

15. Debtors

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Debtors	64	100
Prepayments and accrued income	4,455	3,670
Total	**4,519**	**3,770**

16. Creditors (amounts falling due within one year)

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Creditors and accruals	16,352	15,791
Other taxes and social security	1,573	1,423
Deferred income	41,928	40,792
Total	**59,853**	**58,006**

Deferred income is the value of Registrant fees received at each balance sheet date that relate to a future financial year. £40,792,000 deferred as at 31 March 2023 was released in the year and £41,928,000 was deferred as at 31 March 2024.

17. Creditors (amounts falling due after more than one year)

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Lease premium	-	18
Total	**-**	**18**

18. Provisions

	Dilapidations[11]	Panellists[12]	Total
	£'000	£'000	£'000
At 1 April 2023	(704)	(2,500)	(3,204)
Additions	(271)	(600)	(871)
Utilised in the year	-	-	-
Releases	222	-	222
At 31 March 2024	**(753)**	**(3,100)**	**(3,853)**

19. Pension commitments

We operate two pension schemes: a defined contribution scheme and a defined benefit scheme.

The defined contribution scheme

Our main pension scheme is a defined contribution pension scheme operated by The People's Pension. The minimum contribution level is that employees contribute one percent of their pensionable salary and the NMC contributes eight percent (2021–2022: 8 percent).

Employees may make additional contributions which are matched by the NMC up to a maximum employer contribution of 14 percent. As at 31 March 2024, 92 percent of employees were members of the defined contribution pension scheme. Employees also have the option of making their contributions through a salary sacrifice scheme introduced at the beginning of 2021–2022.

[11] The provision for dilapidations represents our prudent estimate of the costs of putting our leased properties back into the condition they were in prior to the start of our leases. The current expectation is that the provision will be utilised at the end of the terms of the leases, between July 2028 and November 2034.

[12] The provision for potential additional panellist costs reflects our best estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a Fitness to Practise panellist. The current provision reflects the most recent legal advice as to the likely extent of the potential liability. As the provision includes an amount relating to unpaid employer pension contributions, The Pensions Regulator has been informed. The current expectation is that the provision will be utilised by the end of the 2024-2025 financial year.

	Year ended 31 March 2024	Year ended 31 March 2023
	£'000	£'000
NMC's (employer's) defined contribution scheme contributions made in year	5,269	5,199
	%	%
NMC's (employer's) basic contribution defined contribution scheme	8.00%	8.00%
Employees' basic contribution defined contribution scheme	1.00%	1.00%

The defined benefit scheme

Employees who joined the NMC before November 2013 were able to join our defined benefit pension scheme, The Nursing and Midwifery Council and Associated Employers Pension Scheme, scheme registration number 101652586. It is a funded, multi-employer scheme with the Department of Health and Social Care, administered by Isio. The National Assembly for Wales and NHS Education for Scotland, the previous participants, withdrew from the scheme during 2013 and 2015 respectively. In March 2021, following a consultation with the active members of the Scheme, Council decided to close the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. Therefore, at 31 March 2024 no employees are active members of the scheme.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. Contributions have been charged to the Statement of Financial Activities (SoFA) so as to spread the cost of pensions over employees' working lives.

The latest completed valuation of the scheme was carried out on behalf of the pension trustees by Premier Pensions Management Limited as at 31 March 2022, using a full yield curve approach.

At the date of the valuation, the value of the NMC section of the scheme assets on a low dependency basis was £74.4 million. The value of the assets represented 107 percent of the value of the benefits, which had accrued to members after allowing for expected future increases in earnings and pensions.

If the scheme had been wound up on the valuation date (31 March 2022), the assets would have been approximately 86 percent of the amount necessary to purchase insurance contracts to meet the accrued benefits for active members and past leavers and the current benefits for pensioners. The estimated deficit would have been £12.4 million.

As a result of the triennial review showing a surplus, the independent pension trustees have agreed that recovery plan payments are no longer required. The value of Recovery Plan payments, in the year ended 31 March 2024 was nil (31 March 2023: £1,928,000). The value of other, non-recovery plan payments, in the year was nil (2022-2023: £530,000).

The next triennial valuation will be as at 31 March 2025.

The FRS102 valuation is based on a full assessment of the liabilities of the scheme as at 31 March 2024. Although this valuation shows a surplus, legal advice has confirmed that the NMC does not have an unconditional right to that surplus. FRS102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

In June 2023, judgement was handed down in the High Court case of Virgin Media vs NTL Trustees in which the judge ruled where benefit changes had been made without a valid "section 37" certificate from the Scheme Actuary, those benefits changes could be deemed as null and void.

The Trustees of the Pension Fund are currently awaiting the outcome of the appeal which is due to be heard later this year and whether the DWP then decide to change the legislation in this area. The Trustees will then consider the impact of this case on the Pension Fund and, if considered appropriate at that stage, obtain legal advice. Whilst the outcome has the potential to result in significant changes in the defined benefit obligation, at the current time based on the information available a reasonable estimate cannot be made of any such potential change in the obligation.

Amounts recognised in Balance Sheet	**As at 31 March 2024**	**As at 31 March 2023**
	£'000	**£'000**
Assets at fair value	73,573	75,706
Present value of defined benefit obligation	(59,031)	(60,450)
Surplus/(Deficit)	**14,542**	**15,256**
Asset ceiling adjustment	(14,542)	(15,256)
Net liability	**-**	**-**

Amounts recognised in SoFA	**As at 31 March 2024**	**As at 31 March 2023**
	£'000	**£'000**
Current service cost	-	-
Past service cost	-	-
Expected return on plan assets	3,514	2,656
Curtailment	-	-
Interest on pension obligation	(3,514)	(2,656)
Net amount recognised in SoFA	**-**	**-**

Amounts recognised in Other Comprehensive Income	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Return on plan assets in excess of interest income	3,727	29,384
Actuarial loss/(gain) on demographic assumptions	(778)	756
Actuarial loss/(gain) on financial assumptions	(2,529)	(38,287)
Actuarial loss/(gain) on experience adjustment	1,011	1,332
Change in the asset ceiling excluding interest	(1,431)	9,273
Total loss/(Gain)	-	2,458
	%	%
NMC's (employer's) contribution defined benefit scheme	0.00%	39.30%
Employees' contribution defined benefit scheme	0.00%	6.00%

Reconciliation of present value of defined benefit obligation	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Opening balance at 1 April 2023	**60,450**	**96,036**
Current service cost	-	-
Curtailment	-	-
Interest cost	2,797	2,473
Employee contribution	-	-
Actuarial (gain)/losses	(2,296)	(36,199)
Benefits paid	(1,920)	(1,860)
Closing balance at 31 March 2024	**59,031**	**60,450**

Reconciliation of fair value of plan assets	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Opening balance at 1 April 2023	**75,706**	**101,836**
Expected return on assets	3,514	2,656
Actuarial gain/(losses)	(3,727)	(29,384)
Employer contribution	-	2,458
Employee contribution	-	-
Benefits paid	(1,920)	(1,860)
Closing balance at 31 March 2024	**75,573**	**75,706**

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Asset ceiling at start of period	**(15,256)**	**(5,800)**
Interest on the asset ceiling	(717)	(183)
Change in asset ceiling not included in income statement	1,431	(9,273)
Asset ceiling at end of period	**(14,542)**	**(15,256)**

Reconciliation of change in funded status	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Opening balance at 1 April 2023	**-**	**-**
Pension expense	-	-
Actuarial gain/(losses)	(1,431)	6,815
Employer contribution	-	2,458
Asset ceiling adjustment	1,431	(9,273)
Closing balance at 31 March 2024	**-**	**-**
Actual return on plan assets	**(213)**	**(26,728)**

History of experience adjustments	Period ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000	£'000	£'000
Defined benefit obligation	(59,031)	(60,450)	(96,036)	(100,498)
Plan assets	73,573	75,706	101,836	97,343
Surplus/(Deficit)	**14,542**	**15,256**	**5,800**	**(3,155)**
Experience adjustments on scheme liability - gain/(loss)	(1,011)	(1,332)	(4,347)	731
Experience adjustments on scheme assets	(3,727)	(29,384)	2,845	20,119

Expected contribution in following period	As at 31 March 2024
	£'000
Employer (including fees)	-
Employee	-
Total	**-**

Principal assumptions	As at 31 March 2024	As at 31 March 2023
Discount rate	4.80%	4.70%
Retail price inflation	3.15%	3.40%
Consumer price inflation	2.50%	2.95%
Pension increases	2.95%	3.00%
Expected return on assets	4.80%	4.70%
Life expectancy at age 60	**Years**	**Years**
Males born 1962	25.8	26.6
Females born 1962	28.6	29.3
Males born 1982	27.0	28.2
Females born 1982	29.7	30.7

Scheme assets	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Growth funds	22,111	18,945
Bonds	16,407	6,606
Gilts	-	16,466
Liability driven investments	17,466	11,909
Cash	2,899	6,022
Insured annuities	14,690	15,758
Total	**73,573**	**75,706**

20. Capital commitments

At 31 March 2024, £0.7 million for Registration and Revalidation Test of Competence and £2.1 million for Modernisation of Technology Services capital expenditure relating to intangible assets has been contracted for but has not been provided for in the accounts. No capital expenditure relating to tangible assets has been contracted for but not provided for in the accounts.

The following capital expenditure had been approved but not contracted for:

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Accommodation programme	500	1,800
Modernisation of Technology Services	6,951	6,881
Technology Improvement programme	150	-
Technology Services (previously Modern Workplace for Me)	100	100
Total	**7,701**	**8,781**

21. Operating lease commitments

At 31 March 2024 we had the following future minimum operating lease payments:

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Leases which expire:		
Within one year	2,034	1,888
Between one and five years	5,027	4,530
More than five years	-	757
Total	**7,061**	**7,175**

We lease premises at 2 Stratford Place, London, for the period until 21 July 2028; 1 Westfield Avenue, London, for the period until 6 February 2029 and 10 George Street, Edinburgh for the period until 17 May 2026.

22. Financial instruments

Financial instruments play a more limited role in creating and managing risk than would apply to a commercial organisation.

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Financial assets	105,749	105,689
Financial liabilities	(17,925)	(17,214)

Financial assets consist of cash balances £46.088 million (2022–2023: £37.631 million), investments in fixed term bank deposits £16.585 million (2022–2023: £29.612 million) and debtors £4.519 million (2022–2023: £3.770 million) held at amortised cost and investments in the stock market (via investment managers) £38.557 million (2022–2023: £34.676 million) held at market value.

Financial liabilities held at amortised cost comprise creditors and accruals £16.352 million (2022–2023: £15.791 million) and other taxes and social security £1.573 million (2022–2023: £1.423 million).

23. Comparative statement of financial activities

In the year ended 31 March 2023 £199,000 restricted grant income was fully expensed, with no brought forward restricted balances. See note 3 for further detail.

24. Extra-contractual payments

There were two extra-contractual payments in the period ended 31 March 2024: £38,894 (31 March 2023: £23,500). Further detail can be found in the Remuneration report.

25. Contingent assets and contingent liabilities

At 31 March 2024 there were no contingent assets or liabilities.

26. Post-balance sheet events

There have been no events after the balance sheet date requiring adjustment or disclosure in these accounts.

The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

Appendix 1



The Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010

Their Lordships make the following determination in exercise of powers conferred by article 52(1) of the Nursing and Midwifery Order 2001[12].

This determination has effect from 23rd February 2010.

Interpretation

1. In this Determination-

"the accounts" means the accounts which it is the Council's duty to keep and prepare under article 52(1) of the Nursing and Midwifery Order 2001 in respect of the financial year ending on 31st March 2010 and subsequent financial years;

"the Charities' SoRP" means the "Accounting and Reporting by Charities: Statement of Recommended Practice 2005" prepared by the Charities Commission or any updated edition in force for the relevant financial year.

"the Council" means the Nursing and Midwifery Council;

"the FReM" means the Government Financial Reporting Manual issued by HM Treasury which is in force for the relevant financial year.

[12] S.I 2002/253

Determination

2. The accounts must-

a. be prepared so as to give a true and fair view of the Council's state of affairs as at 31st March of the financial year in question and of the incoming resources and application of resources of the Council for that financial year; and

b. disclose any material incoming or outgoing resources that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Subject to paragraph 4, in order to comply with paragraph 2(a), the accounts must be prepared-

a. in compliance with the accounting principles and disclosure requirements contained in the Charities' SORP; and

b. having regard to the requirements of the FReM to the extent that those requirements clarify, or build on, the requirements of the Charities' SORP.

4. Where the presence of exceptional circumstances means that compliance with the requirements of the Charities SORP or the FReM would give rise to the preparation of accounts which were inconsistent with the requirement in paragraph 2(b), those requirements should be departed from only to the extent necessary to give a true and fair view of that state of affairs.

5. In cases referred to in paragraph 4, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned and the spirit of the Charities' SORP and the FReM.

6. This determination shall be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council
Dated: 18th July 2011

23 Portland Place,
London W1B 1PZ

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Registered charity in England and Wales (1091434) and in Scotland (SC038362).

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NURSING AND MIDWIFERY COUNCIL

England & Wales - Charity number 1091434

Accounts

Nursing & Midwifery Council

Annual Report and Accounts 2022–2023 and Strategic Plan 2023–2025

Nursing and Midwifery Council

Annual Report and Accounts 2022–2023 and Strategic Plan 2023–2025

Annual Report 2022–2023 and Strategic Plan 2023–2025 presented to Parliament pursuant to Article 50(2) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Accounts presented to Parliament pursuant to Article 52(7) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Ordered by the House of Commons to be printed on

17 July 2023

HC 1360

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Foreword

2022–2023 was an immensely challenging year for health and social care across the four countries of the UK. We therefore focused on delivering key actions that would have the most impact for people who use services and professionals delivering care during these difficult times.

Our top organisational priority was, and still is, to **reduce swiftly and safely the number of fitness to practise cases we have open**. This is vitally important for everyone affected. During 2022–2023, we reduced our caseload from 6,469 cases as of 31 March 2022 to 5,577 cases by the end of March 2023. Although short of our target of a 5,000-caseload total by March 2023, this represents a decrease of 14 percent, and we are confident of continuing this downward trend into 2023–2024.

With the health and social care **workforce** under significant pressure, we must continue to **play our part in easing that pressure and supporting nursing and midwifery professionals** to deliver safe, effective and kind care for people and communities. Last year this included: revising our English language requirements to make sure that people with the right level of English language competence can work safely in the UK; expanding the number of objective structured clinical examination (OSCE) centres and significantly increasing test capacity; setting new evidence-based, forward-looking standards for post-registration qualifications; and updating our pre-registration education standards following the UK's exit from the EU.

We also continued to maintain the Covid-19 temporary register after the Government asked us to keep it open for a further two years.

During the strikes that took place, we highlighted the right of professionals to take part in lawful industrial action, while helping them to uphold standards of care by emphasising the importance of the Code (professional standards of practice and behaviour for nurses, midwives and nursing associates) and other resources.

Improving safety in health and social care has been another priority and will continue to be. To this end, we supported professionals on our register to revalidate; introduced new approaches to education quality assurance; targeted our outreach activity and worked with partners to promote improvements.

During 2022, the Ockenden review and the East Kent report set out appalling, tragic and long-standing failings in maternity services. Our thoughts continue to be with the women, babies and families who have suffered as a result. We have been working together with trusts, higher education institutions and other regulators to address concerns about the safety of maternity services in England and to deliver sustainable improvements across all four nations.

We continued to work with the UK Government to develop a new legal framework that will **modernise how we regulate**. Benefits for people will include having a clearer register that is easier to understand; being able to act more rapidly to protect the public if someone cannot meet the required standards of proficiency and conduct, and stronger and more proportionate quality assurance of education.

We must be an **organisation fit for the future** with the right capabilities, processes and resources in place to fulfil our ambitions of protecting the public and improving everyone's health and wellbeing by supporting nursing and midwifery professionals. This report outlines steps we have taken to improve the way we work, while being mindful that we spend money as effectively as possible.

Underlying all of this is our ambition to take a person-centred approach in everything we do. Last year we took steps to move forward more significantly on equality, diversity and inclusion (EDI) within our own organisation, including publishing our EDI plan and Ambitious for Change research. By addressing these challenges internally, we are better able to use our leadership role and regulatory powers to tackle discrimination and inequality in the health and social care workforce, which in turn negatively affect the health outcomes of people and communities.

Thank you to everyone who helped deliver everything we achieved last year, including colleagues, Council members, registered professionals, partners, and our Public Voice Forum, for their unremitting focus on achieving the safe, effective and kind care that everyone has a right to expect.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive
and Registrar
10 July 2023

Our role

We are the independent regulator for nurses and midwives in the UK and nursing associates in England.
Our objectives are set out in the Nursing and Midwifery Order 2001 (as amended).

The overarching aim of the Council is the protection of the public by:

a. protecting, promoting and maintaining the health, safety and wellbeing of the public

b. promoting and maintaining public confidence in the professions regulated under the Order

c. promoting and maintaining proper professional standards and conduct for members of those professions.

Our regulatory responsibilities are to:

- **maintain the register** of nurses and midwives who meet the requirements for registration in the UK, and nursing associates who meet the requirements for registration in England
- set the **requirements for the professional education** that supports people to develop the knowledge, skills and behaviours required for entry to, or annotation on, our register
- shape the practice of the professionals on our register by **developing and promoting standards** including our Code, and promoting lifelong learning through revalidation
- **investigate and, if needed, take action** where serious concerns are raised about a nurse, midwife or nursing associate's fitness to practise.

Our governing body is our Council, which is made up of six lay people and six professionals on our register. Our work is overseen by the Professional Standards Authority for Health and Social Care, which reviews the work of regulators of health and care professions. We are accountable to Parliament through the Privy Council. We are also a registered charity and seek to ensure that all our work delivers public benefit.

Our vision is safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. As the independent regulator of more than 788,000 nursing and midwifery professionals, we have an important role to play in making this a reality.

Our core role is to **regulate**. First, we promote high education and professional standards for nurses and midwives across the UK, and nursing associates in England. Second, we maintain the register of professionals eligible to practise. Third, we investigate concerns about nurses, midwives and nursing associates – something that affects a tiny minority of professionals each year. We believe in taking account of the context in which incidents occur and giving professionals the chance to address concerns, but we will always take action when needed.

To regulate well, we **support** our professions and the public. We create resources and guidance that are useful throughout people's careers, helping them to deliver our standards in practice and address new challenges. We also support people involved in our investigations, and we are increasing our visibility so people feel engaged and empowered to shape our work.

Regulating and supporting our professions allows us to **influence** health and social care. We share intelligence from our regulatory activities and work with our partners to support workforce planning and sector-wide decision making. We use our voice to speak up for a healthy and inclusive working environment for our professions.

Our five strategic themes guide how we prioritise and phase our work, as well as new investment in people and other resources. They are:

1. Improvement and innovation
2. Proactive support for our professions
3. More visible and better informed
4. Engaging and empowering the public, professionals and partners
5. Greater insight and influence

Underpinning these themes, we aim to align our capabilities, infrastructure and culture to become a fit for the future organisation.

Our values underpin everything we do. They shape how we think and act.

We are fair

We treat everyone fairly. Fairness is at the heart of our role as a trusted, transparent regulator and employer.

We are kind

We act with kindness and in a way that values people, their insights, situations and experiences.

We are collaborative

We value our relationships (both within and outside of the NMC) and recognise that we're at our best when we work well with others.

We are ambitious

We take pride in our work. We're open to new ways of working and always aim to do our best for the professionals on our register, the public we serve and each other.

Our strategy on a page

Purpose

Promote and uphold high professional standards in nursing and midwifery - protecting the public, inspiring public confidence.

Vision

Safe, effective and kind nursing and midwifery, improving everyone's health and wellbeing.

Our role 2020–25

Regulate

- An accurate and transparent **register**
- Robust professional educational **standards**
- Assuring **education programmes**
- Responding fairly to **fitness to practise (FtP) concerns**.

Support

- Promote **understanding** – our professions and our role
- Provide **practical tools** – help embed standards
- **Emotional/practical support** – people involved in our processes.

Influence

- Promote positive and inclusive **professional working environments**
- Share **data and insight** to identify risks of harm and address workforce challenges
- Encourage **regulatory innovation**.

Values

Fair Kind Collaborative Ambitious

Themes 2020–25

Improvement and innovation | Proactive support
Visible and better informed | Engaging and empowering | Insight and influence

Performance review 2022–2023

Our corporate plan for 2022–2025 sets out 22 commitments that will help us to realise our vision of safe, kind and effective nursing and midwifery practice that improves everyone's health and wellbeing. In the following pages we report on our progress against these commitments during 2022–2023.

Equality, diversity and inclusion

We have a responsibility as a regulator and an employer to do everything we can to tackle discrimination and inequality and to promote diversity and inclusion. Our EDI plan 2022–2025 sets out how we will integrate EDI across all our work to deliver more equitable experiences and outcomes for our colleagues, the professionals on our register and the public we serve.

We began implementation of our EDI plan in May 2022. As our EDI activity is embedded across all our work, progress has been integrated throughout the report and is drawn out in these boxes.

Maintaining an accurate register and ensuring fitness to practise

Our register

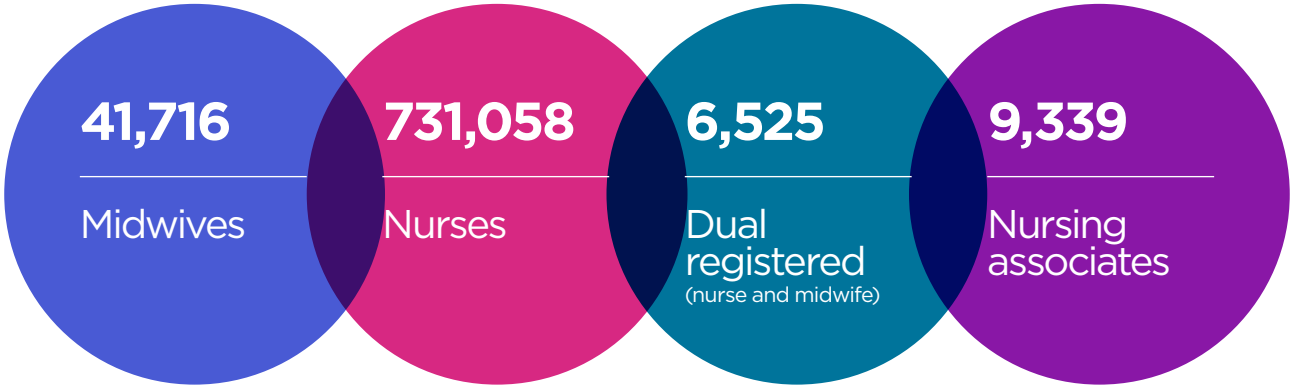
To practise as a nurse or midwife in the UK, or a nursing associate in England, professionals must join our register. This protects the public by ensuring that only those who can demonstrate our standards for safe, kind and effective care are able to practise.

As at 31 March 2023, the number of nurses, midwives and nursing associates on the permanent register was 788,638.

This represents an increase of 4 percent (30,351 volume) since March 2022, and is the highest number of professionals ever on our register.

We continually review the quality and content of our data and information. When improved data or additional information becomes available, we retrospectively update our previously published information. This means that when comparing data in our latest reports against some of our previous publications, you may see small changes in some data.

Numbers of professionals on our permanent register by registration type at 31 March 2023



Total register **788,638**

Numbers of registered professionals by country or region of initial registration at 31 March 2023







Total register **788,638**

In the year to March 2023, 52,148 professionals joined the permanent register for the first time, up from 48,430 in 2021–2022. The majority of these first-time joiners (just over half) were UK-trained and just under half were trained outside the UK.

- 27,142 trained in the UK (2021–2022: 25,024).
- 651 trained in the European Union/ European Economic Area (EU/EEA) (2021–2022: 680).
- 24,355 trained outside the UK or EU/EEA (2021–2022: 22,726).

The number of people leaving the register was fewer compared to the previous year, with 26,755 professionals leaving in 2022–2023, compared to 27,133 professionals in 2021–2022. We publish a registration data report on **our website**, which contains more data about the make-up of the register.

Our registration processes ensure that professionals can provide safe, kind and effective care when they join our register. These processes must be both proportionate and efficient to ensure everyone who is capable of safe and effective practice can join our register in a timely manner. At a time when the health and social care workforce is under significant pressure that has been more important than ever. Our strong registration performance in 2022–2023 has supported that aim.

- 99 percent (2021–2022: 99.6 percent) of UK initial registration applications were completed within one day, exceeding our target of 97 percent.
- Where a concern has been raised, some applications take longer to process. Our target is to complete 95 percent of these cases in 60 days. In 2022–2023 we narrowly missed this target with 94.5 percent (2021–2022: 96.2 percent).
- 99.9 percent of international registration applications (from professionals trained outside the UK) were completed within our goal of 30 days, exceeding our target of 90 percent (2021–2022: 99.7 percent in 30 days).

Corporate commitment:

Close the Covid-19 emergency register

In March 2020, we created a temporary register made up of groups of professionals we considered to be fit, proper and suitably experienced to work in support of the Covid-19 emergency. In September 2022, the Government asked us to keep the temporary register open for a further two years to help tackle the Covid-19 backlog of elective care. In response, we reviewed our arrangements and made changes to ensure we maintain the register safely and fairly. This is to ensure that people continue to receive high-quality care and that professionals can keep their skills and knowledge up to date. Further information about the conditions can be found on **our website**.

We contacted all professionals on the temporary register in February 2023 as part of implementing the changes, which then came into effect on 21 March 2023. We clarified all the conditions for continuing to remain on the temporary register and professionals were removed from the temporary register if appropriate.

As a result of the changes, on 21 March 2023, we removed 10,379 professionals from the temporary register who were not practising or who were not progressing their application to join the register from outside the UK. This meant 2,030 professionals remained on the temporary register as of that date.

As at 31 March 2023, 1,992 professionals had temporary registration. Of these, 1,820 were nurses, 137 were midwives and 35 were dual-registered. We are hugely grateful to everyone on the temporary register for the invaluable contributions they have made. We continue to actively encourage professionals on the temporary register to join the permanent register.

Corporate commitment:

Increase OSCE testing capacity and explore options for alternate delivery models

To help address the UK's nursing and midwifery workforce challenges, health and care employers are continuing to focus on recruiting nursing and midwifery professionals from outside the UK. This means more professionals who have trained outside the UK are applying to join our register compared to previous years. As part of the application process, to ensure they can provide safe, kind and effective care, we assess their skills and knowledge through our two-part Test of Competence. This test is also taken by those that wish to re-join our register after a long period away from practice. Feedback throughout the year about the quality of the Test and about the supporting preparatory materials we have provided has been positive.

To ensure we could meet increased demand, and help more professionals join our register quickly and safely, we worked with our five delivery partners to increase capacity of the practical element of the test, known as the objective structured clinical examination (OSCE).

46,940 OSCEs were taken in 2022–2023 compared to 29,687 in the previous year, covering all fields of nursing and midwifery. This equates to an average of 3,911 a month compared to 2,474 a month for 2021–2022 (when there were only three OSCE centres).

To help monitor recruitment activity and ensure that we increase capacity as effectively as possible, we work closely with key stakeholders, such as the Department of Health and Social Care, NHS England and Improvement, Health Education and Improvement Wales, as well as listen to feedback from employers and applicants. Since the Leeds and Northumbria OSCE centres opened in 2022, we have helped them to embed and increase their testing capacity. We will continue to increase testing capacity from July 2023, which will result in over 1,000 additional tests each month. This provides candidates, and those supporting them, with greater flexibility and choice.

We also committed to exploring alternative delivery models during 2022–2023. This will be an important opportunity which will require significant investment of time and resources. As part of business prioritisation, we decided that resource was better focused on improving our existing delivery model, which will have more immediate, direct and significant benefits to applicants, employers, and ultimately the public they care for.

Concerns regarding the computer-based test

The computer-based test (CBT) forms the first part of the two-part test of competence taken by internationally trained professionals (the second part is the OSCE). The CBT is usually taken in a candidate's home country. An organisation called Pearson VUE operates the CBT programme on the NMC's behalf.

At the end of 2022–2023, they alerted us to anomalous data at one of their third-party owned and operated test centres (Yunnik Technologies Ltd) in Ibadan, Nigeria. Pearson VUE stopped testing at this centre immediately.

The test centre opened in 2019 and a total of 1,969 people have taken one or more CBT tests during that time. 513 of those people are on our register (around five percent of all the professionals on our register who qualified in Nigeria) while the remaining people are at varying stages of our applications process, including some who are now residing in the UK.

We have informed the 513 people on our register that we have opened cases in relation to them to consider whether there may be an allegation that their entry to the register is fraudulent or incorrect. We have also written to over 1,400 people in the application process who are not yet on our register to explain that we are looking into their tests. This group of applicants will not be able to join the register until we have carried out further analysis of the situation.

To ensure that we are drawing reasonable and objective conclusions we have appointed an independent data expert to provide us with further analysis and scrutiny of the data relating to tests taken at the Yunnik Technologies test centre.

It is important to note, that at the time of writing we have made no determinations about anyone who sat their test at the Yunnik Technologies test centre.

Our paramount concern is to maintain the integrity of the register to protect the public. At the same time, it is critical we approach any investigations about individuals objectively and transparently, avoiding any unfair discrimination.

We are aware that nurses and midwives from overseas and black nurses and midwives often face racism, discrimination, and prejudice in their workplaces and in society. While the issue relating to the CBT test affects a small number of nurses and midwives on our register, we are concerned that many more may be affected by the way their colleagues and the public may react to this incident. We are engaging with health and care services, employers, trade unions, the Nigerian Nurses Charitable Association and other groups and networks to ensure people get the support they need.

After careful consideration and to ensure the future integrity of the CBT test, we have also suspended testing at all Pearson VUE PVTC test sites globally, due to lower levels of security controls at this type of test centre. This suspension will remain in place unless and until we can be satisfied that controls can be strengthened to a sufficient level. This decision affects 49 test centres. Testing remains available at 746 Pearson VUE PPC and PVTC Select test centres globally.

We are working closely with Pearson VUE to implement additional monitoring controls including ongoing forensic data analysis and reporting.

Corporate commitment:

Revise our English language requirements

Clear and effective communication is key to achieving safe, kind and effective care for people who use health and social care services. It's therefore essential that everyone joining our register can demonstrate good English language skills. Our process for assessing competency must be fair and proportionate, so that everyone who is capable of safe and effective practice can join our register if they want to, no matter where they trained or how they became competent in English.

Following an extensive consultation on our English language requirements during the summer of 2022, we brought in changes from 8 February 2023 so that our processes are as fair and proportionate as possible and that people using health and social care services can have confidence that they will receive safe, kind and effective care. Detail on the changes we made can be found **here**.

Early indications are that these changes are having a positive effect and we will be reporting to our Council in March 2024 on the full impact.

Equality impact assessment of our English language requirements

We undertook an Equality Impact Assessment to evaluate the impact of our English language requirements and proposed policy changes on different groups. This was developed in collaboration with stakeholders, including international professionals and applicants.

We did not find evidence that our requirements have had any disproportionate negative impact on any group. We found that they were a proportionate means of obtaining assurance that all those joining the register can communicate effectively in English. We also found that the changes to our requirements are likely to have positive effects on applicants, particularly those from minority ethnic backgrounds who form a significant proportion of international applicants and are more likely to have trained in English in countries where English is not a majority spoken language.

Assessing impact does not end with the introduction of the policy changes. We are committed to monitoring the impact of these as they are implemented and will use this data to revisit and review the Equality Impact Assessment.

Our contact centre

Our contact centre supports nurses, midwives, and nursing associates with queries they have about their registration, helping people to join, re-join or stay on the register more swiftly and efficiently. This helps to ensure we have an up-to-date register of professionals who provide safe, kind and effective care to people and their families.

In December 2022, we launched a new referrals helpline to support people with a fitness to practise concern. Our dedicated call handlers listen to people, and help explain more about who we are, how we can help and most importantly, what support we can offer. If someone is ready to make a referral, we can then guide them to give us everything we need to make the right decision as quickly and safely as possible.

Our contact centre statistics for 2022-2023



190,754 calls were received during 2022–2023 (217,373 in 2021–2022).



We answered 93.5 percent of calls (2021–2022: 88 percent), exceeding our target of 90 percent.

The reduction in calls and emails compared to 2021–2022 is due to:

- the easing of the Covid-19 pandemic: previously this had resulted in higher levels of contact due to queries about changes to our processes, such as the creation of the temporary register and revalidation extensions
- the improvements to our registration processes and the information on our website, meaning people have less need to contact us.



53,814 emails were responded to during 2022–2023 (57,490 in 2021–2022).



The average response time to emails was 3.9 working days (4.7 working days in 2021–2022).



On average for the year, 96 percent of people who contacted the contact centre and answered our survey said we treated them kindly. This is a new measure that we have brought in for 2022–2023.

Revalidation

All professionals on our register must demonstrate they continue to be safe and effective to practise by revalidating every three years. Revalidation promotes lifelong learning by requiring nursing and midwifery professionals to reflect on their practice and how the Code applies to their work. This helps ensure the care they provide to people and their families continues to develop and strengthen throughout a professional's career. To support professionals, in November 2022 we wrote to all the professionals on our register to remind them that our updated standards of proficiency need to be taken into account when revalidating.

Improvements we have made mean that this year, for the first time, we can report on the number of professionals that revalidated after their due date, for example to include those granted an extension. This means that the revalidation rates we report are a truer reflection of professionals that successfully revalidated in the year, as previously, those who revalidated with an extension were not included in our figures. In 2022–2023, 227,351 professionals revalidated successfully and this equates to a revalidation rate of 94 percent. This is higher than in previous years, where the pressures of the Covid-19 pandemic meant some professionals needed extra support in completing their revalidation and we saw rates of 89.6 percent in 2021–2022 and 80.7 percent in 2020–2021. This year's figures bring revalidation rates back in line with pre-pandemic levels (where the rate ranged between 92 and 94 percent).

Looking across the nursing and midwifery professions and also across the four UK nations, revalidation rates were consistent.

More revalidation data and trends can be found in our separate Revalidation data report and data tables for 2022–2023.

Fitness to practise

One way we regulate professionals and maintain public safety is to investigate concerns about nurses, midwives and nursing associates – something that affects a tiny minority of the professionals on our register every year. We determine whether their skills, knowledge, education or behaviour fall below the standards needed to deliver safe, effective and kind care. If they do, we then take steps to keep the public safe and prevent something from going wrong again.

We will always take action if needed (including removing people from our register in the most serious cases). But most of the time the best way to keep people safe is to learn from incidents and stop similar things happening again in the future.

When deciding whether there is a risk, we take into account the context in which an incident took place, and any steps professionals may have taken to strengthen their practice since the incident happened.

We operate a process that allows people to tell us what happened straight away and encourages professionals, members of the public and employing organisations to engage with us to make sure we make the right decisions as soon as possible.

Fitness to practise in numbers: 2022–2023

Screening

When we receive concerns about someone's fitness to practise we check whether they are on our register and assess whether the concerns require a full investigation.

We received
5,068
new concerns
(2021–2022: 5,291)

We reached decisions on
6,131
cases
(2021–2022: 4,923)

We decided
1,492
cases required
a full investigation
(2021–2022: 1,080)

We decided
4,639
cases did not require
a full investigation
(2021–2022: 3,843)

Interim orders

Where needed, at any point, Fitness to Practise panels can take urgent, temporary action to protect the public while we look into the concerns that have been raised.

Fitness to Practise panels imposed:

Interim suspension orders in
324 cases
(2021–2022: 240)

Interim conditions of practice orders in
364 cases
(2021–2022: 264)

Case examiners

Where needed, we fully investigate the concerns raised about someone's fitness to practise.

At the end of the investigation our case examiners decide whether any further steps are required to protect the public. Case examiners may decide to take no further action if they conclude the concerns do not require regulatory action or if the nurse, midwife or nursing associate has taken sufficient steps to improve their practice.

We completed
1,210
investigations
(2021–2022: 1,582)

Our Case examiners decided to:

Take no further action in
411 cases
(2021–2022: 739)

Give advice, issue a warning, or agree undertakings in
133 cases
(2021–2022: 102 cases)

Refer
666 cases
for adjudication
(2021–2022: 741)

Adjudication

After a full investigation and if case examiners decide there is a case to answer, cases are then reviewed by a Fitness to Practise panel at a meeting or hearing. Panels have a range of decisions they can make to protect the public.

Fitness to Practise panels made
553
decisions
(2021–2022: 414)
where they decided to:

Remove the person from the register in
191 cases
(2021–2022: 109)

Suspend the person from the register temporarily in
155 cases
(2021–2022: 124)

Impose conditions of practice orders in
65 cases
(2021–2022: 61)

Issue cautions in
31 cases
(2021–2022: 37)

Take no further action in
108 cases
(2021–2022: 83)

Proceeding stayed in
3 cases
(2021–2022: 0)

A stay of proceedings is a rare power used by the Fitness to Practise Committee in exceptional circumstances, where it decides that to allow a case to continue would amount to an abuse of process and be unfair on the professionals involved. The stayed proceedings stated here involved linked cases.

As another way of concluding cases, in particular circumstances, professionals can apply for voluntary removal from the register without a panel reviewing their case. In 2022–2023 60 voluntary removal applications were granted (2021–2022: 46). We revised the voluntary removal process in April 2023 to 'agreed removal' to create more flexibility for people involved in a case. One change is that, in certain circumstances, professionals can now apply for removal from the register at any stage of the fitness to practise process, rather than only after the case examiner stage.

A detailed statistical analysis of our performance in 2022–2023 is published in our Annual Fitness to Practise Report.

Corporate commitment:

Reduce our fitness to practise caseload and make improvements to how we regulate.

Since the beginning of 2019–2020, we have been managing a high caseload, which doubled in volume between March 2019 and March 2022. This increase was not due to an increase in referrals but due to challenges with progressing cases in a timely manner, in part caused by the impact of the pandemic. This has meant people are waiting longer for us to reach decisions. We know the impact this has on people, which is why reducing our fitness to practise caseload safely and swiftly is our number one corporate priority.

During 2022–2023, we reduced our caseload from 6,469 cases at 31 March 2022 to 5,577 cases at the end of March 2023. This is short of our target to reduce the caseload to 5,000 by March 2023 but represents a decrease of 14 percent. While our caseload remains high, with people being impacted by delays, this is the first sustained reduction in caseload since 2019, and we have established a downward trend that we are confident we will continue into 2023–2024.

Table showing caseloads:

Year	Referrals received	Cases concluded	Year-end closing caseload	Yearly change in caseload	
				Actual	Percent
2019–2020	5,704	4,358	4,506	+1,363	+43
2020–2021	5,547	3,701	6,357	+1,851	+41
2021–2022	5,291	5,170	6,469	+112	+2
2022–2023	5,068	5,832	5,577	-892	-14

Improvements we made during 2022–2023

We re-shaped our Fitness to Practise Improvement programme in the summer of 2022 to focus on a smaller number of more impactful changes, while ensuring that we maintained a person-centred approach. We also put renewed focus on quality case management and close support for our casework teams to help them progress cases. The improvements outlined here have driven the reduction in caseload and position us to continue to safely and swiftly reduce the caseload in 2023–2024.

The first stage of our fitness to practise process is screening and at 31 March 2022 our caseload at that stage was 3,469, representing over 50 percent of our total caseload.

In summer 2022 we increased the decision-making capacity within our screening teams and as a result our output levels increased. Other improvement activities meant that we were able to subsequently reduce the level of decision-making resource in January 2023 while maintaining high decision numbers. As a result, our screening caseload stood at 2,341 on 31 March 2023, a reduction of 33 percent of cases at that stage.

Revisions made to our guidance in 2021–2022 are now having an increasingly positive impact as we are able to resolve more cases at screening. This means that later stages of the fitness to practise process are not being overwhelmed as a result of our increased productivity at the early stages of our process.

Being person-centred remains key to our work at screening and in December 2022 we launched our referrals helpline as a first port of call for those looking to raise a concern with us. We now provide people with more information about our process and what we do, with the aim of obtaining more detail upfront from people and, where appropriate, signposting people to other organisations better placed to help.

At all stages of the fitness to practise process, we have a renewed emphasis on prioritising our oldest and highest-risk cases. To support this, we have implemented a range of proactive case management tools.

At the investigations stage, the focus on older cases and the time to re-establish good management practices has meant output numbers have been lower.

The final stage of our process is adjudication and at 31 March 2022 our caseload at that stage was 879, representing over 13 percent of all fitness to practise cases. Work continues to increase the efficiency and effectiveness of our virtual hearings. We started to switch to a different video conferencing platform for our interactions with case parties and this has resulted in fewer technical delays. Microsoft Teams is now routinely used for non-substantive hearings, such as Interim Order hearings, and substantive 'meetings' (decisions made using papers rather than holding a hearing). We started the switch-over for substantive hearings in March 2023.

We commissioned external support to review our ways of operating at the adjudication stage to ensure we are operating effectively and efficiently. This will identify opportunities to increase the number of hearings which conclude first time.

There are significant opportunities for improvement here and it's important that we leverage those fully in 2023–2024 so that our caseload does not increase at the final stage of the process.

Regarding the whole of our fitness to practise process, we began working with external process improvement experts to identify opportunities for targeted change. In March 2023 we began to design a new approach for case management, helping us to move to a more streamlined process that enables us to make the right decision at the earliest opportunity.

Our key performance indicators

To close 80 percent of cases within 15 months from receipt: on average we closed 61 percent of cases within 15 months (2021–2022: 62 percent).

We did not therefore meet this measure in 2022–2023. However, we expect to see improved performance in this metric as we continue to reduce our caseload across the process and, in particular, at screening, through our screening improvements in 2023–2024.

To impose 80 percent of interim orders within 28 days of receipt. We ended the year with 65 percent of interim orders imposed with 28 days (2021–2022: 77 percent).

We did not meet this measure for 2022–2023 due to a number of factors outlined below.

- A renewed focus in screening on higher risk cases which had been on hold or not reviewed for a period of time, partly due to insufficient management oversight and persistent staff vacancies. This progressed a number of those older cases, with interim orders then imposed on some. However, these interim orders were imposed outside our KPI target.

- An increase in the volume of new interim order hearings required, which exceeded the capacity we had available.

- Panels adjourning interim order applications in the interests of fairness to the professional involved, to allow the professional more time to prepare their case.

Looking to 2023–2024

Our focus for 2023–2024 is to improve our core operational performance and continue with a range of measures to reduce the caseload safely, swiftly and in ways that increase public confidence.

By 31 March 2024, we will safely and swiftly reduce our caseload to 4,000 cases by undertaking the following activities:

- developing our casework approach, including improvements to management oversight and proactive escalation of issues causing delay
- optimisation of our key casework processes, using external expertise to streamline and speed up our work while maintaining quality
- testing and piloting new ways of working, including moving towards having single case owners so we provide a more consistent service as part of our person-centred approach to our fitness to practise process.

Whistleblowing to the NMC as a prescribed person

The NMC is a 'prescribed person' in law. This means that concerns may be raised with us by nurses, midwives, nursing associates, students or other healthcare professionals who identify wrongdoing in their workplaces or practice placements. Whistleblowing helps a workplace to be open, transparent and accountable, to be able to learn from events, prevent future concerns and therefore protect the public.

Our policy sets out six criteria which we use to decide if information we receive should be dealt with as whistleblowing. In 2022–2023 we received 137 disclosures that met our criteria for disclosures we reasonably believe to be instances of whistleblowing (2021–2022: 152). The most common themes of disclosure made this year were: behaviour and violence; patient safety and care; dishonesty.

Each year we publish a joint report with other health and social care regulators on how we handled whistleblowing disclosures. The joint Whistleblowing disclosures report 2021–2022 can be found on our website **here**. The joint report for 2022–2023 will be published later this year.

Maternity services

During 2022, two reports identified significant failings in maternity services at Shrewsbury and Telford Hospital NHS Trust and East Kent Hospitals University NHS Foundation Trust. Our thoughts are with the women, their babies and families who have been so terribly affected by these awful events.

During 2022–2023, we considered very carefully the findings of the reports to see what action we need to take as the regulator of midwives, and where we can work with other regulators and partners to improve the safety of the environments in which midwives practise.

We introduced new standards of proficiency for midwives in 2019. These are based on global evidence of good practice and designed to address learning from previous inquiries. They support midwives to deliver the safest, person-centred care for women and babies and promote respectful and responsive midwifery care for our diverse population. This includes knowing when things are going wrong and making sure the right actions are taken in response.

We have reviewed our standards against the findings of these reports and concluded that the deficits in knowledge and skills identified in the reports have been thoroughly addressed. We will commission a further external, independent review of the standards following the publication of the review into maternity services at Nottingham University Hospitals NHS Trust.

In the interim, we have continued to support professionals and organisations to understand and implement our standards so that they are able to deliver safe and effective care for women, babies and their families.

Some examples of work undertaken are listed below.

- We have written to professionals outlining our expectations that they should review the standards as part of their revalidation process and address any gaps in their knowledge as part of their continuous professional development.
- We have carried out an extraordinary review of the midwifery programme at Shrewsbury and Telford Hospital NHS Trust to provide assurance of the practice learning environment for students.
- We have included a new standard requiring midwifery students to have placement experiences at more than one maternity services provider to ensure student midwives experience a diverse range of teams and settings.

Setting robust education and professional standards

We set the standards for nursing and midwifery practice in the UK and nursing associates in England. We review and maintain these standards to ensure they require professionals to provide safe, kind and effective care to people and their families. Professionals must demonstrate they meet these standards at the point of entry to the register, and every three years they must demonstrate they continue to meet them by revalidating against our standards.

We also set education standards, which must be followed by all approved education institutions. These education standards support students to gain the knowledge and skills required to deliver safe, kind and effective care.

Corporate commitment:

Deliver a new set of ambitious post registration standards focusing on community nursing practice.

In July 2022, we published our new post-registration standards for specialist community public health nursing (SCPHN) and specialist community nursing qualifications (SPQs). These will help deliver modern, safe, kind and effective care to people closer to their homes and in communities.

These ambitious standards set clear expectations of the knowledge, skills and behaviours required from professionals working in specialist roles in the community, such as health visitors, school nurses and community mental health nurses. The standards will prepare future professionals with the necessary knowledge, skills and attributes to improve people's health, and address health inequalities across the diverse communities and populations they care for.

The standards came into effect on 1 September 2022, and by September 2024, all post-registration education providers must have new programmes approved against the new standards. To support effective implementation, we are liaising with education providers and their practice placement partners across the four countries of the UK, including with apprenticeship trailblazer groups who provide flexible routes to post-registration programmes, widening access to diverse students.

These ambitious new standards have been received positively, demonstrating the strength of our co-production approach.

"We welcome these standards which set out the expectations for future health visitors and build on the advances in the evidence base for preventative public health for babies, children and families. We thank the NMC for engaging with so many groups and practitioners during their consultation and for taking on board so many of the comments from the Institute of Health Visiting."

Alison Morton,
Executive Director,
Institute of Health Visiting

Corporate commitment:

Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.

Since the UK left the EU and is no longer required to follow all EU legislation, we have more flexibility in setting pre-registration education programme standards for nursing and midwifery courses. Following extensive research and a UK-wide consultation process, in January 2023 our Council approved new and amended nursing and midwifery education programme standards. These standards will allow for greater flexibility in the design of pre-registration programmes, which we believe will lead to better outcomes for students and the people they care for. Key changes are listed below.

- The flexibility to include more simulated practice learning within nursing programmes. Approved education institutions (AEIs) will now be able to include up to a maximum of 600 hours of simulated practice learning within the 2,300 practice learning hours that are required of each student. This will provide the opportunity for students to develop and build on skills which may not be easy to practise in practice learning environments.
- Each education institution will now have the flexibility to set their own robust entry requirements, including removing the need for at least 12 years' general education before starting a nursing or midwifery programme. This will have a positive impact by widening access to nursing and midwifery programmes, especially for people who may not be able to evidence their education, such as refugees.
- We removed EU stipulations about the settings in which nursing practice placements must take place. This will allow students to complete all their practice learning in the settings most relevant to them.
- We introduced a new midwifery standard to ensure students gain experience with a range of maternity providers and teams. This will help better prepare midwifery students for their practice by giving them a greater range of experience.

We will work with AEIs to support the implementation of these new standards by February 2025.

Corporate commitment:

Review regulation of advanced nursing practice.

In the last few decades, there has been a rise in the use of the term 'advanced practice' in nursing and midwifery titles across the four countries of the UK. Broadly speaking professionals with these titles have displayed a higher level of skill and expertise and, therefore, have greater autonomy, manage more complex cases and provide a higher level of care to the public and their families. However, there is no single definition of what the title entails, nor is there a unified approach as to what's required to achieve it or how it is overseen. This lack of a unified approach can cause confusion for the public, employers and professionals themselves. Therefore, as part of our 2020–2025 strategy, we committed to carrying out a comprehensive review of advanced nursing and midwifery practice, including consideration of whether regulation is needed.

In October 2022, we began initial scoping and discovery work to explore whether the regulation of advanced practice is the most effective way of ensuring the roles provide safe, effective and kind care. To provide a solid evidence base, we commissioned two independent research agencies to conduct two distinct reviews.

- Britain Thinks was commissioned to engage with practitioners currently working in advanced practice roles, so that we can understand their views on advanced practice and the potential for future regulation.
- The Nuffield Trust was commissioned to provide a strategic overview of the advanced practice landscape across the four countries of the UK, as well as examining international evidence on the regulation of advanced practice.

Gaining insights from the public is also a key area of consideration, and through our Public Voice Forum we have gained key insights into the potential impact regulation could have.

Our Council considered the findings of this research in May 2023 and will consider findings from the next steps of the project in September 2023.

Quality assuring nursing and midwifery education

As part of our regulatory function, we make sure that education institutions are delivering courses that prepare skilled professionals to provide safe, kind and effective care. We do this in two key ways.

- Firstly, we approve education providers to deliver programmes based on our education standards. These are known as approved education institutions (AEIs). This provides assurance to the public that the education programmes delivered by AEIs are suitably preparing students for joining the NMC register and providing quality care to the public.
- Secondly, we monitor these institutions to ensure our standards continue to be met, and where they fall short of our standards, we have clear and transparent processes to investigate and take action.

As at 31 March 2023, there were 93 AEIs, covering over 1,830 programmes and providing education and training to over 116,000 student nurses, midwives and nursing associates.

Approving education programmes in 2022–2023

In 2022–2023, our quality assurance (QA) activity focused on completing approvals of pre-registration midwifery programmes against our new education standards by September 2022. Canterbury Christ Church University was the only AEI to be refused approval of its programme, due to concerns that the proposed programme did not meet our new standards. Due to the number of concerns identified there was insufficient time for the university to re-seek approval in time for the September cohort of students. We understand the impact of refusing approval and we have worked closely with NHS England Workforce, Training and Education (NHSE WTE) to support the university and the students affected.

As reported elsewhere in this performance review, during 2022–2023, we introduced a number of new standards and we have been updating our approval and monitoring processes accordingly.

During 2022–2023, we moved to a hybrid approach to approval visits, whereby some approvals could be undertaken remotely and some face to face. While the majority of approval visits are undertaken face to face, being able to undertake remote visits where appropriate has been beneficial to both the NMC and the institution concerned. As ever, our priority is ensuring our standards are being met.

Monitoring education programmes in 2022–2023

Once approved, we monitor approved programmes to ensure they still meet our standards. In 2022–2023 we monitored programmes through the following mechanisms.

- **Annual self-reporting:** AEIs must submit an annual self-assessment and self-declaration, along with responding to thematic questions. The most recent reporting period covered the academic year 2021–2022, and 56 out of 88 AEIs provided assurance that all key risks were controlled or mitigated through appropriate action plans. Thematic questions focused on differential attainment, the role of people who use services in programmes and the use of simulated practice learning within programmes.
- **New programme monitoring:** To provide extra assurance, we require new programmes to provide additional information to us. This gives us the opportunity to work more closely with new programmes and institutions which we have not worked with before and have less information on.

  During 2022–2023, we monitored 28 programmes, and in January 2023, we made the decision that 25 of these no longer required new programme monitoring.

- **Enhanced scrutiny:** Where we have identified concerns, we can place AEIs under enhanced scrutiny, which require them to report more regularly to us. Following an extraordinary review in 2020, and a subsequent monitoring visit in 2022 in relation to maternity concerns at Shrewsbury and Telford Hospital NHS Trust, one programme remained under enhanced scrutiny, whilst three further programmes were added.

When a concern is raised about a programme, we assess and categorise the concern under one of three levels. During 2022–2023, we managed a total of 254 new concerns. 163 were categorised as minor, 90 as major and six critical. 138 concerns were closed where we received adequate assurance that these were being mitigated appropriately.

We managed six critical concerns during the year (one identified during 2022–2023, five identified in previous years). Of these six critical concerns, five related to maternity services. Where critical concerns are identified, we meet regularly with AEIs to discuss action plans, monitoring and impact, along with contingency plans. During this period two critical concerns were de-escalated following adequate assurance from the AEIs that concerns were being managed.

Following significant engagement with Canterbury Christ Church University over serious concerns we had with the delivery of its midwifery programme, and having reviewed a wide range of evidence, in February 2023 we informed the university of our initial decision to withdraw approval. Our process required the university to provide assurances within a month that our standards were being met. Having reviewed the university's submission, after very careful consideration, and in the best interests of women, babies, and families, we made a final decision to withdraw approval of their midwifery programme. As such, from 10 May 2023, the midwifery programme no longer leads to registration as a midwife in the UK.

We recognise that this was a decision which will have a significant impact on the students affected and the local workforce. However, as the UK's midwifery regulator, our role is to protect the public and uphold the high standards of midwifery practice that women and families have the right to expect. We are working with the university and NHS England on plans to support the affected students to continue their education at another institution.

Corporate commitment:

Implement a new data-driven and proportionate approach to education quality assurance.

During 2022–2023, we continued to develop our risk-based data-driven approach to programme monitoring. This helps ensure we proactively identify issues and make interventions as quickly as we can, reducing the impact on students and the public they will care for. We did this by making greater use of available data, such as the National Student Survey (NSS), strengthening our approach to managing complex critical concerns, and utilising listening events to ensure the student voice is being heard. We also moved to a regional approach to managing concerns, meaning we shared intelligence more widely both within and outside of the organisation. This meant that we had additional data and intelligence and we could intervene earlier where appropriate.

We had hoped to make greater progress developing the technology that underpins our quality assurance process. However, while we have managed to make some important data fixes, we have not progressed as far as we had planned, in part due to dependencies on other pieces of work. We have reviewed and revised the project plan and expect to complete the work in 2023–2024.

Corporate commitment:

Remove recovery education standards.

In March 2020, in response to the pandemic, we introduced a set of emergency standards which enabled more than 35,000 student nurses and midwives to support the workforce as part of their programmes during 2020–2021. As the impact of the pandemic lessened, these were then replaced with a set of recovery standards with a view to returning students to as normal an education as possible.

We removed most of these standards during 2021–2022, but two standards remained in place. These standards provided flexibility for approved education institutions to implement the use of simulated practice learning as part of the required 2,300 practice learning hours. During 2022–2023, as we approved the use of simulation as part of the pre-registration education standard, we withdrew these last two recovery standards.

Engaging and empowering our audiences

Engaging and empowering our audiences is an intrinsic part of the effective delivery of everything we do to regulate, support and influence. Last year our Communications and Engagement directorate worked closely with all other directorates to support the delivery of complex projects, including the changes to the Covid-19 temporary register and major consultations on proposed changes to our English language requirements and education standards.

Engaging with the public

Our Public Voice Forum had its first full year, helping to shape key areas of our work. There are 22 highly engaged members from across the four nations of the UK who meet regularly to share their views on our projects. We greatly value their input and feedback from members about the forum is positive.

Last year we also built more consistent and purposeful relationships with stakeholder organisations representing people who use health and care services. This is invaluable in helping to extend our reach and build our understanding of the impact of the work we and our professionals do for different people and communities.

We commissioned research to define what person-centred regulation means to people. With the research phase complete, we are now considering our approach to embed the findings and become a more person-centred regulator.

Supporting professionals and students

From our regular newsletters and direct emails to our webinars, events and social media engagement, we continued to use a range of channels to support professionals and students across the four countries of the UK to provide safe, effective and kind care for people.

We marked the publication of our new post-registration standards, and the end of our six-year programme to modernise all our standards of proficiency, with a series of events. We were delighted to hear from speakers including current students, newly qualified practitioners and senior leaders. The events took place in Kirkcaldy, London and Belfast, and we will be visiting Wales in 2023–2024.

At these events, we launched a **new animation** which covers how our Code and standards work together to enable professionals to deliver high quality care to people throughout their careers. This was the first in a series of three animations intended to actively build an understanding of our role and what our professionals do for people.

It's essential that we empower everyone, no matter who they are, to have their say. Last year we welcomed a more diverse range of voices to our Midwifery Panel and launched a new membership policy for the group. This has helped us hear more from the perspective of women who use maternity services, and better reflect the diversity of the midwifery register amongst panel members.

Collaborating with partners and stakeholders

We have engaged a wide range of stakeholders in major programmes and consultations, including our English language review and pre-registration standards consultation. This helped us understand the implications of decisions and implement changes we know will support the workforce.

We have continued close, regular engagement with senior partners, health and care leaders, and other regulators. We also maintained our relationships with the UK Government, devolved ministers and officials. This has helped us respond to external challenges collaboratively and in consideration of how our decisions impact on professionals.

Our visual identity

In July 2022 we refreshed our visual identity to achieve a more accessible, inclusive and compelling design style for our work. This includes a new accessible colour palette and more inclusive and representative animation and photography styles.

Our new visual identity will help us be as clear and consistent as possible in all our interactions with people, which is fundamental to delivering our core regulatory work effectively, providing appropriate support and using our insight to influence.

Building new relationships with diverse groups

During 2022–2023, we completed a mapping exercise of our equality stakeholder engagement and built new relationships with diverse groups. This work focused on our engagement with organisations who represent or advocate for nursing and midwifery professionals with particular protected characteristics, people who use health and care services who have particular protected characteristics, and people who are subject matter experts on EDI and can help to inform our work as a regulator and an employer.

We are now developing an audience plan to help articulate the priorities from our EDI plan 2022–2025 and where we need to prioritise building or strengthening our stakeholder relationships across the four nations of the UK.

Corporate commitment:

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

This year the pressures facing the health and care sector had a significant impact on the professionals on our register and students. In light of these pressures, we deferred our planned campaigns to 2023–2024.

Corporate commitment:

Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.

At the start of 2023, we launched a 24-month programme to create a more modern and accessible website. To help focus our efforts on the areas that will have the most impact for our audiences, we began with a research and discovery phase, which was completed in April 2023.

Our research and discovery looked at how the new website can help address key priorities such as reducing our fitness to practise caseload and supporting the workforce to deliver safe, kind and effective care. It also focused on barriers people face, and how navigation and language affect users.

We want to create a one-stop-shop for the public to access information and services with a streamlined and informative fitness to practise referral process. We also hope to empower nurses, midwives and nursing associates by improving access to our resources and services to ensure the best possible care for people, through integration of relevant standards in their daily work.

Using our insight and data

Ensuring our regulatory processes are fair for everyone

All nursing and midwifery professionals and students should be able to work and learn free from bias and discrimination. Our research indicates that this is not currently the case. As well as the devastating impact this has on professionals, we know from wider research that fair treatment of staff is linked to better care for members of the public and people who use services. Inequalities in the health and care sector and wider society directly impact the provision of effective, person-centred care, and in order to fulfil our regulatory role we need to hold ourselves and partners accountable for our part in these disparities.

Since 2019 we have been examining the impact of our regulatory processes on professionals with different diversity characteristics. In August 2022, we published the findings from the second phase of our **Ambitious for Change research**.

Since then, we have developed a targeted action plan to focus our interventions in the places they will have the most impact, which is likely to mean localised engagement in particular areas of the UK and in particular health and social care settings. In addition, we will continue to monitor our data to gain insight into equality differences across the four countries, and we will seek to engage stakeholders across the UK to influence sector-wide change.

Our ability to monitor impacts on people with different diversity characteristics is dependent on the data we have. We are looking at the equality, diversity and inclusion data we collect, to help us regulate well and be a good employer. As part of this we are considering whether we need to make changes to the data we collect about different audiences. Having the right EDI data helps us to identify and address discrimination and inequality, promote equality, support discussions about the health and care workforce, and foster good relations between different people and groups, in line with our Public Sector Equality Duty.

Implementation of Welsh language standards

The Welsh Language Standards (No.8) Regulations 2022 (WLSR) came into force on 31 October 2022 and apply to all healthcare regulators. Once implemented at the end of 2023, they will ensure that we treat the Welsh language no less favourably than English and will enable our colleagues to better understand and meet the needs of Welsh speakers.

We have analysed the impact of these changes on all our functions and have developed an implementation plan to ensure we meet the compliance deadline. We have met the Welsh Language Commissioner's Office to discuss the detail of the Standards and to ensure that the application of the standards is both reasonable and proportionate. We have also met regularly with the other healthcare regulators to share learning and ensure a consistent approach to compliance wherever possible for the benefit of the public.

Enhancing our regulatory impact

Corporate commitment:

Improve our insight and use it to enhance our regulatory impact and influence in the sector.

We rely on evidence and insight to ensure that our approach to regulation supports safe, effective and kind nursing and midwifery practice that improves everyone's health and wellbeing. Ahead of new developments in our regulatory policy or our standards, we undertake and commission evidence-gathering work, which is detailed elsewhere in this report.

We are committed to sharing our insights to spotlight issues that we know affect the quality and safety of care that people receive – such as workforce shortages. For a number of years, we have produced reports on our register which are used by stakeholders across the UK to shape their action on supply, recruitment and retention. This year, we took a closer look at internationally trained professionals on our register, in response to the big rise in the number of these professionals joining our register for the first time in 2021–2022. The report can be found **here**. This highlighted that professionals were still being recruited from 'red list' countries: countries from which active recruitment is prohibited by the UK Government because of healthcare workforce challenges in these countries. The data supported discussions with partners on ethical recruitment.

We have committed to using our insight and intelligence to influence the wider health and social care system. To help achieve this, in 2023 we will publish our first annual insight report. It will capture insight and learning from different projects, drawing out the impact on our processes and any implications for the wider health and social care system.

We have also continued to collaborate with the General Medical Council and the Care Quality Commission on the development of a shared data platform which helps us to jointly identify potential regulatory concerns and so protect the public more effectively. During the year, we signed a revised data sharing agreement which broadens data sharing to cover all settings (previously covering maternity services only).

Employer link service

During 2022–2023, our Employer Link Service (ELS) has continued to support and strengthen relationships with employers and other professional and system regulators. By building strong relationships with employers, we can identify risks as early as possible and support employers to manage concerns locally where appropriate. We know that local investigation and resolution is generally the best way to deal with concerns: employers can intervene directly and quickly in a professional's practice and do so in a more targeted way, leading to better outcomes for those they care for.

In 2022–2023, we continued to focus on providing support for employers to manage potential fitness to practise concerns about nurses and midwives across all countries, and nursing associates in England. Our Regulation Advisers have provided advice that supported local resolution of concerns and avoided inappropriate referrals into fitness to practise processes. This advice is provided either through regular engagement with employers or our employer advice line. We have also supported study days, conferences and webinars to discuss our processes and how to use our Code, avoid inappropriate referrals and ensure appropriate decisions are referred.

For example, in June 2022, we facilitated a webinar with employers to explain the fitness to practise process, our plans for caseload reduction and our proposals for regulatory reform.

Maternity services

Maternity services have been under intense pressure this year following significant failings reported in published investigations. In collaboration with the General Medical Council, we have delivered tailored education sessions to support health care professionals to develop the confidence and skills they need to proactively address unprofessional behaviour in the teams they work in. This will help to improve staff morale and wellbeing – and, most importantly, the safety of women, babies and their families.

We have also begun delivery of a Midwifery Matters programme which focuses on our standards, the Code and professionalism. Following positive feedback and appetite for these sessions, we will plan for expanded delivery across the UK in 2023–2024.

Supporting international professionals on our register

This year, ELS responded to the increased number of internationally educated nurses and midwives joining the register with the development of a Welcome to the UK programme. By preparing professionals for the cultural and ethical differences of working in the UK and raising awareness of our role and what it means to be regulated in the UK, we hope to improve retention, the professional's experience and, most importantly, the care they provide. We have piloted five sessions this year in England and Northern Ireland. The sessions have been well received and we have shared insights with employers and the Chief Nursing Officers.

"I think with everyone engaging and undertaking these conversations we can change for the better."

Professional Behaviours and Patient Safety workshop attendee

Learning from complaints and incidents

Complaints matter to us. Each time an issue is raised by a person using our services it provides us with an important opportunity to learn and improve.

We identified 127 learning points from complaints made to us in 2022–2023 (2021–2022: 230) which we used to improve our service. Here are three examples.

- **Delays in fitness to practise cases:** We continue to receive complaints from referrers, witnesses and professionals on our register who are involved in fitness to practise cases that have not been progressed in a timely manner. The issue of aged cases is being addressed through the Fitness to Practise Improvement programme.
- **Overseas registration applications being delayed due to issues with making payments:** Wherever possible our International Registration Team support customers to resolve the underlying causes of this matter.
- **Complaints that we have not made reasonable adjustments for people sitting their Objective Structured Clinical Examination:** We have strengthened our processes to ensure that reasonable adjustments are made for candidates when appropriate.



In 2022–2023, we received 1,280 formal complaints (2021–2022: 1,610).



We responded to 1,163 (91 percent) of these within 20 working days (2021–2022: 92 percent within 20 working days)

We received 44 (2021–2022: 31) complaints from parliamentarians, including members of the UK Parliament and devolved legislatures in Scotland, Wales, and Northern Ireland. Although we acknowledge receipt as quickly as we can, given the complex nature of these enquiries we sometimes take longer than 20 working days to provide a substantive response. Of the 44 complaints we received in 2022–2023, we responded to 32 (73 percent) within 20 working days (2021–2022: 18 cases, 58 percent). Further work is underway to improve the timeliness of our responses.

We aim to handle any complaints about the service we have provided in a fair and timely way, treating those who raise complaints with respect and listening to their concerns. Following our response, 21 people remained unhappy (2021–2022: 53). We therefore reviewed our handling of their complaint and responded in an average of 17 working days (2021–2022: 13 working days).

We continue to focus on improving the performance of our Customer Enquiries and Complaints Team. We have embarked on a project to improve our handling of particularly complex complaints and introduced new case conferences to manage these.

We have continued to participate in the Inter-Regulatory Healthcare Complaints Forum and the Parliamentary and Health Service Ombudsman's Complaints Standards Framework Working Group to share best practice on complaints handling. Our Head of Customer Enquiries and Complaints has also presented on responding to complaints with kindness at the NHS Complaints Summit.

"I like the fact that you gave a listening ear to my complaint and also pinpointed exactly what the problem was. I really appreciate that."

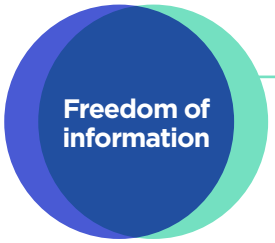
A person who made a complaint

Freedom of information and data protection

We are committed to being as open and transparent as possible, while adhering to our legal obligations under freedom of information and data protection legislation.

This includes people's right to access their personal information, and the right to challenge the way we use and process their personal data.

We also respond to third-party disclosure requests from organisations such as the police and the Disclosure and Barring Service and Disclosure Scotland, with whom we can share personal information if there is a legal basis for disclosure.



326 requests received (2021–2022: 328) 88 percent (2021–2022: 79 percent) responded to within statutory 20 working days.



350 requests received (2021–2022: 272) 90 percent (2021–2022: 72 percent) responded to within a statutory one calendar month.



1,059 requests received (2021–2022: 915) 95 percent (2021–2022: 90 percent) responded to within a statutory one calendar month.



1,609 out of 1,735 (2021–2022: 1,278 out of 1,515) 93 percent (2021–2022: 84 percent).

Our performance against statutory deadlines has improved throughout 2022–2023, but we recognise there is still more to do to improve timeliness of our handling of large data subject access requests. We have adjusted our resourcing model to handle these cases more effectively.

If someone is unhappy with how their request for information has been handled, they can request an internal review.

We received a total of 29 requests for internal reviews during 2022–2023 (2021–2022: 23). This is proportionately low – only two percent of cases.

Of the people who remained dissatisfied following the outcome of their internal review and referred us to the Information Commissioner's Office (ICO), there were no cases that the ICO chose to investigate beyond initial enquiries. In one case we were asked to revisit our disclosure decisions, which we did and gave a revised response.

Preparing for regulatory reform

We have continued to work with the UK Government to develop a new legal framework that will modernise how we regulate. We have long called for modernisation of our legislation, which is now over 20 years old, and we are pleased that the UK Government has made significant progress in developing its proposals to deliver this. We see this as a once-in-a-generation opportunity to establish modern, flexible legislation that allows us to act swiftly and fairly for the benefit of people and their families, and nursing and midwifery professionals.

Key benefits that regulatory reform will bring include:

- the ability to change and flex our regulatory requirements and processes more quickly by being able to approve our own regulatory rules instead of relying on Privy Council approval
- giving us the tools to ensure that all our processes are clear, efficient, person-centred and proportionate
- having a register of professionals that is clearer and easier for people to understand and ensuring that our protected titles and enforcement powers are fit for purpose
- strengthening our quality assurance of nursing and midwifery education by taking evidenced and proportionate action to maintain safe learning environments
- acting more rapidly to protect the public if someone cannot meet our Code and standards.

In February 2023 the UK Government launched a consultation on draft legislation that would bring anaesthesia associates and physicians associates into regulation by the General Medical Council. This legislation will act as the template for wider legislative reform, including our own. For this reason, we have worked closely with the UK Government and other regulators to make sure this legislation would work for us. We have responded to this consultation and worked with our key stakeholders to encourage them to take part.

At the same time, we have also been undertaking development work to explore how we can use the increased flexibility to modernise our processes and policies, including drafting a set of new rules which set out how our new processes would work. Throughout our work in this area, we have been assessing the potential impact on different groups to ensure that we maximise opportunities to promote equality.

The UK Government has now committed to working with us and a small group of other regulators to develop the next stage of reform. We believe we are well placed to take a leading role in this and for our legislation to be developed as a priority.

Fit for the future organisation

Corporate commitment:

Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy.

To ensure we are supporting our colleagues and have the capabilities to achieve our strategy, in April 2022 we begin implementing a People Plan to make us a more inclusive employer that attracts the best talent, develops colleagues and ensures everyone is appropriately rewarded.

During 2022–2023 we have improved our ability to attract, recruit, retain and develop a more diverse and skilled workforce through the actions outlined below.

- We have implemented our new hybrid working policy, whereby colleagues are offered a permanent flexible approach to how they work; with the expectation that only part of the week should be in an office, where appropriate.
- We launched a new resourcing process and applicant tracking system to create a better candidate journey and better routes for internal career progression and development.
- We introduced a new learning management system and have developed proposals for ensuring all our leaders and managers are trained in NMC Management Essentials. This will be complemented by the implementation of a more regular (quarterly) review of objectives via a new, online appraisal system. The new process is intended to support reflective discussions between managers and colleagues about performance and development.
- We engaged colleagues on proposals for a new pay structure and pay policy, including how colleagues progress along a pay range. This responds to concerns from colleagues about the competitiveness of our pay and reward offer and the fairness and transparency of our approach.

Key EDI developments

Employee networks form an integral part of the NMC's commitment to tackling inequalities and creating an inclusive workplace culture. They help to promote organisational values, provide a safe place for colleagues to raise concerns and access peer support. We have taken steps to formalise the contribution of networks through agreeing protected time so we can test our approach with network representatives and incorporate their feedback in corporate developments. We also provide targeted learning and development, sending a strong message to the organisation that the contribution of networks is supported and corporately recognised. We have also developed a guidance toolkit to support the effective operation of the NMC's employee networks.

In order to address our pay gaps, we have focused on recruitment and building the capability and confidence of colleagues on EDI. We have piloted inclusive recruitment training, drawing on colleague feedback to ensure it is shaped to the needs of the NMC. This has been delivered to support the implementation of our new applicant tracker system. This system, which is designed to reduce bias in the selection process, is also enabling us to gather better data at all stages of the recruitment process and identify where disparities are present in our processes. This will help us to focus future interventions where they are most needed.

EDI is a key focus of our new management essentials training course. The course will ensure managers are confident and equipped to role model and embed best practice, enabling them to continually improve inclusivity and equality throughout a colleague's journey at the NMC.

These activities are supporting us to address discrimination and inequality within the NMC and make positive culture changes. In turn, this will enable us to develop our EDI leadership role outside the NMC: strengthening our ability to tackle discrimination and inequality in the wider workforce, and the negative impact this has on the health outcomes of people and communities.

Key statistics

Employee turnover at 31 March 2023: 12.8 percent (11.8 percent at 31 March 2022). This was an expected increase after the easing of the Covid-19 pandemic which led to a candidate-driven labour market. The London average turnover rate is 12 percent so we are in line with the wider environment.

Overall sickness absence for 2022–2023: 2.9 percent (2.9 percent for 2021–2022). The three highest recorded reasons for absence remain the same as last year – mental health-related absence, minor illness and Covid-19.

Turnover of new starters leaving within six months of joining at 31 March 2023: 9.4 percent (14.3 percent at 31 March 2022). We believe this is primarily due to the candidate-driven market, but will continue to explore the reasons for this and will aim to further reduce turnover within six months of joining in the coming year. To help achieve this, we have reviewed our exit interview framework and added new questions, including questions specifically focused on EDI, which will strengthen our understanding of colleagues' reasons for leaving the NMC.

Headcount at 31 March 2023: 1,151 (1,132 at 31 March 2022).

Corporate commitment:

Improve the way we are structured so that we can deliver our strategy.

During 2022–2023, we undertook initial development work on a target operating model to help us deliver our strategy as effectively as possible. This work focused on changes we could make within our current model as well as more fundamental organisation-wide changes. To ensure effective use of resources, we decided to pause discussions on an organisation-wide target operating model until 2024, ahead of our next strategy. To help us deliver our current strategy, we have developed principles to guide targeted structural changes, which are identified through mechanisms such as directorate and priority reviews.

During 2022–2023, the findings of the directorate and priority reviews have been used to develop capability and ways of working across the NMC.

For example, in July 2022, we established the Change and Continuous Improvement function. Establishing the function moved us from a distributed change and improvement management structure to a centralised structure; creating a centre of excellence for leading change and continuous improvement work across the organisation.

Corporate commitment:

Deliver contemporary IT through our technology improvement programme and core business to improve our efficiency.

In 2022–2023 we have continued to upgrade and improve our IT services so that our colleagues have the systems and processes they need to fulfil their roles as effectively as possible. We are investing in cloud and digital technologies to allow us to achieve this vision and ensure the organisation is fit for the future.

Technology Improvement programme

Our Technology Improvement programme is a multi-year programme designed to make it easier for colleagues to do their day-to-day jobs, enabling the organisation to be more effective in its role as a regulator. To make this happen we are investing in modern cloud and digital technologies while maintaining the security of our information and data.

While the programme has experienced some delays due to some unforeseen technical challenges, we have achieved some key successes.

- From July to August 2022, as part of the Modern Workplace workstream, we introduced new digital collaboration tools for all colleagues by implementing Microsoft 365, Teams and Windows 11. These tools have improved productivity, enhanced hybrid working and made our technology more accessible and easier to use for all.

- We have modernised the network between our sites, which supports our move to the cloud and enables faster and more robust connections for colleagues wherever they choose to work.

Corporate commitment:

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

Modernisation of Technology Services

The Modernisation of Technology Services (MoTS) programme was established in July 2018. Our vision is for our digital technology to make it easier for people to connect with us and for our colleagues to do their jobs. The technology platform we are adopting to deliver new capability is Microsoft Dynamics 365 (D365), which is a modern cloud-based system that is more efficient, adaptable and secure than our current approach to supporting technology systems.

During the first half of 2022–2023, we delivered enhancements to D365 which holds our Register. In the summer of 2022, we embarked on the final phase of the project to move the Register, and its associated processes, from the legacy system to D365.

The move is on track to complete in autumn 2023 and the Register will then be held on a safer, more secure platform ensuring it remains live and accessible to the public.

In January 2023, we made changes to our external-facing technology systems to incorporate an initial set of key changes to our English language registration requirements.

During the year we have also progressed data fixes to improve the integrity of our D365-based education quality assurance solution and will work to enhance the functionality through 2023.

Looking ahead, during 2023, we will complete the high-level design of the replacement system to manage fitness to practise cases. We will deliver prototypes ahead of the full replacement system in 2024–2025. The new system will help us to progress cases through the fitness to practise system more efficiently.

Corporate commitment:

Create modern workspaces that support wellbeing and collaboration.

During 2022–2023, we started the procurement for the key roles which will support us with the planned refurbishment of 23 Portland Place, such as the architect and construction project manager. We have also begun initial engagement with our landlord as part of the feasibility, design, and planning phase. We had planned to progress this work further but we experienced some delays due to Covid-19 and the relocation and fit-out of our new hearing venue and office space in Edinburgh.

Work will continue into 2023–2024 and beyond to create a modern, accessible and safe working environment to support our aim of a fit for the future organisation.

Corporate commitment:

Implement an NMC sustainability and environmental plan.

Improving our sustainability has continued to be a priority for us given the impacts of climate change and wider damage to the natural environment on everybody's health and wellbeing. Key areas that we have made progress in during 2022–2023 are outlined below.

- For our estate, as part of creating a fit for the future organisation, we have started the initial feasibility, design and approval phase of the refurbishment of our central London office at 23 Portland Place. We will be using the world leading science-based Building Research Establishment Environmental Assessment Method (BREEAM) benchmark as our standard for sustainability for the project. This will build on the high standards achieved in our recent refurbishment work at 10 George Street, Edinburgh where the building achieved a BREEAM 'very good' rating, and our One Westfield Avenue office which was assessed as the highly rated BREEAM 'excellent'.

- We have continued to exclude investment in companies that are significantly engaged in the production or processing of fossil fuels. Our investment policy, including our adoption of the Principles of Responsible Investment supported by the UN (UNPRI), can be found **here**.

- We have continued to monitor and encourage improvement to our carbon footprint generated by travel. As the table below shows, after a reduction in travel due to the Covid-19 pandemic, we have now seen an increase, mostly associated with attending fitness to practise hearings. As a result, where appropriate, we are looking to maximise our use of virtual hearings and encourage people to use rail rather than air travel where possible.

CO_2* tonnes	2022–2023	2021–2022	2020–2021
Flights	106	48	8
Rail	26	14	2
Hotels	37	53	8
Total	169	115	18

- In March 2023, we appointed an external partner to help us develop a robust and evidence-based sustainability plan. We had intended to develop the plan by the end of 2022–2023, but due to competing priorities we have rephased this to quarter one of 2023–2024. When selecting our partner, we carefully considered equality, diversity and inclusion both in how our partner operates and in how they will assess the EDI impacts of our sustainability plan. This is in addition to the general EDI benefits of becoming more sustainable given the higher impacts of climate change on the most disadvantaged people.

*CO_2 units are expressed in metric tonnes of CO_2e (CO_2e = carbon dioxide equivalent. CO_2e is a standardised unit of measurement which allows other greenhouse gas emissions to be expressed in terms of CO_2 based on their relative global warming potential).

Strategic plan for 2023–2025

Our commitments for the next two years aim to improve people's health and wellbeing by supporting professionals to deliver safe, effective and kind nursing and midwifery practice.

Proactive support for professionals

1. Deliver a new set of ambitious post-registration standards focusing on community nursing practice (completed in 2022).
2. Provide greater flexibility in nursing and midwifery pre-registration education and training by launching new standards for pre-registration education in the UK.
3. Review regulation of advanced nursing and midwifery practice.
4. Review revalidation requirements for nursing and midwifery professionals.
5. Implement a new data-driven and proportionate approach to education quality assurance which enables us to have a more holistic oversight of institutions and their programmes to make appropriate interventions.
6. Evaluate whether protected learning time is in line with current nursing associate standards.

Improvement and innovation

7. Reduce our fitness to practise caseload and make improvements to how we regulate to ensure that we process cases in a timely, safe, proportionate, and efficient way.
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.
9. Tackle discrimination and inequality and promote diversity and inclusion to make sure that our processes are fair for everyone.
10. Continue to ensure OSCE capacity meets demand and to explore ways of improving access.
11. Deliver policy and legislative change to enable new approaches to international registrations, including a further review of English language guidance, to ensure that it is fair.
12. Maintain the Covid-19 emergency register.

More visible and better informed

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.

14. Expand our national and local outreach to embed regulation, support, and influence at local level.

Empowering and engaging

15. Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.

Greater insight and influence

16. Improve our insight and use it to enhance our regulatory impact and influence in the sector.

Fit for the future organisation

17. Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy.

18. Improve the way we are structured so that we can deliver our strategy.

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

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

21. Create modern workspaces that support wellbeing and collaboration.

22. Implement an NMC sustainability and environmental plan.

New commitment for 2023–2024

Implement the new Welsh language standards.

Financial review

Income and expenditure

Our total income for 2022–2023 was £102.9 million (2021–2022: £100.4 million) and total expenditure was £98.1 million (2021–2022: £92.9 million). This has resulted in a net surplus of income over expenditure of £4.8 million (2021–2022: £7.5 million surplus) before the loss on our investments and the net movement on the actuarial gain and asset ceiling adjustment on the defined benefit pension scheme. After those movements, our total funds remained the same as the prior year (2021–2022: £7.0 million increase).

We had planned for a £10.1 million deficit in 2022–2023. The breakeven position is largely due to much healthier income and lower expenditure across both our core business and some of our projects. Our expenditure on programmes and projects was lower than anticipated due to timing of delivery, with some costs deferred into future years. Additionally, we also reviewed and adjusted the period over which we depreciate our IT projects. This means that depreciation of these major assets – such as our register and our case management system – better matches their expected useful lives. The adjustment from three to ten years reduced depreciation for the year by £3.8 million but has no impact on the level of our free reserves or cash.

Income from registration and application fees was £100.4 million, in line with our budget and an increase on the previous year (2021–2022: £96.8 million). This was driven by the number of nurses, midwives and nursing associates on our permanent register growing by 4.0 percent, to 788,638, and by the increase in applications from international professionals.

The continuation of both these increases in future remains uncertain in the context of an increasing age profile for the register and the general volatility in the number of international applications. The continuation of the temporary register until September 2024 will not have an impact on our fee income since the professionals on the temporary register do not pay a fee.

Our 'other income' includes £0.1 million (2021–2022: £0.1 million) from the Department of Health and Social Care (DHSC), reimbursing us for the costs of setting up and maintaining the temporary register; £0.2 million (2021–2022: £2.6 million) 'grant income' was also received from the DHSC for the costs associated with increasing Objective Structured Clinical Examination (OSCE) capacity, ensuring sufficient, timely provision to meet the increase in the number of international applicants seeking to take the Test of Competence. Most of this funding, some £0.2 million (2021–2022: £2.4 million), was passed on by us directly to the OSCE delivery centres in the universities providing the tests.

Our total expenditure of £98.1 million was £8.6 million (8.0 percent) lower than we had budgeted but increased by £5.2 million compared to 2021–2022, when our activities and costs continued to be constrained by the Covid-19 pandemic. The underspend against budget in 2022–2023 arose from several factors including slippage in recruitment to fill vacancies and some deferral in project and programme spend.

Note 5 to the financial statements sets out our fully allocated costs for each charitable activity as required by the Charities Statement of Recommended Practice (SORP). This separates out the direct costs of each activity alongside the associated support costs which have been allocated using headcount or overhead usage. The commentary that follows is based on the direct cost column before allocation of support costs.

Direct costs of fitness to practise were £48.0 million, a significant increase on £42.4 million in 2021–2022. This has been driven by additional investment in this area required to reduce our caseload swiftly and safely.

This protects the public by delivering a greater volume of more timely and more proportionate decisions, and minimises the distress for those involved, and remains our key priority. It also creates significant financial demands as we move to reducing the caseload further. This is the key driver behind our planned further investment in fitness to practise during 2023–2024 and 2024–2025. Recruitment challenges in the past two years have meant that investment in this area has been slower than anticipated and some costs have been deferred to later years. As a result, we have indicatively budgeted for deficits in the next two years as we work to reduce the caseload to pre-pandemic levels. This is made possible by our level of free reserves, an element of which has been ringfenced to fund the investment required.

The direct costs of maintaining the register were £5.5 million in 2022–2023 (2021–2022: £8.3 million).

Overall support costs (including facilities, finance, people and technology) were £32.3 million (2021–2022: £31.0 million).

Pensions

The NMC has two pension schemes: a defined benefit scheme, which was closed to new entrants in November 2013 and closed to future accrual of benefits with effect from 1 July 2021; and a defined contribution scheme, into which all new employees are auto enrolled.

NMC contributions to the defined contribution scheme are expensed in the year they are due. The assets of the defined contribution scheme are attributable to individual employees and are not, therefore, shown in our accounts.

With respect to the defined benefit pension scheme for the purposes of our accounts and in line with FRS 102, its assets are revalued to market value and independent actuaries update their estimate of the value of the liability each year. The liability is estimated as the discounted present value of the pension benefits due to members of the scheme. The estimate of the liability depends on a number of standardised actuarial assumptions including expected mortality rates, inflation and yields on corporate bonds over a number of years into the future.

During the year, the market value of the defined benefit scheme assets reduced by £26.1 million and the liability reduced by £35.6 million, resulting in the scheme showing a net surplus of £15.3 million at the end of the year.

For a number of years up to and including 2020–2021 the net position on the defined benefit scheme shown in our balance sheet was a deficit, being the difference between the value of the scheme assets and the higher value of the pension liability. However, the FRS 102 valuations as at 31 March 2022 and 2023 have shown a surplus with the value of the scheme assets being higher than the estimated liability. Legal advice has confirmed that recovery of the surplus by the NMC from the pension scheme is a very remote possibility. It could only happen once all the liabilities of the scheme have been discharged. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus". As a result this year, as last year, an asset ceiling adjustment has been applied to bring the net position to neither a surplus nor a deficit on the balance sheet.

This treatment of the surplus is only for the purposes of our accounts. The pension trustees, who are independent of the NMC, retain control over the scheme's assets and any surplus, however calculated, that relates to them.

During 2022–2023 a triennial review of the defined benefit scheme was also completed by the pension scheme trustees based on its position at 3 1 March 2022. This was carried out by the actuary reporting to the trustees and was for the purpose of defining whether the NMC still needs to contribute recovery payments to the scheme to ensure that it has sufficient funds to meet expected liabilities. As required, this was done according to actuarial and The Pensions Regulator standards rather than in line with the FRS 102 requirements used for the accounts.

The result of this valuation also showed a surplus even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer.

As a result of this triennial review also showing a surplus, the independent pension trustees have agreed with us that recovery plan payments are no longer required. Under the previous recovery plan agreed with the pension scheme trustees, we paid £1.9 million in 2022–2023. This position will be reviewed at the next triennial review as at 31 March 2025.

Investments

Nurses, midwives and nursing associates pay their registration fee either annually or quarterly in advance. Together with our free reserves, this means that we hold significant cash balances.

During 2020–2021 we moved to implement Council's investment policy, which identified a fund of £30 million to invest in stock markets for the long term. In 2022–2023 we added an additional £3 million to that investment, which has a target rate of return for the long-term fund of three percent above the Consumer Price Index (CPI) measure of inflation (CPI+3 percent) net of investment management costs.

While we recognise that investing in equities, funds and bonds carries risk, by investing through expert investment managers – whose performance is overseen and scrutinised by our Investment Committee – we expect that such investment will deliver an above-inflation return over the long term and thereby help to avoid or mitigate the need to increase our fees.

In 2022–2023, dividend and interest income from the portfolio, which is reinvested, was £0.9 million (2021–2022: £0.7 million), with an unrealised loss on investments of £1.9 million (2021–2022: £1.0 million gain) at the year end. The statement of financial activities shows investment management costs of £0.16 million (2021–2022: £0.16 million). The total value of the investment fund at the year-end is £34.7 million. This is the same as the £34.7 million we have invested in total since inception in July 2020, being £33.0 million of capital invested and £1.7 million dividend and interest income reinvested.

As the unrealised loss indicates, performance this year has been disappointing relative to previous periods, reflecting very difficult market conditions. Given recent high inflation, we would have needed an annualised growth rate of 9.4 percent since the inception of our portfolio to achieve our long-term target rate of return of CPI+3 percent to March 2023. Our actual annualised growth rate has been 3.6 percent. Nevertheless, with inflation expected to fall in the near term, there is still a reasonable prospect of being able to achieve our long term growth target in coming years.

We regularly review and update our investment policy, including its ethical and sustainability dimensions. Our current investment policy is available on **our website**.

The interest earned on our bank deposits during the year was £1.2 million (2021–2022: £0.2 million). The increase compared to the previous year is because interest rates have been significantly higher in 2022–2023 than they were in 2021–2022.

Reserves

Our reserves policy is to maintain free reserves within a target range. Free reserves are funds that are freely available to spend, so do not include restricted funds, tangible fixed assets, intangible fixed assets and amounts designated for essential future spending. We also set a minimum level for the aggregate forecast cash and investments balance over the coming financial year. The Council reviews the target range of free reserves and the minimum cash and investments balance at least annually.

The target minimum level of free reserves is set to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of the professionals on our register who finance us through the fees that they pay, and the public who benefit from our work.

In March 2023 the Council reviewed the latest position regarding the reserves policy and agreed that the target range of free reserves should remain zero to £25 million, and the minimum aggregate cash and investments balance should remain £20 million.

Our total reserves at 31 March 2023 were £76.8 million (2022: £76.3 million) and free reserves were £44.5 million (2022: £47.6 million). Although free reserves are significantly above the upper end of the target range, this reflects the need to provide for some £40 million of investment planned over the next three years. This planned investment in technology infrastructure and modernised accommodation will directly improve our service to the public and to the professionals on our register. It will also produce significant annual cash savings and reduced environmental impacts. This will be through a reduced and more environmentally sustainable accommodation footprint as well as significant process efficiencies as we enhance our case management.

The strong levels of reserves also supports the position on going concern that is set out at note 1a to the accounts.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive and Registrar
10 July 2023

Remuneration report

The Remuneration Committee's remit is to ensure there are appropriate systems in place for remuneration and succession planning at the NMC.

To fulfil this remit, the Committee considers the annual pay review for employees, as well as progress against the People Plan, any significant changes to the employee pay and grading structure or pension schemes.

The Committee approves reward packages for the Chief Executive and Registrar and Executive Directors on appointment, annual pay increases and reviews their performance annually, as well as having oversight of Executive succession planning.

The Committee also exercises oversight of Council appointment processes and recommends to Council any changes to allowances paid to the Chair, Council members, Associates and Partner members.

In reaching decisions on remuneration, the Committee considers a range of factors, including sector benchmarking and overall affordability. This year those decisions have been taken in the context of the rising cost of living, as well as pay awards for nursing and midwifery professionals and the wider public sector, and the need to ensure our approach to pay attracts and retains colleagues fairly and effectively. These decisions have been taken using benchmarking data and insight from reward consultants.

Other areas of priority focus for the Committee in the year included considering the updates on the People Plan and reviewing the effectiveness of the Associate scheme.

The National Audit Office (NAO) audits the financial aspects of this report.

Council allowances and expenses

The Council is the governing body of the NMC and has ultimate decision-making authority as described in the annual governance statement. The Council members are the charity trustees.

Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to the Chair of Council, Council members, Associates and Partner members (members of committees who are not Council members).

To manage conflicts of interest, the Council has put in place arrangements for an Independent Panel made up of external experts to assess the appropriate level of allowances. The Council has agreed that it will either accept or reduce the level of allowance recommended by the Panel but will not increase it. The Remuneration Committee is responsible for overseeing the establishment of the Independent Panel and reviewing its findings for consideration by Council.

As reported in the 2021–2022 Remuneration Report, Council considered the findings of the most recent Independent Panel on 6 July 2022. In making its recommendations, the Panel considered a wide range of evidence, including allowance levels for comparative organisations, overall affordability and pay for nursing and midwifery professionals, as well as noting that allowances had not increased since 2017. The Panel was particularly conscious of the pressures on nursing and midwifery professionals due to the impact of the Covid-19 pandemic.

In line with the Panel's recommendations, on 6 July 2022 Council agreed the following.

- A three percent uplift to the Council member annual allowance (from £14,724 to £15,166), Partner member daily rate (from £286 to £295) and Associate annual allowance (from £10,296 to £10,605). The Council agreed that changes to allowances should be backdated to April 2022.
- Committee Chairs may be paid an additional allowance from between £0 to £2,500 - this should be at the discretion of the Chair of Council based on responsibility and time spent undertaking the role.

Given that the role of Committee Chair may attract an additional allowance, in December 2022 Remuneration Committee agreed proposed changes to the appointment process. The Committee also agreed a process to support the Chair in setting any additional allowances. It was agreed that any additional allowances would be paid from 2023–2024 onwards. As such no additional allowances were paid in 2022–2023.

Allowances paid to Council members and Associates in 2022–2023 amounted to £261,237 (2021–2022: £239,542). No extra-contractual payments were made to any Council, Associate or Partner member in 2022–2023.

Allowance payments to Council members, Associates and Partner members are made through payroll, with deductions for income tax and National Insurance. Expenses directly incurred in the performance of duties are reimbursed in accordance with the Council's Travel, Accommodation and Expenses policy.

Expenses are made up of travel, accommodation, meals and subsistence, and are incurred when members are carrying out their duties. The expenses received by members vary widely due to the costs of travel and accommodation for attending meetings from home locations across the UK, including travel from Wales, Scotland, Northern Ireland and parts of England which necessitate overnight stays. They also vary because some members undertake more activities that require travel, whereas others undertake more activities that can be undertaken virtually. Where any meetings are held in London, expenses are considered to be a taxable benefit in kind. The NMC pays the income tax and National Insurance arising through a PAYE settlement agreement with HMRC. All expenses incurred by Council members and Associates are included in table 1.

When Council meetings are in London, members attend evening meals with members of the Executive and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC. The value of the benefit is shown gross, including the attributable income tax.

Method used to assess performance

The Council regularly reviews its own effectiveness. It also has an agreed policy and process in place for reviewing performance of Council, Associates and Partner members. The performance review of the Chair of the Council is undertaken by the Vice-Chairs and includes a self-assessment by the Chair, peer assessment by Council colleagues and input from the Executive. A similar process is in place for individual Council and Associate members led by the Chair, and by the Committee Chair for Partner members.

Diversity of our Council members, Associates and Partner members

Diversity data, on 31 March 2023, for our Council members, Associates and Partner members is shown below. In total there were 12 Council members, two Associates and six Partner members (31 March 2022: 11 Council members (one vacancy), two Associates, seven Partner members).

Gender

14 Female

6 Male

(2021–2022: 14 Female, 6 Male)

Ethnicity

15 White British

1 African

1 Black Caribbean

1 Indian

1 Irish

1 White British/Irish

(2021–2022: 16 White British, 2 Black African, 1 Black Caribbean, 1 White British/Irish)

Disability

18 No disability

1 Declared disability

1 Preferred not to answer

(2021–2022: 18 No disability, 1 declared a disability, 1 preferred not to answer)

More EDI data on Council members, Associates and Partner members can be found in our **EDI data tables.**

Table 1

Council allowances and expenses (subject to audit by the NAO)

	2022–2023				2021–2022			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Sir David Warren (Chair) (from 21 June 2021)	75–80	1,000	75–80	1,700	60–65	100	60–65	0
Professor Karen Cox (Deputy (Acting) Chair from 5 October 2020 to 20 June 2021)[1]	15–20	4,000	15–20	300	10–15	300	15–20	0
Sir Hugh Bayley	15–20	1,800	15–20	600	10–15	600	15–20	0
Justine Craig (from 1 May 2021 to 31 December 2021)	0	0	0	0	5–10	0	5–10	0
Claire Johnston	15–20	2,700	15–20	300	10–15	400	15–20	0
Eileen McEneaney MBE	15–20	7,800	20–25	0	10–15	600	15–20	0
Dr Margaret McGuire OBE (from 1 May 2022)	10–15	7,400	20–25	400	0	0	0	0
Robert Parry (to 30 April 2021)	0	0	0	0	0–5	0	0–5	0
Marta Phillips OBE	15–20	1,300	15–20	300	10–15	100	10–15	0
Derek Pretty	15–20	5,300	20–25	800	10–15	500	15–20	0
Anna Walker CB	15–20	700	15–20	300	10–15	0	10–15	0
Ruth Walker MBE	15–20	9,500	20–25	700	10–15	1,400	15–20	0
Sue Whelan Tracy	15–20	3,200	15–20	0	10–15	1,700	15–20	0
Dr Lynne Wigens OBE	15–20	2,500	15–20	300	10–15	1,200	15–20	0
Associates								
Jabulani Chikore (from 1 March 2023)	0–5	0	0–5	0	0	0	0	0
Tracey MacCormack (until 31 December 2022)	5–10	400	5–10	300	10–15	0	10–15	100
Dr Gloria Rowland MBE (until 31 December 2022)	5–10	400	5–10	200	10–15	0	10–15	0
Navjot Kaur Virk (from 1 March 2023)	0–5	500	0–5	0	0	0	0	0
Total	**261.2**	**48,700**	**309.9**	**6,100**	**239.5**	**6,900**	**246.4**	**100**

1. Professor Karen Cox declined to accept any additional allowance during the period she was Acting Chair of the Council (5 Oct 2020 to 21 June 2021).

2. In 2021–2022, one new Council member was reimbursed for time spent engaging in induction activities before her formal term of office began. These payments have been included in the allowances total for the individual. Payments were made using equivalent daily rates of £409 for Council members and £286 for Associates.

3. Totals subject to rounding.

Senior management team remuneration and performance assessment

The Executive is the senior management team and comprises the Chief Executive and Registrar (Chief Executive) and Executive Directors, including those in acting or interim roles. All Executive Directors report directly to the Chief Executive. No Executive Directors are members of the Council or trustees of the NMC. Remuneration details are disclosed in full for all these individuals in table 2.

The Chief Executive and Registrar is the only employee appointed directly by and accountable to the Council. The Council has delegated authority to the Chief Executive to the extent described in the Scheme of Delegation (Annexe 1 to Standing Orders, paragraphs 6–11) and reflected in the annual governance statement later in this report.

Executive performance assessment

The Remuneration Committee reviews the performance of all members of the Executive annually. The Committee reviews reports from the Chair on the performance of the Chief Executive and Registrar. The Committee also reviews reports from the Chief Executive and Registrar on the performance of the Executive Directors.

Executive remuneration

The remuneration of the Executive is approved by the Remuneration Committee annually in line with the Executive pay framework approved in 2016 and updated in 2020 to reflect the new organisational structure and Executive Director roles within this.

The Executive's remuneration for 2022–2023 was agreed by the Remuneration Committee in February 2022. In line with advice from independent executive pay advisers, the Remuneration Committee concluded that for 2022–2023 the Executive should receive a two percent pay award. This was a lower pay award than for other employees, which was three percent. The Committee agreed the Chief Executive and Registrar's request not to receive a pay award.

Andrea Sutcliffe was appointed Chief Executive and Registrar of the NMC on 14 January 2019. Her remuneration package for 2022–2023 included a base salary of £175,000, employer contributions to the NMC defined contribution pension scheme of £14,000 and benefits in kind of £818, giving rise to a total remuneration figure of £189,818.

The remuneration of the Executive team is set out in table 2. In total the Executive team (including interim Executive Directors and acting Executive Directors) were paid £1.313 million in 2022–2023 (2021–2022 £1.615 million).

When Council meetings are in London, members of the Executive team attend evening meals with Council and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC, and the value of the benefit is shown gross including the attributable income tax. The Executive team does not receive any other taxable benefits. In line with the limits and processes outlined in our Expenses Policy for Staff and Other Workers, Executive members can claim travel, accommodation and subsistence when undertaking business trips.

The NMC does not operate any performance-related pay or bonus arrangements. None of the Executive therefore received any performance bonuses.

Andrea Sutcliffe's employment contract requires notice of six months to be given by either party to terminate the contract. For Executive Directors the period is three months.

Table 2

Executive team remuneration (subject to audit by the NAO)

	2022–2023					2021–2022				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Andrea Sutcliffe Chief Executive and Registrar	175–180	800	14,000	185–190	3,100	175–180	100	14,000	185–190	1,100
Ruth Bailey[1] Executive Director of People and Organisational Effectiveness (job share) from 7 November 2022	35–40 FYE 85–90	200	1,000	35–40	0	0	0	0	0	0
Lise-Anne Boissiere[1] Executive Director of People and Organisational Effectiveness (job share) from 7 November 2022	35–40 FYE 85–90	100	5,000	40–45	300	0	0	0	0	0
Emma Broadbent[2] Executive Director of Professional Regulation 2020–2021 Executive Director April 2021 to 23 Jan 2022 Acting Executive Director of People and Organisational Effectiveness from 24 January 2022 to 30 September 2022	75–80 FYE 150–155	300	11,000	85–90	200	150–155	100	21,000	170–175	0
Sam Foster Executive Director of Professional Practice from 27 March 2023	0–5 FYE 175–180	100	0	0–5	0	0	0	0	0	0
Andrew Gillies Executive Director of Resources and Technology Services to 31 July 2021	0	0	0	0	0	45–50 FYE 130–135	0	6,000	50–55	0
Helen Herniman Interim Executive Director from 21 July to 31 August 2021 Executive Director of Resources and Technology Services from 1 September 2021	155–160 FYE 150–155	800	22,000	175–180	1,000	95–100 FYE 135–140	100	9,000	105–110	200
Lesley Maslen Executive Director of Professional Regulation from 8 August 2022	95–100 FYE 150–155	500	14,000	110–115	600	0	0	0	0	0
Matthew McClelland[3] Executive Director of Strategy and Insight	140–145	700	35,000	175–180	1,500	140–145	100	32,000	175–180	1,200
Ngozika Francesca Okosi[2&4] Executive Director of People and Organisational Effectiveness from 19 October 2020 to 28 February 2022	0	0	0	0	0	305-310	0	10,000	315–320	0
Tom Scott Interim Executive Director of Professional Regulation from 8 February 2021 to 6 May 2022	15–20 FYE 135–140	0	2,000	15–20	500	135–140	100	19,000	155–160	1,300
Jennifer Simnett Interim Executive Director of People and Organisational Effectiveness from 5 September 2022 to 31 December 2022	45–50 FYE 150–155	300	0	45–50	0	0	0	0	0	0

	2022–2023					2021–2022				
	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Salary (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Other expenses (to near est £100)
Miles Wallace[5] Acting Executive Director of Communications and Engagement from 13 December 2021	120–125	700	12,000	135–140	1,900	95–100 FYE 120–125	100	8,000	100–105	0
Geraldine Walters Executive Director of Professional Practice to 2 December 2022	115–120 FYE 165–170	400	9,000	125–130	2,100	160–165	100	13,000	175–180	800
Edward Welsh Executive Director of Communications and Engagement	130–135 FYE 150–155	200	17,000	150–155	0	145–150	0	19,000	165–170	0
Total	**1,166**	**5,331**	**141,103**	**1,313**	**11,200**	**1,463**	**726**	**150,671**	**1,615**	**4,600**

1. Ruth Bailey and Lise-Anne Boissiere have job-shared the role of Executive Director of People and Organisational Effectiveness since joining the NMC on 7 November 2022, both working 0.6FTE. Lise-Anne Boissiere is on secondment from the Department for Levelling Up, Housing and Communities until 6 November 2025.

2. For the reasons outlined in last year's report, Tom Scott was engaged as interim Executive Director of Professional Regulation to cover Emma Broadbent's absence. On her return, Emma Broadbent continued as Executive Director without portfolio, overseeing a change programme, while Tom Scott continued as interim Executive Director of Professional Regulation. Emma Broadbent assumed the role of Acting Executive Director of People and Organisational Effectiveness to cover Ngozika Francesca Okosi's absence from 24 January 2022 and continued in this role after Ngozika Francesca Okosi's departure on 28 February 2022.

3. Matthew McClelland is a deferred member of the defined benefit scheme, and details of the value of his pension benefits in 2022–2023, including 50 percent (£15,402) of an agreed transitional payment of £30,804 on the closure of the defined benefit scheme to future accruals, are shown in table 2. The transitional payment was made as a contribution to the defined contribution pension scheme and the Remuneration Committee agreed that 50 percent of the payment could be made in 2021–2022 and 50 percent in 2022–2023. Matthew McClelland's pension benefits shown above represent employer contributions to the defined contribution pension scheme.

4. Ngozika Francesca Okosi was Executive Director of People and Organisational Effectiveness until 28 February 2022, when she left the NMC. Her remuneration of £305–310k includes salary of £135–140k for the period 01 April 2021 to 28 February 2022 and an exit package of £170–180k. Her exit package is also disclosed in table 4.

5. Miles Wallace was appointed Acting Executive Director of Communications and Engagement from 13 December 2021 to cover Edward Welsh's leave due to ill health. Edward returned to work in December 2022 on a phased return to work.

6. Where salary bands are higher than the full year equivalent it is due to backdated pay rises or selling annual leave days.

7. Current directors are members of the defined contribution pension scheme, except for Sam Foster, who joined the NMC on 27 March 2023 and has not joined or been auto enrolled into the scheme as yet; Ruth Bailey, who has opted out; and Lise-Anne Boissiere, whose pension is with the Department for Levelling Up, Housing & Communities. The value of their pension benefits are the employer contributions made by the NMC into their pension funds.

8. Totals subject to rounding.

Executive remuneration for 2023–2024

The Remuneration Committee considered Executive remuneration for 2023–2024 in February 2023. The Committee's consideration was informed by external benchmarking evidence and overall affordability. The Committee made the following decisions:

- The Committee approved a four percent increase for each Executive Director, including acting Executive Directors and interim Executive Directors, with effect from 1 April 2023, which was slightly lower than the five percent recommended for employees.
- The Committee agreed to an additional increase for the Chief Executive and Registrar as their salary had fallen behind the market rate for the role as the holder had previously rejected their annual increase for four years. The Committee also agreed to an additional increase for the Executive Director of Strategy and Insight to ensure that their salary was in line with all other Executive Directors.
- The Committee agreed to align the annual leave entitlements of all staff. During 2022–2023, there were three members of the Executive team who were entitled to thirty-three days of annual leave; compared to the rest of the organisation and Executive team who were entitled to thirty days. In aligning their annual leave entitlement with the rest of the organisation, as a compensation agreement for these three individuals, the Committee agreed to a one-off transition payment of the individuals' day rate for 3 days.

Off payroll engagements and exit packages

In line with HM Treasury requirements, information must be published on highly paid and/or senior off payroll engagements at the year end, and the number and cost of exit packages agreed and paid during the year and the prior year. None of the Council or the Executive team are engaged off payroll. All off payroll engagements are assessed using the Government's employment status for tax calculator to identify the correct method of engagement.

Table 3

Off payroll engagements

Off payroll engagements as of 31 March 2023, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2023	0
Of which:	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
For all new off payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023	2
Of which:	
Number assessed as within IR35	1
Number assessed as outside IR35	1
Number engaged directly and are on the payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	1

Table 4

Exit packages (subject to audit by the NAO)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Number of departures where special payments have been made	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Less than £10,000	5	2	-	-	5	2	-	-
£10,001 – £25,000	2	1	2	-	4	1	1	-
£25,001 – £50,000	1	1	-	-	1	1	-	-
£50,001 – £100,000	1	-	-	2	1	2	-	1
£100,000 – £150,000	-	-	-	-	-	-	-	-
Greater than £150,000	-	-	-	1	-	1	-	1
Total number of exit packages	**9**	**4**	**2**	**3**	**11**	**7**	**1**	**2**
Total cost £	**137,761**	**63,280**	**39,641**	**316,906**	**177,402**	**380,186**	**23,500**	**182,804**

As noted in table 4, one special payment was made to a colleague departing the organisation in 2022–2023. Special payments refer to special severance payments paid to employees and others that are above normal statutory or contractual requirements when leaving employment, whether they resign, are dismissed or reach an agreed termination of contract. In accordance with governance arrangements approved by the Council, the Remuneration Committee is responsible for approving such payments in accordance with criteria agreed by the Council.

On the basis of the information provided by the Executive, the Remuneration Committee was satisfied that, in the exceptional circumstances presented, approval was justified and defensible.

Remuneration and performance assessment of other employees

All employees have a six-month probation period on commencing employment and a notice period of one to three months, depending on their grade.

The remuneration of all employees is reviewed annually taking into account a range of information including employee turnover, recruitment activity and retention trends, benchmarking data and overall affordability. Based on this information, the Council approved a standard rate increase in pay for all eligible employees of three percent with effect from 1 April 2022.

In November 2022 the Council agreed to make a one-off payment to all eligible employees (excluding executives) to address the rapidly rising cost of living. This equated to a £750 non-consolidated payment.

For 2023–2024, the Council approved a standard rate increase in pay for all eligible employees of five percent with effect from 1 April 2023. This increase has also been applied to the minimum and maximum values of each of the staff pay grades introduced in October 2019. The Council approved this investment as evidence from benchmarking and reward consultants had confirmed that our pay ranges had fallen behind comparative organisations.

As part of the People Plan and total reward project, we have also conducted a review of our total reward offering using external consultants. Following their recommendations, we have implemented some changes from April 2023 to our pay scales including narrowing the ranges and introducing a pay progression methodology for employees to progress through their pay range which is being achieved through the introduction of pay increments. This will ensure that even the lower end of our pay ranges remain competitive to the external market, address colleagues' current concerns around the lack of pay progression and reduce the possibility of any equal pay issues occurring in future years. This work will cost an additional 2.3 percent of current salary budget and was implemented in April 2023.

Our performance and development review process operated as in previous years, with annual objectives set for the coming year in May with a mid-year review and appraisal at year end. This process is not currently linked to pay however we are planning to link them to pay from April 2024.

In October 2022, we recognised UNISON as the trade union with which we will engage on agreed matters, including pay, terms and conditions of employment and ways of working.

Pension arrangements

Up until 30 June 2021, we had two active pension schemes: a defined benefit pension scheme and a defined contribution scheme.

Employees who joined the NMC before November 2013 were able to join the defined benefit pension scheme. The scheme was closed to employees joining the NMC after 1 November 2013. On 23 March 2021, following a consultation, the Council approved closure of the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. This achieved the objectives of harmonising benefits for all colleagues, reducing the NMC's exposure to financial risk and enabling costs to be redirected to other expenditure.

Our current active pension scheme is a defined contribution pension scheme. Employees can opt to contribute to this scheme by salary sacrifice. Employees in the scheme contribute a minimum one percent of their salary which is matched by the NMC contributing eight percent (2021–2022: eight percent). From 1 April 2021, the NMC matched additional employee contributions up to a maximum total employer contribution of 14 percent. To receive an employer contribution of 14 percent, an employee would need to contribute at least seven percent. We encourage and support colleagues to reflect on how to best plan for their retirement and ensure they are taking full advantage of our pension scheme. At 31 March 2023, 1,022 employees (94.2 percent) were members of the defined contribution scheme (31 March 2022: 990, 92.9 percent).

Further information about remuneration and pensions is contained in notes 9 and 19 to the accounts.

NMC grading structure and pay differentials

Table 5

Employees by grade and gender on 31 March 2023

Pay Level	Male		Female	
	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues
1–4	12.3	133	34.4	373
5–7	15.1	163	26.3	285
8–11	3.7	40	7.5	81
Executive Directors, including interim/ acting	0.3	3	0.4	4
Chief Executive and Registrar (CE & R)	0.0	0	0.1	1
Total employees	**31.3**	**339**	**68.7**	**744**

Table 6

Employees by grade and ethnicity on 31 March 2023

Pay Level	White		BME		Undisclosed or prefer not to answer	
	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues
1–4	15.9	172	24.7	268	6.1	66
5–7	23.5	254	13.1	142	4.8	52
8–11	8.5	92	1.9	21	0.7	8
Executive Directors, including interim/ acting	0.5	5	0	0	0.2	2
CE & R	0.1	1	0	0	0	0
Total employees	**48.4**	**524**	**39.8**	**431**	**11.8**	**128**

Fair pay disclosures (subject to audit by the NAO)

Remuneration in the following calculation is based on annualised, full-time equivalent salary of all staff (not including contractor and agency staff) as at the reporting date. It does not include paid annual leave, employer pension contributions, taxable expenses or the cash equivalent transfer value of pensions.

The highest paid permanent employee in the NMC on 31 March 2023 is the Executive Director of Professional Practice, Sam Foster, and we have used her salary as the comparator when calculating the differential to the lower quartile, median and upper quartile remuneration of NMC employees.

- The highest salary in 2022–2023 (Sam Foster: £176,000) was £1,000 more than the highest salary in 2021–2022 (Andrea Sutcliffe, Chief Executive and Registrar: £175,000). When taking employees of the entity as a whole (excluding the highest paid director), the change in average salary from 2022–2023 to 2021–2022 was an increase of 5.17 percent due to the salary increase for all eligible employees - as part of the April 2022 pay review, where the average increase was 4.3 percent - and the increased demand in salaries from external candidates due to the more competitive recruitment market. No employees received performance pay or bonuses in either the current or previous financial year. On 31 March 2023, the range of remuneration at the NMC was £20,395 to £176,000 (on 31 March 2022: £19,000– £175,000).
- In 2022–2023, Sam Foster's remuneration was 4.37 times the median remuneration of NMC employees, which was £40,237. In 2021–2022, Andrea Sutcliffe's remuneration was 4.76 times the median remuneration of NMC employees, which was £36,792. This represents a 0.39 decrease in the median remuneration gap year on year. The median remuneration salary has increased since 2021–2022 as a result of the annual pay review and progression increase agreed in April 2022.
- In 2022–2023, Sam Foster's remuneration was 5.68 times the lower quartile remuneration of NMC employees, which was £31,000. In 2021–2022, Andrea Sutcliffe's remuneration was 5.85 times the lower quartile remuneration of NMC employees, which was £29,910. This is a 0.17 decrease in the lower quartile remuneration gap year on year. This was due to the focus on our lowest paid employees receiving the greatest increase in the April 2022 annual pay review.
- In 2022–2023, Sam Foster's remuneration was 3.07 times the upper quartile remuneration of NMC employees, which was £57,418. In 2021–2022, Andrea Sutcliffe's remuneration was 3.18 times the upper quartile remuneration of NMC employees, which was £55,000. This represents a 0.11 decrease in the upper quartile remuneration gap year on year. The upper quartile remuneration salary increased since 2021–2022 as the proportion of employees in higher grades has increased.

Pay gap reporting

Since 2017, legislation has required us to publish our gender pay gap data; in addition, since 2020 we have also voluntarily published our ethnicity and disability pay gap data. This data provides insight into where we need to improve in order to offer inclusive employment opportunities regardless of gender, ethnicity and disability. We have used the same methodology used for gender pay calculations to calculate both our ethnicity and disability pay gaps.

Our 2023 pay gap data is shown in the table below with 2022 data for comparison. A copy of our 2022 results can also be found in the **Pay Gap Report 2022**.

Pay gap	As at 5 April 2023	As at 5 April 2022	UK average for 2022[1]
Gender - Mean	8.1%	6.2%	11.8%
Gender - Median	14.6%	12.7%	11.8%
Ethnicity - Mean	27.5%	25.5%	Insufficient declarations to calculate accurate figures.
Ethnicity - Median	39.7%	27.1%	
Disability - Mean	-6.1%	-4.4%	
Disability - Median	-7.8%	-11.8%	

Our pay gap data tells us that in 2022–2023 we have appointed more females and colleagues from a minority ethnic background in lower graded roles without increasing the representation of females and colleagues from a minority ethnic background in senior roles and this has widened our gender and ethnicity pay gaps. A detailed narrative on NMC pay gaps for 2023 and the actions we plan to take to address them will be published in our pay gap reports. These will be considered by Council in September 2023, ahead of publication.

2022–2023 has seen initiatives such as the development of a comprehensive management training programme with EDI embedded throughout, inclusive recruitment training, a new anonymised recruitment system and a remodelling of our pay and rewards. This will lay the foundations to close these gaps. We are also refreshing our People Plan to ensure there is stronger alignment between our commitments to reduce our pay gaps and our people-related improvement priorities.

[1] Ethnicity pay reporting: guidance for employers - GOV.UK (www.gov.uk)

Gender pay gap

Our mean gender pay gap at 5 April 2022 was 6.2 percent. At 5 April 2023 this had increased to 8.1 percent. This is a result of organisational growth and recruitment in 2022–2023 which has seen an overall increase in the proportion of female colleagues in lower graded roles.

Our People Plan launched in April 2022 and our EDI Plan was published in September 2022. Both set out how we will improve our processes where there is evidence of bias or unequal outcomes. This includes embedding EDI into our Management development programme and a focus on inclusive recruitment. In autumn 2022 we launched a hybrid working policy. Using insights from our data we know that the majority of parents and carers are female. The hybrid working policy enables colleagues to work in a more flexible way which we hope will support career progression.

Ethnicity pay gap

Our mean ethnicity pay gap (calculated in line with the recently published BEIS guidance for employers[2]) at 5 April 2022 was 25.5 percent. Our 2023 figures show that this has increased to 27.5 percent. Our analysis shows that as we have grown as an organisation, we have recruited more candidates from a Black and minority ethnic background to roles in our lower grades without increasing representation in more senior roles, therefore increasing our pay gap.

We are committed to taking meaningful action and have already taken some important steps based on what we have learned. One such action is through our Rising Together mentoring programme. Rising Together is designed to build a culture encouraging collaboration, fairness, and inclusivity to enable all colleagues to realise their potential. It creates an opportunity for colleagues to receive mentoring support, thereby enabling them to progress in their careers and achieve professional growth. The programme aims to support colleagues to understand the importance of embedding diversity and inclusion in processes and ways of working. It also aims to equip our leaders and managers with the ability to improve the experience of colleagues and be accountable for achieving positive results. The programme is now in its third year and has seen participant numbers increase year on year. 41 percent of mentees and 11 percent of mentors on the 2022-2023 programme have moved into an internal secondment or promotion.

We have also implemented a new recruitment applicant tracking system which is enabling us to better identify where barriers and areas for improvement might exist in our current recruitment process. This has been supported by the development of inclusive recruitment training and forthcoming targeted training and support for colleagues on building their career and completing job applications.

[2] Ethnicity pay reporting: guidance for employers - GOV.UK (www.gov.uk)

Disability pay gap

Our mean disability pay gap at 5 April 2022 was -4.4 percent, and as at 5 April 2023, it stands at -6.1 percent. This means that colleagues who have told us they are disabled are on average paid more than people who have not. We recognise that under-reporting of disability in the workforce may be a cause of the inverse disability pay gap here, as our data shows that people in our top pay quartile are almost twice as likely to tell us they are disabled as colleagues in our bottom pay quartile.

21 percent of our lowest paid colleagues have not shared any monitoring data about whether they are disabled or not, compared to 8 percent of our highest paid colleagues. We have taken steps, with the support of our Workaround network, to increase the number of colleagues sharing diversity monitoring data, with a particular focus on disability. This has increased the proportion of colleagues who have told us they are disabled from 7.7 percent to 9.8 percent. We will continue to take steps to ensure that all colleagues feel confident to share this information.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive and Registrar
10 July 2023

Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts

The Nursing and Midwifery Order 2001 requires that annual accounts are prepared and audited. The Council and its Chief Executive and Registrar (as Accounting Officer) handle the preparation and approval of the accounts.

The accounts are prepared following the determination received from the Privy Council which requires the accounts to be prepared in accordance with the Charities Statement of Recommended Practice Accounting and Reporting (SORP) revised 2019 and that the accounts also comply with the applicable law and accounting standards issued (Appendix 1).

The law applicable to charities registered in England and Wales and Scotland requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its net movement in funds for that period. In preparing these accounts they must:

- observe the applicable accounts determination issued by the Privy Council
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates on a reasonable basis
- prepare the accounts on a going concern basis unless it is inappropriate to presume the Council will continue in operation
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.

The Council and its Chief Executive and Registrar are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Council and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Nursing and Midwifery Order 2001. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Privy Council has appointed the Chief Executive and Registrar as Accounting Officer for the Nursing and Midwifery Council. In her capacity as Accounting Officer, she is responsible for the execution of the Council's obligations under section 52 of the Nursing and Midwifery Order (as amended). In doing so, she is asked to consider the principles set out in Chapter 3 relating to the responsibilities of Accounting Officers and wider guidance contained in Managing Public Money (HM Treasury, 2013, with annexes revised March 2018).

So far as we know, there is no relevant audit information of which the NMC's auditors are unaware. We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the NMC's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Principal place of business

The NMC works across England, Northern Ireland, Scotland, and Wales. Its principal place of business is:

23 Portland Place
London, W1B 1PZ

Advisers

Independent External Auditor:

HW Fisher LLP, Acre House,
11–15 William Road,
London NW1 3ER

Bankers:

HSBC Bank Plc Space One, Floor 2
1 Beadon Road,
London W6 0EA

Statutory Auditor:

Comptroller and Auditor General,
National Audit Office,
157–197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Investment Managers:

Sarasin & Partners LLP, Juxon House,
100 St Paul's Churchyard, London
EC4M 8BU

Internal Auditor:

RSM Risk Assurance Services LLP,
25 Farringdon Street,
London EC4A 4AB

Solicitors:

Capsticks Solicitors LLP,
1 St Georges Road,
London SW19 4DR

Mills & Reeve LLP,
24 King William Street,
London EC4R 9AT

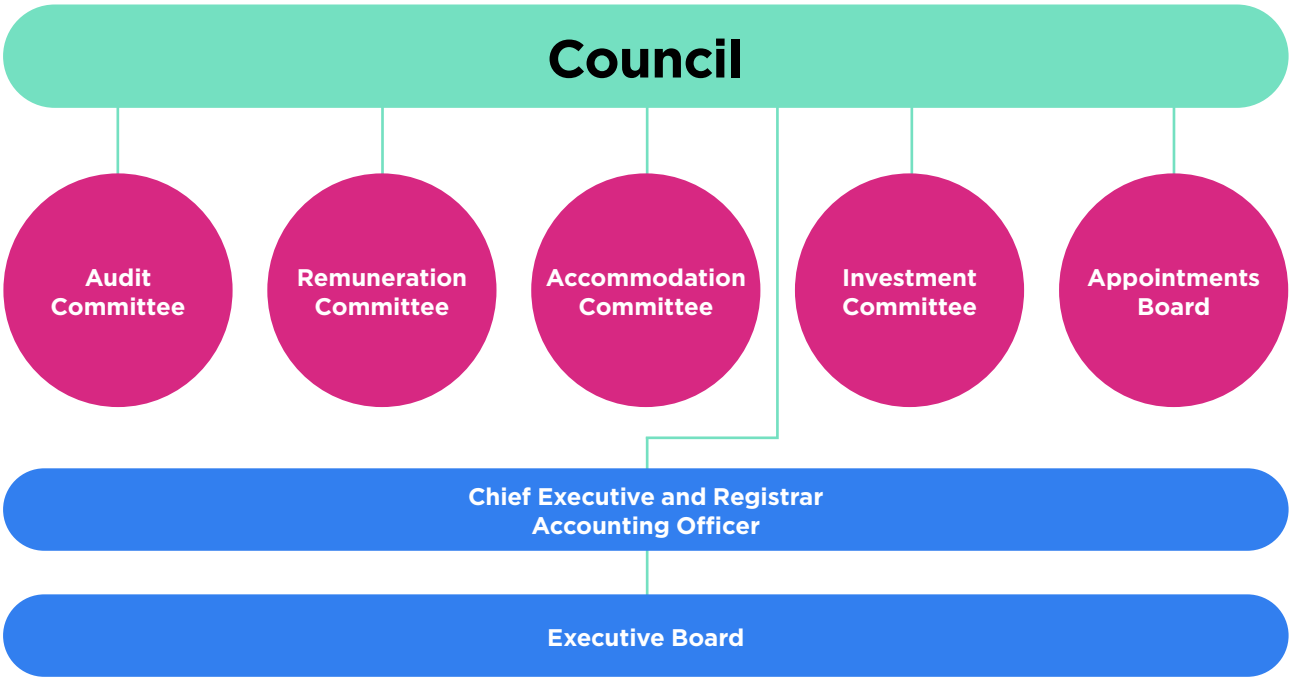
Addleshaw Goddard LLP,
60 Chiswell Street,
London EC1Y 4AG

Trowers & Hamlins LLP,
3 Bunhill Row,
London EC1Y 8YZ

Annual governance statement

We are an independent statutory body. Our statutory objectives and responsibilities are set out in the Nursing and Midwifery Order 2001, as amended (SI 2002/253), (the Order).

We are also a registered charity; registered in England and Wales (1091434) and in Scotland (SC038362). Our charitable object reflects our overarching statutory objective: to protect and safeguard the health and wellbeing of the public. The Council takes account of Charity Commission (CC) and Office of the Scottish Charity Regulator (OSCR) guidance in making decisions; throughout this report we explain how our work demonstrates public benefit.



The Council

The Council is our governing body and the Council members are the charity trustees. Members of the Council are collectively responsible for ensuring that the NMC is well-run, solvent and delivers public benefit.

The Council's remit is to (a) set our strategic direction and corporate objectives, in line with our core purpose; (b) ensure effective systems are in place for managing performance and risk; and (c) maintain probity in, and public accountability for, the exercise of our functions and the use of funds. Our Scheme of Delegation sets out which matters can only be decided by the Council.

The Council is made up of 12 members of which half must be professionals on our register and half must be lay members, as set out in the **Nursing and Midwifery Council (Constitution) (Amendment) Order 2008 (SI 2008/2553)**. Lay members are people who have never been a registered nurse, midwife or nursing associate. As a UK-wide regulator, the Council's membership must include at least one member who lives or works wholly or mainly in each of England, Wales, Scotland and Northern Ireland.

As noted in the performance review section, regulatory reform is likely to result in significant changes to the composition of Council, as well as supporting policies and processes.

All changes will form part of the Department of Health and Social Care's reform programme and will be subject to consultation, and are not expected to take effect until April 2025 at the earliest. To ensure we are well prepared for the changes, during 2022–2023 we have progressed preparatory work to ensure potential changes to our governance structure and Council composition can be implemented effectively.

The Chair and members of the Council are appointed by the Privy Council, following open and competitive selection processes. The Privy Council receives assurance from the Professional Standards Authority for Health and Social Care (PSA) on the robustness of our appointment or reappointment processes.

During 2022–2023, the following appointments or reappointments took place:

- Dr Margaret McGuire took office as the Scotland Council member on 1 May 2022, replacing Justine Craig who stepped down from her role on 31 December 2021 following her appointment as Chief Midwifery Officer for Scotland.
- Claire Johnston was reappointed for a second term from 1 May 2022.
- Sir Hugh Bayley, Marta Phillips and Professor Karen Cox left the Council when their second terms ended on 30 April 2023. Lindsay Foyster and Nadine Pemberton Jn Baptiste took office on 1 May 2023. The selection process for a registrant Council member did not result in a recommendation for appointment. The process will be re-run in 2023.
- Ruth Walker was appointed as Vice-Chair (registrant), following Professor Karen Cox's departure. Derek Pretty remains Vice-Chair (lay).

Council Associate scheme

The Council established an Associate scheme in July 2020 (Standing Orders, paragraph 3.7) to provide opportunities for individuals with the potential to develop the skills and expertise needed to be Non-Executive Directors. Associates are involved in all aspects of the Council's work in a similar way to appointed Council members but are not trustees. The majority of Council decisions are made by consensus but on the rare occasion of a decision by formal vote, Associates do not participate.

To assess its effectiveness and identify learning we undertook a phased evaluation of the first iteration of the scheme. The Remuneration Committee considered the findings from the second phase of the evaluation in February 2023, which concluded that overall the scheme was operating well with some learning points which are being actioned.

The terms of the first two Associates, Dr Gloria Rowland and Tracey MacCormack ended on 31 December 2022. Following an open and competitive appointment process, Jabulani Chikore and Navjot Kaur Virk took office as Associates from 1 March 2023 for a two-year period.

Council member and Associate attendance 1 April 2022 to 31 March 2023

Council and Associate membership and attendance during 2022–2023 is set out below.

Member	Number of sessions attended*	Number of sessions eligible to attend*	% of sessions attended
Sir David Warren (Chair)	14	14	100
Sir Hugh Bayley	12	14	86
Professor Karen Cox	10	14	71
Claire Johnston	13	14	93
Dr Margaret McGuire OBE (from 1 May 2022)	14	14	100
Eileen McEneaney MBE	11	14	79
Derek Pretty	14	14	100
Marta Phillips OBE	9	14	64
Anna Walker CB	14	14	100
Ruth Walker MBE	14	14	100
Sue Whelan Tracy	13	14	93
Dr Lynne Wigens OBE	12	14	86
Associate			
Jabulani Chikore[3] (from 1 March 2023)	0	2	0
Tracey MacCormack (until 31 December 2022)	9	10	90
Dr Gloria Rowland MBE (until 31 December 2022)	8	10	80
Navjot Kaur Virk (from 1 March 2023)	2	2	100

**Includes Open and Confidential meetings*

[3] Jabulani Chikore was not able to attend his first meeting due to a preexisting engagement which was declared prior to appointment.

The Council is committed to openness and transparency and seeks to conduct as much business as possible at Open meetings which members of the public can attend. Matters can only be considered in Confidential meetings if they fall within an exemption set out in the Council's Standing Orders (paragraph 5.2.5).

Due to the Covid-19 pandemic, all Council seminars and meetings between March 2020 and February 2022 were held virtually, as allowed for under Standing Orders. Since March 2022, we were pleased to be able to resume in person Council meetings. We recognise that working virtually brought benefits as observers could attend remotely and we are looking to see how we can make Open meetings as accessible as possible for members of the public across the UK.

In addition to formal meetings, Council members and Associates attend monthly seminars, hold videoconferences and participate in a wide range of other activities. These include attending various Task Groups, briefings and webinars with people using health and social care services, professionals and NMC colleagues. These activities help ensure Council members have the insight they need to hold the Executive to account and make informed decisions.

Effectiveness of governance

The Council is committed to maintaining the highest standards of governance. Our practice complies with the Cabinet Office Corporate Governance Code of Good Practice for central government departments to the extent that it is applicable. We also strive to meet the principles and recommended practice contained in the Charity Governance Code and the National Council for Voluntary Organisations Charity Ethical Principles. The Council conducts its business in accordance with our organisational values – fair, kind, ambitious and collaborative – and the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Council members and Associates receive a full induction on appointment and undertake individual appraisals annually. These inform future individual and collective development, as well as consideration of reappointments.

In accordance with good governance, the Council undertakes regular reviews of its own effectiveness, including externally facilitated reviews. During 2022–2023, Campbell Tickell were commissioned to undertake an external review of our governance arrangements following a competitive tendering process. We expect their findings to be reported to Council in July 2023. A key area of the review is to identify how we can best prepare ourselves for the impact of regulatory reform, in particular the potential move to a unitary board model.

Council committees

The Council continues to have an Audit Committee, a Remuneration Committee, an Appointments Board, an Investment Committee and an Accommodation Committee.

Appointment of Council members to the Audit, Remuneration, Investment and Accommodation Committees is governed by the Council's Standing Orders and Scheme of Delegation, together with a set of principles adopted by the Council in 2015. Council Committee membership is reviewed regularly. The Chair is an ex-officio member of all the Council Committees, except Audit Committee and Appointments Board.

The remit, membership and attendance record for each Committee is set out on the following pages. Committees also made a number of decisions by correspondence outside of the meetings identified below, where necessary and in accordance with Standing Orders.

Audit Committee

The remit of the Audit Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

The Committee has welcomed the attendance of the Chief Executive and Registrar, Internal Auditors, the External Auditors and the National Audit Office (NAO) at its meetings. In keeping with good practice, the Committee has held private meetings with the auditors at appropriate junctures during the year.

The Committee's key activities in 2022–2023 are summarised below.

- Reviewing the Annual Report and Accounts and the Annual Fitness to Practise Report and recommending to the Council the approval of those reports. The Committee also reviewed the reports from the External Auditors and NAO, and the Executive's responses to recommendations made by the auditors.
- Reviewing the accounting policies for the year to 31 March 2023.
- Reviewing risk management and assurance arrangements, including undertaking comprehensive reviews of the risks, mitigations and sources of assurance about core work. Approving the internal audit work plan for 2022–2023, reviewing internal audit report outcomes and overseeing action to progress closure of outstanding internal audit recommendations.

- Reviewing serious events and data breaches, to ensure organisational sharing and implementing learning to prevent recurrence.
- Reviewing single tender actions and seeking assurance that proper procurement processes are being adhered to by the Executive and that any single tender actions are justifiable.
- Monitoring the implementation and use of the internal Whistleblowing and Anti-Fraud, Modern Slavery, Bribery, and Corruption policies to be assured that any issues raised are comprehensively investigated and any action and learning is taken forward. As part of this work, they also review the Modern Slavery Statement.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Marta Phillips OBE (Chair)	5	5	100
Derek Pretty	5	5	100
Eileen McEneaney MBE	5	5	100
Sue Whelan Tracy	4	5	80

Remuneration Committee

The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning. In 2022–2023, key activities included:

- approving selection processes for three new Council members, two new Associates and a new member of the Appointments Board
- agreeing to recommend to Council the annual pay award for 2023–2024 and reviewing the total reward proposal
- reviewing the findings of the Independent Panel on Council allowances
- reviewing the effectiveness of the Associate scheme
- agreeing to recommend to Council a one-off pay award to reflect the increased cost of living
- reviewing Executive reward
- reviewing progress on the People Plan and internal aspects of the EDI Plan.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Ruth Walker MBE (Chair)	7	7	100
Sir Hugh Bayley	7	7	100
Dr Lynne Wigens OBE	5	7	71
Anna Walker CB	7	7	100

Investment Committee

The remit of the Investment Committee is to oversee implementation of the Council's investment strategy and monitor the Council's investment portfolio. In 2022–2023, key activities included reviewing the investment policy, scrutinising the investment managers' response to global economic volatility, and working with our investment managers to ensure environmental, social and governance issues are appropriately considered when managing the portfolio.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Derek Pretty (Chair)	2	2	100
Thomasina Findlay (Partner member)	2	2	100
Nick McLeod-Clarke (Partner member)	2	2	100
Claire Johnston	2	2	100
Sue Whelan Tracy	1	2	50

Accommodation Committee

The Accommodation Committee was established by Council in May 2020 to oversee implementation of the Council's Accommodation Plan within the financial and other parameters set by the Council.

The Committee meets as and when necessary. In 2022–2023, the Committee met once to consider the final account for our new office in Edinburgh and to receive an update on the project to refurbish 23 Portland Place.

The membership of the Committee for the period 1 April 2022 to 31 March 2023 was as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Derek Pretty (Chair)	1	1	100
Anna Walker CB	1	1	100
Dr Lynne Wigens OBE	1	1	100

Appointments Board

The Appointments Board is made up entirely of non-Council (Partner) members, appointed following open competitive recruitment processes.

The remit of the Appointments Board is to assist the Council in connection with the exercise of any function relating to the appointment of Fitness to Practise panel Chairs and members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Fitness to Practise panel members to the Registration Appeals panel.

Key activities in 2022–2023 included: the appointment of new Panel Chairs following a selection process open to external applicants; oversight of induction and training for new Panel Chairs; the reappointment of Panel Members and Legal Assessors; approval of the Panel Member training programme for 2023; and preparation for a selection process for new Panel Members and Legal Assessors to commence in 2023.

The membership of the Committee and attendance for the period 1 April 2022 to 31 March 2023 is set out on the following page.

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Jane Slatter (Chair)	4	4	100
Robert Allan	4	4	100
Angie Loveless	4	4	100
Frederick Psyk (until 31 August 2022)	2	2	100
Clare Salters	4	4	100

Role of the Executive

The Chief Executive and Registrar is appointed by, and accountable to, the Council. The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council.

As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

The Executive Board is the key management decision-making body. The Board's membership comprises the Chief Executive and Registrar and all Executive Directors. General Counsel also attends. The Board works with the Chief Executive and Registrar to develop and implement strategies, policies, business plans and budgets; ensure effective and efficient use of resources, finance and people; and identify and manage risk.

The Board advises or makes recommendations to Council on those matters which are ultimately for the Council to decide. In doing so, the Board and Council work together in a spirit of collaboration, honesty and openness.

The Executive Board regularly reflects on its own operation and how business is conducted; during 2022–2023 it met weekly.

Professional Standards Authority oversight

The Professional Standards Authority (PSA) oversees and reports to Parliament on our work, as well as that of the other health and social care professional regulators. In September 2022 the PSA published its annual review of our performance for 2021–2022, covering the period April 2021 to June 2022. It found that we had met 17 of the 18 Standards of Good Regulation, but had not met Standard 15 requiring us to deal with fitness to practise cases as quickly as is consistent with a fair resolution of the case.

Under its performance review process, the PSA initiated its escalation process for regulators who fail to meet the same Standard for three consecutive cycles and accordingly wrote to the Secretary of State and ministers in the devolved administrations to highlight this. We had been regularly briefing relevant ministers and government officials and provided a further update in relation to ongoing work to address the fitness to practise caseload. As outlined in the performance review section of this report, our number one corporate priority continues to be reducing the fitness to practise caseload swiftly and safely. Progress is being made through a number of initiatives - including a dedicated Fitness to Practise Improvement programme, external support to streamline a number of our key processes and an uplift in resources. Assuming that incoming referrals do not increase, we anticipate that delivering the initiatives outlined will see the caseload reduce to 4,000 cases by March 2024 and new referrals will be handled at pre-pandemic levels. We expect to be achieving optimal levels of caseload and timeliness across the fitness to practise process by March 2026.

The PSA recognised the improvements made since the last performance review. The report also included positive feedback on the NMC's Equality, Diversion and Inclusion (EDI) action plan for 2022–2025, our stakeholder engagement, noting the launch of our Public Voice Forum, the review of our pre-registration education standards and the steps we have taken to improve the transparency of our registration appeals process. The Executive Board reviews progress on implementation of learning from PSA reviews regularly.

Performance monitoring and data quality

The Council monitors our progress against our strategy, corporate plan and budget through quarterly performance reports presented at public meetings. These provide updates against our 22 corporate commitments, key performance indicators (KPIs), our budget and investments, and corporate risk exposure. In collaboration with the Executive team, the Council decides what performance information and data it wants to review so it can make effective decisions about our performance and risk exposure. The Council considers the quality and content of performance reporting annually through business planning.

During 2022–2023 we strengthened our monthly reporting to the Executive Board including the existing reports on budgets, key performance indicators, and risk monitoring. We introduced a new holistic report which is reviewed monthly, including a new corporate performance scorecard which focuses on key issues which require decisions and actions from the Executive Board.

Risk management and internal control

The Council is responsible for establishing and maintaining a sound system of risk management and internal control. Our system of internal control is designed to manage rather than eliminate risk and provide reasonable assurance of effectiveness. The Audit Committee provides assurance to the Council about the operation of the system of internal control and risk management. The Council considers corporate risk exposure at Open meetings on a quarterly basis and the full corporate risk register once a year.

The Chief Executive and Registrar is responsible for enabling an effective system of risk management and internal control, and together with the Executive Directors, for ensuring that the system is in place and effective across the organisation. The Executive is responsible for identifying and evaluating risks, putting in place appropriate mitigations, and monitoring and reporting progress. The Executive Board reviews corporate risk exposure monthly.

The Council approved and updated the risk management framework in 2021. We have continued to embed the framework throughout 2022–2023 using organisation-wide and bespoke training sessions and tailored workshops, and monthly engagement between risk coordinators and the corporate risk and performance team. Our internal auditors reviewed our risk maturity level during 2022–2023 and deemed that we had progressed in several areas. This moved us from 'developing' towards a 'maturing' assessment, demonstrating that risk management is built into normal business practice.

Assurance

Our system of internal control includes these elements:

- Training (bespoke and mandatory), induction (corporate and local), appraisals and coaching to help equip our colleagues with appropriate skills and experience for their roles.
- Strategic relationships between corporate services and business leaders that foster collaboration, best practice, and supportive challenge. Business partners are in place for People Services (human resources, recruitment, learning and development), finance, risk and performance, technology, and procurement.
- Internal control and planning mechanisms, such as detailed schemes of delegation for decision making, documented policies and standard operating procedures, service level agreements, restricted access to systems, segregated duties, incident reporting, business continuity planning, business planning, business cases with options appraisal, programme and project frameworks, the setting of personal objectives and improvement plans.
- Widespread monitoring and reporting to track our performance and key performance indicators, financial management (budgets, forecasting, monthly reporting), risk exposure, quality, data and insights, operational management information and people management.

- Centralised assurance management includes internal and external audits, independent reviews and health checks, serious event review (SER), legal horizon scanning, learning from customer feedback, and our new Change and Continuous Improvement team who support making improvements to our processes. The Audit Committee undertakes regular targeted comprehensive assurance reviews to delve deeper into specific risk problems or assurance mechanisms.
- A Change Board, which provides oversight of our change projects and programmes.

The Executive Board is responsible for:

- ensuring that the annual internal audit work plan and other internal quality assurance work are complementary and focused on areas of potential internal control weakness
- reviewing the performance of our strategic change portfolio alongside our corporate risk register every month
- undertaking an annual assessment of the effectiveness of risk management and internal control arrangements for each directorate.

We undertake an annual review of the effectiveness of our internal control environment and risk management. The 2022–2023 review concluded that we have reasonable assurance that our internal control environment operates adequately at corporate and directorate level.

We assessed each directorate against a set of key criteria and reviewed sample evidence to ensure our internal control environment reflected the standards set out in our policy and guidance. There are a small number of areas where action is required which we will take forward during 2023–2024.

Our risk management maturity has continued to improve during 2022–2023, with all directorates able to demonstrate that they have:

- directorate risk coordinators who have monthly engagement with the corporate risk and performance team about directorate and corporate level risks
- risk management embedded within significant programmes and projects of work that they are leading
- better consideration of management controls.

Four out of six directorates were also able to demonstrate regular risk discussions and up to date registers. Two directorates have started work to update their risk registers which we expect to complete in the first part of 2023–2024.

We also have:

- oversight of technology risks from the Chief Information Officer
- oversight of finance risks from the Executive Director of Resources and Technology Services
- oversight from the Change Board of change projects and programmes to ensure that we focus holistically on the highest priority areas to deliver our 2020–2025 strategy.

Internal control mechanisms remain comparable to 2021–2022. All directorates adhere to expected requirements for planning including budgets and key performance indicators. Agreed business plans and budgets, projects and programmes undergo business case approval and adhere to delegated approval levels. We continue to incorporate significant levels of cash realising savings into budgets and anticipate further savings as we develop business cases for technology developments. Our internal auditors have highlighted some areas for improvement which have informed our Internal Audit Work Plan for 2023–2024.

Key issues and risks

Fitness to practise caseload

Our greatest challenge continues to be managing a high fitness to practise caseload which has grown due to challenges progressing cases in a timely manner, in part caused by the impact of the pandemic. Delays are distressing to everyone involved with fitness to practise cases and we must improve how long it takes to process a case to a safe conclusion.

During 2022–2023, we reduced the caseload by 14 percent to 5,577, with the reduction accelerating in the latter half of the year as improvement initiatives were delivered. However, our progress was slower than we would have wished and we were unable to reach our target of an overall caseload of 5,000 cases by March 2023.

Mitigation in 2023–2024

In 2023–2024, we will:

- build on the improvements we made last year within the screening stage to improve our processing capacity, processing cases more efficiently and closing cases at the earliest appropriate opportunity
- increase our capacity at key stages to increase our output
- continue to build knowledge in the sector to reduce the number of referrals we receive that do not meet our threshold.

Through these actions we aim to reduce the caseload safely and swiftly to a target of 4,000 by March 2024 and will continue to provide transparent reporting on our progress at Open Council meetings.

Managing economic, political and climate challenges

Like all organisations, we continue to operate in a difficult environment with many factors to consider. Inflation remains at its highest for many years which puts pressure on our costs; the residual impact of the pandemic and Brexit on the global supply chain, and the conflict in Ukraine over the past 16 months continue to put pressure on food and energy supplies; and the threat of cyber-attacks grows as attacks become more sophisticated. We also need to play our part in mitigating the impacts of climate change.

Mitigation for 2023–2024

In 2023–2024, we will:

- account for extra costs within our plan and budget for 2023–2026 using analysis and take a cautious approach to financial management, supported by an increased focus on effective cost management
- release funding for major programmes and projects in phases and keep budgets under continual review. We have specific controls to manage additional spending within fitness to practise to reduce the caseload
- use insight from an independent review of cyber security to strengthen precautions where possible
- continue to monitor the external environment and adjust as required. Using external expertise, we will begin work to develop our sustainability and environmental plans.

Concerns relating to maternity care

Our focus on maternity safety continues, informed by our own insight and published external reports. The findings from the independent investigation into maternity and neonatal services at East Kent Hospitals University NHS Foundation Trust highlighted systemic weaknesses in maternity care. Independent reports from Birthrights, Healthwatch England and Muslim Women's Network highlighted in particular the racial inequality that exists in maternity services. This is in addition to the concerns raised in 2022 through the Ockenden report in March and the report from the Health and Social Care Committee in July.

Key themes arising from these reports include leadership, listening to women, multidisciplinary working, and workplace cultures that support speaking up.

In the last year we have worked to strengthen the link between our standards of proficiency and revalidation, made improvements to the way student midwives are educated, and sought to better understand the experiences of students through our quality assurance work.

Mitigation in 2023–2024

In 2023–2024, we will:

- plan to commission an external, independent review of our standards, following the publication of the Independent Review into Maternity Services at the Nottingham University Hospitals NHS Trust
- continue to utilise the insight of our Midwifery Panel on how we can further support safety in maternity services
- explore how we can gain better insight directly from midwifery students to inform our quality assurance and insight
- continue to work in partnership with other regulators and system leaders to support improvements in maternity services
- continue to ensure that midwifery education programmes meet our education standards and are suitably preparing students for joining the NMC register and providing quality care to the public.

In relation to concerns at Canterbury Christ Church University we met the university on 2 May 2023 to inform it of our final decision to withdraw approval for its midwifery degree programme. Our concerns were that the university, in partnership with the NHS trusts that provide placements for its students, was not equipping midwifery students to meet our standards. That means we were concerned that students might graduate without being able to deliver safe midwifery care to women, babies and families. We are working with the university and NHS England on plans to support the affected students to continue their education.

Recruitment and retention

We experienced some improvement in this area over the course of 2022–2023. However, there was an increase in our turnover rate from 11.8 percent in March 2022 to 12.8 percent in March 2023 taking it just above our 2022–2023 target of 12.5 percent. While some challenges in attracting and retaining talent continued during 2022–2023, particularly in areas such as screening and investigations, we are continuing to take action to reduce workforce capacity gaps in 2023–2024.

Mitigation in 2023–2024

In 2023–2024, we will:

- following engagement with colleagues and consultation with our recognised trade union UNISON, implement our pay and grading proposals with the aim of improving transparency and consistency in our pay structure and pay progression
- raise awareness of our total reward package to demonstrate both pay and benefits to retain and attract new colleagues such as flexible working, family policies, and pension benefits
- continue to embed our applicant recruitment and selection technology to improve the candidate experience, promote equality and fairness in sourcing and selecting candidates and monitor the diversity of candidates
- continue targeted actions within our Professional Regulation directorate to fill roles we have found hard to recruit
- change our approach to recruitment, implementing a list of managed suppliers who act as sector specialist partners and help to ensure we recruit high calibre colleagues with the right skills and experience
- implement our new management essentials training, ambitious appraisals, and continue to grow our Rising Together mentoring scheme.

Regulatory reform

Modern and flexible legislation will enable us to deliver proportionate and safer regulation for the public and better support the professionals on our register. During 2022–2023 we continued our preparations for regulatory reform by undertaking detailed planning about the scale of what will be required and preparing draft legislation for consultation.

We continue to manage uncertainty around the timeline for reform, which is set by the Department of Health and Social Care (DHSC) and could be subject to change within the context of the wider programme of reform and other legislative pressures.

Mitigation in 2023–2024

To ensure we can influence reforms to our legislation as effectively as possible, we will continue to proactively engage with the DHSC and the devolved administrations and work closely with our stakeholders to identify the changes we want to make.

We will continue to manage uncertainties – for example dependencies with other major internal programmes (such as modernising our technology services) and engagement and communications with stakeholders - through detailed planning that involves internal subject matter experts.

Technology

We continue to improve our technology to deliver tools that will increase the efficiency and productivity of colleagues. We first began our Modernisation of Technology Services programme in 2018 and experienced challenges in progressing the improvements as quickly as we had hoped.

Since 2020, we have established ongoing external review of the programme. This, coupled with a review of resources allocated, has enabled us to continually tune our delivery approach, and the programme is now progressing and delivering benefits in line with our revised plan.

While we deliver significant change programmes driven by technology, we manage several risks related to legacy systems, building capability and capacity for the future, and managing the dual running of systems while we safely migrate across our core processes.

We expect to carry this risk for several years while we deliver multi-year programmes to improve our technology infrastructure; deliver new hardware and remove legacy systems; update our data capabilities; and deliver technology that will support regulatory reform.

Mitigation in 2023–2024

We will continue to invest in improving our technology by delivering our two major technology programmes.

We have introduced ongoing external assurance of our Modernisation of Technology Services programme which will continue through to the end of the third major phase of the programme.

We will continue building our in-house capability in change management, data, architecture, and IT development to build our own capacity and reduce reliance on outside suppliers.

Pressures in the health and social sector

A number of pressures continued to affect the health and social care sector: Covid-19 recovery; workforce pressures such as vacancies, retention, industrial action by some professionals on our register and others regarding pay and working conditions; and increased pressure due to growing waiting lists.This led us to take the decision to tailor our communications to prevent overburdening professionals and stakeholders.

In May 2022, we surveyed five key audiences from within the sector who each echoed the pressures in health and care. We decided to focus our communications on crisis issues rather than business as usual. We carefully considered these issues within our corporate plan, monitored who we needed to collaborate with, and changed our plans to prevent overloading particular groups of stakeholders.

Mitigation in 2023–2024

We will continue to monitor the sector landscape and consider the pressures throughout the year. We will consider our internal pressure points and, where we can, move deadlines to prevent adding stress and work to the sector. We will continue to support nurses, midwives, nursing associates and students who are facing challenges, and look at how we can manage within the increasingly complex social and economic environment that we operate in.

Public interest (whistleblowing)

Our Whistleblowing policy encourages colleagues and others who work for, or with us, to speak up if they see something wrong. We review the policy regularly and have continued to raise awareness of the policy and associated guidance by promoting it through the Chief Executive and Registrar's weekly message and other internal communications.

In October 2022, we ran an internal engagement exercise as part of Speak Up month – an initiative in England to promote the importance of whistleblowing and encouraging everyone to speak up. This was an opportunity to remind all our colleagues, wherever they are based, about our Whistleblowing policy and guidance, share examples of when it might be appropriate to raise concerns, and outline what actions they could expect to be taken as a result.

The Audit Committee receives a report on whistleblowing at every meeting. There was one occasion when people used the Whistleblowing policy to raise concerns in 2022–2023 (2021–2022: three). This concern is currently under investigation. To date we have received one whistleblowing concern in 2023–2024 which is currently under investigation.

Safeguarding and protecting people

Through our work we engage with a wide range of people, including those involved with our regulatory processes, our stakeholders, and our colleagues. We recognise that many people engaging with us may have complex needs or be at risk of harm. We are committed to ensuring that we protect people from harm and follow the appropriate safeguarding procedures when someone may need support. Our Safeguarding and Protecting People from Harm policy sets out our responsibilities and the actions we will take when we identify a safeguarding concern, including establishing a tailored approach to support the individual concerned.

In October 2022, we recruited a Strategic Safeguarding Lead, whose role is to embed safeguarding and duty of care responsibilities into the organisation. Since their recruitment, we have seen a significant increase in the number of recorded safeguarding concerns, with a total of 144 safeguarding concerns logged in 2022–2023. This is 132 percent (82 concerns) more than reported in 2021–2022, when 62 concerns were recorded. We believe this increase is primarily due to our awareness raising work with colleagues, which has led to colleagues logging more concerns. Where a person has enhanced needs, we will need to make a referral to an external agency. In total, there were 30 referrals to external agencies, including referrals to the police, mental health teams and safeguarding.

As a registered charity we have an obligation to make reports to the Charity Commission where an incident has resulted in or risked serious harm. This year we made two referrals relating to safeguarding to the Charity Commission. In April 2023 we informed the Charity Commission of one further serious incident arising from safeguarding matters. Our internal investigation into one of the cases has recently concluded and the outcome has been provided to the Commission, which they have noted. The Charity Commission was satisfied that the other cases had been dealt with appropriately and responsibly. As we are registered with the Charity Commission we are not required to report incidents to the Office of Scottish Charity Regulator (OSCR). However, in line with our commitment to four country accountability, we report all incidents to the OSCR as well.

During 2022–2023, we have worked to ensure that safeguarding is strategically embedded across the whole of the NMC. Some of the actions that we have taken are outlined below.

- We refreshed our suicide and self-harm protocol and delivered training to raise awareness on how to recognise and support people who experience suicidal ideation.
- We reviewed safeguarding risks across the whole of the NMC and began implementing a plan to address these risks.
- We adopted a safeguarding process for our referral helpline to support colleagues to raise safeguarding concerns.
- We embedded safeguarding into our external communications processes.
- We undertook a quality assurance review of our support of vulnerable witnesses.

We will continue to strengthen our approach to safeguarding in 2023–2024, including embedding bespoke safeguarding processes into our fitness to practise case management system to help ensure we are identifying safeguarding support at the earliest possible stage.

Information governance and lapses in protective security

During 2022–2023, we continued to align our information security management to ISO 27001, the international information security standard.

Incidents are reported, managed and investigated in line with our Serious Event Reporting (SER) process through which learning and recommendations for improvement are identified.

The table below provides a breakdown of the number of information security incidents reported internally in 2022–2023, with 2021–2022 figures shown for comparison. Of the 82 information security incidents recorded in 2022–2023 (83 in 2021–2022), 53 (65 percent) were unauthorised disclosure of data (data breaches).

	2022–2023	2021–2022
Critical	0	0
Major	7	1
Moderate	20	23
Minor	55	59
Total	**82**	**83**

In 2022–2023 we reported two personal data breaches to the Information Commissioner's Office (ICO) (one in 2021–2022). It has not taken any regulatory action in relation to the breaches.

Anti-fraud, bribery and corruption

No instances of actual or suspected fraud, bribery or corruption were detected in 2022–2023 (2021–2022: none). One case of suspected fraud has been detected in 2023-2024, this relates to the operation of the computer-based test element of our Test of Competence. Further information on the case and action taken in response can be found in the performance review section of this report. Anti-fraud and bribery training is mandatory for all new employees. Refresher training is undertaken by all colleagues every two years.

In 2022–2023 we continued to embed our Personal Interests and Outside Appointments policy for colleagues which explains how we deal with conflicts of interest and requires all colleagues to declare any interests outside the NMC.

All potential conflicts of interest are subject to review by line managers who will consult with appropriate expert colleagues where required.

A Gifts and Hospitality policy is in place for Council members, Associates, Partner members and colleagues, which supports good practice in this area. The policy is periodically reviewed to ensure it reflects good practice and was most recently reviewed and approved by Council in November 2021. Regular reminders are issued about the importance of adhering to the policy. A register of all gifts and hospitality accepted or declined is maintained.

Modern slavery

No modern slavery issues have been identified during the year to date (2021–2022: none).

In accordance with the Modern Slavery Act 2015, we updated and published our Modern Slavery Statement in June 2022 and this year's statement will be published following approval in June 2023.

All colleagues have access to our modern slavery e-learning module, which raises awareness and understanding throughout the organisation.

We continue to embed our procurement policy, which requires us to make use of well-established national framework agreements wherever possible. Suppliers on these frameworks have been subject to rigorous due diligence checks. In addition, we have our own supplier assurance process in place which requires our suppliers to provide information related to their modern slavery position and which is risk assessed accordingly.

While we did not identify any modern slavery in our own organisation, through our regulatory processes we were made aware of three modern slavery concerns outside of the NMC. We shared information on these cases with appropriate bodies, including the Gangmasters and Labour Abuse Authority, the immigration department of the Home Office and the Employment Agency Standards Inspectorate.

Serious event reviews

As a regulator of professionals delivering health and social care, and because of the activities that we undertake to deliver our responsibilities, we would expect to see reporting of incidents or near misses. All of these incidents provide opportunities to learn and are investigated under our Serious Event Review (SER) process. Typically, the learning identifies actions to improve our processes and prevent a recurrence. Under our incident reporting process, we distinguish between Adverse Incidents (AIs) and Serious Events (SEs) based on the severity of the incident. Incidents are classified as AIs when they have minimal impact on our organisation and our work, although they still provide valuable learning. SEs are incidents that impact, actually or potentially, more seriously our organisation and our work. Themes and learning from SERs are reported to the Executive Board and Audit Committee every six months.

During 2022–2023, a total of 160 corporate incidents and near-misses were reported compared with 172 for 2021–2022. Of the 160 corporate incidents reported in 2022–2023, 65 were classified as SEs (compared with 54 in 2021–2022), and the remaining 95 were AIs (compared with 118 in 2021–2022). The majority of Serious Events (89 percent for 2022–2023) occurred within the Professional Regulation Directorate. A driver of the increase in Serious Events was the number of information security related incidents which increased from 21 in 2021–2022 to 27 in 2022–2023. We are piloting a new approach to corporate learning and a key priority of this work is information security.

Reporting of SERs and learning from them is key to improving our performance as a regulator. We want to strengthen our culture to one of learning and openness, and encourage reporting at all levels in the organisation. Over the course of 2023–2024, we will be refreshing our SER policy, and promoting reporting and learning, including by making it easier to report incidents through our new database (launched February 2023), analyse trends and track actions taken to prevent a recurrence. This builds on recommendations from an internal audit of our SER process in October 2022, which provided an outcome of partial assurance. As the volume of activity underway to reduce our fitness to practise caseload increases, we will expect the number of corporate incidents to rise. Within that, we would like to see an increase in lower impact Adverse Incident reporting to enable learning to prevent Serious Events occurring.

Serious incident/ notifiable event reporting

Issues which require reporting to the Charity Commission are identified through several routes, including the Serious Event Review policy and process, and through the Whistleblowing; Anti-Fraud, Bribery and Corruption; and Safeguarding policies and processes. In accordance with guidance from the Charity Commission (CC) and the Office of the Scottish Charity Register (OSCR), where we identify an issue, permission is sought from the Council, as trustees, to report to the Charity Commission.

If more urgent reporting is needed, we seek permission from the Chair and Council is informed at the earliest opportunity.

During 2022–2023, we informed the Charity Commission of two serious incidents arising from safeguarding matters. In April 2023 we informed the Charity Commission of one serious incident arising from safeguarding matters. Our internal investigation into one of the cases has recently concluded and the outcome has been provided to the Commission, which they have noted. The Charity Commission was satisfied that the other cases had been dealt with appropriately and responsibly.
As noted in the safeguarding section of this report, we are taking forward action to further strengthen our approach to safeguarding, led by our Strategic Safeguarding Lead whom we recruited in October 2022.

In May 2023 we informed the Charity Commission of an incident relating to the operation of the computer-based test element of our Test of Competence.

In response, we have taken action to maintain the integrity of the register, including ceasing testing at the centre where the anomalous data was found. Further information on actions we have taken can be found in the performance review section. The Charity Commission was satisfied that the case was being dealt with appropriately and responsibly.

As we are registered with the Charity Commission, we are not required to report incidents to the Office of Scottish Charity Regulator (OSCR) as well. However, in line with our commitment to four country accountability, we report all incidents to both the OSCR and the Charity Commission.

Internal audit annual opinion 2022–2023

Our annual internal audit programme is agreed and overseen by our Audit Committee. The programme for 2022–2023 consisted of nine internal audits which were all completed by the end of the financial year.

Internal Audit Assignment	Assessment
Consultations	Substantial Assurance
Council and Executive Board Information Core Financial Systems Projects and Programmes – Outcome and Realisation Appraisals Procurement	Reasonable Assurance
Complaints and Serious Events Reviews	Partial Assurance
Direct Procurement Award – Embedding the actions Risk Maturity Review	N/A as the assignment was advisory

The audit of Complaints and Serious Event Reviews (SER) identified that we could be identifying and embedding learning more effectively across the organisation. As noted in the SER section of this report, we are taking forward actions to improve these areas.

Our internal auditors review the implementation of audit recommendations and provide regular updates to the Audit Committee. Last year we reported that there had been delays in implementing nine internal audit recommendations in our People Services function.

These were in the areas of starters, onboarding and retention.

These delays were due to challenges arising from changes in senior leadership, systems deficits and an equally challenging recruitment market in resourcing. These actions were prioritised and all but two have now been completed. All other recommendations from audits, where action has fallen due in the period, have been implemented.

The Head of Internal Audit's annual opinion is that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

Overall assessment of effectiveness of governance and assurance

As Chair of the Council and Accounting Officer, we have reviewed the effectiveness of governance, risk management and internal controls.

In reaching our assessment, we have relied upon a range of evidence, including the opinion and report of the Head of Internal Audit, the corporate assessment of the quality of controls and assurance in place in directorates and the annual review of the effectiveness of risk management.

We have also relied on the Opinion and Audit Findings Report of our external auditors; and the Audit Completion Report and Management Letter of the National Audit Office.

Overall, we consider that there is reasonable assurance that there are adequate arrangements in place for governance, risk management and control. We recognise the need to maintain a high level of scrutiny over the recovery of our fitness to practise caseload and the progression of the Modernisation of Technology Services programme and the improvements that will bring through more effective IT systems and a greater use of automated systems.

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive and Registrar
10 July 2023

Independent auditor's report to the trustees of the Nursing and Midwifery Council

Opinion

We have audited the financial statements of the Nursing and Midwifery Council (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of responsibilities of the Council, Council (being the trustees) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher LLP
Chartered Accountants
Statutory Auditor
10 July 2023

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

The Certificate and Report of the Comptroller and Auditor General to the trustees of the Nursing and Midwifery Council and the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2023 under the Nursing and Midwifery Order 2001.

The financial statements comprise: the Nursing and Midwifery Council's:

- Balance Sheet as at 31 March 2023;
- Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2023 and its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder; and
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

These standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK. My staff and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nursing and Midwifery Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nursing and Midwifery Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and of the Chief Executive and Registrar with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and my auditor's certificate thereon. The Council and the Chief Executive and Registrar are responsible for the other information contained within the Annual Report.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report subject to audit have been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- certain disclosures of remuneration specified by the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) or the Charities Act 2011, or as required by the determination made by the Privy Council under the Nursing and Midwifery Order 2001 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Annual Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and of the Chief Executive and Registrar for the financial statements

As explained more fully in the Statement of the Responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts, the Council and its Chief Executive and Registrar are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council are responsible for assessing the Nursing and Midwifery Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Nursing and Midwifery Order 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of my planning process:

- I enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform me of any known, suspected or alleged fraud.
- I obtained an understanding of the legal and regulatory frameworks applicable to the charity. I determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- I considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored my risk assessment accordingly.
- Using my knowledge of the charity, together with the discussions held with the charity at the planning stage, I formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored my procedures according to this risk assessment.

I also obtained an understanding of the Nursing and Midwifery Council's framework of authority and other legal and regulatory frameworks in which the Nursing and Midwifery Council operates. I focused on those laws and regulations that had a direct effect on material amounts and

disclosures in the financial statements or that had a fundamental effect on the operations of the Nursing and Midwifery Council. The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustee Investment (Scotland) Act 2005.

The key procedures I undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- In addressing my assurance over regularity, considering any special payments made in year, review of Council and Audit Committee papers and minutes and an overall comparative review of current year to prior year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that I may not have detected some material misstatements in the financial statements even though I have properly planned and performed my audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
12 July 2023

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements for the year ended 31 March 2023

Statement of financial activities for the year ended 31 March 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2022 £'000
Income from:							
Charitable activities:							
Fees	2	100,433	-	100,433	96,787	-	96,787
Grants	3	-	199	199	-	2,609	2,609
Other income	3	172	-	172	79	-	79
Total		100,605	199	**100,804**	96,866	2,609	**99,475**
Investment income:	3	2,081	-	2,081	923	-	923
Total income		102,686	199	**102,885**	97,789	2,609	**100,398**
Expenditure on:							
Raising funds	4	(166)	-	(166)	(157)	-	(157)
Charitable activities	5	(97,736)	(199)	(97,935)	(90,165)	(2,609)	(92,774)
Total		(97,902)	(199)	**(98,101)**	(90,322)	(2,609)	**(92,931)**
Net income before net gains/(losses) on investments		4,784	-	**4,784**	7,467	-	**7,467**
Gain/(loss) on investments	14	(1,855)	-	(1,855)	1,024	-	1,024
Net income		2,929	-	**2,929**	8,491	-	**8,491**
Other recognised gains/(losses):							
Actuarial gain on defined benefit pension scheme and asset ceiling adjustment	19	(2,458)	-	(2,458)	(1,453)	-	(1,453)
Net movement in funds		471	-	**471**	7,038	-	**7,038**
Reconciliation of funds:							
Total funds brought forward		76,311	-	76,311	69,273	-	69,273
Total funds carried forward		76,782	-	**76,782**	76,311	-	**76,311**

All funds brought and carried forward are unrestricted in the current and previous financial years. All activities reflected in the above two periods were derived from continuing operations. All recognised gains and losses are included in the above statement.

The notes on pages 125 to 150 form part of these accounts.

Balance sheet as at 31 March 2023	Note	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Fixed assets			
Intangible assets	11	14,169	10,515
Tangible assets	12	18,152	18,163
Investments	14	34,676	32,838
Total fixed assets		**66,997**	**61,516**
Current assets			
Debtors	15	3,770	3,306
Investments	14	29,612	48,125
Cash at bank and in hand		37,631	21,881
Total current assets		**71,013**	**73,312**
Liabilities:			
Creditors: amounts falling due within one year	16	(58,006)	(55,173)
Total current liabilites		**(58,006)**	**(55,173)**
Net current assets		**13,007**	**18,139**
Total assets less current liabilities		**80,004**	**79,655**
Creditors: amounts falling due after more than one	17	(18)	(76)
Provisions for liabilities	18	(3,204)	(3,268)
Total net assets		**76,782**	**76,311**
The funds of the NMC			
Unrestricted funds		**76,782**	**76,311**
Total funds		**76,782**	**76,311**

The notes on pages 125 to 150 form part of these accounts.

The Council approved the accounts on 5 July 2023 and it is signed on their behalf by:

Sir David Warren
Chair
10 July 2023

Andrea Sutcliffe
Chief Executive and Registrar
10 July 2023

Statement of cash flows for the year ended 31 March 2023	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Cash flows from operating activities			
Net cash provided by operating activities		**5,821**	**8,317**
Cash flows from investing activities			
Interest earned from bank deposits	3	1,222	233
Cash (investment)/withdrawal - long-term deposits		18,513	(19,763)
Cash investment - fixed asset investments	14	(3,000)	-
Purchase of property, plant and equipment	11 & 12	(6,806)	(6,456)
Net cash provided by/ (used in) investing activities		**9,929**	**(25,986)**
Change in cash and cash equivalents in the reporting period		**15,750**	**(17,669)**
Cash and cash equivalents at the beginning of the year		**21,881**	**39,550**
Cash and cash equivalents at the end of the year		**37,631**	**21,881**

The notes on pages 125 to 150 form part of these accounts.

Reconciliation of net income to net cash flow from operating activities	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Net income from the reporting period (as per the statement of financial activities)	2,929	8,491
Interest earned from bank deposits	(1,222)	(233)
Dividends and interest earned on fixed investment portfolio	(859)	(690)
(Gain)/loss on investments	1,855	(1,024)
Investment management charge	166	157
Depreciation and amortisation charges	3,163	5,508
(Increase)/decrease in debtors	(464)	716
Increase in creditors and provisions	2,711	-
Change in pension scheme liability	-	(3,155)
Pension scheme adjustments	(2,458)	(1,453)
Net cash inflow from operating activities	**5,821**	**8,317**

Analysis of cash and cash equivalents	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Cash at bank and in hand	9,845	20,874
Short term investments[4]	27,786	1,007
	37,631	**21,881**

Analysis of changes in net debt

The Council had no debt during the year.

In accordance with the Charities SORP, FRS 102:

In the balance sheet, cash at bank and in hand means bank accounts with instant access or investments maturing within three months of the balance sheet date. Investments with maturities of between three and twelve months are classified as current asset investments.

In the above analysis of cash and cash equivalents, cash at bank and in hand means bank accounts with instant access while investments maturing within three months of the balance sheet date are classified as short-term investments.

In note 14, investments with maturities of between three and twelve months have been classified as short-term deposits.

The NMC does not hold any physical cash.

[4] See note 14 investments

Notes to the accounts

1. Basis of preparation and accounting policies

We prepare our accounts in accordance with the Charities SORP (FRS 102). As set out in our Accounts Direction from the Privy Council, which is reproduced at Appendix 1, we also have regard to the Government Financial Reporting Manual (FReM), to the extent that the requirements of the FReM clarify or build on the requirements of the Charities SORP.

We meet the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

a) Going concern

The accounts are prepared on the going concern basis.

Our objective is to protect the public by regulating nurses and midwives in England, Wales, Scotland and Northern Ireland, and nursing associates in England. We are funded by the registration fees paid by nurses, midwives and nursing associates. Taking into account our relatively secure source of income and our significant reserves, the Council has reviewed our circumstances, work plans, budgets, cash flow forecasts and our current and forecast reserves levels and is comfortable with deficit budgets in the medium-term (3–5 years) as we recover from the impact of Covid-19 and fund significant investment programmes.

The recent consultation by the Department of Health and Social Care on the UK model of regulation for healthcare professionals was clear on the presumption of the continued future need for our regulatory functions.

Given the continued need for our regulatory functions and our financial position outlined above, the Council considers that adequate resources continue to be available to fund our activities for the foreseeable future and there are no material uncertainties about the NMC's ability to continue as a going concern.

b) Accounting convention

We prepare our accounts under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated on the relevant accounting policy notes.

c) Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, we are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may ultimately differ from those estimates.

The significant areas subject to estimation and judgement are:

- Depreciation/Amortisation:

  The useful economic lives of fixed assets are based on management's judgement and experience.

- Pensions:

  The principal assumptions used to calculate the surplus in the defined benefit pension scheme are those as set out in note 19. An asset ceiling has been applied to bring the net position to nil, recognising that the NMC does not have an unconditional right to a surplus.

- Panellist provision:

  The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a fitness to practice panellist.

d) Income

All income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

- Income from charitable activities:

  Nurses, midwives and nursing associates must pay an annual registration fee to be registered with the NMC and able to practise. Registration fees are paid either annually in advance or quarterly in advance. We recognise the fees as income on a monthly basis across the year to which the registration fee applies.

  The deferred income amount within our creditors is the value of fees that we have received at each balance sheet date that relate to a future financial year. Other fees including verification fees are credited to income on the day of receipt.

- Investment Income:

  Investment income is accounted for when receivable.

- Government Grants:

  Grant income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured. For performance related grants, entitlement to the income includes meeting the performance related conditions.

e) Expenditure

- Charitable activities:

  Expenditure on charitable activities includes all expenditure related to the objects of the charity which comprise: standards promotion and policy development, education, maintaining the register, fitness to practise, and communication and public engagement. See note 5.

- Support costs:

  Support costs are the costs of our corporate functions including premises, IT, finance and human resources. They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

f) Fund accounting

All funds are currently unrestricted and reported as such in the financial statements. They are available for use at the discretion of the Council to support the general objectives of the NMC.

We have received restricted grant funding and these funds have been used in accordance with the specific restrictions imposed.

g) Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities in equal amounts over the periods of the leases.

h) Employee benefits

- Holiday pay:

  Holiday pay is recognised as an expense in the period in which the service is received.

- Termination benefits:

  Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

- Pension costs:

  Retirement benefits are provided by a defined benefit scheme and a defined contribution scheme. Payments are made to pension trusts, which are financially separate from the NMC.

The defined benefit scheme was closed to future accrual of benefits with effect from 1 July 2021 and, as a result of the triennial review as at 31 March 2022 showing a surplus, even under very cautious assumptions designed to ensure the scheme has 'low dependency' on the employer, no recovery plan payments are currently required.

The difference between the market value of the assets of the pension fund and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, except that an asset is only recognised where the Charity has an unconditional right to that surplus. As the NMC does not have an unconditional right to a surplus, an asset ceiling adjustment has been applied to bring the net position on the balance sheet to nil, with the actuarial gain and the asset ceiling adjustment both charged to the Statement of Financial Activities (SoFA).

The service cost of pension provision relating to the period, together with the costs of any benefits relating to past service and the pension finance cost, which is a charge equal to the increase in the present value of the Pension Fund's liabilities at the previous year end, less a credit equivalent to the Pension Fund's long-term expected return on assets are allocated to the SoFA.

Payments to the defined contribution scheme are made on the basis of set percentage contributions by the NMC and employees, and the costs are charged to the Statement of Financial Activities (SoFA) as incurred.

i) Fixed assets

Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £5,000. Depreciation/amortisation is provided on fixed assets to write them down to a nominal value of £1 over their estimated useful lives in equal instalments as follows:

Long Leasehold Premises - 23 Portland Place[5]	50 years
Office fit out and refurbishment	Period of the lease or the useful economic life of the asset
Furniture	10 years
IT Projects	3–10 years
Software	3–5 years
Equipment	3–5 years

We revalued 23 Portland Place during 2013–14 and on first adoption of FRS 102 opted to use this valuation as deemed cost going forward. During the year the estimated useful life of IT project assets was changed from 3–5 years to 3–10 years, to better reflect the time over which the assets are expected to be in use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

Internal costs directly incurred on software development are capitalised as part of the project they relate to.

j) Investments

Fixed asset investments are initially capitalised at cost and subsequently recognised at market value at the balance sheet date.

Gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their cost if acquired during the year, and are charged or credited to the statement of financial activities in the year of disposal.

The movement in market values during the year for assets held at the year-end is credited or charged to the statement of financial activities based on the market value at the year-end.

Current asset investments are investments with maturities of between three and twelve months.

k) Debtors

Debtors and accrued income are recognised at the amount due at year-end. Prepayments are valued at the amount prepaid.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a maturity of three months or less at the balance sheet date.

[5] See note 21.1

m) Creditors and provisions

Creditors and provisions are recognised where we have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost consist of cash balances, investments, trade and other debtors. Investments in the stock market are held at market value. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

2. Fee income

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Registration fees	92,828	89,749
Other fees paid by registrants	7,605	7,038
Total	**100,433**	**96,787**

3. Investment, grant and other income

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Interest earned from bank deposits	1,222	233
Dividends and interest earned in our fixed asset investment portfolio	859	690
Investment income	**2,081**	**923**
Grant income	199	2,609
Other income	172	79
Total	**2,452**	**3,611**

£0.199 million of restricted grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register (2021–2022: £2.609 million). £0.195 million (2021–2022: £2.4 million) of this funding was passed directly to the test centre providing the tests for international applicants.

£0.110 million of other income was received under a contract with the Department of Health and Social Care for work undertaken by the NMC to set up a temporary register to support nursing resources in response to the Coronavirus pandemic (2021–2022: £0.062 million).

4. Analysis of expenditure on raising funds

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Investment management charge	166	157

5. Analysis of expenditure on charitable activities

Year ended 31 March 2023	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2022–2023 £'000
Activities undertaken directly						
Employee costs	6,188	1,053	5,124	28,525	2,637	43,527
Other costs	1,818	18	345	19,428	543	22,152
Support costs						
Employee costs	1,275	211	2,157	9,984	709	14,336
Other costs	1,305	217	2,209	13,463	726	17,920
Total	**10,586**	**1,499**	**9,835**	**71,400**	**4,615**	**97,935**

£0.199 million of restricted grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register (2021–2022: £2.609 million). £0.195 million (2021–2022: £2.4 million) of this funding was passed directly to the test centre providing the tests for international applicants.

Year ended 31 March 2022	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2021–2022 £'000
Activities undertaken directly						
Employee costs	5,430	889	5,757	26,864	2,408	41,348
Other costs	1,778	42	2,520	15,519	597	20,456
Support costs						
Employee costs	1,086	142	1,866	7,824	549	11,467
Other costs	1,590	207	2,730	14,172	804	19,503
Total	**9,884**	**1,280**	**12,873**	**64,379**	**4,358**	**92,774**

In order to aid comparison with the 31 March 2023 figures, which reflect the NMC's current structure, the figures above have been reanalysed. This has resulted in £0.6 million expenditure being transferred to Standards promotion and policy development from across the other headings (including £0.1 million from Maintaining the register and £0.5 million from Fitness to practise) for the year ended 31 March 2022.

6. Analysis of support costs

Year ended 31 March 2023	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2022–2023 £'000
Facilities	160	26	271	4,492	89	5,038
Finance and Procurement	274	45	464	2,148	153	3,084
HR	643	107	1,088	5,036	354	7,232
ICT	745	124	1,260	5,833	414	8,376
Governance	324	54	548	2,536	180	3,642
Legal	153	25	259	1,199	85	1,721
Depreciation	281	47	476	2,203	156	3,163
Pension Adjustment	-	-	-	-	-	-
Total	**2,580**	**428**	**4,366**	**23,447**	**1,435**	**32,256**

Year ended 31 March 2022	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2021–2022 £'000
Facilities	228	30	392	4,368	116	5,134
Finance and Procurement	298	39	512	2,149	151	3,149
HR	437	57	749	3,144	221	4,607
ICT	943	123	1,620	6,794	477	9,957
Governance	394	51	678	2,838	199	4,160
Legal	123	16	212	887	62	1,300
Depreciation	522	68	896	3,757	263	5,506
Pension Adjustment	(269)	(35)	(463)	(1,941)	(136)	(2,844)
Total	**2,676**	**349**	**4,596**	**21,996**	**1,353**	**30,970**

In order to aid comparison with the 31 March 2023 figures, which reflect the NMC's current structure, the figures above have been reanalysed. This has resulted in £0.7 million expenditure being transferred out of Support costs (including £498,000 from Fitness to practise) to Direct costs for the year ended 31 March 2022.

7. Governance costs

The breakdown of governance costs (included within support costs) is:

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Council members' allowances, national insurance, travel and subsistence	400	300
Auditors' remuneration for audit services: HW Fisher LLP	73	46
Auditors' remuneration for audit services: NAO	17	13
Professional Standards Authority annual fee	1,998	1,982
Operating costs (including salaries)	1,154	1,819
Total	**3,642**	**4,160**

Of the £73,000 HW Fisher audit fee for the year ended 31 March 2023, £7,000 relates to an additional fee for the 2022 audit that was not accrued in the prior year.

Of the £17,000 NAO audit fee for the year ended 31 March 2023, £1,000 relates to an additional fee for the 2022 audit that was not accrued in the prior year.

8. Total resources expended by cost category

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Salaries and associated costs	57,393	52,815
Fitness to practise related costs	19,428	14,602
IT development and support	4,922	4,707
Professional fees	3,940	7,169
Rent payable on office leases	2,077	2,290
Other premises costs	2,009	1,888
Other employee-related costs	1,614	1,464
Quality assurance of education	1,047	1,258
Depreciation	3,163	5,508
Printing, postage and stationery	129	132
Finance and insurance[6] costs	921	833
Council and committee costs	458	265
Total	**98,101**	**92,931**

Expenditure on consultancy

The definition of consultancy is the provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited.

Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions. On this basis consultancy costs have been identified as below. These costs are included mainly in the Professional fees category, and also in the IT development and support.

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Consultancy	758	775

[6] Includes trustees' indemnity insurance

9. Information regarding employees

Salaries and associated costs	Executive	Other employees	31 March 2023	31 March 2022
	£'000	£'000	£'000	£'000
Wages and salaries	1,130	45,645	46,775	42,544
Social security costs (Employer's NI contributions and Apprenticeship levy)	148	4,943	5,091	4,612
Defined benefit pension costs[7]	-	-	-	(2,292)
Defined contribution pension costs - present employees	136	5,063	5,199	5,023
Temporary and contract workers	-	2,688	2,688	2,548
Termination payments[8]	-	177	177	380
Total	1,414	58,516	**59,930**	**52,815**
Capitalised staff costs	-	(1,537)	(1,537)	-
Total	1,414	56,979	**58,393**	**52,815**

[7] Further information about the NMC's employee pension schemes can be found in Note 19.
[8] This includes £23,000 extra contractual payments, redundancy payments of £105,000 and payments in lieu of notice of £49,000 (2020–21: extra contractual payments of £183,000, redundancy payments of £92,000 and payments in lieu of notice of £105,000).

Information relating to higher paid employees (including the Executive)

There were 175 (2021–2022: 143) employees (including members of the Executive for the period) whose remuneration fell in the following bands:

Remuneration bands (£)	Year ended 31 March 2023	Year ended 31 March 2022
	Number of employees	Number of employees
60,001–70,000	76	62
70,001–80,000	58	43
80,001–90,000	15	20
90,001–100,000	11	5
100,001–110,000	5	5
110,001–120,000	3	1
120,001–130,000	2	-
130,001–140,000	2	2
140,001–150,000	1	1
150,001–160,000	1	-
160,001–170,000	-	2
170,001–180,000	1	1
300,001–310,000	-	1

Key management is made up of the Chief Executive and Registrar and the Executive directors. The total benefits of the key management, including employers national insurance and pension contributions were £1,461,000 (2021–2022: £1,737,000). The above table includes 8 Executive directors who received more than £60,000 in the year. There were five Executive members in post for part of the year whose earnings were below £60,000. For more information on Executive remuneration in the year, see the Remuneration report.

In 2022–2023, one employee with remuneration in the £100,000–£110,000 band included an exit package of £53,000, one employee with remuneration in the £90,000–£100,000 band included an exit package of £31,000 and one employee with remuneration in the £60,000–£70,000 band saw an exit package of £22,000.

In 2021–2022, the table shows one employee with remuneration in the £300,000–£310,000 band, with none in that band in 2022–2023. That employee's remuneration included an exit package of £170,000. Also in 2021–2022, one employee's remuneration in the £160,000–£170,000 band included an exit package of £91,000, one employee's remuneration in the £100,000–£110,000 band included an exit package of £56,000 and, two employee's remuneration in the £60,000–£70,000 band saw exit packages of £18,000 and £43,000 respectively. All other movement in bandings was through the 2022–2023 standard annual pay increase.

	Year ended 31 March 2023	Year ended 31 March 2022
	Number of employees	Number of employees
Average number of permanent and fixed term contract employees during the year:		
Executive	13	8
Other employees	1,017	999
Average number of agency temporary staff and contractors during the year	65	69
Total	**1,095**	**1,076**

10. Charitable status

We are registered as a charity in England and Wales with the Charity Commission (charity no. 1091434) and in Scotland with the Office of the Scottish Charity Regulator (charity no. SC038362).

Due to our charitable status we are not liable to corporation tax on our charitable activities or on our investment income and gains. We also receive charitable rate relief from the City of Westminster, London Borough of Newham and Edinburgh City Council.

11. Intangible fixed assets for use by the charity

	Software	IT Projects	Capital Work in Progress	Total
	£'000	£'000	£'000	£'000
Cost:				
01 April 2022	6,632	18,971	556	**26,159**
Additions	-	1,725	3,668	**5,393**
Disposals	(4,523)	-	-	**(4,523)**
Transfers	-	(70)	(93)	**(163)**
31 March 2023	**2,109**	**20,626**	**4,131**	**26,866**
Amortisation:				
01 April 2022	6,632	9,012	-	**15,644**
Amortisation charge for the year	-	1,630	-	**1,630**
Disposals	(4,523)	-	-	**(4,523)**
Transfers	-	(54)	-	**(54)**
31 March 2023	**2,109**	**10,588**	**-**	**12,697**
Net Book Value:				
31 March 2022	-	9,959	556	**10,515**
31 March 2023	**-**	**10,038**	**4,131**	**14,169**

Capital work-in-progress projects are added to the fixed asset register and amortised when brought into use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

The £70,000 transfer out of IT projects during the year was due to £163,000 of IT equipment being transferred to tangible assets (Equipment), while £93,000 of work in progress relating to our Modernisation of Technology Services programme (MoTS) was brought into use. A further £1.725 million of additions relating to the MoTS programme was also capitalised during the year. During the year the estimated useful life of IT projects was changed from 3–5 years to 3–10 years, to better reflect the time over which the assets are expected to be in use. As a result, amortisation charged in the year reduced from £4,889,000 to £966,000.

Fully depreciated software, originally costing £4,523,000 was removed from the register during the year.

11.1 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use. These include the Modernisation of Technology project and the Test of Competence management project.

12. Tangible fixed assets for use by the charity

	23 Portland Place long leasehold premises[9]	Buildings refurbishment	Furniture	Equipment	Capital Work in Progress[10]	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost:						
01 April 2022	15,448	14,267	517	3,795	119	**34,146**
Additions	-	17	-	1,394	2	**1,413**
Disposals	-	(713)	(336)	(3,122)	-	**(4,171)**
Revaluation	-	-	-	-	-	**-**
Transfers	-	-	-	183	(20)	**163**
31 March 2023	**15,448**	**13,571**	**181**	**2,250**	**101**	**31,551**
Depreciation:						
01 April 2022	2,778	8,953	457	3,795	-	**15,983**
Depreciation charge for the year	354	772	18	389	-	**1,533**
Disposals	-	(713)	(336)	(3,122)	-	**(4,171)**
Revaluation	-	-	-	-	-	**-**
Transfers	-	-	-	54	-	**54**
31 March 2023	**3,132**	**9,012**	**139**	**1,116**	**-**	**13,399**
Net Book Value:						
31 March 2022	12,670	5,314	60	-	119	**18,163**
31 March 2023	**12,316**	**4,559**	**42**	**1,134**	**101**	**18,152**

Capital work-in-progress projects are added to the fixed asset register and depreciated when brought into use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The £183,000 transfer to Equipment was due to £20,000 of work in progress relating to laptops being brought into use and a transfer of £163,000 of other IT equipment being transferred from IT projects.

A further £17,000 related to the refurbishment of our Edinburgh office and £1,394,000 related to our laptop replacement programme were also capitalised.

12.1 Long leasehold premises

The UKCC (the NMC's predecessor body) acquired the leasehold interest in 23 Portland Place, London W1B 1PZ from the General Nursing Council for England and Wales at nil cost. The lease has a peppercorn rent of £250 a year and expires in the year 2933. The lease was valued as at 31 March 2014 on an existing use basis, by external valuers Carter Jonas, at £17.185 million. There is a restrictive covenant on the lease which restricts the use and occupation of the property to the NMC.

12.2 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use, including the Infrastructure programme.

[9] See Note 12.1
[10] See Note 12.2

13. Related party transactions

We are accountable to Parliament through the Privy Council. The Nursing and Midwifery Order 2001 sets out the nature of our relationship with the Privy Council and the reporting mechanisms required. While not accountable to the Department of Health and Social Care, we have regular contact with the Department on policy and other matters.

During the period 1 April 2022 to 31 March 2023, the total allowances paid to the current Chair was £78,000 (2021–2022: £60,667), and allowances, travel and subsistence and training expenses paid to, or incurred in relation to, members of the Council were £309,918 (2021–2022: £246,402). Council members are paid directly via the NMC payroll. Details of amounts paid to individual Council and Executive members are set out in the remuneration report.

During the year, the NMC engaged IT services from Gartner UK Limited. The partner of Matthew McClelland, Executive Director of Strategy and Insight, is the Regional Vice P resident of Business Development (Large Enterprise) at Gartner UK Limited. The NMC paid Gartner UK Limited a total of £37,280 during the year (2021–2022: £Nil). There were no balances outstanding with related parties at year-end. Matthew McClelland has played no part in the procurement or management of Gartner UK's services.

14. Investments

Fixed asset investment	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Market value at 1 April	32,838	31,281
New capital invested	3,000	-
Dividends and interest received and retained in fund	859	690
Management fees charged at source	(166)	(157)
Net (loss)/gain on revaluation	(1,855)	1,024
Market value at 31 March	**34,676**	**32,838**
Comprising the following:		
Fixed income securities	5,082	3,112
Equities	23,204	22,929
Property Funds	1,445	1,864
Alternative investment funds	4,249	4,219
	33,980	**32,124**
Cash	696	714
Market value ad 31 March	**34,676**	**32,838**

During the period 1 April 2022 to 31 March 2023, an additional £3,000,000 of funds were invested in the stock market using our investment managers Sarasin & Partners (2021–2022: £Nil).

Current asset investments	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Short-term deposits (maturity of more than 3 months but less than 12 months)	29,612	48,125

15. Debtors

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Debtors	100	91
Prepayments and accrued income	3,670	3,215
Total	**3,770**	**3,306**

16. Creditors (Amounts falling due within one year)

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Creditors and accruals	15,791	13,478
Other taxes and social security	1,423	1,437
Deferred income	40,792	40,258
Total	**58,006**	**55,173**

Deferred income is the value of Registrant fees received at each balance sheet date that relate to a future financial year. £40,258,000 deferred as at 31 March 2022 was released in the year and £40,792,000 was deferred as at 31 March 2023.

17. Creditors (Amounts falling due after more than one year)

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Lease premium	18	76
Total	**18**	**76**

18. Provisions

	Dilapidations[11]	Pension - Early Retirement[12]	Panellists[13]	Total
	£'000	£'000	£'000	£'000
At 1 April 2022	(746)	(22)	(2,500)	(3,268)
Additions	(123)	-	-	(123)
Utilised in the year	158	22	-	180
Releases	7	-	-	7
At 31 March 2023	**(704)**	**-**	**(2,500)**	**(3,204)**

[11] The provision for dilapidations represents our prudent estimate of the costs of putting our leased properties back into the condition they were in prior to the start of our leases.
[12] The provision for pension early retirement reflected the cost of a member of the defined benefit pension scheme retiring early due to incapacity. The additional cost was paid monthly until June 2022.
[13] The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a Fitness to Practise panellist. Panellists are independent contractors who sit on our Fitness to Practise panels. Legal proceedings with respect to this are continuing. The current provision reflects the most recent legal advice as to the likely extent of the potential liability. As the provision includes an amount relating to unpaid employer pension contributions, The Pensions Regulator has been informed.

19. Pension commitments

We operate two pension schemes: a defined contribution scheme and a defined benefit scheme.

The defined contribution scheme

Our main pension scheme is a defined contribution pension scheme operated by The People's Pension. The minimum contribution level is that employees contribute 1 percent of their pensionable salary and the NMC contributes 8 percent (2021–2022: 8 percent). Employees may make additional contributions which are matched by the NMC up to a maximum employer contribution of 14 percent. As at 31 March 2023, 94 percent of employees were members of the defined contribution pension scheme. Employees also have the option of making their contributions through a salary sacrifice scheme introduced at the beginning of 2021–2022.

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
NMC's (employer's) defined contribution scheme contributions made in year	**5,199**	5,023
	%	%
NMC's (employer's) basic contribution defined contribution scheme	**8.00%**	8.00%
Employees' basic contribution defined contribution scheme	**1.00%**	1.00%

The defined benefit scheme

Employees who joined the NMC before November 2013 were able to join our defined benefit pension scheme, The Nursing and Midwifery Council and Associated Employers Pension Scheme, scheme registration number 101652586. It is a funded, multi-employer scheme with the Department of Health and Social Care, administered by Premier Pensions Management Limited. The National Assembly for Wales and NHS Education for Scotland, the previous participants, withdrew from the scheme during 2013 and 2015 respectively.

In March 2021, following a consultation with the active members of the Scheme, Council decided to close the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. Therefore, at 31 March 2023, no employees are active members of the scheme.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. Contributions have been charged to the Statement of Financial Activities (SoFA) so as to spread the cost of pensions over employees' working lives.

The latest completed valuation of the scheme was carried out on behalf of the pension trustees by Premier Pensions Management Limited as at 31 March 2022, using a full yield curve approach. At the date of the valuation, the value of the NMC section of the scheme assets on a low dependency basis was £74.4 million. The value of the assets represented 107 percent of the value of the benefits, which had accrued to members after allowing for expected future increases in earnings.

If the scheme had been wound up on the valuation date (31 March 2022), the assets would have been approximately 86 percent of the amount necessary to purchase insurance contracts to meet the accrued benefits for active members and past leavers and the current benefits for pensioners. The estimated deficit would have been £12.4 million.

As a result of the triennial review showing a surplus, the independent pension trustees have agreed that recovery plan payments are no longer required. The value of recovery plan payments, in the year ended 31 March 2023 was £1,928,000 (31 March 2022: £1,860,000). The value of other, non-recovery plan payments, in the year was £530,000 (2021–2022: £676,000).

The next triennial valuation will be as at 31 March 2025.

The FRS 102 valuation is based on a full assessment of the liabilities of the scheme as at 31 March 2023. Although this valuation shows a surplus, legal advice has confirmed that the NMC does not have an unconditional right to that surplus. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

Amounts recognised in Balance Sheet	**As at 31 March 2023**	**As at 31 March 2022**
	£'000	**£'000**
Assets at fair value	75,706	101,836
Present value of defined benefit obligation	(60,450)	(96,036)
Surplus/(Deficit)	**15,256**	**5,800**
Asset ceiling adjustment	(15,256)	(5,800)
Net liability	**-**	**-**

Amounts recognised in SoFA	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Current service cost	-	(587)
Past service cost	-	-
Expected return on plan assets	2,656	1,848
Curtailment	-	2,495
Interest on pension obligation	(2,656)	(1,889)
Net amount recognised in SoFA	**-**	**1,867**

Amounts recognised in Other Comprehensive Income	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Return on plan assets in excess of interest income	29,384	(2,845)
Actuarial loss/(gain) on demographic assumptions	756	-
Actuarial loss/(gain) on financial assumptions	(38,287)	(5,849)
Actuarial loss/(gain) on experience adjustment	1,332	4,347
Change in the asset ceiling excluding interest	9,273	5,800
Total loss/(gain)	**2,458**	**1,453**
	%	%
NMC's (employer's) contribution defined benefit scheme	39.30%	39.30%
Employees' contribution defined benefit scheme	0.00%	6.00%

Reconciliation of present value of defined benefit obligation	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Opening balance at 1 April 2022	**96,036**	**100,498**
Current service cost	-	587
Curtailment	-	(2,495)
Interest cost	2,473	1,889
Employee contribution	-	92
Actuarial (gain)/losses	(36,199)	(1,502)
Benefits paid	(1,860)	(3,033)
Closing balance at 31 March 2023	**60,450**	**96,036**

Reconciliation of fair value of plan assets	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Opening balance at 1 April 2022	**101,836**	**97,343**
Expected return on assets	2,656	1,848
Actuarial gain/(losses)	(29,384)	2,845
Employer contribution	2,458	2,741
Employee contribution	-	92
Benefits paid	(1,860)	(3,033)
Closing balance at 31 March 2023	**75,706**	**101,836**

Asset ceiling	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Asset ceiling at start of period	**(5,800)**	**-**
Interest on the asset ceiling	(183)	-
Change in asset ceiling not included in income statement	(9,273)	5,800
Asset ceiling at end of period	**(15,256)**	**(5,800)**

Reconciliation of change in funded status	Period ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Opening balance at 1 April 2022	**-**	**(3,155)**
Pension expense	-	1,867
Actuarial gain/(losses)	6,815	4,347
Employer contribution	2,458	2,741
Asset ceiling adjustment	(9,273)	(5,800)
Closing balance at 31 March 2023	**-**	**-**
Actual return on plan assets	**(26,728)**	**4,693**

History of experience adjustments	Period ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000	£'000	£'000
Defined benefit obligation	(60,450)	(96,036)	(100,498)	(78,626)
Plan assets	75,706	101,836	97,343	67,004
Surplus/(Deficit)	**15,256**	**5,800**	**(3,155)**	**(11,622)**
Experience adjustments on scheme liability - gain/(loss)	(1,332)	(4,347)	731	5,226
Experience adjustments on scheme assets	(29,384)	2,845	20,119	(13,789)

Expected contribution in following period	As at 31 March 2023
	£'000
Employer (including fees)	-
Employee	-
Total	**-**

Principal assumptions	As at 31 March 2023	As at 31 March 2022
Discount rate	4.70%	2.60%
Retail price inflation	3.40%	3.70%
Consumer price inflation	2.95%	3.25%
Pension increases	3.00%	3.65%
Expected return on assets	4.70%	2.60%

Life expectancy at age 60	Years	Years
Males born 1962	26.6	26.6
Females born 1962	29.3	29.2
Males born 1982	28.2	28.1
Females born 1982	30.7	30.7

Scheme assets	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Growth funds	18,945	51,361
Bonds	6,606	6,993
Gilts	16,466	-
Liability driven investments	11,909	19,984
Cash	6,022	2,384
Insured annuities	15,758	21,114
Total	**75,706**	**101,836**

20. Capital commitments

At 31 March 2023, £0.6 million for Registration and Revalidation, Test of Competence, £2.6 million Modernisation of Technology Services and £0.1 million Technology Improvement programme capital expenditure has been contracted for but has not been provided for in the financial statements.

The following capital expenditure had been approved but not contracted for:

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Modernisation of Technology Services	6,881	1,200
Accommodation programme	1,800	763
Modern Workplace for Me	100	100
Total	**8,781**	**2,063**

21. Operating lease commitments

At 31 March 2023 we had the following future minimum operating lease payments:

	Land and buildings	
	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Leases which expire:		
Within one year	1,888	1,816
Between one and five years	4,530	5,723
More than five years	757	4,226
Total	**7,175**	**11,765**

We lease premises at 2 Stratford Place, London, for the period until 21 July 2024; 1 Westfield Avenue, London, for the period until 6 February 2029 and 10 George Street, Edinburgh for the period until 17 May 2026.

22. Financial instruments

Financial instruments play a more limited role in creating and managing risk than would apply to a commercial organisation.

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Financial assets	105,689	106,150
Financial liabilities	(17,214)	(14,915)

Financial assets consist of cash balances £37.631 million (2021–2022: £21.881 million), investments in fixed term bank deposits £29.612 million (2021–2022: £48.125 million) and debtors £3.770 million (2021–2022: £3.306 million) held at amortised cost and investments in the stock market (via investment managers) £34.676 million (2021–2022: £32.838 million) held at market value. Financial liabilities held at amortised cost comprise creditors and accruals £15.791 million (2021–2022: £13.478 million) and other taxes and social security £1.423 million (2021–2022: £1.437 million).

23. Comparative statement of financial activities

In the year ended 31 March 2022 £2.609 million restricted grant income was fully expensed, with no brought forward restricted balances. See note 3 for further detail.

24. Extra-contractual payments

There was one extra-contractual payments in the period ended 31 March 2023: £23,500 (31 March 2022: £182,804). Further detail can be found in the remuneration report.

25. Contingent assets and contingent liabilities

At 31 March 2023 there were no contingent assets or liabilities.

26. Post balance sheet events

There have been no events after the balance sheet date requiring adjustment or disclosure in these financial statements.

The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

Appendix 1



The Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010

Their Lordships make the following determination in exercise of powers conferred by article 52(1) of the Nursing and Midwifery Order 2001[1].

This determination has effect from 23rd February 2010.

Interpretation

1. In this Determination-

"the accounts" means the accounts which it is the Council's duty to keep and prepare under article 52(1) of the Nursing and Midwifery Order 2001 in respect of the financial year ending on 31st March 2010 and subsequent financial years;

"the Charities' SoRP" means the "Accounting and Reporting by Charities: Statement of Recommended Practice 2005 prepared by the Charities Commission or any updated edition in force for the relevant financial year.

"the Council" means the Nursing and Midwifery Council;

"the FReM" means the Government Financial Reporting Manual issued by HM Treasury which is in force for the relevant financial year.

[1] S.I 2002/253

Determination

2. The accounts must-

a. be prepared so as to give a true and fair view of the Council's state of affairs as at 31st March of the financial year in question and of the incoming resources and application of resources of the Council for that financial year; and

b. disclose any material incoming or outgoing resources that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Subject to paragraph 4, in order to comply with paragraph 2(a), the accounts must be prepared-

a. in compliance with the accounting principles and disclosure requirements contained in the Charities' SORP; and

b. having regard to the requirements of the FReM to the extent that those requirements clarify, or build on, the requirements of the Charities' SORP.

4. Where the presence of exceptional circumstances means that compliance with the requirements of the Charities SORP or the FReM would give rise to the preparation of accounts which were inconsistent with the requirement in paragraph 2(b), those requirements should be departed from only to the extent necessary to give a true and fair view of that state of affairs.

5. In cases referred to in paragraph 4, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned and the spirit of the Charities' SORP and the FReM.

6. This determination shall be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council
Dated: 18th July 2011

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London W1B 1PZ

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NURSING AND MIDWIFERY COUNCIL

England & Wales - Charity number 1091434

Accounts

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Nursing & Midwifery Council

Annual Report and Accounts 2021–2022 and Strategic Plan 2022–2025

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Nursing and Midwifery Council

Annual Report and Accounts 2021–2022 and Strategic Plan 2022–2025

Annual Report 2021–2022 and Strategic Plan 2022–2025 presented to Parliament pursuant to Article 50(2) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Accounts presented to Parliament pursuant to Article 52(7) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Ordered by the House of Commons to be printed on

18 July 2022

HC 582

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Foreword

Welcome to the NMC's review of 2021–2022. This report covers the second year of our five-year strategy; a year again dominated by the Covid-19 pandemic. We continued to act with agility to meet the needs of UK health and care services and the public, for example in extending our temporary register when needed.

We are determined that all our work must be built on a solid foundation of advancing equality, valuing diversity and promoting inclusion (EDI). Health inequalities have been exposed and exacerbated by the pandemic and we all have much to do to address these challenges. Our EDI plan, published this year, sets out how we will integrate EDI in all our work, ensuring our own regulatory processes are fair for all.

We would like to highlight two particular achievements. Following extensive public consultation, we have now agreed new standards for specialist community nursing and specialist community public health nurses post-registration qualifications. We are grateful to all those who have worked with us on this significant achievement. It marks the culmination of six years' work to update all our education standards to support the nursing and midwifery professionals of the future. We are now starting to look ahead to what regulation of advanced practice might look like.

We also updated the test that internationally-trained nurses and midwives have to take before they join our register to reflect these new standards. This means that people can be confident in the quality of the care they receive – no matter where the professionals looking after them trained.

Disappointingly, we did not make the progress we wanted in reducing our fitness to practise caseload, meaning cases are taking much longer to resolve than we would like. We are sorry for the further distress this causes for all involved. We have stabilised case numbers and are determined to deliver further changes to reduce the time people wait for a decision in the year ahead.

We appreciate the collaborative approach and support we continue to receive from the Unions and Royal Colleges to help us achieve this.

Proposed reforms of our legislation will also help by giving us the flexibility we need to resolve cases more quickly whilst still protecting the public. We have begun to work on how to make the most of the proposed changes, and what the impacts on the wider workforce might look like.

Towards the end of the year Donna Ockenden published her review of maternity services at the Shrewsbury and Telford Hospital NHS Trust. It is a painful report to read and our hearts go out to the families whose lives have been changed forever, and who have had to fight so hard to be heard. We also recognise the pressure on individual midwives as they strive to deliver good, safe care in difficult circumstances.

This and forthcoming reports into other maternity services will shape our work for some time to come. It's going to take all of us – regulators, employers and professionals – working together with women and their families to ensure that safe and kind maternity care is a reality for everyone, everywhere.

Finally, there is so much more in this report which reflects the hard work of everyone, Council members, colleagues and partners in challenging circumstances; we thank them all for their dedication.

DocuSigned by:
David Warren
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Sir David Warren
Chair

08 July 2022

DocuSigned by:
C340415A8274412

Andrea Sutcliffe
Chief Executive and Registrar

08 July 2022

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01

Our **role**

We are the independent regulator for nurses and midwives in the UK and nursing associates in England. Our objectives are set out in the Nursing and Midwifery Order 2001 (as amended).

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The overarching aim of the Council is the protection of the public by:

a. protecting, promoting and maintaining the health, safety and wellbeing of the public

b. promoting and maintaining public confidence in the professions regulated under the Order

c. promoting and maintaining proper professional standards and conduct for members of those professions.

Our regulatory responsibilities are to:

- **maintain the register** of nurses and midwives who meet the requirements for registration in the UK, and nursing associates who meet the requirements for registration in England
- set the **requirements for the professional education** that supports people to develop the knowledge, skills and behaviours required for entry to, or annotation on, our register
- shape the practice of the professionals on our register by **developing and promoting standards** including our Code, and promoting lifelong learning through revalidation
- **investigate and, if needed, take action** where serious concerns are raised about a nurse, midwife or nursing associate's fitness to practise.

Our governing body is our Council, which is made up of six lay people and six professionals on our register. Our work is overseen by the Professional Standards Authority for Health and Social Care, which reviews the work of regulators of health and care professions. We are accountable to Parliament through the Privy Council. We are also a registered charity and seek to ensure that all our work delivers public benefit.

Our vision is safe, effective and kind nursing and midwifery that improves everyone's health and wellbeing. As the independent regulator of more than 758,000 nursing and midwifery professionals, we have an important role to play in making this a reality.

Our core role is to **regulate**. First, we promote high professional standards for nurses and midwives across the UK, and nursing associates in England. Second, we maintain the register of professionals eligible to practise. Third, we investigate concerns about nurses, midwives and nursing associates – something that affects a tiny minority of professionals each year. We believe in taking account of the context in which incidents occur and giving professionals the chance to address concerns, but we will always take action when needed.

To regulate well, we **support** our professions and the public. We create resources and guidance that are useful throughout people's careers, helping them to deliver our standards in practice and address new challenges. We also support people involved in our investigations, and we are increasing our visibility so people feel engaged and empowered to shape our work.

Regulating and supporting our professions allows us to **influence** health and social care. We share intelligence from our regulatory activities and work with our partners to support workforce planning and sector-wide decision making. We use our voice to speak up for a healthy and inclusive working environment for our professions.

Our five strategic themes guide how we prioritise and phase our work, as well as new investment in people and other resources. They are:

Improvement and innovation

Proactive support for our professions

More visible and better informed

Engaging and empowering the public, professionals and partners

Greater insight and influence

Underpinning these themes, we aim to align our capabilities, infrastructure and culture to become a fit for the future organisation.

Our values underpin everything we do. They shape how we think and act.

We are fair

We treat everyone fairly. Fairness is at the heart of our role as a trusted, transparent regulator and employer.

We are kind

We act with kindness and in a way that values people, their insights, situations and experiences.

We are collaborative

We value our relationships (both within and outside of the NMC) and recognise that we're at our best when we work well with others.

We are ambitious

We take pride in our work. We're open to new ways of working and always aim to do our best for the professionals on our register, the public we serve and each other.

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Our strategy on a page

Purpose Promote and uphold high professional standards in nursing and midwifery - protecting the public, inspiring public confidence.

Vision Safe, effective and kind nursing and midwifery, improving everyone's health and wellbeing.

Our role 2020-25

Regulate

- An accurate and transparent **register**
- Robust professional and educational **standards**
- Assuring **education programmes**
- Responding fairly to **fitness to practise (FtP) concerns.**

Support

- Promote **understanding** - our professions and our role
- Provide **practical tools** - help embed standards
- **Emotional/practical support** - people involved in our processes.

Influence

- Promote positive and inclusive **professional working environments**
- Share **data and insight** to identify risks of harm and address workforce challenges
- Encourage **regulatory innovation.**

Values Fair Kind Collaborative Ambitious

Themes 2020-25 Improvement and innovation | Proactive support Visible and better informed | Engaging and empowering | Insight and influence

2021-2022 was the second year of our strategy. Like 2020-2021, it was substantially affected by Covid-19, with significant elements of our plans having to be deferred to focus our resources on responding to the pandemic. To ensure our strategy remains feasible, we have reviewed progress and re-scoped or re-phased some commitments and decided not to pursue others before 2025. Our revised commitments can be found in the strategic plan section of this report.

02

Performance review 2021-2022

We had achieved a great deal by the end of 2020-2021: we had launched and maintained our temporary register, introduced emergency and recovery education standards, and rapidly established remote working to continue our services.

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But we also ended the year with delays to our strategic programmes and a high and growing fitness to practise caseload. To help navigate these challenges and build on our successes, our corporate plan for 2021–2022 set out 10 commitments.

In the following pages, we report on how that plan has helped us to fulfil our role and further our vision for safe, kind and effective nursing and midwifery that improves everyone's health and wellbeing.

Equality, diversity and inclusion

We have a responsibility as a regulator and as an employer to do everything we can to tackle discrimination and to promote diversity and inclusion. We know that the best way to do this effectively is to embed equality, diversity and inclusion (EDI) into all our work. In this report, we have drawn out how we have progressed this work in 2021–2022.

Regulating nursing and midwifery

Our register

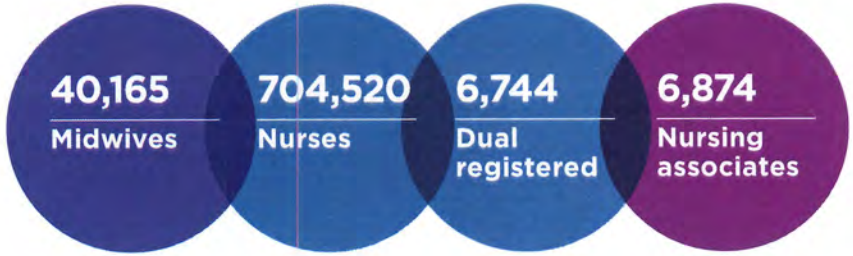
Our register is at the core of everything we do. It protects the public by ensuring that only those who meet our standards can practise in the UK.

On 31 March 2022, the number of nurses, midwives and nursing associates on the permanent register was 758,303. This represents:

an increase of 3.6 percent (26,403 professionals)
since March 2021, and is the

highest number of professionals ever on our register.

Our permanent register by registration type at 31 March 2022



Total register **758,303**

Numbers of professionals by country or region of initial registration:







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The number of professionals joining the register for the first time has risen by 13,919 to 48,436. Almost half of these first-time joiners trained outside the UK.

- 25,028 trained in the UK (2020-2021: 24,555).
- 663 trained in the European Union/ European Economic Area (EU/EEA) (2020-2021: 810).
- 22,745 trained outside the UK or EU/ EEA (2020-2021: 9,152).

The number of people leaving the register has also started to rise: increasing by 3,199 to 27,133, a reverse to the falling trend over recent years.

Since publishing the Annual Report for 2020-2021, we have discovered some minor data errors. We have thoroughly reviewed the issues that led to these errors and have put in place actions to avoid a recurrence. These errors were:

- reporting the number of professionals on the register as 731,918 (correct figure: 731,900) and the number of nurses on the register as 681,527 (correct figure: 681,525)
- reporting the number of new professionals on our register as 24,611 (correct figure: 24,555) and the number of new professionals trained outside the UK and EU/EEA as 9,156 (correct figure: 9,152).

The inaccuracy happened because we counted a small number of records produced to test the system and some duplicate entries from when nurses had incorrectly used a nursing associate application and then re-applied as a nurse.

Our registration processes ensure that professionals can provide safe, kind care when they join our register. These processes must be appropriate, proportionate, and efficient. Our strong registration performance this year supports that aim.

- A total of 99.6 percent (2020-2021: 99.3 percent) of UK initial registration applications were completed within one day, meeting our target of 97 percent.
- Where a concern has been raised, some applications take longer to process. Our target is to complete 95 percent of these cases in 60 days. In 2021-2022 we exceeded this target with 96.2 percent (2020-2021: 97.7 percent).
- A total of 99.7 percent of international registration applications (including professionals trained in the EU/EEA who started their application after January 2021) were completed within our goal of 30 days, exceeding our target of 90 percent (2020-2021: 99.4 percent in 30 days). For the last six months of the year, we processed applications within around 10 calendar days, which was a significant support to the workforce. We were able to achieve this with funding from the Department of Health and Social Care (DHSC), which provided us with a grant of £2.6 million to speed up our processing of international registration applications. Most of this funding, some £2.4 million, was passed by us direct to the OSCE delivery centres in the universities providing the test.

Temporary register

Our temporary register is made up of groups of professionals whom we consider to be fit, proper and suitably experienced to work in support of the Covid-19 emergency. The groups include nurses and midwives who had previously held registration and certain groups of professionals who trained outside the UK. Professionals who left the permanent register between 1 March 2015 and 31 March 2018 and international candidates who meet the requirements for temporary registration are subject to conditions of practice while on the temporary register.

In response to the Omicron variant, from 22 December 2021 we reopened our temporary register to more professionals who were trained outside the UK. On 31 March 2022 we had 14,952 professionals on the temporary register (15,457 at 31 March 2021).

Given the success of the vaccination programme and the easing of the pandemic, on 21 February 2022, the Government confirmed that the temporary register would close on 30 September 2022. We stopped accepting new entrants on 24 March 2022. We were pleased that during 2021-2022, a total of 2,101 professionals either joined or re-joined the permanent register from the temporary register. We will continue to support temporary registrants to join the permanent register before it closes in September 2022, should they wish to do so.

We are hugely grateful to everyone on the temporary register for the invaluable contributions they have made.

"I have enjoyed every minute at the Vaccination Centre, and I wanted to take this time to thank the NMC for giving me the opportunity to contribute and do my part to help save people's lives."

Professional on the temporary register

"Being part of this has rekindled my love of health care and reminded me why, over 40 years ago, I knew that nursing was the career for me. As a former career nurse, returning to the permanent register was a no-brainer."

Professional on the temporary register

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Equality, diversity and inclusion: Covid-19 equality impact

We know that changing our regulatory processes in response to Covid-19 could have negative impacts on certain groups of people. To avoid this, we used an equality impact assessment to identify and mitigate any potential negative impacts. We also used this assessment to identify challenges caused by the Covid-19 pandemic itself. Our assessment found no evidence that our regulatory responses led to discriminatory outcomes for different groups. The latest version of our equality impact assessment is published **online.**

We know the pandemic is having a greater impact on some of our professionals and those accessing care. For example, we know that people from ethnic minority groups have been disproportionately affected, including being more likely to contract Covid-19. We also know that disabled people have been impacted, for instance through complications from Covid-19. We are also mindful of the wealth of evidence of the pandemic's impact on the mental health and wellbeing of the public, as well as on the professionals on our register. All our activities need to take account of the additional inequalities in the health and social care landscape.

During summer 2022, we will complete our 'two years in' review of the equality impacts of the Covid-19 pandemic on our professionals and of the regulatory changes we made in response to the pandemic. The review will be published as an annexe to a wider report reviewing the impacts of the regulatory changes we made in response to the pandemic and our preparedness for future emergencies.

Our contact centre

Our contact centre supports nurses, midwives and nursing associates with queries they have about their registration. At the start of 2020-2021, we were receiving a higher than usual volume of complex calls. Many were driven by the changing nature of the pandemic and our response to this, for example in relation to revalidation. This trend continued into the start of 2021-2022 and was further exacerbated by technical challenges, largely due to remote working, which impacted detrimentally on our performance.

We took a number of actions, including bringing forward our peak season recruitment, and were able to increase the number of calls answered from 69.5 percent in May 2021 to 90.1 percent in August 2021. For the year, we answered 88 percent of calls (2020-2021: 86.1 percent), just missing our target of 90 percent.

In our Annual Report for 2020-2021, due to human error we incorrectly reported the average calls answered per day as 891 when this should have been 764. We have improved our checking processes to avoid a recurrence of mistakes.

756
Average calls answered a day

In 2021-2022, our contact centre answered an average of 756 calls a day, eight fewer each day than the previous year (2020-2021: 764).

1,669
Calls on the busiest day

We answered 1,669 calls on our busiest day (2020-2021: 1,665). Compared to 2020-2021, the contact centre received 2.9 percent fewer calls.

23,974
Calls during the busiest month

The busiest month this year was June 2021 when we received 23,974 calls. In 2020-2021, our busiest month was March 2021 when we received 22,559 calls.

57,490
Email responses

The contact centre also responded to 57,490 emails over the year, compared to 62,274 in 2020-2021, a decrease of 7.7 percent. This decrease can be attributed to professionals needing less Covid-related support.

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New Test of Competence

Corporate Commitment for 2021-2022:

Update the test that international nurses and midwives take to join our register.

We use our Test of Competence to assess the skills and knowledge of people trained outside the UK applying to join our register or those who wish to rejoin it after a long period away from practice. We launched a new test in August 2021 that now reflects our Future Nurse and Future Midwife standards of proficiency. We were pleased to receive positive feedback on the test and our updated guidance and support.

Following an open tender process, we were pleased to appoint two new partners to deliver the practical element of our test, expanding capacity from three to five partners. One of the new partners began testing in March 2022, and the other in May 2022, providing more choice for those seeking to take the Test of Competence. We are particularly grateful to our existing partners for their support in launching the new centres quickly and safely.

In 2022-2023, we plan to explore alternative models for delivering the practical element of the Test of Competence, including ways to improve access across England, Scotland and Wales.

Recognising EU/EEA qualifications

Following the UK's exit from the European Union, we remained in a 'standstill' position in relation to qualifications throughout 2021-2022. This meant adult nurses and midwives who trained in the EU/EEA, and who held a recognised qualification, were not required to take a Test of Competence to join our register.

"We are pleased that the Test of Competence has been updated to reflect the NMC's new standards for nursing and midwifery professionals. The new test will ensure that all nursing and midwifery professionals will meet the same high standards, regardless of where they trained or how long they've been out of practice."

Four Chief Nursing Officers, August 2021

"I'm delighted that we've been able to significantly increase our objective structured clinical examination (OSCE) test centre provision. This additional capacity will mean professionals with the right skills and knowledge will have more choice in where to take their test, enabling them to join our register quickly and safely."

Andrea Sutcliffe, Chief Executive and Registrar, NMC

In advance of these arrangements ending, we are working with the Department of Business, Energy and Industrial Strategy to influence the development of a qualification framework.

Revalidation

To remain on the register, all professionals need to demonstrate that they are maintaining safe and effective practice by revalidating once every three years. Revalidation promotes lifelong learning by requiring nursing and midwifery professionals to reflect on their practice and how the Code applies to their work. This is now a well-established part of professionals' continuous development, with many of those on our register revalidating for a third time during 2021-2022.

To support professionals, we updated our guidance on how to revalidate during the Covid-19 emergency, including outlining the support we offer and advice on how to meet the requirements. We continue to monitor the external situation to ensure our support is tailored and effective.

Despite the pressures of Covid-19, we saw strong revalidation rates as professionals continued to value the benefits that revalidation brings. In particular, we heard that many professionals welcomed the opportunity to reflect on and discuss the impact that the pandemic has had on them.

For the full year 2021-2022, 205,044 professionals successfully revalidated. This includes 370 nursing associates who were revalidating for the first time since this new profession was added to the register in January 2019.

The 205,044 figure equates to a revalidation rate of 89.6 percent of professionals revalidating in 2021-2022 by their original due date. This is higher than for 2020-2021 (80.7 percent) but lower than before the pandemic (where the rate ranged between 92 and 94 percent).

Further information on revalidation during 2021-2022 can be found in our **Revalidation Data Tables.**

Fitness to practise

One way we regulate professionals is to investigate concerns about nurses, midwives and nursing associates - something that affects a tiny minority of the people on our register every year. We determine whether their skills, knowledge, education or behaviour fall below the standards needed to deliver safe, effective and kind care. If they do, we then take steps to keep the public safe and prevent something from going wrong again.

We will always take action if needed, (including removing people from our register in the most serious cases). But most of the time the best way to keep people safe is to learn from incidents and stop similar things happening again in the future.

When deciding whether there is a risk we take into account the context in which an incident took place and any steps professionals may have taken to strengthen their practice since it happened.

We operate a process which allows people to tell us what happened straight away and encourages professionals, members of the public and employing organisations to engage with us to make sure we make the right decisions as soon as possible.

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Fitness to practise in numbers: 2021-2022

Screening

When we receive concerns about someone's fitness to practise, we check whether they are on our register and assess whether the concerns require a full investigation.

We received **5,291 new concerns** (2020-2021: 5,547)

We reached decisions on **4,923 cases** (2020-2021: 4,123)

We decided **1,080** cases required **a full investigation** (2020-2021: 1,335)

We decided **3,843** cases did not require **a full investigation** (2020-2021: 2,788)

Interim orders

Where needed, at any point, Fitness to Practise panels can take urgent, temporary action to protect the public while we look into the concerns that have been raised.

Fitness to Practise panels imposed:

Interim suspension orders in 240 cases (2020-2021: 240)

Interim conditions of practice orders in 264 cases (2020-2021: 309)

Case examiners

Where needed, we fully investigate the concerns raised about someone's fitness to practise.

At the end of the investigation our case examiners decide whether any next steps are required to protect the public. Case examiners may decide to take no further action if they conclude the concerns do not require regulatory action or if the nurse, midwife or nursing associate has taken sufficient steps to improve their practice.

We completed 1,582 investigations (2020-2021: 1,083)

Our Case examiners decided to:

Take no further action in 739 cases (2020-2021: 575)

Give advice, issue a warning, or agree undertakings in 102 cases (2020-2021: 73 cases)

Refer 741 cases for adjudication (2020-2021: 435)

Adjudication

Where needed, cases are heard by Fitness to Practise panels.

Panels decide whether regulatory action is required to protect the public. Panels may decide to take no further action if they conclude the allegations are not proved or if the nurse, midwife or nursing associate has taken sufficient steps to improve their practice.

Fitness to Practise panels made 414 decisions (2020-2021: 208) **where they decided to:**

Remove the person from the register in 109 cases (2020-2021: 56)

Suspend the person from the register temporarily in 124 cases (2020-2021: 86)

Impose conditions of practice orders in 61 cases (2020-2021: 27)

Issue cautions in 37 cases (2020-2021: 14)

Take no further action in 83 cases (2020-2021: 25)

A detailed statistical analysis of our performance in 2021-2022 is published in our Annual Fitness to Practise Report.

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Fitness to Practise Improvement programme

Corporate Commitment for 2021-2022:

Reduce the fitness to practise caseload and improve how we handle people's concerns about nursing and midwifery professionals.

Since the beginning of 2019-2020, our fitness to practise caseload has increased, meaning that people who have raised concerns and professionals affected are waiting longer for us to reach decisions. We know how devastating this can be for all involved, which is why reducing the caseload and making speedier decisions is our top corporate priority.

The increase in our caseload is not due to more concerns being raised with us. Instead, initially it was due to vacancies and the impact of embedding new person-centred ways of working. Then the onset of the pandemic in March 2020 curtailed our plans to address these issues and further disrupted our processes. This led to the caseload rising higher during 2020-2021 and meant we started 2021-2022 with a high and rapidly growing caseload, with 6,357 fitness to practise cases at 31 March 2021 (at 31 March 2020: 4,506).

Our progress

We established our Fitness to Practise Improvement programme and committed to reducing our caseload to 5,250 by 31 March 2022 and to 4,000 by 31 March 2023.

Despite making improvements, we failed to meet this aim: on 31 March 2022 our caseload was 6,469 and we will not achieve the 4,000 target by 31 March 2023.

We also failed to meet our **two key performance targets.**

- To close 80 percent of cases within 15 months from receipt: on average we closed 62 percent of cases within 15 months (2020-2021: 72 percent).
- To impose 80 percent of interim orders within 28 days of receipt. Instead, we ended the year with 77 percent of interim orders imposed within 28 days (2020-2021: 78 percent).

While we have not managed to reduce the caseload, our improvement work has arrested the growth that we have seen over the past few years and stabilised the caseload. **Key areas that we have made progress in are outlined below.**

- We made progress in our ability to reach clear and well-evidenced final decisions at the earliest possible opportunity. Around 78 percent of cases we make decisions about at the first stage of our process are closed, compared to an earlier level of under 70 percent.
- We have steadily improved our output at the case examiner stage of the process - the stage at the end of an investigation where an examiner decides whether any steps are required to protect the public and where cases might be closed or might proceed to a panel event.
- We have steadily increased the number of Fitness to Practise panel events that we are able to hold each day.
- We have reduced the costs of servicing our shorter virtual events by amending our support for virtual hearings and panel member fee arrangements.

We have made these improvements against a backdrop of staff vacancies and capacity challenges in the teams that deal with the early stages of the process. This has had a significant impact on our ability to reduce the caseload. Resolving these issues is a key priority for the coming year.

Looking to 2022-2023

Our aim remains to achieve a caseload of less than 4,000 but we now do not expect to reach this by March 2023. Instead, we aim to reduce our caseload to 5,000 cases by March 2023 and reach 4,000 cases by March 2024.

To achieve this, we will invest in increased capacity in key areas, while also continuing to redesign our processes and embed the improvements we have already made. This will enable us to reduce the caseload by:

- ensuring that we take a final decision on a case at the earliest possible opportunity
- improving the efficiency and effectiveness of our operations to increase our output
- avoiding inappropriate referrals and reducing the number of cases we need to consider.



Equality, diversity and inclusion: Learning from our handling of discrimination cases

Following concerns about our handling of a case involving discriminatory and racist behaviour, we reviewed our processes and **published our learning**. As a result:

- We have strengthened our guidance so that we are consistent in what we mean by discrimination, bullying, victimisation and harassment, and how seriously allegations like these need to be taken.
- We have delivered enhanced equality, diversity and inclusion (EDI) training for Fitness to Practise panel members, and we will introduce a new training package for all colleagues in 2022-2023.

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Whistleblowing to the NMC as a prescribed person

The NMC is a 'prescribed person' in law. This means that concerns may be raised with us by nurses, midwives, nursing associates, students or other healthcare professionals who identify wrongdoing in their workplaces or practice placements. Our policy sets out six criteria that we use to decide if information we receive should be dealt with as whistleblowing.

In 2021–2022 we received 152 disclosures that met our criteria for disclosures we reasonably believe to be instances of whistleblowing (2020–2021: 192).

Of those 152, 36 were received through our whistleblowing mailbox and 116 were disclosures made during fitness to practise cases. The most common themes of disclosure made this year were: patient safety and care; leadership and management; health and safety; and behaviour (including bullying, intimidation or harassment of colleagues).

Each year we publish a joint report with other health and social care regulators on how we handled whistleblowing disclosures. The joint whistleblowing disclosures report 2020–2021 can be found on **our website.** The joint report for 2021–2022 will be published later this year.



Case study

In April 2021, we received concerns about management and patient care at an NHS hospital. These concerns included discrimination, issues relating to medication and staffing, and victimisation of the person raising the concern.

We dealt with the concern through our fitness to practise process, our education quality assurance process and our Employer Link Service. Our Employer Link team established that the trust was aware of the concerns and they were being appropriately dealt with at a local level. We also shared the information with the Care Quality Commission (CQC) and Healthcare Safety Investigation Bureau (HSIB).

Independent Review of Maternity Services at the Shrewsbury and Telford Hospital NHS Trust (Ockenden report)

The Ockenden report was published on 30 March 2022 and set out appalling and long-standing failures in maternity care and leadership at Shrewsbury and Telford NHS Hospital Trust. Each of the cases is a family tragedy.

Donna Ockenden and her team have undertaken crucial work pointing the way to make sustainable improvements in maternity care. It is essential that families are heard, staff are able to speak up and concerns are acted upon.

Our evidence-based Future Midwife Standards are there to support midwives to deliver the safest, person-centred care for women and babies. This includes knowing when things are going wrong and making sure the right actions are taken in response.

To ensure these standards are fully implemented in education and practice, maternity services across the country need to be properly resourced, with sustained investment in continuing professional development.

There are so many dedicated professionals in maternity services who want to provide the safest and best possible care and support. We all need to work together to make sure that happens for every woman, every baby and every family all the time.

Following the publication of the report, we wrote to all midwives on our register to draw their attention to the report and to share resources to help them with the challenges they are encountering. We received a letter from the Secretary of State asking us to review our regulatory processes in light of the report. We have responded to the letter explaining the changes we have already made and further actions we are taking forward in 2022–2023. We published th s letter in our May 2022 **Council papers.**

"It's down to the sheer determination and bravery of grieving families that these systemic failures have now been recognised. Women and families should have been listened to and taken seriously far sooner."

Andrea Sutcliffe,
Chief Executive and Registrar, NMC

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Setting robust education and professional standards

We review and maintain standards for nursing and midwifery education and practice at both pre-registration and post-registration levels. These standards must be met by all nursing and midwifery students prior to entry to the register. This ensures they are fit to practise at the point of registration.



Pre-registration programme standards for nursing and midwifery

Corporate Commitment for 2021-2022:

Use evidence and research to decide whether to propose changes to our programme standards for pre-registration education.

Following the UK's exit from the European Union (EU), in 2021-2022 we commissioned two pieces of research to identify what changes, if any, we may wish to make to our pre-registration programme standards. Overall, the research found that stakeholders did not support radical changes and that there was a limited base of existing evidence from which to propose changes. In light of the findings, we committed to a process of co-production to develop proposals further, ready for consultation in summer 2022.

One area we are considering is the use of simulation to supplement and support practice learning hours. Further research is required in this area and we will work with education partners to explore a variety of simulation methodologies. We are also drawing upon learning from the impact of the Covid-19 pandemic, including the impact of the emergency and recovery standards.

An equality impact assessment found that the changes being made to the selection and admission standards will enable widening participation in programmes. No other impacts have been found to date.

Post-registration education standards

Corporate Commitment for 2021-2022:

Deliver new education standards that build on ambitions for community and public health nursing in the UK.

At the start of 2021-2022, consultation opened on our new post-registration proficiency standards for specialist community public health nursing (SCPHN), community nursing specialist practice qualifications (SPQs) and associated programme standards. To ensure as many people as possible had the opportunity to respond, the consultation ran for 16 weeks and was supported by a comprehensive communication and engagement campaign, resulting in more than 2,300 responses.

Alongside the consultation, we commissioned independent user testing of the draft standards with 15 education institutions and more than 150 individual stakeholders, including students, lecturers, professionals and people using health and care services.

The majority of responses to the **consultation** and the **user testing** were positive across SCPHN and SPQ. Regarding SPQs, we recognised that some stakeholders would still have preferred individual sets of standards for each specific community role. The rationale for our approach was to represent a higher level of standard of knowledge and skill that was consistent across all nurses working at a specialist level in the community.

This is coupled with the fact that new community nursing roles are being developed which are not represented by the current suite of SPQs, a trend that is likely to continue.

We have addressed the original concerns by strengthening the standards for educational programmes to ensure that students in field-specific roles are taught within the context of their speciality. We are also emphasising that standards of proficiency need to be met within a student's intended field of practice. We have also acknowledged the important role of voluntary standards produced by other bodies, which complement the higher-level, overarching regulatory purpose of our standards.

The refinements made to the standards for both SCPHN and SPQ following the consultation have been widely acknowledged as positive. We have also received support for the outcome from the Chief Nursing Officers across the four countries of the UK. The new standards were approved by our Council in May 2022 and they will take effect from 1 September 2022.

Our work throughout 2021-2022 was informed by an extensive and dynamic equality impact assessment that enabled us to ensure the views of seldom heard groups were taken into account.

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Quality assuring nursing and midwifery education

As the regulator for nursing and midwifery professionals, we also have a role in quality assuring nursing and midwifery education. We do this by setting standards for education programmes and approving and monitoring the delivery of those programmes by approved education institutions (AEIs).



Emergency and recovery standards

Following a request from the Secretary of State for Health and Social Care in January 2021, we reintroduced a new set of emergency standards to support the response to Covid-19. As the impact of the pandemic lessened, in May 2021 we withdrew those emergency standards that allowed students to support the Covid-19 response, and in September 2021 we withdrew all remaining emergency standards.

When we first phased out our original emergency standards in September 2020, we retained a limited number – referred to as 'recovery' standards – to support recovery from the pandemic. Four of these recovery standards will now be withdrawn in September 2022, following the Secretary of State for Health and Social Care declaring the emergency over. Three of our recovery standards remain in effect, including standards established in February 2021 that allow more simulated practice to be counted within the required 2,300 hours of practice learning.

Approving education programmes in 2021–2022

In 2021–2022, our quality assurance activity focused on approving AEIs to run programmes in line with our new standards. All such nursing programmes had to be approved by 31 August 2021. By that date we had approved all 796 programmes of the nursing programmes as all AEIs had moved across to the new standards.

Midwifery programmes will need to be approved against our new standards by September 2022. So far, we have approved 73 midwifery programmes against the new standards, with 35 programmes running based on our old standards.

A noteworthy development was the approval of South Devon College as a new AEI, the first Further Education college to be directly approved to deliver a nursing associate programme.

During 2021–2022, all approval activity was undertaken remotely. While we welcome the return to in-person visits, we recognise there are benefits to these taking place remotely. We are undertaking a review to identify how we can embed these benefits in our future ways of working. As ever, our priority remains ensuring our processes are effective in ensuring standards are being met.

Monitoring education programmes in 2021–2022

We continue to monitor approved programmes to ensure they still meet our standards. In 2021–2022 we monitored programmes through the following mechanisms.

Annual self-reporting: AEIs must submit an annual self-assessment and self-declaration. This year, 65 out of 88 (74 percent) of AEIs provided assurance that all key risks were controlled or mitigated through appropriate action plans.

New programme monitoring: To provide extra assurance, we require AEIs to provide additional information on new programmes. In the academic year, seven existing AEIs were involved in new programme monitoring.

Enhanced scrutiny: Where we have identified potential concerns, we can place AEIs under enhanced scrutiny which requires them to report more regularly to us. Following an extraordinary review in 2020 into the midwifery concerns at Shrewsbury and Telford Hospital NHS Trust, one programme has been under enhanced scrutiny.

When a concern is raised about a programme, we assess and categorise it under one of three levels. During 2021–2022, we received a total of 120 concerns. 80 were categorised as minor, 35 as major and five as critical. Of the five critical concerns, four related to maternity services.

Once categorised, there are a number of different regulatory interventions we can take to ensure the programmes continue to meet our standards, reflecting the severity of the issue. Under regulatory reform we hope to have more options to enable a more tailored response.

For critical concerns, we maintain regular contact with the AEI and seek assurance that they have appropriate action and contingency plans in place. We also liaise with other regulators and government bodies to share knowledge.

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Engaging and empowering our audiences

Supporting professionals on our register

We work closely with the professionals on our register across the UK so that we can support them as effectively as possible.

Given the impact of the pandemic, most of our engagement events took place online during 2021–2022.

This increased our visibility, with up to 600 attendees at some events. In the development of our post-registration standards, we were able to engage more than 2,300 professionals, students and educators. We also stayed connected with professionals by co-creating content for our communications and guest articles. As restrictions have eased, it has been invaluable to meet with professionals in person once more, giving us the opportunity to visit workplaces and celebrate successes in person.

To support professionals during the pandemic, we provided regular updates on our work to expand and support the workforce, including signposting to wellbeing support. We also wrote to everyone on the temporary and permanent registers on the National Day of Reflection (23 March 2022) – marking two years since the first Covid-19 lockdown in the UK – to acknowledge the impact the pandemic has had and thank them for their contribution.

"Dear Andrea and all at the NMC ... thank you for your hard work and dedication to the profession throughout the pandemic – especially your part in protecting nursing students."

Student nurse

"Thank you for recognising ALL our efforts. It was lovely to receive a positive message when I got home from another 12-hour shift working in a Covid-positive dementia unit."

Professional on our register

Engaging with the public

In December 2021, we established a Public Voice Forum to bring together members of the public from across the UK to shape and inform key areas of our work. Areas of focus have included regulatory reform and our education programme standards.

Following the success of last year's **animations** for professionals, we produced two new animations, specifically aimed at the public, to show how our standards support nurses and midwives to provide kind, safe and effective care. We have also improved the accessibility of our engagement work by adding live captioning to our webinars and making social media posts more accessible.

Collaborating with our partners

Our strategic approach to stakeholder engagement has helped us to develop better relationships with partner organisations in all four countries of the UK, England, Scotland, Northern Ireland and Wales, allowing us to work more collaboratively and sensitively on key issues.

"I can tell that the NMC are wanting to progress and become better by engaging the public, and I think this is a step in the right direction."

Member of NMC Public Voice Forum

"Because they work closely with the Chief Nursing Officers, their voice is strengthened and joined up so it has a stronger influence on government."

Education body as part of our audience research

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Equality, diversity and inclusion

We also continued to engage with key groups on a range of EDI issues impacting professionals and the public. This included the NHS maternity equality steering group, as well as round tables with the Business Disability Forum and the NHS Confederation. This has led to us continuing to be able to build an understanding of good EDI practice from other employers. It has also helped our understanding of NHS workforce issues that may be impacting on the professionals on our register and which may have equality implications we should be mindful of. We continue to find the committed, collaborative approach of our partners incredibly useful for tackling shared equality challenges.

Understanding our audiences: NMC and me

Corporate Commitment for 2021-2022:

Build people's trust in nursing and midwifery professional regulation through better understanding.

We want professionals, students and the public to know what we stand for, what our role is, and where we are heading. To achieve this, we first need to understand what people currently think of us and what they care about. In July 2021 we commissioned independent audience research to explore these areas. Our researchers heard from a diverse range of voices, allowing us to look at how findings varied across the four nations of the UK, the professions we regulate and different demographics.

This is what we found.

- Workforce pressures are front of mind for everyone.
- The public are sympathetic to workforce challenges and are generally positive about the standards of care they receive.
- Stakeholders want to see more of our supporting and influencing role, in particular our ambition to share intelligence and work with others to positively influence the sector.
- Overall, people say we regulate well, but there are concerns about the time it takes to deal with complaints.

These findings are shaping our plans for the future as well as our conversations with partners and inform how and what we communicate with them. A summary of the research is available **here.**

Our audience research showed us that our visual identity was seen as cold, distant and lacking coherence. There were also some crucial accessibility issues. Consequently, we developed a new visual identity with a warmer tone to align with our values and person-centred approach. We finalised our new design guidelines in March 2022 and launched our new approach in July 2022.

Using our data and insight

Regulatory reform

Corporate Commitment for 2021-2022:

We will work with the Government to remove legal barriers that limit improvements in the way we regulate, so we can deliver, better safer regulation for the public.

Regulatory reform is a once in a generation opportunity to change the legislation that governs us. We want to use this opportunity to establish modern, flexible legislation that ensures we can always act quickly and effectively.

Throughout 2021-2022 we have been working with our expert advisory group and key stakeholders to identify what we think our legislation should look like.

Here are the key areas of focus.

Our register: We aim to regulate additional qualifications more meaningfully, so the register clearly shows what a professional can do in addition to their initial training. We also need to make sure our protected titles and enforcement powers are fit for purpose under the new legislation.

Registration and revalidation: We aim to ensure our registration and revalidation processes are swift, clear, proportionate and person-centred.

Fitness to practise: We aim to support meaningful engagement throughout our fitness to practise processes and enable fair decisions at the earliest possible opportunity.

Governance and operating framework: We aim to ensure our new governance model allows us to deliver our new responsibilities with flexibility and efficiency. We have begun work to identify the key changes we will need to make and how we can mitigate challenges in embedding them.

Education and training: We aim to make robust decisions, responsively, to maintain safe learning environments for students and to protect the public.

Equality, diversity and inclusion: We aim to ensure our regulatory approach is fair and, as far as possible, eliminates disproportionate impacts on people with protected characteristics. We have undertaken equality impact assessments on all our policy development and will continue to do so throughout the programme.

To help deliver this legislation, we responded to the Department of Health and Social Care's (DHSC) consultation in June 2021, and since then have worked with the Department to shape draft legislation.

There remains some uncertainty over the Government's timetable for reforming our legislation, which we are seeking to mitigate through our plans. Given the significant potential benefits of reform, we are encouraging the Government to provide a firm commitment and timetable.

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Ambitious for Change: The impact of our regulatory processes on different groups of professionals

Corporate Commitment for 2021-2022:

Get smarter at using our data, insight and influence.



In October 2020, we published **Ambitious for Change: Research into NMC processes and people's protected characteristics**. This examined the impact of our regulatory processes on professionals with different diversity characteristics. It found that sometimes people receive different outcomes from our processes based on who they are. Male or disabled groups were more likely to receive disproportionate outcomes from all the processes we looked at. Other groups, such as older, bisexual or Black professionals, were found to be impacted by some but not all processes. For example, these groups were less likely to register through the international registration process while older groups were also less likely to revalidate, Black or bisexual professionals were more likely to be referred to us and progress in our fitness to practise process.

The second phase of our Ambitious for Change research is focused on understanding why some people receive these different outcomes from our processes (as detailed in the preceding paragraph), what this means for the professionals involved and what we, in collaboration with others, can do to tackle any unfairness. Working with our external advisory group, we have identified **five priorities** for the second phase.

1. Speaking to professionals and employers to understand differences in revalidation rates and referrals to fitness to practise.
2. Analysing employer referrals to fitness to practise to understand how referrals compare to organisations' workforces.
3. Improving our data about where professionals train and work to help us identify the influence of job role and work setting on experiences and outcomes in our processes.
4. Monitoring changes to our international registration and fitness to practise processes to identify the impact on professionals with different diversity characteristics.
5. Commissioning an independent review of a sample of cases to understand differences in case progression and outcomes in registration appeals and fitness to practise cases.

We will be publishing the outcomes from the first two pieces of work on our website in summer 2022 and will be working with our external advisory group to identify actions we, and others, can take to tackle any unfairness. Although the third and fourth pieces of work are ongoing activities, we will also share our progress on these in summer 2022. We have experienced some delays in commissioning the independent review of registration appeals and fitness to practise cases because of difficulties attracting suppliers to undertake this work and aim to complete the review in 2022-2023.

Insight report

We have committed to using our insight and intelligence to influence the wider health and social care system. To help achieve this, in June 2023 we will publish our first annual insight report. It will capture insight and learning from across the year, drawing out the impact on our processes and any implications for the wider health and social care system. We know it will take time for the insight report to reflect our ambitions and we are committed to working with our partners and stakeholders to ensure it adds value. To prepare for the report, in 2021-2022 we have been reviewing our current suite of annual reports to inform our approach.

Employer Link Service

Our Employer Link Service helps us to communicate better with employers of nurses, midwives and nursing associates, so that we identify potential risks and ensure they are managed appropriately.

In 2021-2022, our support to employers has had **five key areas of focus.**

1. Providing employers with up-to-date information on case progression and assess how prepared they are to re-engage with fitness to practise referrals.
2. Using intelligence to identify and develop bespoke support for employers.
3. Providing employers with tailored learning programmes that support nationwide challenges.
4. Providing employers with concise, timely updates and ensuring we learn from their questions and concerns.
5. Supporting employers with making appropriate fitness to practise referrals via our advice line: 48 percent of calls resulted in alternatives to a referral at the time of the call (2020-2021: 48 percent).

In 2021-2022, we agreed to offer a more comprehensive service that works with a wider range of partners and engages on all aspects of our remit. We have started planning how the service will expand its provision and transition into new ways of working over the next three years.

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Case study

Collaboration with the HCPC to support an ambulance trust

In one region we have been working collaboratively with the Health and Care Professions Council (HCPC) to provide support for an ambulance trust which has asked us to work with them.

We have collaboratively developed a bespoke version of the Professional Behaviours and Patient Safety programme, tailored for senior nurses and paramedics as well as leadership teams across the trust. We expect that this programme can be supported in other ambulance services across the UK.

The aim of this workshop is to enable HCPC and NMC registrants to jointly explore their perceptions of unprofessional behaviours and the impact on patient safety. We will encourage registrants to reflect honestly on their own behaviour, and they will have the chance to practise the verbal and behavioural skills they need to deal with challenging behaviours in a non-confrontational way.

We will also deliver a series of collaborative sessions with HCPC for operational and other leaders on the role of regulation and fitness to practise, with a particular focus on supporting anyone on our register in the aftermath of the pandemic.

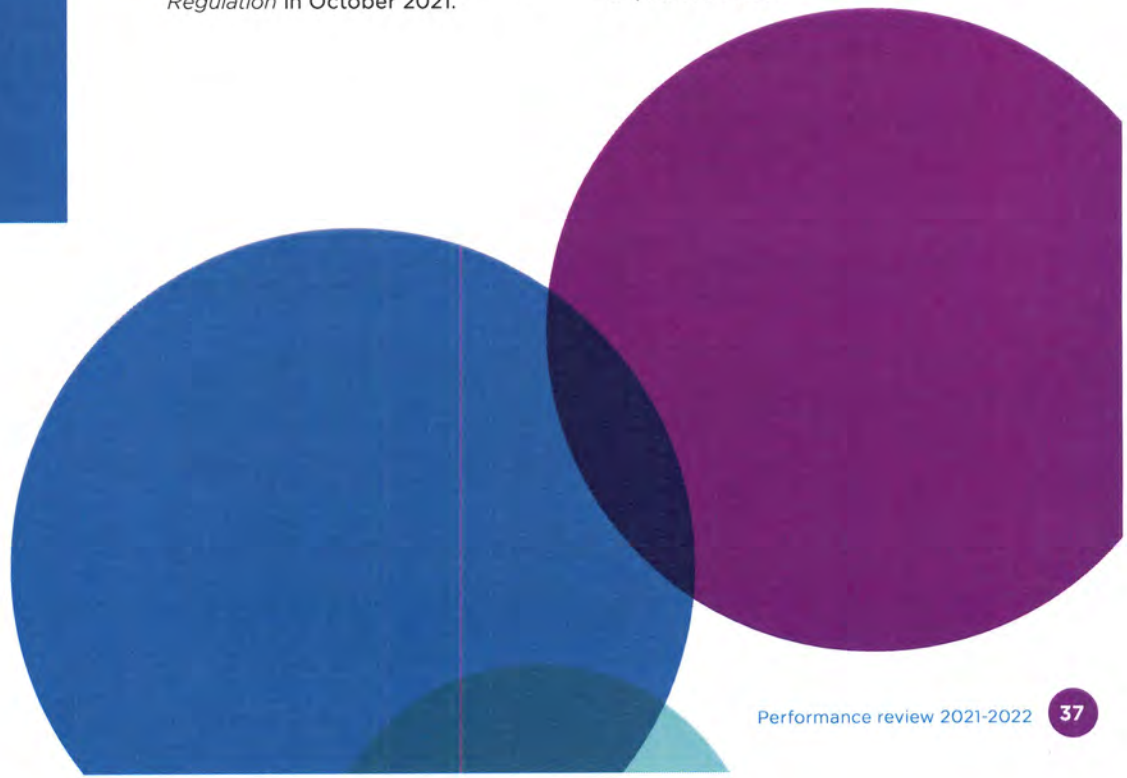
Regulatory intelligence

In 2021–2022 we continued to develop our analytical capability, producing a range of insight reports to aid decision-making and gain insight into our regulatory processes. Some of the work undertaken this year included analysis of fitness to practise referrals relating to personal independence payments (PIP), midwifery care and referrals from members of the public.

We also collaborated with three partners to explore the use of artificial intelligence in regulatory decision-making. Together, as a research project, we developed software that could identify and assess low-risk regulatory cases. To assess the tool we used historic data, and it was able to predict low-risk cases with 71 percent accuracy. The findings were published in the *Journal of Nursing Regulation* in October 2021.

Following on from discussions last year, we established a Shared Data Platform project with the General Medical Council and the Care Quality Commission (CQC). The platform aims to help improve maternity services by using our shared data to identify concerns and risks. We have now built an early version of the tool which we will further refine in 2022–2023.

During the year, we updated our existing memoranda of understanding with Healthcare Improvement Scotland and the Regulation and Quality Improvement Authority. We also signed up to a framework for sharing intelligence with health and social care regulators in Scotland. This framework has been developed to provide a clearly definec mechanism for sharing information and intelligence that may indicate emerging problems or risks to users of services, their carers, families or professiona s.



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Learning from complaints about our work

Complaints matter to us. Each time an issue is raised by a person using our services it provides us with an important opportunity to learn and improve.

We identified **230** learning points from complaints made to us in 2021-2022 (2020-2021: 414) which we used to improve our services. **Here are three examples.**

Timeliness

We found that the handover process to new case officers could be improved.

System issues

We are supporting our colleagues to improve our processes when we receive information from international regulators.

Data breaches

We reminded colleagues of the security checks that they must carry out before releasing decision letters in fitness to practise cases, to prevent unauthorised persons from accessing sensitive information.

1,610 In 2021-2022, we received 1,610 formal complaints (2020-2021: 1,227).

92% We responded to 1,480 (92 percent) of these within 20 working days (2020-2021: 92 percent within 20 working days).

Of the overall 1,610 complaints, 101 were about our response to the Covid-19 pandemic. We also received 249 complaints in relation to our fitness to practise caseload. These have contributed to the overall increase in complaints during the 2021-2022 financial year.

We received 31 complaints from parliamentarians, including members of the UK Parliament and devolved legislatures in Scotland, Wales and Northern Ireland. Although we acknowledge receipt as quickly as we can, given the complex nature of these enquiries, we sometimes take longer than 20 working days to provide a substantive response. Of the 31 complaints we received in 2021-2022, we responded to 18 (58 percent) of these within 20 working days. Further work will be undertaken to improve the timeliness of our responses.

We aim to handle any complaints about the service we have provided in a fair and timely way, treating those who raise complaints with respect and listening to their concerns. Following our response, 53 people remained unhappy (2020-2021: 29). We, therefore, reviewed our handling of their complaint and responded to these in an average of 13 working days (2020-2021: 20 working days).

We continue to focus on improving the performance of our Enquiries and Complaints function. We are reviewing our standard operating procedures to ensure we continue to deliver a high quality service. Through the Modernisation of Technology Services Programme, we are making improvements to our Customer Relationship Management system which will reduce the time spent on complaints administration.

We have continued to participate in the Inter-Regulatory Healthcare Complaints Forum and the Parliamentary Health Service Ombudsman's Complaints Standards Framework Working Group to share best practice on complaints handling.

During 2021-2022, our Customer Enquiries and Complaints Team was awarded the Silver Award in the 'Vulnerable Situations' category at the UK Complaints Awards for the support the team provides to customers who make complaints to us.

"They recognised my concerns and dealt with them kindly without making me feel as though I was wasting their time."

A person who made a complaint

"They offered advice and made positive suggestions. It is reassuring to see we are listened to and actions are taken immediately."

A person who made a complaint

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Freedom of information and data protection requests

We are committed to being as open and transparent as possible, while adhering to our legal obligations under freedom of information and data protection legislation.

This includes people's right to access their personal information, and the right to challenge the way we use and process their personal data.

We also respond to third-party disclosure requests from organisations such as the police and the Disclosure and Barring Service and Disclosure Scotland, with whom we can share personal information if there is a legal basis for disclosure.

328

Freedom of information: 328 received (2020-2021: 353) 79 percent (2020-21: 88 percent) responded to within statutory 20 working days.

272

General data protection regulation: 272 received (2020-2021: 205) 72 percent (2020-2021: 88 percent) responded to within a statutory one calendar month.

915

Third party: 915 received (2020-21: 867) 90 percent (2020-2021: 94 percent) responded to within a statutory one calendar month.

1,278

Total number of information requests responded to on time this year: 1,278 out of 1,515 (2020-2021: 1,301 out of 1,425) 84 percent (2020-2021: 91 percent).

We recognise there is more work to do to improve our performance against statutory deadlines. We have increased resourcing in the Customer Information and Data Requests Team to assist with the high volume of cases we envisage moving forward.

If someone is unhappy with how their request for information has been handled, they can request an internal review.

We received a total of 23 requests for internal reviews during 2021-2022 (2020-2021: 34). This is proportionately low - only 1.5 percent of cases.

Of the people who remained dissatisfied following the outcome of their internal review and referred us to the Information Commissioner's Office (ICO), there were only two cases that the ICO chose to investigate beyond initial enquiries. In one case, we were asked to revisit our disclosure decisions.

Fit for the future organisation

Corporate Commitment for 2021-2022:

Continue to improve the way our organisation is structured, and develop our people so that we can deliver our strategy.

Most of our income comes from the fees paid by professionals to be on our register. We take the responsibility of spending that money very seriously. To ensure we are fulfilling our ambitions as efficiently as possible, **we are taking these steps:**

- Improving the way our organisation is structured and developing our people
- Upgrading our digital tools and systems to make it easier for people to connect with us and for our colleagues to do their jobs well
- Creating workspaces that support wellbeing and collaboration.

Through our organisational design project, we will ensure we have the right structures and processes in place to deliver on our strategy and take advantage of the opportunities offered by regulatory reform.

In 2021-2022, we had intended to complete reviews of key areas of the organisation. Due to operational pressures, there have been delays in progress. **However, we have:**

- delivered the first stages of a change and continuous improvement review that will embed effective and efficient change management across the organisation
- appointed a consultant to work with us on our future target operating model. We expect this work to be completed by July 2022
- redesigned our Communications and Engagement directorate following a directorate review.

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Equality, diversity and inclusion: Capability to deliver our EDI commitments

To ensure we have a solid foundation to our EDI work, in 2020 we conducted an internal review of the function. Following the review, we created new roles in the team and moved the function into our People and Organisational Effectiveness directorate, so that it aligned with our other cross-organisation corporate functions.

To set clear priorities for our work, in November 2021 we published **our refreshed EDI objectives to:** (1) prioritise the needs and wellbeing of nursing and midwifery professionals and the public; (2) show good equality practice as an employer; (3) use EDI data in a strategic way; and (4) use our platform to advocate for better care for everyone using health and social care services. Since then, we have established the priority themes we need to address, and the actions we need to take to achieve these aims. We will share these themes with stakeholders during 2022.

We also commissioned an external race equality consultant to support our Executive and Council colleagues to champion race equality in a visible and committed way. Outcomes from this work are being embedded into our action plans. We have ensured that the workforce-focused actions in our plan include explicit reference to race equality and senior accountability.

To be effective, we know that our EDI plans need to be owned and challenged by all our colleagues. Our internal EDI groups continued to provide invaluable support and challenge, while colleagues also helped develop our plans through our cross-organisation EDI Forum and EDI Leadership Group.

People Plan

To ensure we are supporting our colleagues and have the capabilities to achieve our strategy, in 2021 we developed a People Plan to make us a more inclusive employer that attracts the best talent, develops colleagues and ensures everyone is appropriately rewarded.

We co-produced the plan with colleagues from across the organisation, listening to their concerns and suggestions, and gaining a clearer understanding of our shared values and working culture.

Throughout the development of the plan, we used an equality impact assessment to identify and help us plan how we will mitigate adverse impacts on specific protected characteristics and enhance any positive impacts.

The assessment found a number of areas of focus, in particular how we can reduce our ethnicity pay gap. We also ensured our EDI workforce plan was a key foundation for the People Plan.

The People Plan launched in April 2022 and draws out four strategic people priorities. These are: Leadership and Management; Culture and Engagement; Progression; Total Reward. Progress against the plan will be monitored and reported to the Executive and Council.

In 2021–2022, our overall employee turnover increased to 11.8 percent at 31 March 2022 (against a target of 10 percent) compared with 5.6 percent at 31 March 2021. The increase in year-on-year turnover was expected, partly due to exceptionally low levels of turnover during the pandemic and partly because of an increasingly candidate-driven market as restrictions have eased.

Turnover of new starters leaving within six months of joining was 14.3 percent at 31 March 2022 (against a target of 10 percent) compared with 6.8 percent at 31 March 2021. We expect to see turnover stabilise between 10 and 15 percent in 2022–2023.

Our sickness absence has also increased in 2021–2022, from 1.9 percent in 2020–2021 to 2.9 percent in 2021–2022; a level similar to pre-pandemic levels. With the easing of restrictions and the return to partial office working, we expected absence to increase as colleagues began to interact in person once more. The top three reasons for absence were mental health (35.5 percent), minor illnesses (23.6 percent) and Covid-19 (17.1 percent).

In the year to 31 March 2022, headcount has grown by 3.9 percent (42 colleagues). This figure includes agency and contractor workers. There are two principal reasons for the growth: additional roles to support the high caseload in Professional Regulation and support for the Modernisation of Technology Services (MoTS) programme.

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Equality, diversity and inclusion: Supporting our people

In December 2021 we **published the results** of our second submission to the NHS Workforce Race Equality Standard; an initiative used by the NHS in England to demonstrate progress against nine indicators of workforce race equality. Here are the **key findings.**

1. The percentage of respondents who thought we provided equal career progression increased from 5.2 percent in 2020 to 35.3 percent in 2021.
2. The percentage of respondents who said they had experienced discrimination at work had increased since 2020. Having risen to 11.9 percent of Black or minority ethnic respondents (9.2 percent in 2020) and 7.8 percent of white respondents (5.3 percent in 2020).

We also continue to assess our pay data to identify any ethnicity, gender or disability pay gaps. Analysis from our 2021-2022 pay gaps can be found in the remuneration report.

The findings from the Workforce Race Equality Standard survey and pay gap analysis demonstrate that we have much more to do to tackle lack of equality. This has helped to shape the development of our People Plan and EDI Objectives to ensure we take specific actions, for example, to support progression.

We launched tranche two of our Rising Together Mentoring Programme in October 2021. Rising Together is a mentoring programme open to all colleagues, but particularly those from under-represented backgrounds who may have faced barriers to progression in the past. Following the initial success of the programme, we have doubled the size of the cohort of mentees and mentors from the 2020 programme.

To help us understand the impact of the pandemic on our workforce, we maintained an equality impact assessment throughout 2021-2022. This led to improved processes and guidance on risk assessments and manager-led support.

To support colleagues more generally, we also launched new EDI guidance, including guidance on inclusive communication, and a toolkit to support colleagues to set individual EDI objectives in appraisals. We also recognised key diversity events by organising internal learning and development activity around Black History Month, International Women's Day, Disability History Month and LGBT+ History Month. Our internal EDI networks – BMe (race equality), LGBT+, Parents and Carers, the Mental First Aid network and Workaround (disability) – continued to provide invaluable support to colleagues.

Becoming a hybrid organisation

To prepare for the easing of Covid-19 restrictions, we convened a working group to support colleagues to return to our offices safely and establish a new model of working that supported effective home-based and office-based working. **Through this work we achieved the following results.**

- We developed principles for returning to the office, which teams have been using to discuss what a return to the office means for them.
- We undertook an equality impact assessment to identify and mitigate any adverse impacts on colleagues with protected characteristics and enhance any positive impacts. The initial assessment identified potential adverse impacts on some groups, including disabled colleagues and parents and carers. We have identified mitigating actions which the working group is overseeing and monitoring.
- We installed new video conferencing technology to support hybrid working from our offices and updated our IT training and communications to better support colleagues wherever they work.
- We have continued to ensure that our offices and hearing venues operate Covid-secure measures.
- We have supported those wishing to return to the office to undertake risk assessments and supported wellbeing through guides and manager-led support.

In 2022-2023, we will continue to support colleagues to establish hybrid working models that support wellbeing and the delivery of our strategy.

Information technology

Corporate Commitment for 2021-2022:

Upgrade our digital tools to make it easier for people to connect with us and for NMC colleagues to do their jobs well.

In 2021-2022, we have continued to upgrade and improve our IT services so that our colleagues have the systems and processes they need to fulfil their roles as effectively as possible. Achievements include implementing a new contact centre system and upgrading the technology in our meeting rooms to better support hybrid working. Further work to develop our hybrid capabilities will take place in 2022-2023.

We also completed the initial stages of our move to contemporary collaboration tools. This will enable more effective and seamless collaboration.

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Modernisation of Technology Services

The Modernisation of Technology Services (MoTS) programme was established in July 2018. Our vision is for our digital technology to make it easier for people to connect with us and for our colleagues to do their jobs. We have had challenges at various stages of the programme but with the arrival of our Chief Information Officer and the support of our new Executive Director of Resources and Technology Services the programme is now back on track.

In December 2021 we successfully completed phase 2a of the project, involving work to move the major registration processes from legacy systems to Microsoft Dynamics 365 (D365). D365 is a modern cloud-based system, which is more efficient, adaptable and secure than our current approach. This has improved the service we can offer, reduced the risk of relying on legacy systems and laid the foundations for a final migration of all registration data and processes in the coming year.

Planning for the new D365-based case management system to support improved fitness to practise processes has begun and will continue in 2022-2023. We will also work to enhance our D365-based education quality assurance solution through 2022-2023.

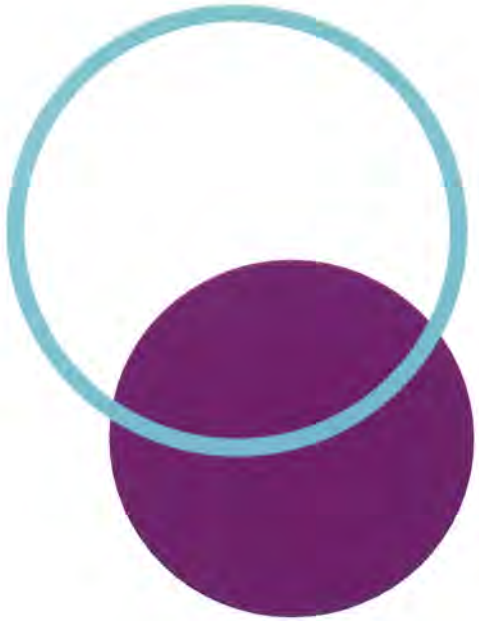
Accommodation

Corporate Commitment for 2021-2022:

Deliver fit-for-purpose workspaces for our colleagues at 23 Portland Place and in Edinburgh.

In Edinburgh, we secured new office and hearing venue premises, and successfully welcomed colleagues and members of the public to the space in October 2021. We have received positive feedback on the new office space.

In London, initial work for the refurbishment of 23 Portland Place commenced, with survey work undertaken as part of the feasibility, design and planning phase. Work will continue into 2022-2023 and beyond.



Environmental sustainability and corporate social responsibility

As part of our work to refurbish the new Edinburgh office, we put a metric relating to social value and local spend into our construction contracts, setting targets for local spend. The table below shows that we exceeded these targets and were able to provide economic and social value to the local economy.

Metric	Target (%)	Result (%)
Local Spend within 10 miles	20.00	60.87
Local Spend within 20 miles	40.00	64.25
Local Spend within 40 miles	75.00	82.17

Historically, most of our travel is associated with fitness to practise hearings. Over the past three years our travel has substantially reduced due to the impact of Covid-19 restrictions, which has, in turn, reduced our CO_2 impact. In 2021-2022, we have seen a rise, but we are still seeing substantially less travel than in 2019-2020, which was a typical year for us.

CO_2* tonnes	2019-2020	2020-2021	2021-2022
Flights	415	8	48
Rail	128	2	14
Hotels	275	8	53
Total	818	18	115

As we return to more in-person hearings, there will be an increased need for colleagues to travel. To help travel bookers make more informed choices, we will work with our travel management company to find ways to make the CO_2 impact of different travel options clearer.

*CO_2 units are expressed in metric tonnes of CO_2e (CO_2e = Carbon Dioxide Equivalent. CO_2e is a standardised unit of measurement which allows other greenhouse gas emissions to be expressed in terms of CO_2 based on their relative global warming potential).

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In May 2021 we amended our investment policy to exclude investment in companies that are significantly engaged in the production or processing of fossil fuels. This builds on our existing investment policy that adopts the Principles of Responsible Investment supported by the United Nations ('UNPRI') as well as excluding or minimising investment in a range of companies that we feel are not consistent with our purpose and values. Full details of our investment policy are available on **our website.**

Our wider approach to corporate social responsibility is reflected in a range of areas dealt with elsewhere in this report, such as our approach to EDI, our values, our Modern Slavery policy and our People Plan.

03

Strategic plan for 2022-2025

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An overview of our commitments for 2022–2025

The following 22 commitments articulate what we expect to achieve over the next three years. To ensure that our plans remain aligned to the needs of the sector and the aims of our strategy, we will continue to review our corporate plan and budget at regular intervals.

Proactive support for professionals

01 Deliver a new set of ambitious post registration standards focusing on community nursing practice.

02 Launch new standards for pre-registration education in the UK to provide greater flexibility in nursing and midwifery pre-registration training.

03 Review regulation of advanced nursing practice.

04 Review revalidation requirements for nursing and midwifery professionals.

05 Implement a new approach to education quality assurance to have clearer oversight of approved education institutions and their programmes.

06 Evaluate protected learning time in line with current nursing associate standards.

Innovation and improvement

07 Reduce our fitness to practise caseload by processing cases in a more timely, proportionate and efficient way.

08 Deliver a substantial programme of regulatory reform to remove barriers that limit improvements in the way we regulate.

09 Tackle discrimination and inequality, and promote diversity and inclusion, to make sure that our processes are fair for everyone.

10 Pilot ways to increase capacity and access to the practical examinations within our test of competence.

11 Deliver policy and legislative change to international registrations, including a review of English language guidance.

12 Close the Covid-19 temporary register and remove recovery education standards.

More visible and better informed

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

14 Expand our national and local outreach to embed regulation, support and influence at local level.

Empowering and engaging

15 Create a modern and accessible website that effectively portrays our values, delivers our core services, and enhances our communications and engagement.



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Greater insight and influence

16 Improve our insight and use our data to enhance our regulatory impact and influence in the sector.

Fit for the future organisation

17 Deliver our People Plan that supports our colleagues to be engaged, retained and supported to deliver our strategy.

18 Improve the way the organisation is structured so that we can deliver our strategy.

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

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

21 Create modern workspaces that support wellbeing and collaboration.

22 Implement an NMC sustainability and environmental plan.

04

Financial review

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Income and expenditure

Our total income for 2021-2022 was £100.4 million (2020-2021: £92.0 million) and total expenditure was £92.9 million (2020-2021: £81.6 million). This has resulted in a net surplus of income over expenditure of £7.5 million (2020-2021: £10.4 million) before the gain on revaluation of our investments and the actuarial adjustments on the defined benefit pension scheme. After that gain and adjustment, our total funds increased over the year by £7.0 million (2020-2021: £11.7 million).

We had planned for a £9.3 million deficit in 2021-2022. The net surplus is largely due to lower expenditure across both our core business and some of our projects when compared to budget. This reflects the continuing impact of the pandemic, resulting in some slippage in activity as well as choices made around re-planning of strategic programmes. These are being re-phased to later years. In particular, expenditure on fitness to practise, standards evaluation and future midwife implementation events was lower than budgeted.

Income from registration and application fees was £96.8 million, in line with our budget and an increase on the previous year (2020-2021: £90.8 million). This was driven by the number of nurses, midwives and nursing associates on our permanent register growing by 3.6 percent, to 758,303, and by the increase in applications from international professionals. The continuation of both these increases in future remains uncertain in the context of an increasing age profile for the register and the general volatility in the number of international applications.

The planned closure of the Covid-19 temporary register will not impact on our income since the professionals on the temporary register do not pay a fee.

Our 'other income' includes £0.1 million (2020-2021: £0.7 million) from the Department of Health and Social Care (DHSC), reimbursing us for the costs of setting up and maintaining the temporary register. £2.6 million 'grant income' was also received from the DHSC for the costs associated with increasing objective structured clinical examination (OSCE) capacity, ensuring sufficient, timely provision to meet the increase in the number of international applicants seeking to take the Test of Competence. Most of this funding, some £2.4 million, was passed by us direct to the OSCE delivery centres in the universities providing the tests.

Our total expenditure of £92.9 million was £9.5 million (9.3 percent) lower than we had budgeted but increased by £11.3 million compared to 2020-2021 when our activities and costs were even more constrained by the Covid-19 pandemic. The overall implication of underspend in 2021-2022 is that our free reserves have increased, but with most activities and investment, such as in technology and accommodation, moving into later years.

Note 5 to the financial statements sets out our fully allocated costs for each charitable activity as required by the Charities Statement of Recommended Practice (SORP). This separates out the direct costs of each activity alongside the associated support costs which have been allocated using headcount or overhead usage. The commentary that follows is based on the direct cost column, before allocation of support costs.

Direct costs of fitness to practise were £42.4 million, a significant increase on £34.7 million in 2020-2021 (this figure is different to the one reported in last year's annual report - £36.9 million - as we have moved activities between charitable activity categories in line with the updated structure of the organisation). This has been driven by an increase in hearings activity, with both in-person and online hearings higher than last year. Costs of additional internal and external resources as well as high court and external counsel fees were also determining factors. This extra resource has enabled us to stabilise the caseload in preparation to reducing it in future.

Reducing our fitness to practise caseload remains our key priority. It creates significant financial demands as we move to reducing it in the future. This is the key driver behind our planned further investment in fitness to practise during 2022-2023 and 2023-2024. Having effectively deferred expenditure due to underspend in the past two years, we have indicatively budgeted for deficits in the next three years as we work to reduce the caseload to pre-pandemic levels. This is made possible by our level of free reserves.

The direct costs of fitness to practise includes the cost of increasing the provision for panellists shown on the balance sheet. The provision reflects our prudent estimate of the possible wider impact of a single employment status claim to an employment tribunal for additional sums by a fitness to practise panellist. Based on the latest available information the provision was increased by £1.3 million in 2021-2022.

The direct costs of maintaining the register were £8.3 million in 2021-2022 (2020-2021: £5.6 million). £2.6 million of the additional expenditure relates to the costs associated with increasing OSCE capacity, for which we received 'grant income' from the DHSC. We passed most of this funding directly to the OSCE delivery centres providing the tests.

Support costs (including facilities, finance, people and technology) were £31.7 million (2020-2021: £31.5 million).

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Pensions

The NMC has two pension schemes: a defined benefit scheme, which was closed to new entrants in November 2013 and closed to future accrual of benefits with effect from 1 July 2021; and a defined contribution scheme, into which all new employees are auto-enrolled.

At each year end, the defined benefit pension scheme assets are revalued to market value, and the scheme actuaries update their estimate of the value of the liability (the discounted present value of the pension benefits earned by members of the scheme). The estimate of the liability depends on a number of assumptions including expected mortality rates, inflation and yields on corporate bonds over a number of years into the future.

During the year, the market value of the defined benefit scheme assets rose by £4.5 million, and the liability reduced by £4.5 million, resulting in the scheme showing a net surplus of £5.8 million at the end of the year.

The net position on our scheme shown in our balance sheet is usually the difference between the value of the scheme assets and the value of the pension liability. However, although the FRS102 valuation as at 31 March 2022 shows a surplus, legal advice has confirmed that recovery of the surplus is a very remote possibility. FRS102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus", and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

We make payments to the scheme under a recovery plan which aims to eliminate the actuarial deficit by March 2026. Under the current recovery plan agreed with the pension scheme trustees, we paid £1.9 million in 2021-2022.

Investments

Nurses, midwives and nursing associates pay their registration fee either annually or quarterly in advance. Together with our free reserves, this means that we hold significant cash balances.

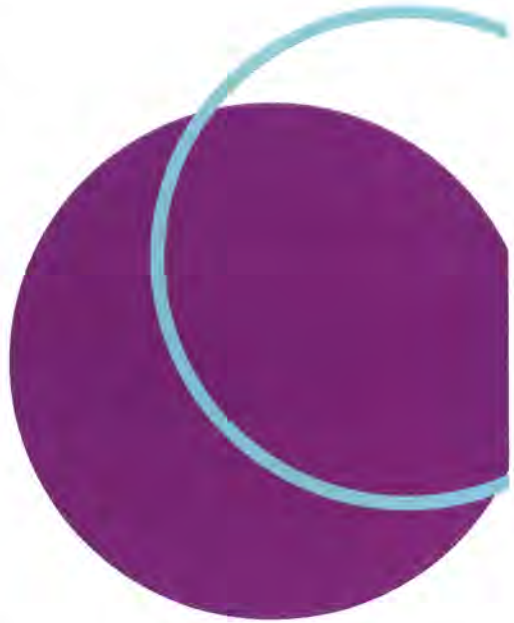
During 2020-2021 we moved to implement Council's investment policy, which identified a fund of £30 million to invest in stock markets for the long term and sets a target rate of return for the long-term fund of three percent above the Consumer Price Index (CPI) rate of inflation, net of investment management costs.

While we recognise that investing in equities, funds and bonds carries risk, by investing through expert investment managers - whose performance is overseen and scrutinised by our Investment Committee - we expect that such investment will obtain an above inflation return over the long term and thereby help to avoid or mitigate the need to increase our fees.

In 2021-2022, dividend and interest income from the portfolio, which is reinvested, was £0.7 million, with gains on investments being £1.0 million at the year end. The statement of financial activities shows investment management costs of £0.16 million. The net annual rate of return on our investment portfolio after investment management costs is 5.2 percent. The target rate of return (CPI+3 percent) for 2021-2022 was 9.3 percent. The total value of the investment fund at the year end is £32.8 million. Prior year figures have not been included as investments were only held for part of that year, so the comparison would be misleading.

We regularly review and update our investment policy, including its ethical and sustainability dimensions. Council is due to consider a revised policy on 27 July 2022. Find our current investment policy on **our website.**

The interest earned on our bank deposits during the year was £0.2 million (2020-2021: £0.4 million). The fall compared to the previous year is because deposit account balances were higher in 2020-2021 before £30 million was moved into stock market investments.



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Reserves

Our reserves policy is to maintain free reserves within a target range. Free reserves are funds that are freely available to spend, so do not include restricted funds, tangible fixed assets and amounts designated for essential future spending. We also set a minimum level for the aggregate forecast cash and investments balance in the course of the coming financial year. The Council reviews the target range of free reserves and the minimum cash and investments balance at least annually.

The target minimum level of free reserves is set to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of the people on our register who finance us through the fees that they pay, and the public who benefit from our work.

In March 2022 the Council reviewed the latest position regarding the reserves policy and agreed that the target range of free reserves should remain zero to £25 million, and the minimum aggregate cash and investments balance should remain £20 million.

Total reserves as at 31 March 2022 were £76.3 million (2021: £69.3 million) and free reserves were £47.6 million (2020: £41.5 million). Although free reserves are significantly above the upper end of the target range, this reflects the slippage and re-planning of projects which will be addressed in the next two to three years through additional investment that is planned. The strong levels of reserves also supports the position on going concern that is set out at note 1a to the accounts.

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David Warren
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Sir David Warren
Chair
08 July 2022

DocuSigned by:
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Andrea Sutcliffe
Chief Executive and Registrar
08 July 2022

05

Remuneration report

The Remuneration Committee's remit is to ensure there are appropriate systems in place for remuneration and succession planning at the NMC.

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To fulfil this remit, the Committee reviews the annual pay review for employees, as well as any significant changes to the People Plan, the employee pay and grading structure and the pension schemes.

The Committee also approves annual reward packages for Executive Directors and considers annual reviews of their performance, as well as having oversight of Executive succession planning.

The Committee also exercises oversight of Council appointment processes and recommends to Council any changes to allowances paid to the Chair, Council members, Associates and Partner members.

In reaching decisions on remuneration, the Committee considers a range of factors, including sector benchmarking and overall affordability. This year those decisions have been taken in the context of the impact of Covid-19, the rising cost of living, as well as pay awards for nursing and midwifery professionals and the wider public sector, and the need to ensure our approach to pay attracts and retains colleagues fairly and effectively.

Other areas of priority focus for the Committee in the year included considering the draft People Plan and approving Council selection processes. The National Audit Office (NAO) audits the financial aspects of this report.

Council allowances and expenses

The Council is the governing body of the NMC and has ultimate decision-making authority as described in the annual governance statement. The Council members are the charity trustees.

Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to the Chair of Council, Council members, Associates and Partner members (members of committees that are not Council members).

To manage conflicts of interest, the Council has put in place arrangements for an Independent Panel made up of external experts to assess the appropriate level of allowances. The Council has agreed that it will either accept or reduce the level of allowance recommended by the Panel but will not increase it. The Remuneration Committee is responsible for overseeing the establishment of the Independent Panel and reviewing its findings for consideration by Council.

Council member allowances were last increased from £13,250 to £14,724 as recommended by the Independent Panel on 1 April 2017. The annual allowance for the Chair of Council was last agreed in May 2018 at £78,000 for a commitment of three days a week. Partner members receive a daily allowance for time spent on NMC business and reimbursement of reasonable travel expenses. The Partner member daily allowance was last increased from £260 to £286 from 1 April 2017.

An Independent Panel met in November 2021 to undertake a full review of allowances. The Panel considered a wide range of evidence, including allowance levels for comparative organisations, overall affordability and pay for nursing and midwifery professionals. The Panel also considered the findings of the most recent light touch review of allowances by an Independent Panel, which concluded in February 2021. At that time the Council decided not to consider the recommendations due to various factors, including the unprecedented circumstances of the Covid-19 pandemic.

In making its recommendations, the Panel was particularly conscious of the pressures on nursing and midwifery professionals due to the impact of the Covid-19 pandemic.

Council considered the Panel's recommendations on 6 July 2022 and, in line with the Panel's recommendations, agreed the following.

- A 3 percent uplift to the Council member allowance, Partner member daily rate and Associate allowance.
- Committee Chairs may be paid an additional allowance of up to £2,500; this should be at the discretion of the Chair based on responsibility and time spent undertaking the role.

The Council agreed that changes to allowances should be backdated to April 2022.

Allowances paid to Council members and Associates in 2021-2022 amounted to £239,542 (2020-2021: £239,258).

No extra contractual payments were made to any Council, Associate or Partner member in 2021-2022.

Allowance payments to Council members, Associates and Partner members are made through payroll, with deductions for income tax and National Insurance. Expenses directly incurred in the performance of duties are reimbursed in accordance with the Council's Travel, Accommodation and Expenses policy.

Expenses are made up of travel, accommodation, meals and subsistence, and are incurred when members are carrying out their duties. Where any meetings are held in London, expenses are considered to be a taxable benefit in kind. The NMC pays the income tax and National Insurance arising through a PAYE settlement agreement with HMRC. Most meetings and events were held virtually in 2021-2022 due to the Covid-19 pandemic, and the amount of expenses incurred was therefore much lower than before the Covid-19 pandemic. All expenses incurred by members and Associates are included in table 1.

When Council meetings are in London, members attend evening meals with members of the Executive and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC. The value of the benefit is shown gross, including the attributable income tax. During 2021-2022, due to Covid-19 restrictions, only one such meal took place.

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Method used to assess performance

The Council regularly reviews its own effectiveness. It also has an agreed policy and process in place for reviewing performance of Council, Associates and Partner members. The performance review of the Chair of the Council is undertaken by the Vice-Chairs and includes a self-assessment by the Chair, peer assessment by Council colleagues and input from the Executive. A similar process is in place for individual Council and Associate members led by the Chair, and the Committee Chair for Partner members.

Diversity of our Council members, Associates and Partner members

Diversity data, on 31 March 2022, for our Council members, Associates and Partner members is shown to the right. In total there were 11 Council members (one vacancy), two Associates and seven Partner members (31 March 2021: 11 Council Members (one vacancy), two Associates, seven Partner members).

Diversity of our Council members, Associates and Partner member



Gender

14 Female

06 Male

(2020-2021: 14 Female, 6 Male)

Ethnicity

16 White British

02 Black African

01 Black Caribbean

01 White British/Irish

(2020-2021: 16 White British, 2 Black African, 1 Black Caribbean, 1 White British/Irish)

Disability

18 No disability

01 Declared disability

01 Preferred not to answer

(2020-2021: 18 No disability, one declared a disability, one preferred not to answer)



More EDI data on Council members, Associates and Partner members can be found in our **EDI data tables.**

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Table 1

Council allowances and expenses

	2021-2022				2020-2021			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Sir David Warren (Chair) (from 21 June 2021)	60-65	100	60-65	0	0	0	0	0
Philip Graf CBE - (Chair) (to 31 December 2020)	0	0	0	0	55-60	0	55-60	0
Professor Karen Cox (Deputy (Acting) Chair from 5 October 2020 to 20 June 2021)[1]	10-15	300	15-20	0	10-15	0	10-15	0
Sir Hugh Bayley	10-15	600	15-20	0	10-15	0	10-15	0
Justine Craig (from 1 May 2021 to 31 December 2021)	5-10	0	5-10	0	0-5	0	0-5	0
Maura Devlin MBE (to 30 September 2020)	0	0	0	0	5-10	200	5-10	0
Claire Johnston	10-15	400	15-20	0	10-15	0	10-15	0
Eileen McEneaney MBE (from 1 October 2020)	10-15	600	15-20	0	5-10	0	5-10	0
Robert Parry (to 30 April 2021)	0-5	0	0-5	0	10-15	0	10-15	0
Marta Phillips OBE	10-15	100	10-15	0	10-15	0	10-15	100
Derek Pretty	10-15	500	15-20	0	10-15	0	10-15	0
Stephen Thornton CBE (to 30 September 2020)	0	0	0	0	5-10	0	5-10	0
Lorna Tinsley (to 30 September 2020)	0	0	0	0	10-15	0	10-15	200
Anna Walker CB (from 1 October 2020)	10-15	0	10-15	0	5-10	0	5-10	0
Ruth Walker MBE	10-15	1,400	15-20	0	10-15	0	10-15	0
Sue Whelan Tracy (from 1 October 2020)	10-15	1,700	15-20	0	10-15	0	10-15	0
Dr Lynne Wigens OBE (from 1 October 2020)	10-15	1,200	15-20	0	5-10	0	5-10	0
Dr Anne Wright CBE (to 30 September 2020)	0	0	0	0	5-10	0	5-10	0
Associates								
Tracey MacCormack	10-15	0	10-15	100	0-5	0	0-5	0
Dr Gloria Rowland MBE	10-15	0	10-15	0	0-5	0	0-5	0
Totals	**239.5**	**6,900**	**246.4**	**100**	**239.3**	**200**	**239.5**	**300**

1. Professor Karen Cox declined to accept any additional allowance during the period she was Acting Chair of the Council (5 Oct 2020-21 June 2021).
2. In 2020-2021, new Council members and Associates were reimbursed for time spent engaging in induction and other NMC activities before their formal terms of office began. One former Council member was reimbursed for time spent serving on a selection panel for Council appointments which continued after her term of appointment had ended. In 2021-2022, one new Council member was reimbursed for time spent engaging in induction activities before her formal term of office began. These payments have been included in the allowances' totals for those individuals. Payments were made using equivalent daily rates of £409 for Council members and £286 for Associates.
3. Totals subject to rounding.

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Senior management team remuneration and performance assessment

The Executive is the senior management team and comprises the Chief Executive and Registrar (Chief Executive) and Executive Directors, including those in Acting or Interim roles. All Executive Directors report directly to the Chief Executive. No Executive Directors are members of the Council or trustees of the NMC. Remuneration details are disclosed in full for all these individuals in tables 2 and 3.

The Chief Executive and Registrar is the only employee appointed directly by and accountable to the Council. The Council has delegated authority to the Chief Executive to the extent described in the Scheme of Delegation (Annexe 1 to Standing Orders, paragraphs 6–11) and reflected in the annual governance statement later in this report.

Executive performance assessment

The Remuneration Committee reviews the performance of all members of the Executive annually. The Committee reviews reports from the Chair on the performance of the Chief Executive and Registrar. The Committee also reviews reports from the Chief Executive and Registrar on the performance of the Executive Directors.

Executive remuneration

The remuneration of the Executive is approved by the Remuneration Committee annually in line with the Executive pay framework approved in 2016 and updated in 2020 to reflect the new organisational structure and Executive Director roles within this.

The Remuneration Committee reviewed the Executive's remuneration for 2021–2022 in February 2021. The Remuneration Committee concluded that for 2021–2022 the Executive should receive the same cost of living award as agreed by the Council for other employees (one percent). The Committee agreed the Chief Executive and Registrar's request not to receive the cost of living increase.

Andrea Sutcliffe was appointed Chief Executive and Registrar of the NMC on 14 January 2019. Her remuneration package for 2021–2022 included a base salary of £175,000 and employer contributions to the NMC defined contribution pension scheme of £14,000, giving rise to a total remuneration figure of £189,000.

The remuneration of the Executive team is set out in table 2. In total the Executive team (including interim Executive Directors and acting Executive Directors) were paid £1.615 million in 2021–2022 (2020–2021 £1.290 million).

When Council meetings are in London, members of the Executive team attend evening meals with Council and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC, and the value of the benefit is shown gross including the attributable income tax. During 2021–2022, due to Covid-19 restrictions, only one such meal took place. The Executive team do not receive any other taxable benefits. In line with the limits and processes outlined in our Expenses Policy for Staff and Other Workers, Executive members can claim travel, accommodation and subsistence when undertaking business trips.

Further details about the pension benefits for the current member of the Executive who is a deferred member of the defined benefit pension scheme is in table 3.

The NMC does not operate any performance-related pay or bonus arrangements. None of the Executive therefore received any performance bonuses.

Andrea Sutcliffe's employment contract requires notice of six months to be given by either party to terminate the contract. For Executive Directors the period is three months.

The Remuneration Committee considered Executive remuneration for 2022–2023 in February 2022. The Committee's consideration was informed by external benchmarking evidence and overall affordability. The Committee approved a two percent increase for each Executive Director, including acting Executive Directors and interim Executive Directors, with effect from 1 April 2022, which was slightly lower than the three percent recommended for employees. The Committee agreed to a request by the Chief Executive and Registrar not to receive a pay increase for 2022–2023 but expects to keep this under review for future years.



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Table 2

Executive team remuneration

	2021-2022					2020-2021				
	Salary (bands of £5,000) £'000	Benefits in kind (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Expenses (to nearest £100)	Salary (bands of £5,000) £'000	Benefits in kind (to nearest £100)	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Expenses (to nearest £100)
Andrea Sutcliffe Chief Executive and Registrar	175-180	100	14,000	185-190	1,100	170-175	0	14,000	185-190	200
Emma Broadbent[1] Executive Director of Professional Regulation 2020-2021 Executive Director April 2021-23 Jan 2022 Acting Executive Director of People and Organisational Effectiveness from 24 January 2022	150-155	100	21,000	170-175	0	145-150	0	18,000	160-165	0
Sarah Daniels[2] Director of People and Organisational Development Member of Executive Board until 19 October 2020	0	0	0	0	0	165-170	0	12,000	175-180	0
Andrew Gillies Executive Director of Resources and Technology Services to 31 July 2021	45-50 FYE 130-135	0	6,000	50-55	0	130-135	0	16,000	145-150	400
Helen Herniman Interim Executive Director from 21 July to 31 August 2021 Executive Director of Resources and Technology Services from 1 September 2021	95-100 FYE 135-140	100	9,000	105-110	200	0	0	0	0	0
Candace Imison Director of Strategy Development from 8 April 2019 to 30 April 2020, 3 days per week	0	0	0	0	0	5-10	0	1,000	5-10	0
Matthew McClelland[3] Executive Director of Strategy and Insight	140-145	100	32,000	175-180	1,200	135-140	0	42,000	180-185	0
Ngozika Francesca Okosi[1&4] Executive Director of People and Organisational Effectiveness from 19 October 2020 to 28 February 2022	305-310	0	10,000	315-320	0	60-65 FYE 130-135	0	3,000	60-65	0
Tom Scott Interim Executive Director of Professional Regulation from 8 February 2021	135-140	100	19,000	155-160	1,300	15-20 FYE 130-135	0	2,000	20-25	0
Miles Wallace[5] Acting Executive Director of Communications and Engagement from 13 December 2021	95-100 FYE 120-125	100	8,000	100-105	0	0	0	0	0	0
Geraldine Walters Executive Director of Professional Practice	160-165	100	13,000	175-180	800	160-165	0	13,000	175-180	100
Edward Welsh Executive Director of Communications and Engagement 2020-2021	145-150	0	19,000	165-170	0	145-150	0	18,000	160-165	200
Totals	**1,463**	**726**	**150,671**	**1,615**	**4,600**	**1,152**	**0**	**138,000**	**1,290**	**900**

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Notes to table 2

1. Emma Broadbent was on leave due to ill health from 11 January 2021 to 8 April 2021. Tom Scott was engaged as interim Executive Director of Professional Regulation to cover her absence. On her return, Emma Broadbent continued as Executive Director without portfolio, overseeing a change programme, while Tom Scott continued as interim Executive Director of Professional Regulation. After Ngozika Francesca Okosi went on leave due to ill health on 13 December 2021, Emma Broadbent assumed the role of Acting Executive Director of People and Organisational Effectiveness from 24 January 2022 and continued in this role after Ngozika Francesca Okosi left on 28 February 2022.

2. Sarah Daniels was a member of the Executive team until 19 October 2020. Her post as Director of People and Organisational Development was made redundant as a result of the new NMC directorate structure, and she left the NMC on 22 January 2021. Her salary of £165–170k disclosed in table 2 includes salary of £100–£105k for the period to 22 January 2021 (a full year equivalent of £125-130k) and her contractual redundancy and notice of £60–65k. Her exit is also disclosed in table 5.

3. Matthew McClelland is a deferred member of the defined benefit scheme, and details of the value of his pension benefits in 2021–2022, including 50 percent (£15,402) of an agreed transitional payment of £30,804 on the closure of the defined benefit scheme to future accruals, are shown in table 2. The transitional payment was made as a contribution to the defined contribution pension scheme and the Remuneration Committee agreed that the remaining 50 percent could be made in 2022–2023. Matthew McClelland's pension benefits shown above have been calculated as follows:

   a. For the pension benefits accrued in the defined benefit scheme for the period 1 April 2021 to 30 June 2021: the real increase in his pension in the year multiplied by 20, less the value of employee contributions made amounting to £1,959.

   b. For pension benefits in the defined contribution scheme with effect 1 July 2021, following the closure of the defined benefit scheme to accrual of benefits on 30 June 2021: employer contributions amounting to £30,104.

   In last year's annual report, due to a calculation error, we incorrectly declared Matthew's pension benefits for 2020–2021 as £54,000. The correct figure, as listed in table 2, was £42,000.

4. Ngozika Francesca Okosi was Executive Director of People and Organisational Effectiveness until 28 February 2022, when she left the NMC. Her salary of £305–310k includes salary of £135–140k for the period 1 April 2021 to 28 February 2022 and an exit package of £170–180k. Her exit package is also disclosed in table 5.

5. Miles Wallace was appointed Acting Executive Director of Communications and Engagement from 13 December 2021 to cover Edward Welsh's leave due to ill health.

6. All current directors are members of the defined contribution pension scheme, the value of their pension benefits are the employer contributions made by the NMC into their pension funds.

7. Totals subject to rounding.



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Table 3

Executive team defined benefit pension information

	Real increase in pension at age 60 (bands of £2,500) £'000	Accrued pension at age 60 at 31 Mar 2021 (bands of £5,000) £'000	Cash equivalent transfer value at 1 Apr 2021 £'000	Cash equivalent transfer value at 31 Mar 2022 £'000	Real increase in cash equivalent transfer value £'000
Matthew McClelland Executive Director of Strategy and Insight 2020-2022	0-2.5	15-20	543	543	4

Off payroll engagements and exit packages

In line with HM Treasury requirements, information must be published on highly paid and/or senior off payroll engagements at the year end, and the number and cost of exit packages agreed and paid during the year and the prior year. None of the Council or the Executive team are engaged off payroll. All off payroll engagements are assessed using the Government employment status calculator to identify the correct method of engagement.

Table 4

Off payroll engagements

Off payroll engagements as of 31 March 2022, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2022	7
Of which:	
Number that have existed for less than one year at time of reporting	4
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	2
Number that have existed for between three and four years at time of reporting	1
For all new off payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022	3
Of which:	
Number assessed as within IR35	2
Number assessed as outside IR35	1
Number engaged directly and are on the payroll	0
Number of engagements reassessed for consistency/ assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	0

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Table 5

Exit packages

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Number of departures where special payments have been made[1]	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Less than £10,000	2	-	-	4	2	4	-	-
£10,001 - £25,000	1	1	-	-	1	1	-	-
£25,001 - £50,000	1	-	-	-	1	-	-	-
£50,001 - £100,000	-	1	2	-	2	1	1	-
£100,000 - £150,000	-	-	-	-	-	-	-	-
Greater than £150,000	-	-	1	-	1	-	1	-
Total number of exit packages	**4**	**2**	**3**	**4**	**7**	**6**	**2**	**-**
Total cost £	**63,280**	**85,590**	**316,906**	**4,461**	**380,186**	**90,051**	**182,804**	**-**

[1] The two special payments have been included in the same banding as the total exit package they are part of. However, as the special payments are only part of the total exit packages, the total cost of the special payments does not match the minimum cost suggested by adding together the minimum thresholds of the two bandings.

As noted in table 5, two special payments were made to colleagues departing the organisation. Special payments refer to special severance payments paid to employees and others that are above normal statutory or contractual requirements when leaving employment, whether they resign, are dismissed or reach an agreed termination of contract. In accordance with governance arrangements approved by the Council, the Remuneration Committee is responsible for approving such payments in accordance with criteria agreed by the Council.

In all cases, on the basis of the information provided by the Executive, the Remuneration Committee was satisfied that in the exceptional circumstances presented, approval was justified and defensible. Contributions to legal fees were also made in each case in accordance with normal practice.

Remuneration and performance assessment of other employees

All employees have a six-month probation period on commencing employment and a notice period of one to three months, depending on their grade.

The remuneration of all employees is reviewed annually taking into account a range of information including employee turnover, recruitment activity and retention trends, benchmarking data and overall affordability. Based on this information, the Council approved a standard rate increase in pay for all eligible employees of one percent with effect from 1 April 2021.

For 2022-2023, the Council approved a standard rate increase in pay for all eligible employees of three percent with effect from 1 April 2022. This increase has also been applied to the minimum and maximum values of each of the staff pay grades introduced in October 2019. These grades were introduced in 2019 as part of a three-year investment in grading and pay, which also saw colleagues moved towards the mid-point of their grade within three years. The Council approved this investment as evidence from benchmarking and high turnover rates had confirmed that our pay rates had fallen behind comparative organisations. While we completed this work in 2021-2022, we have implemented a further progression increase to move colleagues towards the middle of their pay bands, again focused on the lower paid grades, with effect from 1 April 2022. We see this as an important part of ensuring our salaries are competitive.

Our performance and development review process operated as in previous years, with annual objectives set for the coming year in May with a mid-year review and appraisal at year end. This process is not linked to pay.

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Pension arrangements

Up until 30 June 2021, we had two active pension schemes: a defined benefit pension scheme and a defined contribution scheme.

Employees who joined the NMC before November 2013 were able to join the defined benefit pension scheme. The scheme was closed to employees joining the NMC after 1 November 2013. On 23 March 2021, following a consultation, the Council approved closure of the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. This achieved the objectives of harmonising benefits for all colleagues, reducing the NMC's exposure to financial risk and enabling costs to be redirected to other expenditure.

Our current active pension scheme is a defined contribution pension scheme. Employees can opt to contribute to this scheme by salary sacrifice. Employees in the scheme contribute a minimum one percent of their salary and the NMC contributes eight percent (2020-2021: eight percent). From 1 April 2021, the NMC matched additional employee contributions up to a maximum total employer contribution of 14 percent. To receive an employer contribution of 14 percent, an employee would need to contribute at least seven percent. We encourage and support colleagues to reflect on how to best plan for their retirement and ensure they are taking full advantage of our pension scheme. At 31 March 2022, 990 employees (92.9 percent) were members of the defined contribution scheme (31 March 2021: 833, 84.3 percent).

Further information about remuneration and pensions is contained in notes 9 and 19 to the accounts.

NMC grading structure and pay differentials

Table 6

Employees by grade and gender on 31 March 2022

Pay Level	Male		Female	
	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues
1-4	14.3%	152	34.4%	365
5-7	14.6%	155	24.9%	264
8-11	3.6%	38	7.4%	78
Executive Directors, including interim/acting	0.4%	4	0.3%	3
CE & R	0.0%	0	0.1%	1
Total employees	**32.9%**	**349**	**67.1%**	**711**

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Table 7

Employees by grade and ethnicity on 31 March 2022

Pay Level	White		BME		Undisclosed or prefer not to answer	
	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues	Percentage of colleagues	Number of colleagues
1-4	17.8%	189	24.5%	260	6.4%	68
5-7	22.1%	234	11.8%	125	5.7%	60
8-11	7.9%	84	1.9%	20	1.1%	12
Executive Director, including interim & acting	0.6%	6	0.0%	0	0.1%	1
CE & R	0.1%	1	0.0%	0	0.0%	0
Total employees	**48.5%**	**514**	**38.2%**	**405**	**13.3%**	**141**

Remuneration in the following calculation is based on annualised, full-time equivalent remuneration of all staff (not including contractor and agency staff) as at the reporting date. It does not include paid annual leave, employer pension contributions or the cash equivalent transfer value of pensions.

The highest paid permanent employee in the NMC on 31 March 2022 is the Chief Executive and Registrar, Andrea Sutcliffe, and we have used her salary as the comparator when calculating the differential to the lower quartile, median and upper quartile remuneration of NMC employees.

- Andrea Sutcliffe's salary in 2021-2022 was identical to 2020-2021. When taking employees of the entity as a whole (excluding the highest paid director), the change in average salary from 2020-2021 to 2021-2022 was a decrease of 1.1 percent due to the increased recruitment in our lowest paid roles. No employees received performance pay or bonuses in either the current or previous financial year.
- In 2021-2022 Andrea Sutcliffe's remuneration was 4.76 times the median remuneration of NMC employees, which was £36,792. In 2020-2021, Andrea Sutcliffe's remuneration was 4.61 times the median remuneration of NMC employees, which was £38,000. This represents a 0.15 increase in the median remuneration gap year on year. The median remuneration salary has reduced since 2020-2021 as the proportion of employees in lower grades has increased.
- In 2021-2022, Andrea Sutcliffe's remuneration was 5.85 times the lower quartile remuneration of NMC employees, which was £29,910. In 2020-2021, Andrea Sutcliffe's remuneration was 5.87 times the lower quartile remuneration of NMC employees, which was £29,838. This is a 0.02 decrease in the lower quartile remuneration gap year on year. The lower quartile remuneration salary increased slightly since 2020-2021 due to the 1 percent salary increases implemented in 2021-2022.
- In 2021-2022, Andrea Sutcliffe's remuneration was 3.18 times the upper quartile remuneration of NMC employees, which was £55,000. In 2020-2021, Andrea Sutcliffe's remuneration was 3.17 times the upper quartile remuneration of NMC employees, which was £55,162. This represents a 0.01 increase in the upper quartile remuneration gap year on year. The upper quartile remuneration salary decreased since 2020-2021 as the proportion of employees in lower grades has increased.

Pay gap reporting

As an employer with more than 250 employees, we publish our gender pay gap data every year in line with legislation that came into force in April 2017. Although not required by legislation, we also publish our pay gap data for ethnicity and disability in line with good practice and for transparency. This data is a key tool in providing insights to ensure that we are offering inclusive employment opportunities regardless of gender, ethnicity and disability.

Our pay gap data is shown in the table below:

Pay gap	2022	2021	UK Average for 2021
Gender - Mean	6.2%	4.9%	13.6%
Gender - Median	12.7%	8.3%	12.2%
Ethnicity - Mean	25.5%	23.7%	Insufficient declarations to calculate accurate figures.
Ethnicity - Median	27.1%	27.1%	
Disability - Mean	-4.4%	-3.4%	
Disability - Median	-11.8%	-9.8%	

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We recognise that we need to take more meaningful action to address our gender and ethnicity pay gaps. We have established good foundations for this through our People Plan and our EDI Plan. Further details are provided below. While we are pleased that we do not have a disability pay gap, we acknowledge this is likely to reflect under-reporting of disability. Raising disability declarations will also be included in our EDI work.

During 2021–2022, our headcount for permanent and full-time contract employees increased from 988 to 1,060 (7.3 percent), mainly due to our Fitness to Practise Improvement programme.

This increase was primarily within lower grades, with the headcount increase in grades one to five (52 people) accounting for 72.2 percent of the total increase across all grades (72 people). This has affected our pay gaps, as explained below.

Our pay gap data indicates that we need to improve the proportional representation of women and people from a minority ethnic background at higher grades. A detailed narrative on NMC pay gaps for 2022 can be found in our pay gap reports **here.**

Gender pay gap

Our mean gender pay gap at 5 April 2021 was 4.9 percent. At 5 April 2022 this had increased to 6.2 percent. As noted above, this increase reflects the fact when we expanded the number of junior grades as part of our Fitness to Practise Improvement programme, we recruited more women than men. Despite this increase, our gender pay gap consistently remains below the UK average of 14.1 percent. We will work to reduce our pay gap through the implementation of our EDI Action Plan and People Plan 2022–2025. Our People Plan launched in April 2022 and our EDI Plan will be published in summer 2022, setting out how we will improve our processes where there is evidence of bias or unequal outcomes. This includes implementing inclusive action into our management and leadership programmes and embedding EDI into our recruitment and progression practices.

Ethnicity pay gap

Our mean ethnicity pay gap at 5 April 2021 was 23.7 percent. At 5 April 2022 this has increased to 25.5 percent. Our detailed analysis is that this significant pay gap reflects that many colleagues from Black and minority ethnic backgrounds are in junior grades in the organisation and are significantly under-represented in senior roles. During 2021–2022, our headcount has increased in these junior grades which, given they have a larger proportion of our Black and minority ethnic employees, has further exacerbated the gap.

We need to address career progression and representation of Black and minority ethnic staff in more senior roles in the organisation. We are committed to taking meaningful action and have already taken some important steps based on what we have learned, including establishing our Rising Together mentoring programme (as mentioned earlier in this report). We are disappointed that despite these actions the pay gap has increased, but we know that it takes time for these actions to create change and we are committed to reducing the pay gap.

Our EDI Action Plan for the next three years will include targeted actions to address workforce race inequality and includes actions to improve recruitment, progression and the experiences of Black and minority ethnic colleagues. We participate annually in the NHS Workforce Race Equality Standard to support us to measure progress on workforce race equality.

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Disability pay gap

Our mean disability pay gap at 5 April 2022 was -4.4 percent (2021: -3.4 percent). This means that colleagues who have declared disabilities are on average paid more than people who have not declared disabilities. There is representation of disabled colleagues throughout most of our pay levels. However, only 7.7 percent of colleagues have declared a disability (4.0 percent 2021–2022). The Office of National Statistics states that in 2018, 18.9 percent of the UK working population was disabled.

Under-reporting is likely to be an issue. In 2021–2022 we have worked further with Workaround, our employee network for colleagues with disabilities, to ensure people are confident to disclose their disabilities and to improve our processes and capabilities to support disabled colleagues better. However, we will continue to do more in 2022–2023.

DocuSigned by:
David Warren
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Sir David Warren
Chair

08 July 2022

DocuSigned by:
C340415A8274412...

Andrea Sutcliffe
Chief Executive and Registrar

08 July 2022

06

Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts

The Nursing and Midwifery Order 2001 requires that annual accounts are prepared and audited. The Council and its Chief Executive and Registrar (as Accounting Officer) are responsible for the preparation and approval of the accounts.

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The accounts are prepared in accordance with the determination received from the Privy Council which requires the accounts to be prepared in accordance with the Charities Statement of Recommended Practice Accounting and Reporting (SORP) revised 2015 and that the accounts also comply with the applicable law and Accounting Standards issued (Appendix 1).

The law applicable to charities registered in England and Wales and Scotland requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its net movement in funds for that period. In preparing these accounts they are required to:

- observe the applicable accounts determination issued by the Privy Council
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates on a reasonable basis
- prepare the accounts on a going concern basis unless it is inappropriate to presume the Council will continue in operation
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.

The Council and its Chief Executive and Registrar are responsible for the keeping of proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Council and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Nursing and Midwifery Order 2001. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Privy Council has appointed the Chief Executive and Registrar as Accounting Officer for the Nursing and Midwifery Council. In her capacity as Accounting Officer she is responsible for the execution of the Council's obligations under section 52 of the Nursing and Midwifery Order (as amended).

In doing so, she is asked to take into account the principles set out in Chapter 3 relating to the responsibilities of Accounting Officers and wider guidance contained in Managing Public Money (HM Treasury, 2013, with annexes revised March 2018).

So far as we know, there is no relevant audit information of which the NMC's auditors are unaware.

We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the NMC's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Principal place of business

The NMC works across England, Northern Ireland, Scotland, and Wales. Its principal place of business is:

23 Portland Place London
W1B 1PZ

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Advisers

Independent External Auditor:

HW Fisher LLP, Acre House,
11-15 William Road,
London NW1 3ER

Bankers:

HSBC Bank Plc Space One,
Floor 2, 1 Beadon Road,
London W6 0EA

Statutory Auditor:

Comptroller and Auditor General,
National Audit Office,
157-197 Buckingham Palace Road,
Victoria, London SW1W 9SP

Investment Managers:

Sarasin & Partners LLP,
Juxon House,
100 St Paul's Churchyard,
London EC4M 8BU

Internal Auditor:

RSM Risk Assurance Services LLP,
25 Farringdon Street,
London EC4A 4AB

Solicitors:

Capsticks Solicitors LLP,
1 St Georges Road,
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Mills & Reeve LLP,
24 King William Street,
London EC4R 9AT

Addleshaw Goddard LLP,
60 Chiswell Street,
London EC1Y 4AG

Trowers & Hamlins LLP,
3 Bunhill Row,
London EC1Y 8YZ

07

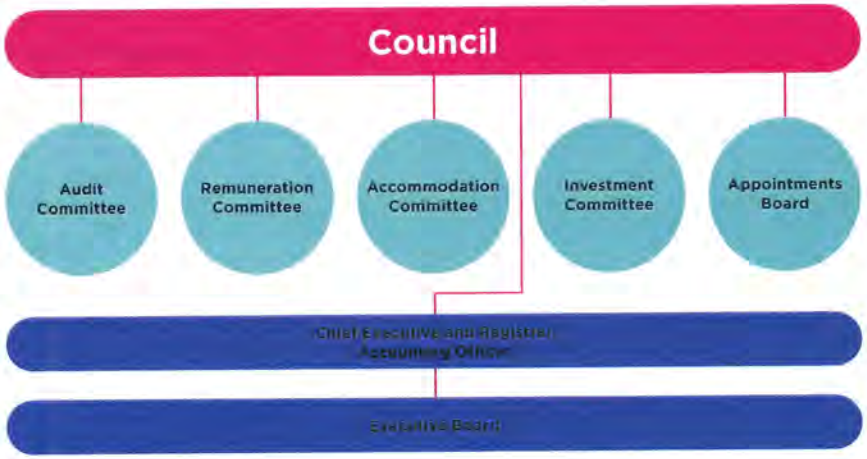
Annual governance statement

We are an independent statutory body. Our statutory objectives responsibilities are set out in the **Nursing and Midwifery Order 2001, as amended (SI2002/253), (the Order).**

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We are also a registered charity; registered in England and Wales (1091434) and in Scotland (SC038362). Our charitable object reflects our overarching statutory objective: to protect and safeguard the health and wellbeing of the public.

The Council takes account of Charity Commission and Office of the Scottish Charity Regulator (OSCR) guidance in making decisions; throughout this report we explain how our work demonstrates public benefit.



The Council

The Council is our governing body and the Council members are the charity trustees. Members of the Council are collectively responsible for ensuring that the NMC is well-run, solvent and delivers public benefit.

The Council's remit is to (a) set our strategic direction and corporate objectives, in line with our core purpose; (b) ensure effective systems are in place for managing performance and risk; and (c) maintain probity in, and public accountability for, the exercise of our functions and the use of funds.

Our Scheme of Delegation sets out which matters can only be decided by the Council.

The Council is made up of 12 members of which half must be professionals on our register and half are lay members, as set out in the **Nursing and Midwifery Council (Constitution) (Amendment) Order 2008 (SI 2008/2553)**. Lay members are people who have never been a registered nurse, midwife or nursing associate. As a UK-wide regulator, the Council's membership must include at least one member who lives or works wholly or mainly in each of England, Wales, Scotland and Northern Ireland.

The Chair and members of the Council are appointed by the Privy Council, following open and competitive selection processes. The Privy Council receives assurance from the Professional Standards Authority for Health and Social Care (PSA) on the robustness of our appointment or reappointment process.

Sir David Warren was appointed as Chair by the Privy Council and took office on 21 June 2021. Following his appointment, Sir David undertook a comprehensive induction including meeting with NMC colleagues, nursing and midwifery professionals and senior leaders, stakeholders and partners across the health and social care sector and the four nations of the United Kingdom.

Professor Karen Cox had continued to serve as Acting Chair until Sir David Warren took office. This had been agreed by the Council in December 2020 in accordance with legislative requirements and Standing Orders (paragraph 3.3.2).

Justine Craig took office as the Scotland Council member on 1 May 2021, replacing Robert Parry, whose second term of office ended on 30 April 2021. Justine Craig stepped down from her role on 31 December 2021 following her appointment as Chief Midwifery Officer for Scotland. Following a robust recruitment exercise, Margaret McGuire took office as the Scotland Council member on 1 May 2022.

Claire Johnston was reappointed for a second term from 1 May 2022.

Council Associate scheme

The Council established an Associate scheme in July 2020 (Standing Orders, paragraph 3.7) to provide opportunities for individuals with the potential to develop the skills and expertise needed to be Non-Executive Directors. Associates are involved in all aspects of the Council's work in a similar way to appointed Council members but do not vote on Council decisions.

The first two Associates, Dr Gloria Rowland MBE and Tracey MacCormack, took office from 1 January 2021 for a two-year period (the maximum term permitted under Standing Orders).

As this is a new initiative, the Council is keen to assess how the scheme is working in practice and to build learning into future development. In April 2021, the Remuneration Committee approved proposals for a phased evaluation of the scheme. The first phase was completed in 2021-2022 and will be considered by the Remuneration Committee early in 2022-2023.

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Council member and Associate attendance 1 April 2021 to 31 March 2022

Council and Associate membership and attendance during 2021-2022 is set out below:

Member	Number of sessions attended*	Number of sessions eligible to attend*	% of sessions attended
Sir David Warren (Chair) (from 21 June 2021)	12	12	100%
Sir Hugh Bayley	12	14	86%
Professor Karen Cox (Deputy (Acting) Chair from 5 October 2020 to 20 June 2021)	12	14	86%
Claire Johnston	14	14	100%
Derek Pretty	14	14	100%
Marta Phillips OBE	13	14	93%
Ruth Walker MBE	14	14	100%
Eileen McEneaney MBE	14	14	100%
Dr Lynne Wigens OBE	14	14	100%
Anna Walker CB	10.5	14	75%
Sue Whelan Tracy	12	14	86%
Justine Craig (from 1 May 2021 to 31 December 2021)	8	10	80%
Associate			
Dr Gloria Rowland MBE	10	14	71%
Tracey MacCormack	10	14	71%

*Includes Open and Confidential meetings

The Council is committed to openness and transparency and seeks to conduct as much business as possible at Open meetings which members of the public can attend. Matters can only be considered in Confidential meetings if they fall within an exemption set out in the Council's Standing Orders (paragraph 5.2.5).

Due to the Covid-19 pandemic, all Council seminars and meetings between March 2020 and February 2022 were held virtually, as allowed for under Standing Orders. All virtual Open meetings were held in a way that ensured members of the public could continue to be present and have the opportunity to raise questions. In March 2022, we were pleased to be able to hold our first in-person Council meeting since the start of the pandemic. Throughout this period, all activities were undertaken taking into account Charity Commission and Office of Scottish Charity Regulator Covid-19 guidance.

In March 2020, recognising that the severity and impact of the Covid-19 pandemic might require urgent regulatory decisions to be taken at speed, the Council agreed arrangements for rapid decision-making to implement emergency measures to support the health and social care workforce. The Council agreed that, wherever possible, the Chair should consult Council members in advance of such decisions, and in all circumstances, the Chief Executive and Registrar would inform Council members within 24 hours of decisions being made.

In 2021-2022, one emergency measure was approved by the Chair in line with the arrangements set out above. This was to open the NMC temporary register to a defined cohort of applicants trained outside the UK to support the national Covid-19 response further to the rapid spread of the Omicron variant. This measure was approved on 20 December 2021, following a Council discussion earlier on the same date. This was reported to the Open Council meeting on 26 January 2022.

In addition to formal meetings, Council members and Associates attend monthly seminars, hold video conferences and participate in a wide range of other activities. These include attending various Task Groups, briefings and webinars with people using health and social care services, professionals and NMC colleagues. These activities help ensure Council members have the insight they need to hold the Executive to account and make informed decisions. In 2021-2022, given the pandemic, these events and activities were primarily held virtually.

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Effectiveness of governance

The Council is committed to maintaining the highest standards of governance. Our practice complies with the Cabinet Office Corporate Governance Code of Good Practice for central government departments to the extent that it is applicable. We also strive to meet the principles and recommended practice contained in the Charity Governance Code and the National Council for Voluntary Organisations Charity Ethical Principles. The Council conducts its business in accordance with our organisational values – fair, kind, ambitious and collaborative – and the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Council members and Associates receive a full induction on appointment and undertake individual appraisals annually. These inform future individual and collective development, as well as consideration of reappointments. Induction sessions and appraisals have all been held virtually during 2021–2022.

In accordance with good governance, the Council undertakes regular reviews of its own effectiveness. During 2021, the Council reflected on key areas of its activities including ways of working for the future and identified some areas for refinement. These included ensuring Council papers and briefings are always succinct and focused, improvements to sharing information between meetings, and embedding learning from ways of working adopted due to the Covid-19 pandemic.

In particular, we are keen to ensure our Open meetings continue to be as accessible as possible for members of the public across the UK.

The Council regularly reviews the governance framework and policies to ensure they reflect best practice and continue to serve the needs of the organisation. In September 2021, our Council reviewed and approved an updated Code of Conduct and policies for Managing Interests and Gifts and Hospitality.

Council committees

The Council continues to have an Audit Committee, a Remuneration Committee, an Appointments Board, an Investment Committee and an Accommodation Committee.

Appointment of Council members to the Audit, Remuneration, Investment and Accommodation Committees is governed by the Council's Standing Orders and Scheme of Delegation, together with a set of principles adopted by the Council in 2015. Council Committee membership is reviewed regularly. The Chair is an ex officio member of all the Council Committees, except Audit Committee and Appointments Board.

The remit, membership and attendance record for each Committee is set out below. Committees also made a number of decisions by correspondence outside of the meetings identified below, where necessary and in accordance with Standing Orders.

Audit Committee

The remit of the Audit Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. The Committee has welcomed the attendance of the Chief Executive and Registrar, Internal Auditors, the External Auditors and the National Audit Office (NAO) at its meetings, and in keeping with good practice, has held private meetings with them at appropriate junctures during the year.

Here are some of the key activities of the Committee in 2021–2022.

- Overseeing the appointment process for external auditors. The Committee was pleased to welcome HW Fisher LLP as the NMC's external auditors, following their appointment by Council on 28 September 2021.
- Reviewing the Annual Report and Accounts and the Annual Fitness to Practise Report and recommending to the Council the approval of those reports. The Committee also reviewed the reports from the External Auditors and NAO, and the Executive's responses to recommendations made by the auditors.
- Reviewing the accounting policies for the year to 31 March 2022.
- Reviewing risk management and assurance arrangements, including undertaking comprehensive reviews of the risks, mitigations and sources of assurance about core work.
- Approving the internal audit work plan for 2021–2022, reviewing internal audit report outcomes and overseeing action to progress closure of outstanding internal audit recommendations.
- Reviewing serious events and data breaches, to ensure organisational sharing and implementing learning to prevent recurrence.
- Reviewing single tender actions and seeking assurance that proper procurement processes are being adhered to by the Executive and that any single tender actions are justifiable.
- Monitoring the implementation and use of the internal Whistleblowing and Anti-Fraud, Bribery, and Corruption policies to be assured that any issues raised are comprehensively investigated and any action and learning is taken forward.



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The membership of the Committee and attendance for the period 1 April 2021 to 31 March 2022 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Marta Phillips OBE (Chair)	4	4	100%
Robert Parry (until 30 April 2021)	0*	1	0%
Derek Pretty	4	4	100%
Eileen McEneaney MBE	4	4	100%
Sue Whelan Tracy	4	4	100%

*Robert Parry was unable to attend due to family illness

Remuneration Committee

The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning. In 2021-2022, key activities included considering the draft People Plan, reviewing the non-contractual payments policy, and the annual staff and Executive pay review. The Committee also reviewed Council governance policies for recommendation to Council, approved the Scotland Council member selection process, and the Council member reappointment policy and processes, and evaluated learning from the Chair appointment process.

The membership of the Committee and attendance for the period 1 April 2021 to 31 March 2022 are shown below:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Ruth Walker MBE (Chair)	6	6	100%
Sir Hugh Bayley	6	6	100%
Dr Lynne Wigens OBE	5	6	83%
Anna Walker CB	6	6	100%

Investment Committee

The remit of the Investment Committee is to oversee implementation of the Council's investment strategy and monitor the Council's investment portfolio. In 2021-2022, key activities included reviewing the investment policy, ensuring investment risks due to Covid-19 were effectively mitigated and working with our investment managers to ensure environmental, social and governance issues are appropriately considered when managing the portfolio.

The membership of the Committee and attendance for the period 1 April 2021 to 31 March 2022 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Derek Pretty (Chair)	3	4	75%
Thomasina Findlay	3	4	75%
Nick McLeod-Clarke	4	4	100%
Claire Johnston	4	4	100%
Sue Whelan Tracy	4	4	100%

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Accommodation Committee

The Accommodation Committee was established by Council in May 2020 to oversee implementation of the Council's Accommodation plan within the financial and other parameters set by the Council. The Committee meets as and when necessary. There were no meetings in 2021–2022, as there were no accommodation matters for the Committee to address.

The membership of the Committee for the period 1 April 2021 to 31 March 2022 was as follows:

Member
Derek Pretty (Chair)
Anna Walker CB
Dr Lynne Wigens OBE

Appointments Board

The Appointments Board is made up entirely of non-Council (Partner) members, appointed following open competitive recruitment processes. Jane Slatter was reappointed to serve a second term as Chair of the Appointments Board from 6 August 2021. Robert Allan was reappointed to serve a second term from 1 October 2021. Decisions regarding reappointment were made by the Acting Chair of Council following a robust process assessing performance and commitment to our values.

The remit of the Appointments Board is to assist the Council in connection with the exercise of any function relating to the appointment of Fitness to Practise panel Chairs and members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee) and the appointment of Fitness to Practise panel members to the Registration Appeals panel.

Key activities in 2021–2022 included: the appointment of new panel members; the appointment of panel members as Panel Chairs; oversight of induction and training for new panel members; approval of the panel member training programme for 2022–2023; and preparation for a selection process (open to external applicants) for added Panel Chairs.

The membership of the Committee and attendance for the period 1 April 2021 to 31 March 2022 is set out below:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Jane Slatter (Chair)	7	7	100%
Robert Allan	7	7	100%
Angie Loveless	6	7	86%
Frederick Psyk	7	7	100%
Clare Salters	6	7	86%

Role of the Executive

The Chief Executive and Registrar is appointed by, and accountable to, the Council. The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council.

As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

The Executive Board is the key management decision-making body. The Board's membership comprises the Chief Executive and Registrar and all Executive Directors. General Counsel also attends. The Board works with the Chief Executive and Registrar and provides assurances to the Council through: developing and implementing strategies, policies, business plans and budgets; ensuring effective and efficient use of resources, finance and people; and identifying and managing risk.

The Executive Board meets weekly and regularly reflects on its own operation and how business is conducted.

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Professional Standards Authority oversight

The Professional Standards Authority (PSA) oversees and reports to Parliament on our work, as well as that of the other health and social care professional regulators. In November 2021, the PSA published its annual review of our performance for 2020–2021. It found that we had met 17 of the 18 Standards of Good Regulation: we did not meet the standard requiring us to deal with fitness to practise cases as quickly as is consistent with a fair resolution of the case. As outlined in the performance review section of this report, our number one corporate priority continues to be addressing the fitness to practise caseload. We are doing so by improving our processes, namely through our Fitness to Practise Improvement programme and increasing capacity and resources.

The PSA recognised the improvements we have made since last year's 2019–2020 performance review and our response to the Covid-19 emergency. The report also included positive feedback on the implementation of the temporary register; the support we provided to those on our register and the public through our 'Coronavirus Hub' on our website; our research into issues relevant to diversity and the plan to address the timeliness of fitness to practise case progression. The Executive Board review progress in implementing learning from PSA reviews regularly.

Performance monitoring and data quality

We have aligned our corporate plan and budget to our 2020–2025 Strategy. The Council monitors our progress against our corporate plan and budget through quarterly performance reports presented at public meetings. These provide updates against our corporate commitments, key performance indicators (KPIs), our budget and investments, and corporate risk exposure. In collaboration with the Executive, the Council decides what performance information and data it wants to review so it can make effective decisions about our performance and risk exposure. The Council regularly considers the quality and content of performance reporting, and we made further refinements to the content and presentation of reporting in 2021–2022.

Risk management and internal control

The Council is responsible for establishing and maintaining a sound system of risk management and internal control. Our system of internal control is designed to manage, rather than eliminate, risk and provide reasonable assurance of effectiveness. The Audit Committee provides assurance to the Council about the operation of the system of internal control and risk management. The Council considers corporate risk exposure at Open meetings on a quarterly basis and the full corporate risk register twice a year.

The Chief Executive and Registrar is responsible for enabling an effective system of risk management and internal control and, together with the Executive Directors, for ensuring that the system is in place across the organisation. The Executive is responsible for identifying and evaluating risks, putting in place appropriate mitigations, and monitoring and reporting progress. The Executive Board reviews corporate risk exposure monthly.

The Council approved and updated the risk management framework in 2021. The framework has been embedded throughout the year by improving our templates and reports; organisation-wide and bespoke training sessions and tailored workshops; and monthly engagement between risk coordinators and the corporate risk and performance team.

Assurance

Our system of internal control includes these elements.

- A wide-ranging programme of training, induction, appraisals and coaching to ensure our colleagues have the right skills, values and experience for their roles.
- Strategic relationships between corporate services and business leaders that foster collaboration, best practice, and supportive challenge. Business partners are in place for People Services (human resources, recruitment, learning and development), finance, risk and performance, technology and procurement.
- Internal control and planning mechanisms, such as detailed schemes of delegation for decision-making, documented policies and standard operating procedures, service level agreements, restricted access to systems, segregated duties, incident reporting, business continuity planning, business planning, programme and project framework, personal objectives and improvement plans.
- Widespread monitoring and reporting to track our performance and KPIs, financial management (budgets, forecasting, monthly reporting), risk exposure, quality, data and insights, operational management information and people management.
- Centralised assurance management includes internal and external audits, serious event reviews (SERs) and quality assurance (QA) reviews where we use learning to make improvements to our processes. The Audit Committee undertakes regular targeted comprehensive assurance reviews (CARs) to delve deeper into specific risk problems.
- A new Change Board, established in November 2021, to provide detailed oversight of our change projects and programmes to ensure that we focus holistically on the highest impact areas to deliver our 2022–2025 strategy.

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The Executive Board is responsible for:

- ensuring that the annual internal audit work plan and other internal quality assurance work are complementary and focused on areas of potential internal control weakness
- reviewing the performance of our strategic change portfolio alongside our corporate risk register every month
- undertaking an annual assessment of the effectiveness of risk management and internal control arrangements for each directorate.

We undertake an annual review of the effectiveness of our internal control environment and risk management. The 2021-2022 review concluded that we have a reasonable assurance that our internal control environment operates adequately at corporate and directorate level. As part of our maturity work, we strengthened the approach to assess each directorate against a set of key criteria and reviewed sample evidence to ensure our internal control environment reflected the standards set out in our policy and guidance.

Our risk management maturity has significantly improved during 2021-2022, with all directorates able to demonstrate that they have:

- risk registers that are overseen by risk coordinators
- regular engagement with the corporate risk and performance team about directorate and corporate risks
- oversight of technology risks from the Chief Information Officer
- better consideration of management controls.

Internal control mechanisms remain comparable to last year. All directorates adhere to expected requirements for planning. Agreed business plans and budgets, projects and programmes undergo business case approval and adhere to delegated approval levels. Our internal auditors have highlighted some areas for improvement which have informed our Internal Audit Work Plan for 2022-2023.

Key issues and risks

Covid-19 pandemic

When Council approved the corporate plan for 2021-2022, it recognised that the Covid-19 pandemic would continue to affect the pace at which we would be able to take forward our strategic ambitions. To minimise disruption, we continued to take a range of actions: supporting frontline colleagues to work safely from our offices; supporting remaining colleagues to work from home; and strong internal engagement and communications to provide clear advice. To ensure our strategy remains feasible, we have reviewed progress and re-scoped or re-phased some commitments and decided not to pursue others before 2025.

Throughout the year, we were responsive to the easing and tightening of restrictions, supporting colleagues to return to the offices should they wish. We also disbanded our Gold and Silver command structures as business during the pandemic became normalised.

Thanks to the impact of the vaccination programme, we also prepared for a long-term easing of restrictions and have worked with colleagues to develop hybrid ways of working that will enable us to deliver our objectives.

These actions enabled us to support the professionals on our register and the national response to the pandemic: enabling us to deliver our regulatory role, maintain the temporary register and provide clear guidance and support to nurses, midwives and nursing associates.

Mitigation in 2022-2023

Despite the pandemic easing, we know that the professionals on our register remain under pressure due to fluctuating rates of infection; the secondary impacts of the pandemic, such as the backlog of elective treatments; long hospital waiting times and staffing levels. We will continue to work with professional leaders to understand how the sector is recovering and monitor the impact of our requirements to ensure that we are not adding avoidable pressure. To help support the workforce, we will encourage professionals on our temporary Covid-19 register to join our permanent register before it closes on 30 September 2022, should they wish to do so.

To ensure we can deliver our objectives, we will continue to support colleagues to establish hybrid ways of working that enable them to effectively fulfil their objectives.

Fitness to practise caseload

Throughout the year we managed a high fitness to practise caseload which grew before and during the pandemic. This has now stabilised, but this has taken longer than envisaged. We now expect work to reduce our caseload to stretch into 2023-2024.

The impact of a high caseload is that we take longer to process concerns, which has a distressing impact on all those involved in fitness to practise referrals. We continue to manage cases in a person-centred way, aligned to our values, and ensure the quality of our decision-making.

Mitigation in 2022-2023

In 2022-2023, we will:

- build on the improvements we made in 2021-2022 so that we process cases more efficiently and close cases at the earliest appropriate opportunity
- increase our capacity at key stages to increase our output
- continue to build knowledge in the sector to reduce the number of inappropriate referrals we receive.

Through these actions we aim to reduce the caseload to a target of 5,000 by March 2023.

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Managing economic, political and climate challenges

Like all organisations, we are operating in a difficult environment with many factors to consider. Inflation is at its highest for many years; the impact of the pandemic on the global supply chain; and the conflict in Ukraine threatens food supplies and energy supply and heightens the threat of cyber-attacks. We also need to play our part in minimising and mitigating the climate emergency.

Mitigation for 2022-2023

We have accounted for extra costs within our plan and budget for 2022-2023.

For major programmes and projects, we will release funding in phases and keep budgets under continual review.

We have undertaken simulation testing and updated our cyber security precautions. We will commission an independent review of cyber security during 2022-2023.

We continue to monitor the external environment and will adjust as required.

Concerns relating to maternity care

The Ockenden report, published in March 2022, has highlighted systemic weaknesses in maternity care. Although it did not make specific recommendations for us to address, we have ourselves identified learning which can help support improvements in maternity safety. Other ongoing independent investigations (including at East Kent and at Nottingham) are likely to identify safety risks in maternity care and, once they are known, we will need to carefully consider the implications for our regulation of midwives.

Mitigation in 2022-2023

Our current assessment is that our midwifery standards of proficiency appropriately address the skills and knowledge deficits in relation to midwifery identified in the Ockenden report. Following the publication of the East Kent and Nottingham reports we will commission a further external, independent review of our standards.

We will write to all midwives on our register to ask them to confirm through revalidation that they have considered the midwifery standards of proficiency and have identified any deficiencies in knowledge and skills to be addressed through continuing professional development.

We will explore how we can get better insight directly from midwifery students to inform our quality assurance and insight.

We will continue to work in partnership with other regulators and system leaders to support improvements in maternity services.

Recruitment and retention

Confidence has grown across the labour market, with people more willing to move jobs now that restrictions have eased. This has led to challenges to attract and retain talent and led to capacity gaps in our workforce in areas such as fitness to practise, human resources, technology services and legal. We expect this trend to continue into 2022-2023.

Mitigation in 2022-2023

We will launch our new People Plan in the first half of 2022-2023, which will address significant areas relating to both recruitment and retention, such as reward, progression, and development over the next three years.

We will continue to be creative in how we attract new talent, such as using flexible working to attract people from across the UK; creating talent pools from good candidates who have already applied; and improving the candidate experience. We have reviewed our workforce plans for 2022-2023 to ensure that we have phased our recruitment throughout the year.

We will also focus on retention, ensuring that talented colleagues are supported to develop and progress their careers with us.

Regulatory reform

More modern and flexible legislation will enable us to deliver proportionate and safer regulation for the public and better support the professionals on our register. During 2021-2022 we continued our preparations for reform by responding to the Government's consultation and undertaking detailed planning about the scale of what will be required. We continue to manage uncertainty within the timelines for reform as the Department of Health and Social Care set these and are subject to change within the context of the wider programme.

Mitigation in 2022-2023

To ensure we are able to influence reforms to our legislation as effectively as possible, we will continue to engage proactively with the Department of Health and Social Care and work closely with our stakeholders to identify the changes we want to make.

We continue to manage uncertainties, such as dependencies with other major internal programmes (such as modernising our technology services) and engagement and communications with stakeholders through detailed planning that involves subject matter experts from across the organisation. A programme board provides oversight of the detailed planning and our new Change Board will provide expertise to manage dependencies across all our strategic activities.

Technology

We continue to improve our technology to deliver tools that will increase the efficiency and productivity of colleagues. While we deliver significant technology change programmes, we tolerate a number of risks related to using legacy systems, building capability and capacity for the future, and managing the dual running of systems while we safely migrate across our core processes. To assist us, in 2021-2022 we recruited a Chief Information Officer to provide leadership, specialist knowledge and oversight of our technology improvement programme and technology services.

We expect to carry this risk for a number of years while we deliver multi-year programmes to improve our technology infrastructure; deliver new hardware, remove legacy systems

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(WISER and case management system); update our data capabilities and capacity; and deliver technology that will support regulatory reform.

Mitigation for 2022-2023

We will commission a second independent review of our Modernisation of Technology Services programme to support the third major phase of the programme.

We will commission an independent review of our cyber security.

We will continue to invest in improving our technology by delivering our two major technology programmes.

We will begin to build in-house capability in data architecture and IT development to build our own capacity and reduce reliance on outside suppliers.

Public interest (whistleblowing)

Our Whistleblowing policy encourages colleagues and others who work for, or with us, to speak up if they see something wrong. We review the policy regularly and have continued to raise awareness of the policy and associated guidance by promoting it through the Chief Executive and Registrar's weekly message and other internal communications.

In October 2021, we ran an internal engagement exercise as part of Speak Up month; an initiative in England to promote the importance of whistleblowing and encouraging everyone to speak up. This was an opportunity to remind all our staff, wherever they are based, about our Whistleblowing policy and guidance, share examples of when it might be appropriate to raise concerns, and outline what actions they could expect to be taken as a result.

The Audit Committee receives a report on whistleblowing at every meeting. There were three occasions when people used the Whistleblowing policy to raise concerns in 2021-2022 (2020-2021: zero). Of the concerns raised in 2021-2022, one was found to be a complaint rather than a whistleblowing issue and was progressed in accordance with our corporate complaints process. The other two are described below:

- A concern that some Fitness to Practise panel members were being discriminated against on the basis of their race; and that some panel members and legal assessors lacked integrity and work ethic. Follow-up discussions took place with the person who raised the concern and, although they did not wish to raise a formal complaint, they asked us to consider what more could be done to create a more inclusive culture and an environment with zero tolerance for racism. This helped inform a range of work we were doing to strengthen our approach to EDI. This included asking all NMC-appointed panel members and legal assessors to take part in an EDI survey to gather feedback on their experiences. Through this work we identified several areas for improvement, including the need to provide more extensive EDI training and to increase visibility and awareness on how to raise a concern. We developed an action plan which is being overseen by our Appointments Board. This plan was shared with the person who raised the issues, who was pleased with the rigour and seriousness with which we are tackling these issues. As detailed in the performance review section of our Annual Report, during 2021-2022 we also took forward other work to strengthen our approach to EDI which is captured in our revised EDI Plan 2021-2025 (published in November 2021). Our detailed EDI Plan will be published in summer 2022.
- An allegation that the organisation was not appropriately managing reports of potential bullying and harassment. A review was overseen by the Chair of Audit Committee and lead Audit Committee member and this matter has now been concluded. The Chair of Audit Committee and the lead Audit Committee member were content with the outcome.

Safeguarding and protecting people

We want to safeguard and protect from harm all who work with or come into contact with us. This includes our colleagues, people who we come into contact with as part of our regulatory processes and those we engage with.

Our Safeguarding and Protecting People from Harm policy sets out our responsibilities and the actions colleagues should take if they identify a safeguarding concern. Our policy is easily accessible and available on our website. The Council reviewed and approved an updated policy in January 2022. To support the policy, we have underpinning guidance and a standard operating procedure for employees to follow. We report on the operation of the policy to Council regularly.

We provide safeguarding training to ensure colleagues understand our safeguarding policy and know how to use it. Our safeguarding training is mandatory for all new starters and a refresher course must be completed by all colleagues every two years. For 2021-2022, our completion rate is 87 percent. We held awareness raising and briefing sessions in our Professional Regulation Directorate which deals directly with those on our register and the public in relation to regulatory matters. We also carried out workshops with a cross-section of colleagues to better understand and mitigate risks in our safeguarding policies and processes.

We have improved our safeguarding arrangements by:

- embedding safeguarding in our contracts for services provided for Victim Support and Lay Advocacy
- introducing a triaging system in our Enquiries and Complaints team so that safeguarding concerns can be escalated and reported as appropriate
- improving the coordination of safeguarding concerns between the Public Support Services team and other teams in our Professional Regulation Directorate.

In 2021-2022, we logged 62 safeguarding concerns. We referred 22 of these cases to local authorities and the police. We did not make any reports to the Charity Commission or the Office of the Scottish Charity Regulator during 2021-2022. In May 2022, we deemed one safeguarding case serious enough to report to the Charity Commission, in line with our obligations as a registered charity. The Commission was satisfied that the Council was dealing with the matter appropriately and responsibly.

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In the previous financial year (2020–2021) we had 52 safeguarding concerns, of which 20 referrals were made to local authorities and the police; we also reported one case to the Charity Commission. In 2019–2020 we had 14 safeguarding concerns.

Since we adopted our safeguarding policy in November 2018, we have been raising awareness around safeguarding through briefings and mandatory training, which could explain the increased number of concerns that we have logged.

Some of our responses to the concerns included the involvement of our Fitness to Practise Careline who helped to provide the person with appropriate support. In other cases, we were satisfied that the person at risk already had support in place and we signposted them to an appropriate charity or decided no further action was required by us.

We completed a quality assurance review of our safeguarding arrangements which identified the need for more support for our Designated Safeguarding Lead. We are creating a new Strategic Safeguarding Lead role that will help us embed our safeguarding and duty of care responsibilities and implement the recommendations from our quality assurance review. We have an NMC-wide safeguarding working group to help us with improvements and monitor our safeguarding arrangements.

Information governance and lapses in protective security

We continue to align our information security management to ISO 27001, the international information security standard.

Incidents are reported, managed and investigated in line with our Serious Event Reporting (SER) process through which learning and recommendations for improvement are identified.

The table on the following page provides a breakdown of the number of information security incidents in 2021–2022, with 2020–2021 figures shown for comparative purposes. Of the 83 information security incidents recorded in 2021–2022, 54 (65 percent) were unauthorised disclosure of data (data breaches). At the start of the Covid-19 pandemic, we had a temporary reduction in the volume of fitness to practise casework, which will have contributed to fewer incidents in 2020–2021 compared to 2021–2022.

	2021–2022	2020–2021
Critical	0	0
Major	1	0
Moderate	23	26
Minor	59	31
Total	**83**	**57**

In 2021–2022 we reported one personal data breach to the Information Commissioner's Office (ICO). It has not taken any regulatory action in relation to the breach.

Anti-fraud, bribery and corruption

No instances of actual or suspected fraud, bribery or corruption were detected in 2021–2022 (2020–2021: none). Anti-fraud and bribery training is mandatory for all new employees. Refresher training is undertaken by all colleagues every two years.

In February 2022 we updated our Anti-Fraud and Anti-Bribery policy to reflect our values; this was endorsed by Executive Board and approved by Audit Committee.

In September 2021, we published our Personal Interests and Outside Appointments policy for colleagues which explains how we deal with conflicts of interest. In February 2022, all NMC colleagues were required to make a declaration, stating any interests outside the NMC.

All potential conflicts of interest are subject to review by line managers who will consult with appropriate expert colleagues where required.

A gifts and hospitality policy is in place for Council members, Partner members and colleagues, which supports good practice in this area. The policy is periodically reviewed to ensure it reflects good practice and was most recently reviewed and approved by Council in November 2021. Regular reminders are issued about the importance of adhering to the policy. A register of all gifts and hospitality accepted or declined is maintained.

Modern slavery

No modern slavery issues have been identified during the year to date (2020–2021: none).

In accordance with the Modern Slavery Act 2015, we updated and published our Modern Slavery Statement in June 2022.

All colleagues have access to our modern slavery e-learning module, which raises awareness and understanding throughout the organisation.

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We continue to embed our procurement policy, which requires us to make use of well-established national framework agreements wherever possible. Suppliers on these frameworks have been subject to rigorous due diligence checks.
In addition, we have our own supplier assurance process in place which requires our suppliers to provide information related to their modern slavery position and which is risk assessed accordingly.

Serious event reviews

Internally, we report any incidents or near-misses where things have gone wrong. These are investigated under our serious events review (SER) process to identify learning and to put in place measures to prevent recurrence. Themes and learning from SERs are reported to the Executive Board and Audit Committee meetings every six months. During 2021-2022, a total of 172 corporate incidents and near-misses were reported (2020-2021: 142). Under our incident reporting process, we distinguish between adverse incidents (AIs) and serious events (SEs) based on the severity of the incident.

Incidents are classified as AIs when they have a minimal impact on our organisation and our work, although they still provide valuable learning for us. We classify as SEs incidents that impact, actually or potentially, more seriously on our organisation and our work. Of the 172 corporate incidents reported in 2021-2022, 54 were classified as SEs (2020-2021: 52), while the remaining 118 were AIs (2020-2021: 90).

During 2021-2022, we conducted a SER into a direct award of a contract which was not compliant with the Public Contracts Regulations 2015 ('the PCR'- the legislation applicable to us as a public sector body) or our own procurement policy.

It was agreed that due to mistakes earlier in the procurement process, alternative approaches would have resulted in significant additional costs over the life of the contract and put key business operations at risk. As we were satisfied that the direct award was appropriate and in the best interests of the charity's beneficiaries and the public, we decided that it did not require reporting to charity regulators.

The circumstances leading us to the direct award have been thoroughly investigated. The SER was completed in November 2021 and from that learning we have produced an action plan to prevent a recurrence. Our internal auditors have undertaken an audit to ensure these actions have been appropriately implemented. They reported on this review at the June Audit Committee and concluded that the actions taken were the right ones in relation to Technology Services but that the lessons learnt could be applied more broadly in the procurement plan. We also ensured that the National Audit Office and HW Fisher LLP, our external auditors, were informed of our decision and the reasons why we directly awarded the contract. This was part of routine communication rather than seeking any explicit assurance of our approach.

We have continued to make changes and improvements as a result of learning from complaints, including strengthening process and managerial oversight. We are embedding changes to the SER process to support sharing of learning across the organisation.

Serious incident/ notifiable event reporting

Issues which require reporting to the Charity Commission/OSCR are identified through several routes, including the Serious Event Review policy and process, and through the Whistleblowing; Anti-Fraud, Bribery and Corruption; and Safeguarding policies and processes. In accordance with guidance from the Charity Commission (CC) and the Office of the Scottish Charity Register (OSCR), where we identify an issue, permission is sought from the Council, as trustees, to report to the Charity Commission/ OSCR. If more urgent reporting is needed, we seek permission from the Chair and Council are informed at the earliest opportunity.

There have been no serious incidents or notifiable events to raise with the Charity Commission or OSCR in 2021-2022 (2020-2021: one). In May 2022, we informed the Charity Commission of one serious incident arising from a safeguarding matter. The Commission was satisfied that the Council was dealing with the matter appropriately and responsibly.

Internal audit annual opinion 2021-2022

Our annual internal audit programme is agreed and overseen by our Audit Committee. Nine internal audit assignments took place during the year, although two reports were considered at the start of 2022-2023 due to delays in completion.

Our internal auditors review the implementation of audit recommendations and provide regular updates to the Audit Committee. There have been delays in implementing nine internal audit recommendations in our People Services function. They were in the areas of starters, onboarding, and retention. These delays were due to challenges arising from changes in senior leadership, systems deficits and an equally challenging recruitment market in resourcing. From November 2021 to March 2022 a plan of continuous improvement has been created for People Services.
This includes prioritising audit and other key business improvement outcomes. The actions will be implemented as highest priority along with four further actions arising in 2021-2022. Sustainable leadership strategies are also now in place in People Services. All other recommendations from audits, where action has fallen due in the period, have been implemented.

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The Head of Internal Audit's annual opinion is that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

Overall assessment of effectiveness of governance and assurance

As Chair of the Council and Accounting Officer, we have reviewed the effectiveness of governance, risk management and internal controls.

In reaching our assessment, we have relied upon a range of evidence, including the opinion and report of the Head of Internal Audit; the corporate assessment of the quality of controls and assurance in place in directorates, and the annual review of the effectiveness of risk management. We have also relied on the Opinion and Audit Findings Report of our external auditors; and the Audit Completion Report and Management Letter of the National Audit Office.

Overall, we consider that there is reasonable assurance that there are adequate arrangements in place for governance, risk management and control. We recognise the need to address and strengthen our controls in relation to our Learning and Development and Retention processes, and to maintain a high level of scrutiny over the recovery of our fitness to practise caseload and the progression of the Modernisation of Technology Services programme.

DocuSigned by:
David Warren
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Sir David Warren
Chair

08 July 2022

DocuSigned by:
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Andrea Sutcliffe
Chief Executive and Registrar

08 July 2022

07

Independent auditor's report to the trustees of the Nursing and Midwifery Council

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Opinion

We have audited the financial statements of the Nursing and Midwifery Council (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (asamended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of trustees

As explained more fully in the statement of responsibilities of the Council, Council (being the trustees) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder and the requirements of the Professional Standards Authority for Health and Social Care.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **https://www.frc.org.uk/auditorsresponsibilities.** This description forms part of our auditor's report.

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Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
HW Fisher LLP
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HW Fisher LLP
Chartered Accountants
Statutory Auditor
11 July 2022

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

09

The Certificate and Report of the Comptroller and Auditor General

to the trustees of the Nursing and Midwifery Council and the Houses of Parliament

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Opinion on financial statements

I certify that I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2022 under the Nursing and Midwifery Order 2001.

The financial statements comprise: the Nursing and Midwifery Council's:

- Balance Sheet as at 31 March 2022;
- Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2022 and its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder; and
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, the Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and I have also elected to apply the ethical standards relevant to listed entities. I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nursing and Midwifery Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nursing and Midwifery Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and of the Chief Executive and Registrar with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report other than the financial statements and my auditor's certificate thereon. The Council and the Chief Executive and Registrar are responsible for the other information contained within the Annual Report.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report subject to audit have been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report, I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the Annual Report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 or the Charities Act 2011, or as required by the determination made by the Privy Council under the Nursing and Midwifery Order 2001 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Annual Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and of the Chief Executive and Registrar for the financial statements

As explained more fully in the Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts, the Council and its Chief Executive and Registrar are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council are responsible for assessing the Nursing and Midwifery Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Nursing and Midwifery Order 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which my procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of my planning process:

- I enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform me of any known, suspected or alleged fraud.
- I obtained an understanding of the legal and regulatory frameworks applicable to the charity. I determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, and the requirements of the Professional Standards Authority for Health and Social Care.
- I considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored my risk assessment accordingly.
- Using my knowledge of the charity, together with the discussions held with the charity at the planning stage, I formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored my procedures according to this risk assessment.

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I also obtained an understanding of the Nursing and Midwifery Council's framework of authority as well as other legal and regulatory frameworks in which the Nursing and Midwifery Council operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Nursing and Midwifery Council. The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005.

The key procedures I undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the panellist provision.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and investment balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- In addressing my assurance over regularity, considering any special payments made in year, any offpayroll arrangements, review of Council and Audit Committee papers and minutes and an overall comparative review of current year to prior year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that I may not have detected some material misstatements in the financial statements even though I have properly planned and performed my audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities.** This description forms part of my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Gareth Davies 12 July 2022

Gareth Davies
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

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Financial statements for the year ended 31 March 2022

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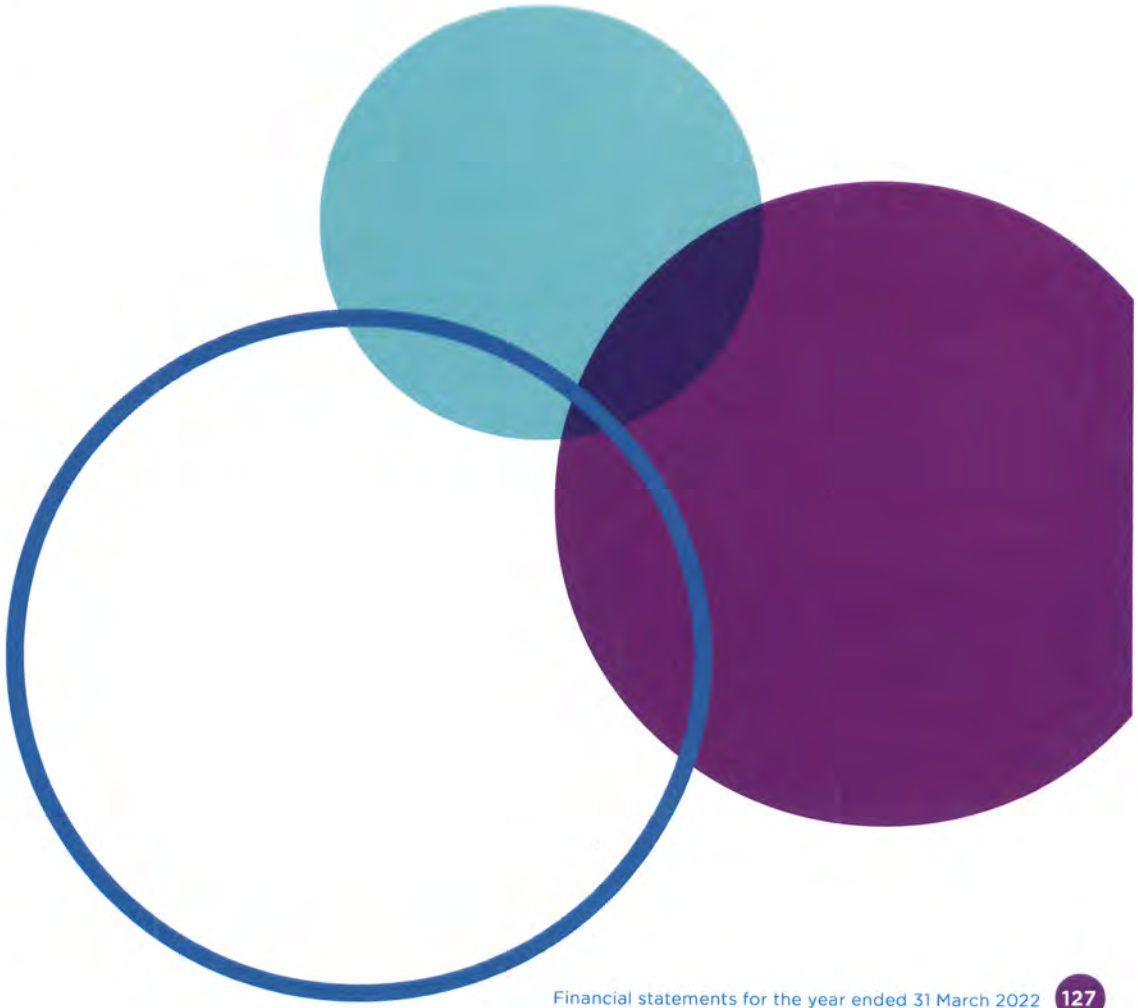
Statement of financial activities for the year ended 31 March 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 March 2021* £'000
Income from:							
Charitable activities:							
Fees	2	96,787	-	96,787	90,778	-	90,778
Grants	3	-	2,609	2,609	-	-	-
Other income	3	79	-	79	676	-	676
Total		96,866	2,609	**99,475**	91,454	-	**91,454**
Investment income:	3	923	-	923	551	-	551
Total income		97,789	2,609	**100,398**	92,005	-	**92,005**
Expenditure on:							
Raising funds	4	(157)	-	(157)	(40)	-	(40)
Charitable activities	5	(90,165)	(2,609)	(92,774)	(81,520)	-	(81,520)
Total		(90,322)	(2,609)	**(92,931)**	(81,560)	-	**(81,560)**
Net income before net gains/losses on investments		7,467	-	**7,467**	10,445	-	**10,445**
Gain on investments	14	1,024	-	1,024	1,125	-	1,125
Net income		8,491	-	**8,491**	11,570	-	**11,570**
Other recognised gains/(losses):							
Actuarial gain on defined benefit pension scheme and asset ceiling adjustment	19	(1,453)	-	(1,453)	176	-	176
Net movement in funds		7,038	-	**7,038**	11,746	-	**11,746**
Reconciliation of funds:							
Total funds brought forward		69,273	-	**69,273**	57,527	-	57,527
Total funds carried forward		76,311	-	**76,311**	69,273	-	**69,273**

All funds brought and carried forward are unrestricted in the current and previous financial years. All activities reflected in the two periods on the previous page were derived from continuing operations. All recognised gains and losses are included in the statement on the previous page.

*Net income for the year ended 31 March 2021 has been adjusted to include gains on investments, which were previously reported after net income. The net movement in funds remains unchanged.

The notes on pages 132–163 form part of these accounts.



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Balance sheet as at 31 March 2022

	Note	As at 31 March 2022 £'000	As at 31 March 2021* £'000
Fixed assets:			
Intangible assets	11	10,515	10,881
Tangible assets	12	18,163	16,849
Investments	14	32,838	31,281
Total fixed assets		**61,516**	**59,011**
Current assets:			
Debtors	15	3,306	4,022
Investments	14	48,125	28,362
Cash at bank and in hand		21,881	39,550
Total current assets		**73,312**	**71,934**
Liabilities:			
Creditors: amounts falling due within one year	16	(55,173)	(56,425)
Total current liabilities		**(55,173)**	**(56,425)**
Net current assets		**18,139**	**15,509**
Total assets less current liabilities		**79,655**	**74,520**
Creditors: amounts falling due after more than one year	17	(76)	(135)
Provisions for liabilities	18	(3,268)	(1,957)
Net assets excluding pension liability		**76,311**	**72,428**
Defined benefit pension scheme liability	19	-	(3,155)
Total net assets		**76,311**	**69,273**
The funds of the NMC			
Unrestricted funds		**76,311**	**69,273**
Total funds		**76,311**	**69,273**

*Software and IT projects have been reclassified as intangible fixed assets for both 2022 and 2021. Total fixed assets remains unchanged. Current asset investments and cash at bank and in hand have been reanalysed for the year ended 31 March 2021. Total current assets remains unchanged.

The notes on pages 132-163 form part of these accounts.

DocuSigned by:
David Warren
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Sir David Warren
Chair
08 July 2022

DocuSigned by:
Andrea Sutcliffe
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Andrea Sutcliffe
Chief Executive and Registrar
08 July 2022

Statement of cash flows for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £'000		Year ended 31 March 2021 £'000	
Cash flows from operating activities					
Net cash provided by operating activities			**8,317**		**5,039**
Cash flows from investing activities					
Interest earned from bank deposits	3	233		355	
Cash investment - long-term deposits		(19,763)		(7,926)	
Cash investment - fixed asset investments	14	-		(30,000)	
Purchase of property, plant and equipment	11 & 12	(6,456)		(4,464)	
Net cash used in investing activities			**(25,986)**		**(42,035)**
Change in cash and cash equivalents in the reporting period			**(17,669)**		**(36,996)**
Cash and cash equivalents at the beginning of the year			**39,550**		**76,546**
Cash and cash equivalents at the end of the year			**21,881**		**39,550**

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Reconciliation of net income to net cash flow from operating activities

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Net income from the reporting period (as per the statement of financial activities)	8,491	11,570
Interest earned from bank deposits	(233)	(355)
Dividends and interest earned in our fixed investment portfolio	(690)	(196)
Gain on investments	(1,024)	(1,125)
Investment management charge	157	40
Depreciation and amortisation charges	5,508	3,273
Loss on equipment disposal	-	1
(Increase)/decrease in debtors	716	(1,278)
Increase/(decrease) in creditors and provisions	-	1,400
Change in pension scheme liability	(3,155)	176
Pension scheme actuarial gain and asset ceiling adjustment	(1,453)	(8,467)
Net cash inflow from operating activities	**8,317**	**5,039**

Net income from the reporting period for 2021 has been updated to reflect the amended presentation on the face of the SoFA, with gains on investments now shown before net income.

Analysis of cash and cash equivalents

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Cash at bank and in hand	20,874	13,668
Short-term investments[1]	1,007	25,882
	21,881	**39,550**

In accordance with the Charities SORP, FRS 102:

In the balance sheet, cash at bank and in hand means bank accounts with instant access or investments maturing within three months of the balance sheet date. Investments with maturities of between three and twelve months are classified as current asset investments.

In the above analysis of cash and cash equivalents, cash at bank and in hand means bank accounts with instant access while investments maturing within three months of the balance sheet date are classified as short-term investments.

In note 14, investments with maturities of between three and twelve months have been classified as short-term investments.

The NMC does not hold any physical cash.

[1] See note 14 investments

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Notes to the accounts

1 Basis of preparation and accounting policies

We prepare our accounts in accordance with the Charities SORP (FRS 102). As set out in our Accounts Direction from the Privy Council, which is reproduced at Appendix 1, we also have regard to the Government Financial Reporting Manual (FReM), to the extent that the requirements of the FReM clarify or build on the requirements of the Charities SORP.

We meet the definition of a public benefit entity under FRS102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

a) Going concern

The accounts are prepared on the going concern basis.

Our objective is to protect the public by regulating nurses and midwives in England, Wales, Scotland and Northern Ireland, and nursing associates in England. We are funded by the registration fees paid by nurses, midwives and nursing associates. Taking into account our relatively secure source of income and our significant reserves, the Council has reviewed our circumstances, work plans, budgets, cash flow forecasts and our current and forecast reserves levels and is comfortable with deficit budgets in the medium term (3-5 years) as we recover from the impact of Covid-19 and fund significant investment programmes.

The recent consultation by the Department of Health and Social Care on the UK model of regulation for healthcare professionals was clear on the presumption of the continued future need for our regulatory functions.

Given the continued need for our regulatory functions and our financial position outlined above, the Council considers that adequate resources continue to be available to fund our activities for the foreseeable future and there are no material uncertainties about the NMC's ability to continue as a going concern.

b) Accounting convention

We prepare our accounts under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated on the relevant accounting policy notes.

c) Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, we are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may ultimately differ from those estimates.

The significant areas subject to estimation and judgement are:

- **Depreciation/Amortisation**

  The useful economic lives of fixed assets are based on management's judgement and experience.

- **Pensions**

  The principal assumptions used to calculate the liabilities in the defined benefit pension scheme are those as set out in note 19. An asset ceiling has been applied to bring the net position to nil, recognising that the NMC does not have an unconditional right to a surplus.

- **Panellist provision**

  The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a fitness to practise panellist.

d) Income

All income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

- **Income from charitable activities**

  Nurses, midwives and nursing associates must pay an annual registration fee to be registered with the NMC and able to practise. Registration fees are paid either annually in advance or quarterly in advance. We recognise the fees as income on a monthly basis across the year to which the registration fee applies. The deferred income amount within our creditors is the value of fees that we have received at each balance sheet date that relate to a future financial year. Other fees including verification fees are credited to income on the day of receipt.

- **Investment Income**

  Investment income is accounted for when receivable.

- **Government Grants**

  Grant income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured. For performance related grants, entitlement to the income includes meeting the performance related conditions.

e) Expenditure

- **Charitable activities**

  Expenditure on charitable activities includes all expenditure related to the objects of the charity which comprise: standards promotion and policy development, education, maintaining the register, fitness to practise, and communication and public engagement. See note 5.

- **Support costs**

  Support costs are the costs of our corporate functions including premises, IT, finance and human resources. They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

f) Fund accounting

All funds are currently unrestricted and reported as such in the financial statements. They are available for use at the discretion of the Council to support the general objectives of the NMC.

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We have received restricted grant funding and these funds have been used in accordance with the specific restrictions imposed.

g) Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities in equal amounts over the periods of the leases.

h) Employee benefits

- **Holiday pay**

  Holiday pay is recognised as an expense in the period in which the service is received.

- **Pension costs**

  Retirement benefits are provided by a defined benefit scheme and a defined contribution scheme. Payments are made to pension trusts, which are financially separate from the NMC.

The defined benefit scheme was closed to future accrual of benefits with effect from 1 July 2021. There is a recovery plan in place to ensure that the scheme funding level will reach 100 percent, based on current actuarial assumptions, by 31 March 2026.

The difference between the market value of the assets of the pension fund and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, except that an asset is only recognised where the Charity has an unconditional right to that surplus. As the NMC does not have an unconditional right to a surplus, an asset ceiling adjustment has been applied to bring the net position on the balance sheet to nil, with the actuarial gain and the asset ceiling adjustment both charged to the SoFA.

The service cost of pension provision relating to the period, together with the costs of any benefits relating to past service and the pension finance cost, which is a charge equal to the increase in the present value of the Pension Fund's liabilities at the previous year end, less a credit equivalent to the Pension Fund's longterm expected return on assets are allocated to the SoFA.

Payments to the defined contribution scheme are made on the basis of set percentage contributions by the NMC and employees, and the costs are charged to the Statement of Financial Activities (SoFA) as incurred.

i) Fixed assets

Expenditure is only capitalised where the cost of the asset or group of assets acquired exceeds £5,000. Depreciation /amortisation is provided on fixed assets to write them down to a nominal value of £1 over their estimated useful lives in equal instalments as follows:

Long Leasehold Premises - 23 Portland Place[2]	50 years
Office fit out and refurbishment	Period of the lease or the useful economic life of the asset
Furniture	10 years
IT Projects	3-5 years
Software	3-5 years
Equipment	3-5 years

[2] See Note 12.1

We revalued 23 Portland Place during 2013-14 and on first adoption of FRS102 opted to use this valuation as deemed cost going forward.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

Internal costs incurred on software development are written off in the year in which they are incurred.

j) Investments

Fixed asset investments are initially capitalised at cost and subsequently recognised at market value at the balance sheet date.

Gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their cost if acquired during the year, and are charged or credited to the statement of financial activities in the year of disposal.

The movement in market values during the year for assets held at the year end is credited or charged to the statement of financial activities based on the market value at the year end.

Current asset investments are investments with maturities of between three and twelve months.

k) Debtors

Debtors and accrued income are recognised at the amount due at year end. Prepayments are valued at the amount prepaid.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a maturity of three months or less at the balance sheet date.

m) Creditors and provisions

Creditors and provisions are recognised where we have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost consist of cash balances, investments, trade and other debtors. Investments in the stock market are held at market value. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

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2 Fee income

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Registration fees	89,749	86,901
Other fees paid by registrants	7,038	3,877
Total	**96,787**	**90,778**

3 Investment, grant and other income

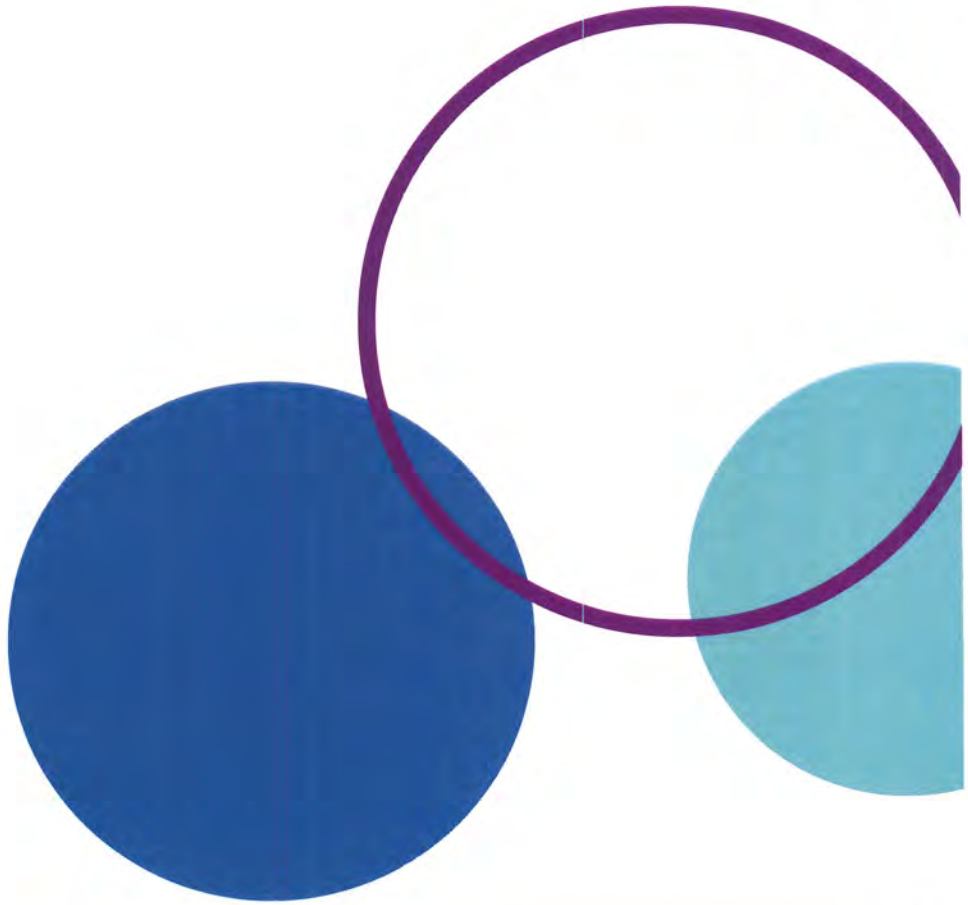
	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Interest earned from bank deposits	233	355
Dividends and interest earned in our fixed asset investment portfolio	690	196
Investment income	**923**	**551**
Grant income	2,609	-
Other income	79	676
Total	**3,611**	**1,227**

£2.609 million grant income was received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register (2020-2021: £ nil). £2.4 million of this funding was passed directly to the test centres providing the tests for international applicants.

£0.062 million of other income was received under a contract with the Department of Health and Social Care for work undertaken by the NMC to set up a temporary register to support nursing resources in response to the Coronavirus pandemic (2020-2021: £0.676 million).

4 Analysis of expenditure on raising funds

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Investment management charge	157	40



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5 Analysis of expenditure on charitable activities

Year ended 31 March 2022	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2021-2022 £'000
Activities undertaken directly						
Employee costs	4,730	889	5,757	26,864	2,408	40,648
Other costs	1,750	42	2,520	15,519	597	20,428
Support costs						
Employee costs	1,152	150	1,980	8,302	583	12,167
Other costs	1,592	208	2,735	14,191	805	19,531
Total	**9,224**	**1,289**	**12,992**	**64,876**	**4,393**	**92,774**

£2.609 million of the expenditure on activities undertaken directly relates to restricted grant income received from the Department of Health and Social Care for work undertaken by the NMC to increase the speed of processing of international applications to join the register (2020-2021: £ nil). £2.4 million of this funding was passed directly to the test centres providing the tests for international applicants.

Year ended 31 March 2021	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2020-2021 £'000
Activities undertaken directly						
Employee costs	3,902	890	5,479	24,313	2,010	36,594
Other costs	581	1,765	103	10,395	588	13,432
Support costs						
Employee costs	579	309	2,838	9,748	656	14,130
Other costs	619	330	3,032	12,682	701	17,364
Total	**5,681**	**3,294**	**11,452**	**57,138**	**3,955**	**81,520**

In order to aid comparison with the 31 March 2022 figures, which reflect the NMC's new structure, the figures above have been reanalysed. This has resulted in £2.2 million expenditure being transferred from Fitness to practise to Standards promotion and policy development for the year ended 31 March 2021.

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6 Analysis of support costs

Year ended 31 March 2022	Standards promotion and policy development £'000	Education £'000	Maintaining the register	Fitness to practise	Comms and public engagement	Total 2021-2022
Facilities	228	30	392	4,368	116	5,134
Finance and Procurement	298	39	512	2,149	15	3,149
HR	438	57	753	3,157	222	4,627
ICT	943	123	1,620	6,794	477	9,957
Governance	461	60	793	3,322	233	4,869
Legal	123	16	212	887	62	1,300
Depreciation	522	68	896	3,757	263	5,506
Pension Adjustment	(269)	(35)	(463)	(1,941)	(136)	(2,844)
Total	**2,744**	**358**	**4,715**	**22,493**	**1,388**	**31,698**

Year ended 31 March 2021	Standards promotion and policy development £'000	Education £'000	Maintaining the register	Fitness to practise	Comms and public engagement	Total 2020-2021
Facilities	111	59	544	4,134	126	4,974
Finance and Procurement	134	71	654	2,245	151	3,255
HR	171	91	838	2,877	193	4,170
ICT	422	225	2,068	7,105	478	10,298
Governance	189	101	928	3,190	215	4,623
Legal	47	25	230	789	53	1,144
Depreciation	134	72	657	2,258	152	3,273
Pension Adjustment	(10)	(5)	(49)	(168)	(11)	(243)
Total	**1,198**	**639**	**5,870**	**22,430**	**1,357**	**31,494**

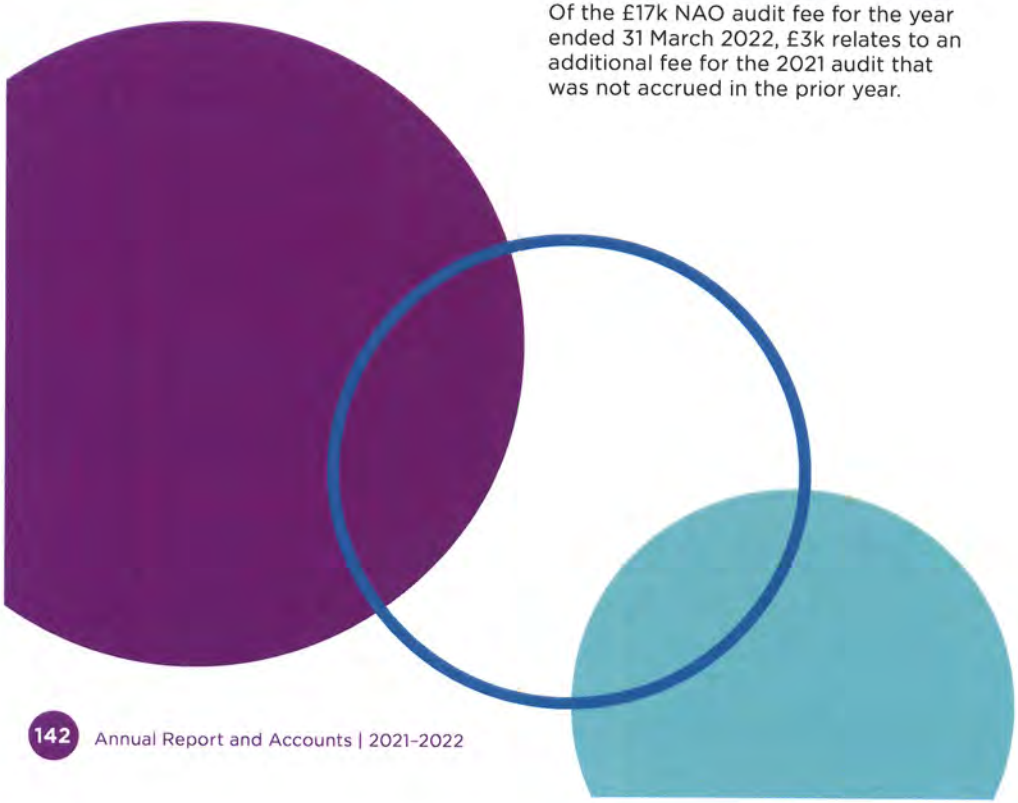
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7 Governance costs

The breakdown of governance costs (included within support costs) is:

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Council members' allowances, national insurance, travel and subsistence	300	288
Auditors' remuneration for audit services: HW Fisher LLP	46	24
Auditors' remuneration for audit services: NAO	17	7
Professional Standards Authority annual fee	1,982	1,902
Operating costs (including salaries)	2,524	2,402
Total	**4,869**	**4,623**

Of the £17k NAO audit fee for the year ended 31 March 2022, £3k relates to an additional fee for the 2021 audit that was not accrued in the prior year.



8 Total resources expended by cost category

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Salaries and associated costs	52,815	50,724
Fitness to practise related costs	14,602	9,794
IT development and support	4,707	4,477
Professional fees	7,169	5,082
Rent payable on office leases	2,290	1,979
Other premises costs	1,888	1,970
Other employee-related costs	1,464	1,109
Quality assurance of education	1,258	1,761
Depreciation and amortisation	5,508	3,273
Printing, postage and stationery	132	228
Finance and insurance[3] costs	833	802
Council and committee costs	265	361
Total	**92,931**	**81,560**

Expenditure on consultancy

The definition of consultancy is the provision to management of objective advice relating to strategy, structure management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited.

Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions. On this basis consultancy costs have been identified as below. These costs are included mainly in the Professional fees category, and also in the IT development and support category.

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Consultancy	775	979

[3] Includes trustees' indemnity insurance

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9 Information regarding employees

Salaries and associated costs	Executive	Other employees	31 March 2022	31 March 2021
	£'000	£'000	£'000	£'000
Wages and salaries	1,293	41,251	42,544	38,590
Social security costs (Employer's NI contributions and Apprenticeship levy)	180	4,432	4,612	4,187
Defined benefit pension costs - present employees[4]	(55)	(2,237)	(2,292)	2,279
Defined contribution pension costs - present employees	149	4,874	5,023	3,120
Temporary and contract workers	-	2,548	2,548	2,458
Termination payments[5]	170	210	380	90
Total	1,737	51,078	**52,815**	**50,724**

[4] Further information about the NMC's employee pension schemes can be found in Note 19.
[5] This includes £183,000 extra contractual payments, redundancy payments of £92,000 and payments in lieu of notice of £105,000 (2020-21: extra contractual payments of £nil, redundancy payments of £44,000 and payments in lieu of notice of £47,000).

Information relating to higher paid employees (including the Executive)

There were 143 (2020-2021: 136) employees (including members of Executive for the period) whose remuneration fell in the following bands:

Remuneration bands (£)	Year ended 31 March 2022 Number of employees	Year ended 31 March 2021 Number of employees
60,001-70,000	62	52
70,001-80,000	43	51
80,001-90,000	20	19
90,001-100,000	5	3
100,001-110,000	5	3
110,001-120,000	1	-
120,001-130,000	-	-
130,001-140,000	2	3
140,001-150,000	1	2
150,001-160,000	-	-
160,001-170,000	2	2
170,001-180,000	1	1
300,001-310,000	1	-

Key management is made up of the Chief Executive and Registrar and the Executive directors. The total employee benefits of the key management, including employer's national insurance and pension contributions, were £1,737,000 (2020-2021: £1,454,000). The above table includes nine Executive members who received more than £60,000 in the year. There was one Executive member in post for part of the year whose earnings fell in the £40,000-£50,000 banding.

For more information on Executive remuneration in the year, see the Remuneration report.

The table shows one employee with remuneration in 2021-2022 in the £300,000-310,000 band, with none in that band in 2020-2021. That employee's remuneration included an exit package of £170,000 -£180,000. Also in 2021-2022, one employee's remuneration in the £160,000-£170,000 band included an

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exit package of £90,000-£100,000 and one employee's remuneration in the £100,000-£110,000 band included an exit package of £50,000-£60,000. Furthermore, two employee's remuneration in the £60,000-£70,000 band saw exit packages of £10,000-£20,000 and £40,000-£50,000 respectively. All details are disclosed in the remuneration report. All other movement in bandings was through the 2021-2022 standard annual pay increase.

	Year ended 31 March 2022	Year ended 31 March 2021
	Number of employees	Number of employees
Average number of permanent and fixed term contract employees during the year:		
Executive	8	7
Other employees	999	886
Average number of agency temporary staff and contractors during the year	69	71
Total	**1,076**	**964**

10 Charitable status

We are registered as a charity in England and Wales with the Charity Commission (charity no. 1091434) and in Scotland with the Office of the Scottish Charity Regulator (charity no.SC038362).

Due to our charitable status we are not liable to corporation tax on our charitable activities or on our investment income and gains. We also receive charitable rate relief from the City of Westminster, London Borough of Newham and Edinburgh City Council.

11 Intangible fixed assets for use by the charity

	Software	IT Projects	Capital Work in Progress[6]	Total
	£'000	£'000	£'000	£'000
Cost:				
01 April 2021	6,632	13,236	2,180	**22,048**
Additions	-	3,972	139	**4,111**
Disposals	-	-	-	**-**
Revaluation	-	-	-	**-**
Transfers	-	1,763	(1,763)	**-**
31 March 2022	**6,632**	**18,971**	**556**	**26,159**
Amortisation:				
01 April 2021	6,632	4,535	-	**11,167**
Amortisation charge for the year	-	4,476	-	**4,476**
Disposals	-	-	-	**-**
Revaluation	-	-	-	**-**
Transfers	-	1	-	**1**
31 March 2022	**6,632**	**9,012**	**-**	**15,644**
Net Book Value:				
31 March 2021	-	8,701	2,180	**10,881**
31 March 2022	**-**	**9,959**	**556**	**10,515**

Intangible fixed assets, comprising IT software and projects, have been split out of Tangible Fixed Assets (note 12). A review of the assets in question against the financial reporting guidance concluded that, as the assets are transferable rather than being linked to individual pieces of hardware, they fit the criteria for being classed as intangible rather than tangible fixed assets.

Capital work-in-progress projects are added to the fixed asset register and amortised when brought into use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

During the year, £1.763 million of work in progress relating to our Modernisation of Technology Services programme (MoTS) was brought into use and transferred to IT Projects, with a further £3.972 million of additions capitalised also relating to the MoTS programme. The £1k transfer is a result of the transfer being between tangible and intangible fixed assets.

11.1 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use. These include the Modernisation of Technology project and the Test of Competence management project.

[6] See Note 11.1

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12 Tangible fixed assets for use by the charity

	23 Portland Place long leasehold premises[7]	Buildings refurbishment	Furniture	Equipment	Capital Work in Progress[8]	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost:						
01 April 2021	15,448	11,881	517	3,795	160	**31,801**
Additions	-	2,226	-	-	119	**2,345**
Disposals	-	-	-	-	-	**-**
Revaluation	-	-	-	-	-	**-**
Transfers	-	160	-	-	(160)	**-**
31 March 2022	**15,448**	**14,267**	**517**	**3,795**	**119**	**34,146**
Depreciation:						
01 April 2021	2,423	8,333	405	3,791	-	**14,952**
Depreciation charge for the year	354	657	18	3	-	**1,032**
Disposals	-	-	-	-	-	**-**
Revaluation	-	-	-	-	-	**-**
Transfers	1	(37)	34	1	-	**(1)**
31 March 2022	**2,778**	**8,953**	**457**	**3,795**	**-**	**15,983**
Net Book Value:						
31 March 2021	13,025	3,548	112	4	160	**16,849**
31 March 2022	**12,670**	**5,314**	**60**	**-**	**119**	**18,163**

Intangible fixed assets, comprising IT software and projects, have been transferred to a separate note (note 11). As a result, the 1 April 2021 figures in the table above differ from those in last year's accounts.

Capital work-in-progress projects are added to the fixed asset register and depreciated when brought into use.

Fixed Assets are assessed at each reporting date for any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

During the year, £160,000 of work in progress relating to the refurbishment of 10 George Street was also brought in to use, with a further £2.226 million of additions capitalised in the year.

The £1k total transfer is a result of one of the transfers being between tangible and intangible fixed assets.

[7] See Note 12.1
[8] See Note 12.2

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12.1 Long leasehold premises

The UKCC (the NMC's predecessor body) acquired the leasehold interest in 23 Portland Place, London W1B 1PZ from the General Nursing Council for England and Wales at nil cost. The lease has a peppercorn rent of £250 a year and expires in the year 2933. The lease was valued at 31 March 2014 on an existing use basis, by external valuers Carter Jonas, at £17.185 million. There is a restrictive covenant on the lease which restricts the use and occupation of the property to the NMC.

12.2 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use, including the Infrastructure programme.



13 Related party transactions

We are accountable to Parliament through the Privy Council. The Nursing and Midwifery Order 2001 sets out the nature of our relationship with the Privy Council and the reporting mechanisms required. While not accountable to the Department of Health and Social Care, we have regular contact with the Department on policy and other matters.

During the period 1 April 2021 to 31 March 2022, the total allowances paid to the current and previous Chair were £60,667 (2020-2021: £58,500), and allowances, travel and subsistence and training expenses paid to, or incurred in relation to, members of the Council were £246,402 (2020-2021: £239,258). Council members are paid directly via the NMC payroll. Details of amounts paid to individual Council and Executive members are set out in the remuneration report.

During the year, the NMC engaged facilitation and coaching services from Aim Higher Leadership Ltd. John Welsh, the brother of Edward Welsh, Director of Communications and Engagement, is an external associate sub-contractor of Aim Higher Leadership. The NMC paid Aim Higher Leadership a total of £13,252 during the year (2020-2021: £31,650). There were no balances outstanding with related parties at year end.

14 Investments

Fixed asset investments	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Market value at 1 April 2021	31,281	-
New capital invested	-	30,000
Dividends and interest received and retained in fund	690	196
Management fees charged at source	(157)	(40)
Net gain/(loss) on revaluation	1,024	1,125
Market value at 31 March 2022	**32,838**	**31,281**
Comprising the following:		
Listed investments	-	-
Fixed income securities	3,112	3,470
Equities	22,929	22,524
Property Funds	1,864	503
Alternative investment funds	4,219	2,482
	32,124	**28,979**
Cash	714	2,302
Market value at 31 March 2022	**32,838**	**31,281**

During the period 1 April 2021 to 31 March 2022, no additional funds were invested in the stock market using our investment managers Sarasin & Partners (2020-2021: £30,000,000).

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Current asset investments

Short-term deposits (maturity of more than 3 months but less than 12 months)	48,125	28,362

15 Debtors

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Debtors	91	767
Prepayments and accrued income	3,215	3,255
Total	**3,306**	**4,022**

16 Creditors
(Amounts falling due within one year)

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Creditors and accruals	13,478	13,263
Other taxes and social security	1,437	1,405
Deferred income	40,258	41,757
Total	**55,173**	**56,425**

17 Creditors
(Amounts falling due after more than one year)

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Lease premium	76	135
Total	**76**	**135**

18 Provisions

	Dilapidations[1]	Pension - Early Retirement[2]	Panellists[3]	Total
	£'000	£'000	£'000	£'000
At 1 April 2021	(668)	(89)	(1,200)	(1,957)
Additions	(78)	-	(1,300)	(1,378)
Utilised in the year	-	67	-	67
Releases	-	-	-	-
At 31 March 2022	**(746)**	**(22)**	**(2,500)**	**(3,268)**

1. The provision for dilapidations represents our prudent estimate of the costs of putting our leased properties back into the condition they were in prior to the start of our leases.

2. The provision for pension early retirement reflects the cost of a member of the defined benefit pension scheme retiring early due to incapacity. The additional cost is being paid monthly until June 2022.

3. The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a Fitness to Practise panellist. Panellists are independent contractors who sit on our Fitness to Practise panels. Legal proceedings with respect to this are continuing. The increase in the provision compared to last year reflects more recent legal advice as to the likely extent of the potential liability.

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19 Pension commitments

We operate two pension schemes: a defined contribution scheme and a defined benefit scheme.

The defined contribution scheme

Our main pension scheme is a defined contribution pension scheme operated by The People's Pension.

The minimum contribution level is that employees contribute one percent of their pensionable salary and the NMC contributes eight percent (2019-2020: 8 percent). Employees may make additional contributions which are matched by the NMC up to a maximum employer contribution of 14 percent. As at 31 March 2022, 93 percent of employees were members of the defined contribution pension scheme. Employees also have the option of making their contributions through a salary sacrifice scheme introduced at the beginning of 2021-2022.

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
NMC's (employer's) defined contribution scheme contributions made in year	**5,023**	2,936
	%	%
NMC's (employer's) basic contribution defined contribution scheme	**8.00%**	8.00%
Employees' basic contribution defined contribution scheme	**1.00%**	1.00%

The defined benefit scheme

Employees who joined the NMC before November 2013 were able to join our defined benefit pension scheme, The Nursing and Midwifery Council and Associated Employers Pension Scheme, scheme registration number 101652586. It is a funded, multi-employer scheme with the Department of Health and Social Care, administered by Premier Pensions Management Limited.

The National Assembly for Wales and NHS Education for Scotland, the previous participants, withdrew from the scheme during 2013 and 2015 respectively.

In March 2021, following a consultation with the active members of the Scheme, Council decided to close the defined benefit scheme to future accrual of benefits with effect from 1 July 2021. Therefore, at 31 March 2022 no employees are active members of the scheme.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations. Contributions have been charged to the Statement of Financial Activities (SoFA) so as to spread the cost of pensions over employees' working lives.

The latest completed valuation of the scheme was carried out on behalf of the pension trustees by Premier Pensions Management Limited as at 31 March 2019, using a full yield curve approach. At the date of the valuation, the value of the scheme assets was £124.0 million (including annuities held for insured pensioners). The value of the assets represented 88 percent of the value of the benefits, which had accrued to members after allowing for expected future increases in earnings and pensions. The past service shortfall of assets is being amortised over the period to 31 March 2026. The main assumptions used in the valuation were a real return on investments above salary increases of 0.65 percent per annum and above pension increases of -0.15 percent and -0.20 percent for non-pensioners and pensioners respectively per annum.

If the scheme had been wound up on the valuation date (31 March 2019), the assets would have been approximately 72 percent of the amount necessary to purchase insurance contracts to meet the accrued benefits for active members and past leavers and the current benefits for pensioners. The estimated deficit would have been £42.8 million.

There is a Recovery Plan in place to ensure that the scheme funding level will reach 100 percent, based on current actuarial assumptions, by 31 March 2026. We will make good the deficit over the period to 31 March 2026 by making Recovery Plan payments of £1.9 million per annum with increases of 3.65 percent each April. The value of Recovery Plan payments, in the year ended 31 March 2022 was £1,860,000 (31 March 2021: £8,100,000). The value of other, non-recovery plan payments, in the year was £676,000 (2020-2021: £1,958,000).

The next triennial valuation will be as at 31 March 2022.

The FRS 102 valuation is based on a full assessment of the liabilities of the scheme as at 31 March 2022. Although this valuation shows a surplus, legal advice has confirmed that the NMC does not have an unconditional right to that surplus. FRS102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

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Amounts recognised in Balance Sheet

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Assets at fair value	101,836	97,343
Present value of defined benefit obligation	(96,036)	(100,498)
Surplus/(Deficit)	**5,800**	**(3,155)**
Asset ceiling adjustment	(5,800)	-
Net liability	**-**	**(3,155)**

Amounts recognised in SoFA

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Current service cost	(587)	(1,565)
Past service cost	-	(11)
Expected return on plan assets	1,848	1,736
Curtailment	2,495	-
Interest on pension obligation	(1,889)	(1,926)
Net amount recognised in SoFA	**1,867**	**(1,766)**

	%	%
NMC's (employer's) contribution defined benefit scheme	39.30%	39.30%
Employees' contribution defined benefit scheme	6.00%	6.00%

Reconciliation of present value of defined benefit obligation

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Opening balance at 1 April 2021	**100,498**	**78,626**
Current service cost	587	1,565
Past service cost	-	11
Curtailment	(2,495)	-
Interest cost	1,889	1,926
Employee contribution	92	269
Actuarial (gain)/losses	(1,502)	19,943
Benefits paid	(3,033)	(1,842)
Closing balance at 31 March 2022	**96,036**	**100,498**

Reconciliation of fair value of plan assets

	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Opening balance at 1 April 2021	**97,343**	**67,004**
Expected return on assets	1,848	1,736
Actuarial gain/(losses)	2,845	20,119
Employer contribution	2,741	10,057
Employee contribution	92	269
Benefits paid	(3,033)	(1,842)
Closing balance at 31 March 2022	**101,836**	**97,343**

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	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Asset ceiling at start of Period	-	N/A
Change in asset ceiling not included in income statement	(5,800)	-
Asset ceiling at end of Period	**(5,800)**	-

Reconciliation of change in funded status

	Period ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000
Opening balance at 1 April 2021	**(3,155)**	**(11,622)**
Pension expense	1,867	(1,766)
Actuarial gain/(losses)	4,347	176
Employer contribution	2,741	10,057
Asset ceiling adjustment	(5,800)	-
Closing balance at 31 March 2022	**-**	**(3,155)**
Actual return on plan assets	**4,693**	**21,855**

History of experience adjustments

	Period ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000	£'000	£'000
Defined benefit obligation	(96,036)	(100,498)	(78,626)	(91,100)
Plan assets	101,836	97,343	67,004	76,862
Surplus/(Deficit)	**5,800**	**(3,155)**	**(11,622)**	**(14,238)**
Experience adjustments on scheme liability - gain/(loss)	(4,347)	731	5,226	(695)
Experience adjustments on scheme assets	**2,845**	**20,119**	**(13,789)**	**898**

Expected contribution in following period

	As at 31 March 2022
	£'000
Employer (including fees)	2,184
Employee	-
Total	**2,184**

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Principal assumptions

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Discount rate	2.60%	1.90%
Retail price inflation	3.70%	3.05%
Consumer price inflation	3.25%	2.60%
Pension increases	3.65%	3.05%
Expected return on assets	2.60%	1.90%

Life expectancy at age 60	Years	Years
Males born 1962	26.6	26.6
Females born 1962	29.2	29.2
Males born 1982	28.1	28.1
Females born 1982	30.7	30.7

Scheme assets

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Growth funds	51,361	64,444
Bonds	6,993	1,929
Liability driven investments	19,984	4,998
Cash	2,384	3,461
Insured annuities	21,114	22,511
Total	**101,836**	**97,343**

20 Capital commitments

At 31 March 2022, £0.6 million for Registration and Revalidation, Test of Competence and £1.2 million Modern Workplace for Me capital expenditure has been contracted for but has not been provided for in the financial statements.

The following capital expenditure had been approved but not contracted for:

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Modernisation of Technology Services	1,200	2,400
Accommodation programme	763	5,100
Modern Workplace for Me	100	700
Total	**2,063**	**8,200**

21 Operating lease commitments

At 31 March 2022 we had the following future minimum operating lease payments:

	Land and Buildings	
	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Leases which expire:		
Within one year	1,816	1,491
Between one and five years	5,723	4,724
More than five years	4,226	2,800
Total	**11,765**	**9,015**

We lease premises at 2 Stratford Place, London, for the period until 21 July 2024; and 1 Westfield Avenue, London, for the period until 6 February 2029. Our lease at 114–116 George Street, Edinburgh, expired on 24 April 2021. On 1 April 2021, we entered an agreement for lease on premises at 10 George Street, Edinburgh. The lease itself was entered on 17 May 2021, and runs for the period until 14 November 2034, with break clauses at 17 May 2026 and 14 November 2029.

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22 Financial instruments

Financial instruments play a more limited role in creating and managing risk than would apply to a commercial organisation.

	As at 31 March 2022	As at 31 March 2021
	£'000	£'000
Financial assets	106,150	103,215
Financial liabilities	(14,915)	(14,668)

Financial assets consist of cash balances £21.881 million (2020-2021: £39.550 million), investments in fixed term bank deposits £48.125 million (2020-2021: £28.362 million) and debtors £3.306 million (2020-2021: £4.022 million). held at amortised cost and investments in the stock market (via investment managers) £32.838 million (2020-2021: £31.281 million) held at market value. Financial liabilities held at amortised cost comprise creditors and accruals £13.478 million (2020-2021: £13.263 million) and other taxes and social security £1.437 million (2020-2021: £1.405 million).

23 Comparative statement of financial activities

In the year ended 31 March 2021 all income and expenditure was unrestricted with no brought forward restricted balances.

24 Extra-contractual payments

There were two extra-contractual payments in the period ended 31 March 2022: £182,804 (31 March 2021: £Nil). Further detail can be found in the remuneration report.

25 Contingent assets and contingent liabilities

At 31 March 2022 there were no contingent assets or liabilities.

26 Post balance sheet events

There have been no events after the balance sheet date requiring adjustment or disclosure in these financial statements.

The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

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Appendix 1



The Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010

Their Lordships make the following determination in exercise of powers conferred by article 52(1) of the Nursing and Midwifery Order 2001[1].

This determination has effect from 23rd February 2010.

Interpretation

1. In this Determination-

"the accounts" means the accounts which it is the Council's duty to keep and prepare under article 52(1) of the Nursing and Midwifery Order 2001 in respect of the financial year ending on 31st March 2010 and subsequent financial years;

"the Charities' SoRP" means the "Accounting and Reporting by Charities: Statement of Recommended Practice 2005 prepared by the Charities Commission or any updated edition in force for the relevant financial year.

"the Council" means the Nursing and Midwifery Council;

"the FReM" means the Government Financial Reporting Manual issued by HM Treasury which is in force for the relevant financial year.

[1] S.I 2002/253

Determination

2. The accounts must-

a. be prepared so as to give a true and fair view of the Council's state of affairs as at 31st March of the financial year in question and of the incoming resources and application of resources of the Council for that financial year; and

b. disclose any material incoming or outgoing resources that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Subject to paragraph 4, in order to comply with paragraph 2(a), the accounts must be prepared-

a. in compliance with the accounting principles and disclosure requirements contained in the Charities' SORP; and

b. having regard to the requirements of the FReM to the extent that those requirements clarify, or build on, the requirements of the Charities' SORP.

4. Where the presence of exceptional circumstances means that compliance with the requirements of the Charities SORP or the FReM would give rise to the preparation of accounts which were inconsistent with the requirement in paragraph 2(b), those requirements should be departed from only to the extent necessary to give a true and fair view of that state of affairs.

5. In cases referred to in paragraph 4, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned and the spirit of the Charities' SORP and the FReM.

6. This determination shall be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council
Dated: 18th July 2011

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NURSING AND MIDWIFERY COUNCIL

England & Wales - Charity number 1091434

Accounts

Nursing & Midwifery Council

Annual Report and Accounts 2020–2021

and Strategic Plan 2021–2022

2020
2021

Nursing and Midwifery Council

Annual Report and Accounts 2020–2021 and Strategic Plan 2021–2022

Annual Report 2020–2021 and Strategic Plan 2021–2022 presented to Parliament pursuant to Article 50(2) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Accounts presented to Parliament pursuant to Article 52(7) of the Nursing and Midwifery Order 2001, as amended by the Nursing and Midwifery (Amendment) Order 2008

Ordered by the House of Commons to be printed on
21 July 2021

HC 531

OGL

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Foreword

> A year originally intended for celebration as the International Year of the Nurse and the Midwife has been one of the most challenging in modern times for nursing and midwifery, with the professionals on our register at the heart of the UK response to the pandemic. We want to thank all those professionals for their incredible service this past year. They have given so much, and some have lost so much.

Here at the NMC, Covid-19 challenged and changed our focus too. The pandemic intensified just as we approved our new strategy for 2020–2025, but we quickly refocused our priorities to respond to Covid-19. We rapidly developed initiatives to expand and support the nursing and midwifery workforce, guided by our three strategic themes of Regulate, Support, and Influence and underpinned by our values to be fair, kind, ambitious and collaborative.

We developed the Covid-19 temporary register, produced emergency and recovery education standards and kept professionals and the public updated through our coronavirus web hub.

The pandemic also exacerbated existing challenges at the NMC. We had already identified and started to address a backlog in our fitness to practise cases when Covid-19 hit. We had to pause some hearings and case work, which increased our backlog further. We know the impact that long investigations have on everyone involved in fitness to practise. That is why reducing the backlog and creating lasting improvements that help us make the right decisions, at the right time, is our top priority in the coming year.

Not surprisingly, much of the work set out in our corporate plan has been delayed or deferred, but we did advance some of our priorities.

In co-production with a wide range of professionals and stakeholders, we developed draft post-registration education standards for consultation, building on ambitions for community and public health nursing. We also made progress in developing our improved 'test of competence' for international and returning professionals wanting to join our register. And we improved the structure of our organisation to help us deliver our strategy as effectively as possible, despite everyone working from home.

Our commitment to equality, diversity, and inclusion is threaded throughout all our work, as a regulator, including in how we engage with the public and those who raise concerns with us; as an employer and in everything we do. This year we became the first professional health and care regulator to sign up to the NHS Workforce Race Equality Standard. We also published for the first time our disability and ethnicity pay gap reports alongside the annual gender pay gap report.

We will build on these foundations to promote equality within the NMC and through the next phase of our Ambitious for Change research, which aims to help us better understand the experiences of people with different diversity characteristics involved in our processes.

We want to pay tribute to our former Chair, Philip Graf, who sadly had to step down unexpectedly in December due to serious illness. His leadership, wisdom and warmth have left a lasting impact on the organisation.

Finally, we want to thank our NMC colleagues who have achieved a great deal in such challenging circumstances.

We look to 2021–2022 with a renewed commitment to making progress with our strategic ambitions, building on the successful collaborations of the last year and the learning we've gained from new ways of working.

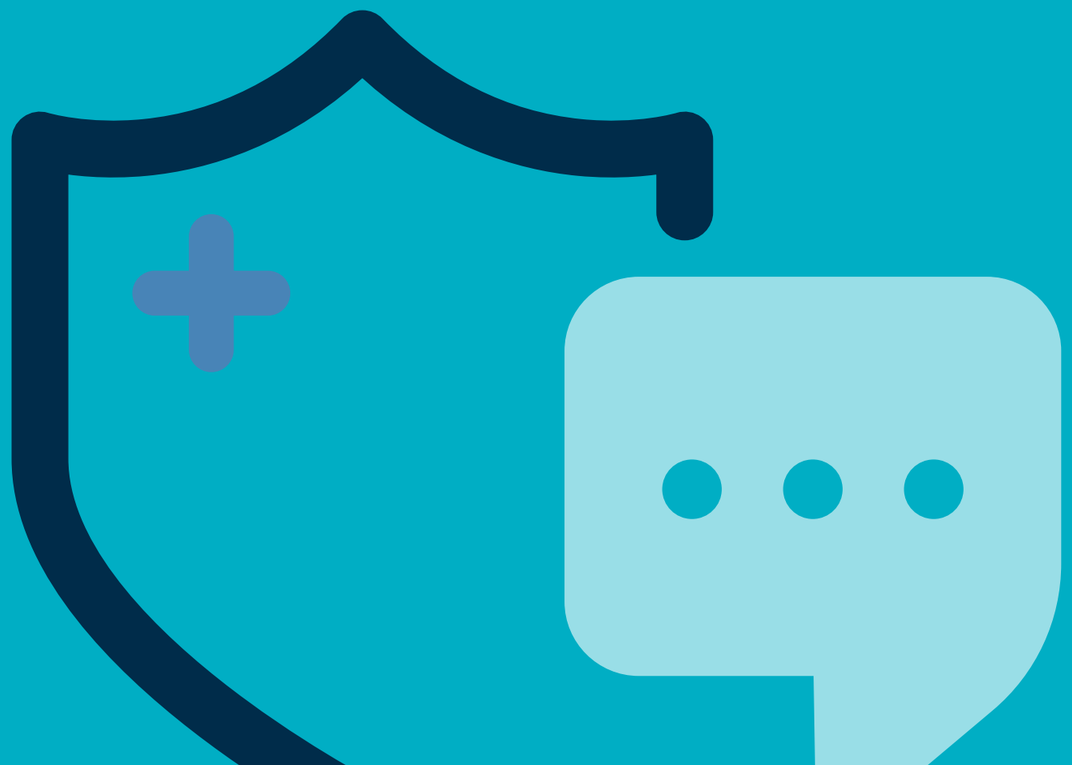
Sir David Warren
Chair
9 July 2021

Andrea Sutcliffe
Chief Executive and Registrar
9 July 2021

Foreword

Our role

We are the professional regulator for nurses and midwives in the UK and nursing associates in England



Our objectives are set out in the Nursing and Midwifery Order 2001 (as amended).

The overarching aim of the Council is the protection of the public by:

- protecting, promoting and maintaining the health, safety and wellbeing of the public
- promoting and maintaining public confidence in the professions regulated under this Order
- promoting and maintaining proper professional standards and conduct for members of those professions.

Our regulatory responsibilities are to:

- **maintain the register** of nurses and midwives who meet the requirements for registration in the UK, and nursing associates who meet the requirements for registration in England
- set the **requirements for the professional education** that supports people to develop the knowledge, skills and behaviours required for entry to, or annotation on, our register
- shape the practice of the professionals on our register by **developing and promoting standards** including our Code, and promoting lifelong learning through revalidation
- **investigate and, if needed**, **take action** where serious concerns are raised about a nurse, midwife or nursing associate's fitness to practise.

Our governing body is our Council, which is made up of six lay people and six professionals on our register. Our work is overseen by the Professional Standards Authority for Health and Social Care, which reviews the work of regulators of health and care professions. We are accountable to Parliament through the Privy Council. We are also a registered charity and seek to ensure that all our work delivers public benefit.

Our role

Our vision is safe, effective and kind nursing and midwifery that improves everyone's health and wellbeing. As the professional regulator of nearly 732,000 nursing and midwifery professionals, we have an important role to play in making this a reality.

Our core role is to **regulate**. First, we promote high professional standards for nurses and midwives across the UK, and nursing associates in England. Second, we maintain the register of professionals eligible to practise. Third, we investigate concerns about nurses, midwives and nursing associates – something that affects less than one percent of professionals each year. We believe in taking account of the context in which incidents occur and giving professionals the chance to address concerns, but we will always take action when needed.

To regulate well, we **support** our professions and the public. We create resources and guidance that are useful throughout people's careers, helping them to deliver our standards in practice and address new challenges. We also support people involved in our investigations, and we are increasing our visibility so people feel engaged and empowered to shape our work.

Regulating and supporting our professions allows us to **influence** health and social care. We share intelligence from our regulatory activities and work with our partners to support workforce planning and sector-wide decision making. We use our voice to speak up for a healthy and inclusive working environment for our professions.

Our five strategic themes will guide how we prioritise and phase our work, as well as new investment in people and other resources. **They are:**

- **Improvement and innovation**
- **Proactive support for our professions**
- **More visible and better informed**
- **Engaging and empowering the public, professionals and partners**
- **Greater insight and influence**

Underpinning these themes, we aim to align our capabilities, infrastructure and culture to become a fit for the future organisation.

Our values

> We adopted new values in 2020 which underpin everything we do. They shape how we think and act.

We are fair

We treat everyone fairly. Fairness is at the heart of our role as a trusted, transparent regulator and employer.

We are kind

We act with kindness and in a way that values people, their insights, situations and experiences.

We are collaborative

We value our relationships (both within and outside the NMC) and recognise that we're at our best when we work well with others.

We are ambitious

We take pride in our work. We're open to new ways of working and always aim to do our best for the professionals on our register, the public we serve and each other.

Our strategy talks about what we want to achieve and our values tell the story of how we will do this – how people will experience working at and with the NMC.

Andrea Sutcliffe
Chief Executive and Registrar, NMC

Our strategy on a page

Purpose
Promote and uphold high professional standards in nursing and midwifery – protecting the public, inspiring public confidence.

Vision
Safe, effective and kind nursing and midwifery, improving everyone's health and wellbeing.

Our role
2020–25

Regulate

- An accurate and transparent **register**
- Robust professional and educational **standards**
- Assuring **education programmes**
- Responding fairly to **fitness to practise (FtP) concerns**

Support

- Promote **understanding –** our professions and our role
- Provide **practical tools –** help embed standards
- **Emotional/practical support –** people involved in our processes

Influence

- Promote positive and inclusive **professional working environments**
- Share **data and insight** to identify risks of harm and address workforce challenges
- Encourage **regulatory innovation**

Themes
2020–25
Improvement and innovation | Proactive support | Visible and better informed | Engaging and empowering | Insight and influence

Values Fair Kind Collaborative Ambitious

Performance review 2020–2021



Overview

In March 2020, the Council agreed our 2020–2025 strategy and 2020–2021 corporate plan and budget, following a year of extensive consultation and development work.

At the same time, the Covid-19 pandemic emerged, requiring us to divert focus and resources to help respond to the emergency. This meant that we had to put some of our planned activities on hold, while making sure that we continued to deliver our core regulatory duties and regulate effectively.

Many of our external partners were heavily involved in the response to the Covid-19 pandemic and maintaining vital health and social care services under immense pressure. We needed to make sure that we were minimising burdens on busy professionals while working collaboratively to find the best solutions that supported nursing and midwifery professionals, students, and the public.

Our priorities in these unprecedented circumstances were:

- maintaining our important role in protecting the public and promoting public confidence in nursing and midwifery
- ensuring we continued to register the right people swiftly – the health and social care system needed nurses, midwives and nursing associates more than ever
- playing our part in the actions needed to respond to the Covid-19 pandemic
- looking after our colleagues to make sure people were safe and we could continue to operate effectively.

We took the following action in response to Covid-19:

Regulation: Our Council approved emergency rules in March 2020, subsequently amended in July 2020, enabling us to:

- set up temporary registration (including a register, practice conditions, policies and legal powers) to support more nurses, nursing associates and midwives to contribute safely and effectively to the pandemic response, with appropriate safeguards

- put in place emergency education standards to enable nursing and midwifery education to continue safely and effectively during the pandemic, while allowing students to contribute to the pandemic response
- extend retention fee and revalidation periods to support professionals to remain on our register
- implement flexibility within our overseas requirements to support professionals who qualified overseas to contribute to the pandemic response
- put in place working arrangements to enable virtual hearings and education programme approvals.

Support and influence: We undertook extensive external and internal communications, including a new web hub and UK-wide engagement with sector leaders and relevant government departments of the four UK countries.

Insight: We undertook equality, diversity and inclusion research and analysis of our temporary register and equality impact assessments of our Covid-19 response, horizon scanning and generating regular insights, including intelligence on Covid-19 referrals.

People and infrastructure: We supported colleagues to work from home and, when appropriate, return to the office. We did continuous risk assessments, implemented safety measures and supported employee wellbeing.

Our emergency rules

The ways of working enabled by our emergency rules have benefits we want to embed beyond the pandemic. In March 2021, after extensive consultation and listening carefully to the views of the public, professionals on our register, professional bodies and other key stakeholders, the Council agreed that the powers granted under emergency legislation should continue once the emergency period has ended. **This includes:**

- continuing to hold hearings virtually unless there is a good reason not to and where it is fair and practicable to do so
- an agreement that we will not use the power to hold hearings without a registrant panellist being present, outside of a national emergency
- an agreement that we will use panels of two members rather than three in rare and exceptional circumstances only.

The decision to continue to use these powers was informed by careful consideration of relevant factors, including the need to strike the right balance between open justice and public access on the one hand and any risks of unfairness or detriment to registrants on the other. We have committed to reviewing and clearly explaining the continuing use of these powers at the end of the emergency period.

What we have learnt over the last year

In responding to the pandemic, we have gained valuable insight about our processes and identified new approaches that we want to embed in future.

We have learnt that:

- Although responding to the pandemic has slowed the pace of delivering our strategy, it has strengthened our conviction that our strategic objectives are sound, and confirmed that our values and desire to integrate equality, diversity and inclusion into our work shaped our response to Covid-19 as well as our strategy delivery.
- Assessing key decisions relating to the pandemic through an organisation-wide equality impact assessment (EQIA) has been critical in ensuring we monitor the impact of our processes on different groups and ensuring we improve, rather than exacerbate, unacceptable and deep seated inequalities.
- Collaboration and engagement with sector partners to align our support and guidance, such as joint statements regarding safety and consulting on policy changes, has been vitally important.
- We can be adaptable, responsive and flexible. Our stakeholders want more of this from us, while not compromising on safety.

- We can successfully deliver activities at greater pace, such as the technology solution we used to manage emergency registration, and should think about our appetite for doing more of this in the future.
- Although certain activities, notably some fitness to practise hearings, mean that people need to attend offices, we can successfully work remotely across many of our activities, which creates potential opportunities for our future estates planning and NMC colleagues.

We are proud of what our colleagues have achieved over the last year. The following pages of the performance review provide an account of our work against our five strategic themes, as set out in our 2020–2025 strategy, and our annual corporate commitments, as set out in our corporate plan for 2020–2021.

Strategic theme 1

Improvement and innovation: Continuously innovating our regulatory approach to make sure we maximise public benefit and provide good customer service

Commitment 1: Continue to provide effective regulation of nurses and midwives across the UK and nursing associates in England

Our register

Our register is at the core of everything we do. It protects the public by ensuring that only those who meet our standards can practise in the UK. To contribute to the national response to the pandemic and support those on our register, we made a number of changes to the way we worked in 2020–2021.

Using our emergency powers, we identified groups of people we considered to be fit, proper and suitably experienced to support the emergency. Throughout 2020–2021 we enabled a range of different groups to join the temporary register, including nurses and midwives who had previously held registration and certain groups of overseas-trained professionals who were in the process of applying to the permanent register, subject to conditions of practice, as appropriate.

As at 31 March 2021, the number of professionals on the temporary register was 15,457.

"We created the Covid-19 temporary register, made up of professionals who had recently left the NMC's register and professionals from overseas awaiting their final assessment in the UK. We are humbled and exceptionally grateful to everyone who has joined the temporary register."

Since we introduced temporary registration in March 2020, we have been monitoring the equality impact of our Covid-19 response work. **With our Equality Impact Assessment carried out for the period of March 2020 to April 2021, we concluded that:**

- Decisions to include groups with temporary registration were based on an assessment as to whether the group – not the individuals within it – were considered to be 'fit, proper and suitably experienced'. These considerations were found not to favour or disadvantage any individual or group over another regarding any protected characteristic.
- There were differences on the basis of age and disability of the people who were invited to have temporary registration. We were mindful of the government guidance in place at the time, designed to protect some people in higher risk groups. Rather than automatically accepting applications for temporary registration from people in certain age groups or who had health-related issues, we processed their applications manually.
- We monitored and reported on removals of temporary registration and complaints raised against those with temporary registration from an equality, diversity and inclusion perspective.
- While we have not identified or received concerns about potential discrimination in our amended processes during this time, we remain mindful and concerned about the long-term impact of the pandemic and the potential for widening disparities, across the sector for both professionals and those accessing care.

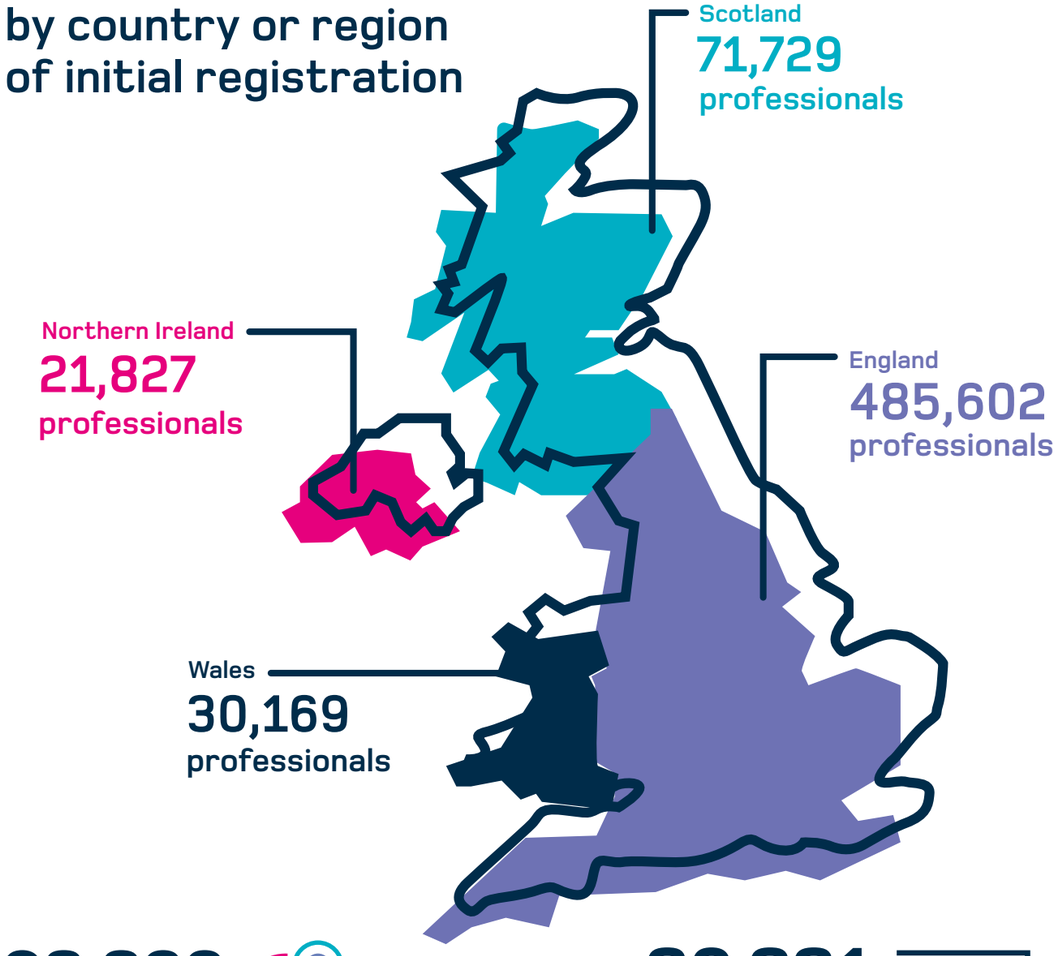
Permanent register

As at 31 March 2021, the number of professionals on the permanent register was 731,918. This represents an increase of 2.1 percent (15,311 registrants) since March 2020, and is the highest number of registrants ever.

Permanent register as at 31 March 2021

681,527	39,070	6,968	4,353
Nurses	Midwives	Dual registrants	Nursing Associates

Number of registrants by country or region of initial registration



92,260
professionals from outside the EEA

30,331
professionals from the EEA

The impact of Covid-19 on professionals on our register

We know that responding to the Covid-19 pandemic has intensified the demands on nurses and midwives, with professionals caring for people and supporting families in new and difficult circumstances across all health and care settings. As the King's Fund report on The Courage of Compassion highlighted:

"The impact of the pandemic on the nursing and midwifery workforce has been unprecedented and will be felt for a long time to come."

We have an important role in helping to foster the culture and environment that supports the mental and physical health of professionals on our register. We have taken steps in 2020-2021 to help support this, for instance, our Covid-19 hub provides resources to support the mental health and wellbeing of professionals. But we know there is much more to do. Our strategy for 2020 - 2025 sets out our own ambitions for this work and we remain committed to working in collaboration with others to achieve those aims.

This year we welcomed 34,577 new professionals to the permanent register.

- 24,611 trained in the UK (2019–2020: 25,381).
- 810 trained in the European Union/European Economic Area (EU/EEA) (2019–2020: 913).
- 9,156 trained outside the UK or EU/EEA (2019–2020: 11,933).

Our registration processes and requirements ensure that the right professionals are on our register and can provide safe and kind care. These processes must be appropriate, proportionate and operate efficiently to support the workforce and protect the public. The strong registration performance this year, as demonstrated below, supports that aim.

Despite the challenges faced due to Covid-19, we met our key registration performance indicator targets:

- 99.3 percent (2019–2020: 97.1 percent) of UK initial registration applications were completed within one day, meeting our target of 97 percent
- some applications take longer to process, for instance, if a concern has been identified. 97.7 percent of these UK initial registration applications were completed within 60 days (2019–2020: 99.7 percent), exceeding our target of 95 percent
- 99.7 percent of EU/EEA registration applications were completed within our goal of 30 days (2019–2020: 99.8 percent), exceeding our target of 90 percent
- 99.4 percent of overseas registration applications were completed within our goal of 30 days, exceeding our target of 90 percent. The comparator for 2019–2020 was 99.9 percent in 60 days. The change in the target from 60 days to 30 resulted from the system improvements introduced in October 2019, which streamlined our processing.

Our Contact Centre supports nurses, midwives, and nursing associates with queries they have about their registration.

We successfully enabled the Contact Centre to work remotely, but this presented some technical challenges which led to some delays on the line and issues with connecting to our remote systems.

Over the Christmas period and the second wave of the pandemic we also received a higher volume of complex calls. **Despite these factors:**

Calls answered

86.1 percent of calls in 2020–2021 (2019–2020: 92.5 percent). This is against a target of 90 percent.

86.1%
of calls answere in 2020–2021

Contact Centre

Over the year, our Contact Centre answered an average of 891 calls a day, lower than the previous year with 1,655 being answered on our busiest day.

1,655
calls answered on the busiest day

At our peak

The busiest month was March 2021, when we received 22,559 calls, though 8.2 percent fewer calls than the same month the previous year.

March 2021
22,559
calls received

Digital responses

The Contact Centre also responded to 62,274 emails over the year, compared to 42,788 in 2019–2020, an increase of 45.5 percent.

62,274
emails responded to in 2020–2021

The increase in email activity was due to queries relating to the Covid-19 pandemic, particularly about emergency temporary registration and revalidation extensions.

European Union exit

The UK and the European Union (EU) agreed a Trade and Cooperation Agreement on 24 December 2020 and the transition period came to an end on 31 December 2020. We prepared extensively for the end of the transition period and changes to our registration processes were implemented smoothly. We continue to liaise closely with key stakeholders including the Government and our regulatory partners, especially the Nursing and Midwifery Board of Ireland (NMBI), on priority issues such as data-sharing and supporting cross-border care on the island of Ireland. Looking forward, we are continuing to influence a proposed qualification recognition framework being developed by the Department for Business, Energy and Industrial Strategy (BEIS). This will have a bearing on how we treat EU qualifications in the future.

We updated our overseas registration processes and systems to accommodate the assessment of EU/European Economic Area (EEA) trained applicants from 1 January 2021. As at the end of March 2021, 279 EU/EEA-trained professionals had applied to join our register.

The Government has negotiated a so-called 'standstill' period for up to two years, during which time we can continue to recognise qualifications included in the EU Directive. This means that adult nurses and midwives applying to our register who trained in the EU/EEA and who hold a recognised qualification will not be required to take a test of competence. UK-trained professionals who wish to work in the EU will go through the host country's overseas registration route and may not have their UK qualification recognised by that country.

The registration status of EU qualified professionals who were already on our register before the EU exit transition period started did not change. We wrote to those professionals to provide assurance that this was the case.

It was important that we could to continue to register professionals trained in the EU after the UK left and that this service was seamless. By taking EU-trained applicants through our existing registration route for professionals trained overseas, there was no break in service.

Revalidation

Since April 2016, all professionals on our register need to revalidate to renew their registration with us once every three years. Revalidation promotes lifelong learning by requiring nursing and midwifery professionals to reflect on their practice and how the Code applies to their work. In 2020–2021, many of the professionals on our register were revalidating for the second time.

We recognised that while some would be ready to revalidate in line with their revalidation date, others would have difficulties completing their revalidation during this unprecedented time. To relieve the pressure and reduce worry, we used our emergency powers to extend the time that people had to complete their revalidation during both waves of the pandemic. We also published specific guidance on how to revalidate during the emergency, setting out how we supported people to meet the requirements and providing advice on how to meet the continuing professional development (CPD) reflection and confirmation requirements. We continue to monitor the external situation to ensure our support is tailored and effective.

For the full year of 2020–2021, 179,361 professionals revalidated by the time of their original revalidation date. This revalidation rate of 80.7 percent is lower than previous years (where it has ranged from 92 percent – 94 percent).

The lower reported rate for the full year is due to the pandemic and the blanket extensions that we applied to ease the pressure for the workforce. In previous years, we have only reported the number of professionals who revalidated by their original due dates and not included those who revalidated during any extension period allowed.

We made system changes in September 2020 which altered the way we capture and report on our revalidation data, which means we can also now report on how many professionals revalidate by an extended deadline, so gaining an overall picture.

Revalidation extensions stretched beyond the end of this reporting period into the new financial year. So, it will be some time before we will know how many professionals revalidated in total, including those who did so after their original due date.

As we only started capturing the additional data on extensions from September 2020 onwards, we will not have any comparative previous full year data and it will only relate to the last half of the year.

Revalidation is a key regulatory tool to enable professionals to demonstrate their competence continually. By allowing extensions to the timeframes for the submission of their revalidation, we supported significant numbers of nurses and midwives to continue working through the pandemic and to complete their revalidation when they were more able to do so. We believe this was an effective and balanced use of this important requirement.

How revalidation works for different groups

An important focus of our equality, diversity and inclusion research is exploring why some groups find it harder to revalidate and what we can do about this. Our data shows:

Ethnicity: Although most ethnic groups have a revalidation rate (within the original revalidation period) between 75 percent and 85 percent, there are some groups outside this range. People who are Asian/Asian British Indian have the highest revalidation rate (87.6 percent, 6,774 of 7,731) and people who are 'Any other mixed background' have the lowest (58 percent, 105 of 181). The ethnic groups of those due to revalidate vary in size, so this should be noted when making comparisons.

Disability: Those declaring a disability at the time of revalidation had a lower rate of revalidation (70 percent) than those not declaring a disability (81 percent). We continue to prioritise providing support and reasonable adjustments for people with a disability; further details can be found in our reasonable adjustment policy.

As mentioned above, while the reported figures will be understated due to revalidation extensions, the disparities between groups is real and we will continue to work to ensure that any differences do not arise due to barriers within our processes.

Quality assuring nursing and midwifery education

As the regulator for nursing and midwifery professionals, our role is to quality assure nursing and midwifery education. We do this by approving education programmes and monitoring the delivery of those programmes in Approved Education Institutions (AEIs).

Education emergency and recovery standards

In response to the pandemic, and working closely with the Chief Nursing Officers, Chief Midwifery Officers, Council of Deans of Health, Royal Colleges, and representative bodies, we introduced a set of emergency standards in March 2020. These standards enabled final year nursing and midwifery students to complete their programmes in extended placements to support the workforce. Second year students were also enabled to undertake extended placements, while first year students could complete their year in theoretical learning to reduce any pressure on the workforce. We removed the requirement for students on extended clinical placements to be supernumerary but required them to have protected learning time. Consequently, the four country governments decided to remunerate these students during that period. Under these arrangements, more than 35,000 student nurses and midwives further supported the workforce as part of their programmes.

These emergency arrangements were replaced with a set of recovery standards in September 2020. The standards sought to increase flexibility during the pandemic, with a view to returning students to as normal an education as possible.

In January 2021, with the pandemic intensifying and increasing pressure on the workforce, the Secretary of State for Health and Social Care asked us to reinstate emergency standards for final year nursing students to again allow them to undertake extended clinical placements and support the workforce as part of their programmes. We also provided further flexibility to AEIs around student supervision and assessment, and the use of simulated practice.

Quality assurance of emergency standards

When AEIs and their practice learning partners adopted the emergency standards in 2020, we required them to submit a report to us outlining the changes they had made to their programmes and assurance that they continued to meet our standards overall.

All 87 AEIs that were required to submit reports, did so. Of those, 22 (25 percent) did not provide adequate assurance initially and were required to re-submit their reports. We have reviewed the re-submitted reports and the AEIs have now provided adequate assurance.

We applaud the response from nursing and midwifery students who played a vital role throughout the pandemic and coped with so much disruption.

Approving education programmes in 2020–2021

Due to social distancing guidelines, we introduced virtual visits to enable programme approval activity to continue during the pandemic. The 169 visits that were conducted remotely were well received, and we are currently exploring where these types of visits could be used more routinely as part of our normal quality assurance activity.

The number of AEIs has increased from 86 in 2019–2020 to 88 in 2020–2021, delivering 2,235 approved programmes.

In 2018, we launched ambitious new standards which set out the skills and knowledge needed by the next generation of nurses to deliver world class care. AEIs began training against the new standards in 2019. Registered nurses play a vital role in providing, leading and coordinating care that is compassionate, evidence-based, and person-centred. These new standards take account of the changing needs of people, including caring for those with complex needs and in promoting public health agendas and priorities. In 2020–2021, 83 AEIs that had been approved against our old standards, were reapproved against our new standards, ensuring we met our key performance indicator. We refused approval of one programme relating to a return to practice programme.

All AEIs in the UK will be educating nurses using our new standards by September 2021, following the Council's agreement in March 2020 to extend the deadline from 2020 to 2021 in light of the pandemic's impact.

In 2020, we launched our new standards for midwifery, which set out the skills and knowledge needed by the midwives of the future to provide world class midwifery care. AEIs began education programmes using these standards in 2020, and in 2020–2021, 19 AEIs were approved against the standards. All AEIs in the UK will be educating midwives using our new standards by 2022, following the agreement by the Council in July 2020 to extend the deadline from 2021 to 2022 due to the pandemic.

Monitoring education programmes in 2020–2021

AEIs are required to submit an annual self-assessment and self-declaration regarding their NMC approved programme(s). All 87 AEIs (one AEI was approved after the annual self-assessment submission deadline) that had been approved and were required to do annual self-reporting at the time, submitted their self-assessment reports for the 2019–2020 academic year. Of these, 21 (24 percent) did not initially provide adequate assurance. These institutions were required to re-submit their reports, which have been reviewed and assurance has now been provided.

We have 53 institutions currently under new programme monitoring where they are running a new pre-registration programme for the first time. New programme monitoring offers additional scrutiny and requires AEIs to provide extra information on new programmes, up until the first cohort of students complete their programme and join the register. We also have one programme under enhanced scrutiny, having carried out an extraordinary review in 2020 and found that our standards were not met. That institution has subsequently completed its agreed action plan.

We continue to develop our new data-driven approach to quality assurance, which will enable us to take appropriate targeted action where concerns are raised, or where there are risks that our standards are not being met. This approach involves working closely with education and other health and social care regulators to share intelligence and requiring institutions to proactively report any concerns.

We were also asked to support, and provide advice on, the Health Education England (HEE) blended learning project. The project aims to help address national shortages in clinical expertise by developing training that blends online learning with practical, hands on learning. Advice was given around the requirements to meet our standards and the need to gain approval or modification to programmes within a specific timeframe. This led to six AEIs being selected to deliver a blended learning programme; these programmes being fully approved for delivery from January 2021.

Fitness to practise

As the regulator for nursing and midwifery, it is our role to respond fairly and effectively to concerns about nurses, midwives and nursing associates through our fitness to practise processes. We encourage people to speak first to the employer about their concerns to see if they can be resolved at a local level. Where this is not possible, or if someone believes them to be serious enough to require immediate regulatory action and the concerns are referred to us, then we determine if we need to take action to protect the public.

We believe in giving professionals the chance to address concerns through strengthening their practice however, where someone registered with us presents a risk to people who use services, the public, or their colleagues, we take action to protect the public by restricting their practice or removing their right to work as a nurse, midwife or nursing associate.

Although the number of concerns being raised with us has been broadly stable (we received 5,547 new concerns in 2020–2021 compared to 5,704 the previous year), our caseload where we had not made a final decision was already beginning to increase towards the end of 2019–2020. This was partly due to the impact of our new person-centred ways of working, and vacancies in key teams particularly those involved in the first parts of our decision making and investigation process. Although recruitment plans to address the situation were under way, these were initially curtailed by the onset of the pandemic.

Our caseload continued to increase in 2020–2021 due to our response to the Covid-19 pandemic:

- While we implemented a move to virtual hearings, we had to pause all but the most serious and urgent hearing activity.
- During the first wave, where there was no immediate risk to the public, we suspended fitness to practise investigations. Although this increased our caseload, we took the view that it was right to not pursue any enquiry that could hamper the national response to the pandemic by diverting healthcare professionals and employers from focusing on the Covid-19 emergency.

Throughout the year, we have worked to reduce delays:

- From July 2020, we resumed full investigations and recruited additional team members to support our performance.
- From September 2020, alongside continuing virtual hearings, we resumed Covid-safe physical hearings.
- In January 2021, we launched our Fitness to Practise Improvement programme. It focuses on changes to our processes and decision making which will ensure that final case decisions can be taken at the earliest possible stage. This will help reduce the caseload, without compromising quality, and will also result in lasting improvement to our fitness to practise approach.

Despite this work, we ended the year with a high fitness to practise caseload and we did not meet our target of closing 80 percent of our cases in 15 months. In 2020–2021 we closed 72 percent of cases within 15 months, compared to 81 percent in 2019–2020. We recognise it will be some time before we return to our service standard in this area. As an additional interim measure to assess our progress, we will monitor how many decisions are taken at each stage in our process each month to ensure that sustained progress is being made. We will continue to prioritise cases where there is an immediate risk of harm while we recover our caseload position.

Our performance against our target of issuing interim orders within 28 days of receipt in 80 percent of cases has also been impacted as a result of the general rise in caseload. We ended the year slightly below target, with 78 percent of interim orders imposed within 28 days (target 80 percent), which is down from 81 percent in 2019–2020.

A detailed statistical analysis of our performance in 2020–2021 is published in our Annual Fitness to Practise Report.

Fitness to practise in numbers 2020–2021

Screening

When we receive concerns about someone's fitness to practise we check whether they are on our register and assess whether the concerns require a full investigation.

We received
5,547
new concerns
(2019-2020: 5,704)

We reached decisions on
4,123
cases
(2019-2020: 4,650)

We decided
1,335
cases required
a full investigation
(2019-2020: 1,669)

We decided
2,788
cases did not require
a full investigation
(2019-2020: 2,981)

Interim orders

Where needed, at any point fitness to practise panels can take urgent, temporary action to protect the public while we look into the concerns that have been raised.

Fitness to practise panels imposed:

Interim suspension orders in **240 cases**
(2019-2020: 245)

Interim conditions of practice orders in **309 cases**
(2019-2020: 316)

Case Examiners

Where needed, we fully investigate the concerns raised about someone's fitness to practise.

At the end of the investigation, our Case Examiners decide whether any next steps are required to protect the public. Case Examiners may decide to take no further action if they conclude the concerns do not require regulatory action or if the nurse, midwife or nursing associate has taken sufficient steps to improve their practice.

We completed
1,083
investigations
(2019-2020: 1,405)

Our Case Examiners decided to:

Take no further action in
575 cases
(2019-2020: 812)

Give advice, issue a warning, or agree undertakings in
73 cases
(2019-2020: 59 cases)

Refer
435 cases
for adjudication
(2019-2020: 534)

Adjudication

Where needed, cases are heard by fitness to practise panels.

Panels decide whether regulatory action is needed to protect the public. Panels may decide to take no further action if they conclude the allegations are not proved or if the nurse, midwife or nursing associate has taken sufficient steps to improve their practice.

Fitness to practise panels made
208
decisions
(2019-2020: 452)

where they decided to:

Remove the person from the register in
56 cases
(2019-2020: 127)

Suspend the person from the register temporarily in
86 cases
(2019-2020: 142)

Impose conditions of practice orders in
27 cases
(2019-2020: 69)

Issue cautions in
14 cases
(2019-2020: 42)

Take no further action in
25 cases
(2019-2020: 72)

Commitment 2: Continue to implement our new strategic approach to fitness to practise to improve our approach to investigations and to improve the experience and support for those involved, whether professionals or the public

Since May 2018 we have been developing and implementing our new strategic approach to fitness to practise. It is focused on how we can move away from a culture of blame when things go wrong in health and social care, and instead develop a culture of openness, honesty and learning.

Although implementation has been delayed by the pandemic and our work to respond to the emergency, we have progressed our preparatory and development work and have launched several elements of our new approach.

Guidance and support for employers

As employers are closer and better placed to manage sources of risk, they should act first to deal with concerns about a registrant's practice, unless the risk to patients or the public is so serious that we need to take immediate action. It is a core part of our approach to support employers to do this.

In January 2021, we published a new resource to support employers to take effective action when concerns are raised about a nurse, midwife or nursing associate's practice. The resource was developed in collaboration with employers, professionals, regulatory partners, and representatives of people who use services across the UK.

Enabling nursing and midwifery professionals to put things right as part of our proceedings

As part of developing a culture of openness and learning, we want professionals on our register to have the chance to remedy and address any concerns that have been raised with us.

This year, we recognised that the impact of Covid-19 would make evidencing strengthening practice more difficult, so in June 2020 we published additional Covid-19 tailored guidance on strengthening practice to allow some flexibility for nurses, midwives and nursing associates during the pandemic.

Taking account of the context in which incidents occur

It is important that we consider the context in which incidents occur, because we know that nurses, midwives and nursing associates face complex issues and pressures every day.

In October 2019, we began to pilot a new approach to the use of context. We concluded the pilot early as we recognised that, as the pandemic developed, context would become increasingly important in our considerations and our registered professionals would expect that we would take it into account consistently in our processes.

Instead, we concentrated our efforts on training our teams on how to consider context and preparing a number of commitments which we will adhere to when assessing context. We went live with our approach in late March 2021. In developing these commitments, we sought a range of views, including from patient experience forums, and professional representative bodies, unions and other professional leaders, such as lead midwives for education.

Further information on our new approach to fitness to practise is published in our Annual Fitness to Practise Report.

Whistleblowing to the NMC as a prescribed person

The NMC is a 'prescribed person' in UK whistleblowing legislation. That means there are protections in law for professionals on our register, people studying towards NMC-approved qualifications, and other healthcare professionals who raise concerns with us. We have a policy that explains how we handle concerns that are raised with us and the criteria we use to decide whether they meet the legal definition of whistleblowing.

In 2020–2021, we received 192 concerns that met our criteria for disclosures we reasonably believe to be instances of whistleblowing (2019–2020: 107). Of the 192, 45 were received through our whistleblowing mailbox (2019–2020: 23) and 147 were disclosures made during fitness to practise cases (2019–2020: 84). The most common themes in disclosures made this year were: management issues, patient care, behaviour and violence, and prescribing and medicines management.

Each year we publish a joint report with other health and social care regulators on how we handled whistleblowing disclosures. The joint report for 2019–2020 can be found on our website. The joint report for 2020–2021 will be published later this year.

Case study 1

A nurse working at a trust in England contacted us with concerns about Covid-19 working practices. The nurse had recently been redeployed to work in cancer treatment and had concerns that while the site had strict access procedures, workers were still being redeployed to other areas on a daily basis. They were concerned that this breached Covid-19 isolation procedures as workers could potentially be working with known or potential coronavirus patients one day, then cancer patients that are immuno-compromised the next day. The nurse was also concerned about the impact on workers' morale and wellbeing as they were often told at short notice which teams they would be working with, and often in areas in which they had no experience.

Outcome: Concerns were shared with Care Quality Commission, Public Health England and NHS England and Improvement.

Case study 2

In December 2020, a disclosure was made regarding bullying and management concerns at a residential care home in Northern Ireland, which were putting the dignity and safety of staff and residents at risk. Concerns included bullying, unprofessional behaviour and Covid-19 infection control.

Outcome: We opened a fitness to practise case and shared information with the Regulation and Quality Improvement Authority (RQIA).

Performance review

Commitment 3: Deliver the next stage of improvements for registration of overseas applicants

Recognising that overseas-trained professionals who were applying to join our register were dealing with the impact of the pandemic both professionally and personally, we introduced temporary measures to provide additional support during this difficult time. For example, while our test centres were closed, we allowed those whose English language evidence was due to expire to provide additional evidence to demonstrate that their language continued to meet our standards.

Some of these applicants were eligible to join our temporary register and they supported the emergency response while completing their application to the permanent register.

Our test centres closed in March 2020 and reopened in July 2020 with robust social distancing measures in place. The safety of candidates attending the test centres and our staff was and remains of the utmost importance to us. The focus of the test centres when they reopened was to support those who had been on the temporary register to complete their permanent registration applications.

By 31 March 2021, 3,313 (78.9 percent) of the overseas-trained applicants who joined the temporary register in the first wave of the pandemic had joined the permanent register. In addition, the pass rate for this cohort was 83 percent compared to the previous average of 81 percent. Feedback from all stakeholders was that this group both contributed to our pandemic response and accelerated and deepened their understanding of the health and social care settings they ultimately joined through full registration.

Test of competence

The test of competence ensures professionals who trained overseas and those who want to re-join the register after time away from practice have the right skills and knowledge to practise safely.

We had intended to launch a new test of competence during the summer of 2020. We know that preparing for the test is key to candidates' success and we recognised that the pandemic had severely interrupted this preparation. We initially decided to postpone implementation to March 2021, and when the second wave emerged, we postponed implementation once more to August 2021.

In March 2021 we launched a dedicated information hub with everything candidates, recruiters and employers need to know about the new test of competence ahead of the launch in August 2021. The hub provides support for those preparing for the test and includes mock exams and handbooks.

Workforce

The Department of Health and Social Care (DHSC) and National Health Service England and NHS Improvement (NHSE&I) continued to introduce initiatives to increase the nursing workforce in England as outlined in their People Plan. This included supporting trusts in England in their international recruitment planning. We worked closely with them to understand the demands on our registration services and test of competence, so that we could respond to demand. We also shared our data so they could better inform their assessments of the initiatives. Work is under way to secure additional capacity in the examination centres delivering the practical element of the test of competence. This initiative will benefit and be available to those returning to our register after a long period being out of practice and overseas-trained professionals applying to our register who will be working across the health and social care sector in the UK.

Strategic theme 2

Proactive support for our professionals: Enabling our professions to uphold our standards today and tomorrow, anticipating and shaping future nursing and midwifery practice

Commitment 4: Deliver a new set of ambitious post-registration standards of proficiency which focus on community practice

In 2019–2020, we took initial steps in developing new post-registration standards of proficiency for specialist community public health nursing (SCPHN), including health visiting, occupational health nursing, school nursing, and a specialist practice qualification for community nursing. This work included establishing a steering group and appointing independent chairs to lead on the different sets of standards.

In 2020–2021, in response to the impact of Covid-19, we adapted our existing standards development methodology to enable us to progress this important piece of work in a virtual way.

This has enabled us to:

- produce draft core proficiencies for SCPHN and field-specific proficiencies for the three SCPHN fields of health visiting, occupational health nursing and school nursing
- outline the content and draft a set of proficiencies that apply to all the existing community specialist practice qualifications, with programme standards that ensure programmes are organised to deliver qualifications leading to separate annotations for the existing individual community specialties
- propose an additional annotation of community specialist practitioner with no field of practice specified. This is in recognition of nurses working in other community settings now and in the future, for example nurses working in the social care sector, charitable sector or in prison settings. These nurses would be able to undertake this qualification for the benefit of the people in their care in those other care settings
- produce a single set of draft programme standards that are ambitious, agile, outcome focused and aligned to our previously published education framework and standards for student supervision and assessment. The programme standards meet the requirements of both SCPHN and specialist practice qualification programmes, providing opportunities for shared learning and implementation.

The pandemic meant we could not complete our public consultation and user testing before the end of 2020–2021 as planned. The decision to push consultation to April 2021 was based on the recommendation of the post-registration strategic steering group and other four country stakeholders. However, our commitment to withdraw the existing standards no later than 2023 remains on track.

Although we could not complete our consultation and user testing, we have undertaken extensive pre-consultation work and prepared the consultation process and materials. We conducted all our pre-consultation engagement activity online, which enabled us to widen our reach. We have also increased the consultation period from the usual 12 weeks to 16 weeks, recognising the current pressures on the health and social care system and government public health guidelines. We kept our timeline for the project under review to enable stakeholder participation.

Due to the lockdown and restrictions on travel and meeting in person, our stakeholder engagement activity was entirely conducted online using different platforms and included webinars, stakeholder group meetings and one to one meetings. Despite the challenges of the pandemic, there was excellent participation in these engagements from over 2,000 stakeholders across the UK. The virtual nature of the activity helped to widen participation, particularly to frontline practitioners who otherwise may not have been able to give up their time to attend one of our events. We published two reports on our website, one on the engagement activity and an independent report on the themes that emerged in relation to the new standards. This, along with our evidence review, enabled us to build a robust evidence base to shape the drafting of the new standards for SCPHN and Specialist Practitioner Qualification (SPQ), in co-production with our stakeholders.

Performance review

Commitment 5: Explore a new method for ensuring that we take a dynamic approach to developing professional standards, in order to respond rapidly to new professional challenges

As a result of Covid-19 and the need to reprioritise our activity, we decided to delay activity in this area.

We did make the following progress:

- We began to define our approach to developing a forward programme of work for updating our standards, including forming internal working groups.
- Initial high-level principles for our standards development were identified, including being evidence based and co-produced.
- Key phases of a new standards development cycle were also identified including project initiation, standards development, implementation, and evaluation.
- We formed internal working groups to further develop how these phases of standards development would operate, including where more urgent changes to our standards might be needed, for example our current work to review our standards now that the EU Directive no longer applies.

Midwifery at the NMC

During 2020–2021 we co-produced, with external stakeholders, a live action plan entitled 'Midwifery at the NMC', which interprets our 2020–2025 strategy from a midwifery perspective. The plan will ensure that midwifery continues to influence and be considered in all our work. Development of this work will continue and we will publish the plan in 2021–2022.

Future Midwife standards

Following the launch of our Future Midwife standards in January 2020, we have continued to use our extensive networks across the UK to promote and encourage the adoption of our evidence-based standards in both education and practice.

We have presented and raised awareness of the standards at various virtual events and worked with the Future Midwife Boards in England, Wales, Northern Ireland and Scotland, and several expert reference groups. As part of our work with the public, who were very involved in commenting on and contributing to the development of our standards, we developed and then published in May 2021 an animation that highlights our standards of proficiency and the care that women, partners and their families can expect from midwives.

The Code in Action: bitesize animations

We know that nurses, midwives and nursing associates faced difficult decisions in unprecedented circumstances during 2020–2021. As part of our support to the professions, we developed a series of bite-sized animations called *Caring with Confidence: The Code in Action*. These animations focus on key themes about nursing and midwifery professionals' roles, and how the Code can support them to uphold high standards, especially in difficult situations.

The animations had more than 700,000 views, and we received positive responses from our feedback survey, with 92 percent of respondents (427 people) saying the animation they watched made them feel more confident about the topic and how it relates to their work as a registered professional; and 92 percent (424 respondents) saying this type of resource helps them to uphold high standards during challenging circumstances.

Comments we received included: Thank you for producing these videos. I have found them very useful and they have reminded me of my passion for nursing.

We also received feedback from educators, including: We have sessions on the NMC Code in every year of our pre-reg courses. The students have been given the link to the animations. The animations are bright and interesting.

We also published two animations to help everyone using health and social care services to understand what to expect from their nurses and midwives. The animations help explain the standards we have introduced over the last two years to support UK nurses and midwives to provide kind, safe and effective care.

"I hope our animations will help ensure even more people understand our standards and build further awareness of the fantastic care nurses and midwives provide every day."

Geraldine Walters, Executive Director, Professional Practice, NMC



Strategic theme 3

More visible and better informed: In closer contact with our professions, their employers and their educators, so we can regulate with a deeper understanding of the learning and care environment in each country of the UK.

Commitment 6: Review and develop our presence in local areas across the English regions and in Scotland, Wales, and Northern Ireland, maintaining a focus on providers and further extending our place-based networks

During 2020–2021, we undertook a strategic review of our Employer Link Service (ELS), taking account of our strategic goals and our understanding of the external context. The review concluded that we should extend this aspect of our work to offer a more comprehensive outreach service to the nations and regions of the UK, working with a wider range of partners, and engaging on all aspects of our remit.

Covid-19 meant that we delayed implementation of our review's findings and focused on supporting employers. As face-to-face visits were not possible for most of 2020–2021, our Regulation Advisers engaged virtually with employers of nurses, midwives, and nursing associates across the UK. **Areas of focus for the year included:**

- providing information and support for employers on our approach to regulating during the pandemic
- publishing a resource for employers to support them to respond effectively to concerns about a professional's practice
- encouraging employers to contact our advice line before making a fitness to practise referral, leading to a 50 percent increase in calls; 48 percent of calls resulted in alternatives to a referral at the time of the call
- strengthening relationships with regional chief midwives and perinatal safety surveillance groups in response to the national maternity review in England.

Collaboration with GMC and CQC on maternity services

During the year we discussed with the General Medical Council (GMC) and the Care Quality Commission (CQC) how we could work together better to use our collective insight to improve services. We agreed to start a collaborative project focusing on maternity services in England because of current concerns in some maternity units. These have many causes and, while good midwifery practice is one part of the solution, there are also multi-disciplinary team and system issues to tackle. We are collaborating with the GMC and the CQC to ensure good alignment between our expectations of midwives, obstetricians and gynaecologists, and the maternity services in which they work – and to ensure there is a better mechanism for sharing insight.

In November 2020, we held a roundtable event with key stakeholders to discuss how we can work together to address some of these concerns. **Three key areas of potential collaboration were identified:**

- to explore how we can use our collective data to identify concerns, provide actionable intelligence and support the wider safety system
- to progress work on a shared expectation from professional and system regulators on leadership
- to consider what support would then be available to a service provider as part of contributing to a collaborative intervention when risks are identified.

We are continuing to work with the GMC and CQC, and other partners in England, to progress this initiative and hope to be able to apply the learning across the UK.

Case study 1

How ELS supports employers with the regulatory process

An ELS Regulation Adviser was contacted by the NMC fitness to practise team following a pattern of referrals from an ambulance trust that were lacking in information or not meeting our seriousness thresholds for referring concerns to us.

The Regulation Adviser contacted the senior team at the ambulance trust who were keen to work with ELS to support a review of internal processes and provide information to support greater openness and transparency within the workplace.

The outcome has been an increase in requests for advice at an early stage when concerns are identified. This has resulted in increased confidence to manage concerns locally where appropriate, and a better understanding of the information needed if a referral is needed to enable us to reach a decision as quickly as possible.

Case study 2

How the employer resource is being used to support a small independent provider

A senior nurse contacted us for advice because there were different approaches to managing concerns in their organisation between the nursing team and the human resources team. An ELS Regulation Adviser delivered a learning and engagement session for senior nursing and HR colleagues, based on our resource for employers.

As a result, the senior nursing team reported feeling better supported and more confident in their approach and decision making. HR colleagues were positive about the availability of tools to inform their future discussions.

Case study 3

Support for adult social care nursing homes

Our Regulation Adviser identified a number of care homes in their region had been rated as 'inadequate' or 'requires improvement' by the Care Quality Commission. We contacted the relevant providers through the Clinical Commissioning Group. We met with them to provide information and guidance on our processes, including support and advice about managing concerns locally where appropriate.

The providers now have an established NMC contact for when they need further advice and are more confident about engaging with us and our processes.

Strategic theme 4

Empowering and engaging actively: Engaging with and empowering the public, our professions and partners. An NMC that is trusted and responsive, actively building an understanding of what we and our professionals do for people.

Commitment 7: Formulate and agree an organisation-wide approach that ensures people are at the heart of what we do, and principles for co-production of our services and educational standards

We have made positive progress against this commitment in 2020–2021, despite some delays due to prioritisation of urgent Covid-19 work.

We defined our vision and developed a series of simple commitments to deliver that vision, which will enable us to build effective and meaningful engagement with the public into all our work.

This year, this included building public engagement into priority projects such as the development of new standards for community and public health nursing. We continue to develop our communications with the public, such as through a dedicated newsletter and improvements to our online communications. We are building our support for those who work with us, to ensure we hear from as diverse a group of people and communities as possible.

Vision: An NMC that is actively engaging with and empowering the public. We will be trusted and responsive, building an understanding of what we and our professionals do, developing strong and purposeful relationships, and enabling people to shape what we do.

In tandem, we have reviewed how we can embed co-production with the public and other stakeholders into our work more consistently. This led to the development of co-production principles, which we will embed across our policy and standards development. As part of this, we are establishing a new strategic public group to help guide our work in this area.

Commitment 8: Develop a more systematic and targeted approach to stakeholder engagement across the four countries of the UK

We have made good progress embedding a consistent approach to our engagement with stakeholders in the devolved nations.

When the pandemic presented barriers to engagement, we moved from face-to-face to digital engagement. We built on changes implemented in 2019–2020, including further establishing the roles of lead directors for each country, and made significant progress in building relationships with regulatory partners in Scotland, Northern Ireland, and Wales. We worked collaboratively with partners in the devolved nations in our parliamentary engagement, including on a number of focused policy issues.

This close engagement has strengthened relationships, improved information sharing and supported every stage of decision making by the NMC in response to the pandemic.

Strategic theme 5

Greater insight and influence: Learning from data and research to improve what we do and working collaboratively to share insights responsibly to help improve the wider health and care system

Commitment 9: Work with the Department of Health and Social Care (DHSC) and others on a substantial programme of reform to shape improvements to our legislative framework across the UK

In 2020–2021, we engaged with the DHSC, regulators, and other partners to inform the development of the DHSC's proposals for regulatory reform. We are continuing to work collaboratively with other regulators to develop consistent model rules. We have established an expert advisory group, which includes patient groups and professional partners, to inform our approach. The DHSC's timetable and approach to reform has evolved during the year. At present, our plans assume that April 2023 is the soonest any new legislation would come into force.

Commitment 10: Start to improve the way we use and publish data and insight to add value for our stakeholders and help shape the sector

Equality, diversity and inclusion insight

In 2020–2021 we continued to collect and share our equality, diversity, and inclusion (EDI) data to provide insight about the nursing and midwifery professions. We value the diversity of the people on our register, and all those we work with, and remain committed to understanding and improving their experiences with us.

In October 2020, we shared our updated EDI priorities, which include improving our EDI evidence base and extending our insight. This is part of our refreshed EDI framework, which forms our delivery plan to support our strategic objectives.

Our EDI data collection has enabled us to undertake research into different people's experiences and outcomes when they interact with our regulatory processes. More detail can be found in our EDI data tables on our website. In October 2020, we also shared the first report in our *Ambitious for change* research project. This looked at the impact of our regulatory processes on professionals with different protected characteristics. We found that sometimes people can receive different outcomes from our processes based on who they are. This includes our education, overseas registration, revalidation, and fitness to practise processes.

Working with our partners, we have identified key areas for follow-up work as part of phase two, starting in May 2021, including:

- qualitative research to understand the reasons for differences in our revalidation rates and referrals to fitness to practise
- an independent review of registration and fitness to practise processes to see how we can improve consistency and fairness
- identifying and working with employers where certain groups of professionals may be over-represented in their referrals
- improving what we know about the diversity of people on our register.

We have also been using our data and intelligence to share insight about the impact of Covid-19 on different groups. In April 2020 we produced an organisation-wide equality impact assessment (EQIA) of key decisions relating to the pandemic which impact on nursing and midwifery professionals, including temporary registration, our emergency standards, changes to fitness to practise, revalidation and our communication and engagement. The EQIA remains under continuous review and is updated regularly. We have used it to share our data and insight with partners across the sector, as well as the Equality and Human Rights Commission for its evidence gathering.

In December 2020, we wrote to half a million nurses and midwives to invite them to take part in the UK REACH study, which is being undertaken by a partnership of leading researchers and clinicians with national organisations such as the NMC, General Medical Council, Royal Colleges and ethnic minority healthcare worker associations. The study is investigating if, how and why ethnicity impacts on Covid-19 clinical outcomes for people working in health and social care. We continue to share our data and use our position to seek better support for Black and minority ethnic nursing and midwifery professionals.

Our EDI work has focused on several key areas in the last year. One focus has been on disability – with recent feedback from the Business Disability Forum on our Disability Standard audit showing a marked increase (65 percent) from our previous score (48 percent) in 2019. We made significant strides in areas such as our approach to adjustments and communication, and we are focused on areas requiring further improvement.

We have also identified leads for our work embedding the principles of NHS England's Ask Listen Do campaign for customers with learning disabilities and/or autism, making progress on better collection of feedback and ensuring information is accessible and available in a range of formats. We have worked with partners to highlight the experiences of disabled professionals, in light of low numbers telling us about their disability (only four percent of professionals, compared to 18 percent of the overall working population). For example, we interviewed a student nurse on neurodiversity for our newsletters to highlight diversity among our professions.

Over the last year we have been developing our policy on the way we hold and keep information about customers' gender on our systems. We have been developing our policy in collaboration with trans and non-binary professionals, who are more likely to be impacted negatively by any inappropriate disclosures relating to gender. We have committed to removing the routine collection of gender markers in any area where it is not necessary, while retaining our anonymous diversity data monitoring, and are continuing to update our systems ahead of launching the policy.

We were delighted that our Chief Executive and Registrar and Executive Director of Professional Regulation won the Equality and Inclusion Senior Champion Award 2020 at the annual Employers Network for Equality and Inclusion (enei) Awards for their work on challenging discrimination and celebrating diversity. We are ambitious about what we can continue to achieve as a leading healthcare regulator over the next year.

Developing an insight programme

During the year, we started scoping a new Insight programme which will support our ambitions to use our insight and influence better. As a result of the pandemic, we rescheduled our plans. We now plan to conclude the programme set up and undertake a capability review in 2021–2022 and are working towards publishing an initial annual report on the state of our professions in 2022–2023.

Fit for the future organisation: Our strategic aims have significant implications for how we operate as an organisation. We will align our culture, capabilities and infrastructure to our new strategic aims.

Commitment 11: Make sure that we have the right capabilities, processes and resources to fulfil our ambitions for the strategic period ahead

Organisational design

The first stage of our organisational design was completed in April 2020, with the implementation of a new six directorate structure to support the delivery of our strategy.

The new design was intended to facilitate new ways of working to deliver our strategy; to reduce silo working and encourage a 'one NMC' approach; to move corporate functions out of operational directorates; and to support us to be more effective in our work, internally and externally.

Covid-19 has affected timelines for the next stage of this work. However, we have implemented the outcomes of a targeted equality, diversity and inclusion capability review and agreed next steps following reviews in six other priority areas.

New values and behaviours

Following the launch of our new values and behaviours in April 2020, we began a programme of activity to ensure these were embedded and applied consistently across the organisation. This included the introduction of e-learning for all colleagues from August 2020 and a series of virtual events for managers. Our redesigned leadership development programme launched in November 2020, focusing on embedding the values and behaviours across five performance management modules.

Organisational and people development

In 2020–2021, our overall employee turnover continued to reduce, falling to 5.6 percent at 31 March 2021 (against a target of 15 percent) in comparison with 13.5 percent at 31 March 2020. Turnover of new starters leaving within six months of joining the NMC was 6.8 percent at 31 March 2021 (against a target of 15 percent) in comparison with 12.7 percent at 31 March 2020. Job and financial security during Covid-19 was a key driver for retention during 2020–2021, along with our values and behaviours, job flexibility, support for wellbeing and our benefits and reward package. Along with other organisations, we expect to see turnover increase in 2021–2022 as pandemic restrictions ease.

Our sickness absence has also reduced in 2020–2021, falling from 2.7 percent in 2019–2020 to 1.9 percent in 2020–2021. Social distancing and working from home helped drive absence levels down and we expect absence to increase as restrictions ease.

In the year to 31 March 2021, headcount has grown by 17.7 percent (164). This figure includes agency and contractor workers. There are three principal reasons for the growth: additional roles to support the case backlog in Professional Regulation, support for the MOTS programme and new roles agreed as part of our new organisation structure to deliver our corporate strategy

In February 2021, 844 colleagues attended *Together for better*, our virtual employee conference. The event gave colleagues the chance to come together to reflect on what we have learned in the last year, and to promote equality, celebrate diversity and tackle discrimination. The event included a conversation with a member of the public who spoke about the nurses who cared for her husband in an Intensive Therapy Unit (ITU) in the first wave of the pandemic, and a panel discussion with students and nursing and midwifery professionals on our register about their work.

Workforce Race Equality Standard (WRES) commitment

In 2019, we made a commitment to sign up to the NHS Workforce Race Equality Standard (WRES) and in 2020, we submitted NMC data in line with our pledge. We committed to doing so to enable us to benchmark our performance more effectively and to target areas for improvement.

We are pleased to share that of the 89 percent of colleagues who disclosed their ethnicity to us last year, 39 percent have declared they are from Black and minority ethnic backgrounds. However, the WRES data shows there is poor representation of such colleagues in senior roles. The starkest finding is that of the 37.9 percent of colleagues who participated in our staff survey, 17.9 percent of colleagues from Black and minority ethnic backgrounds believe the NMC provides equal opportunities for career progression or promotion compared to 98.4 percent of white staff.

The underrepresentation of Black and minority ethnic colleagues in senior roles is further demonstrated by the NMC's ethnicity pay gap. It shows on average there was a 23.7 percent (2020: 28.7 percent) difference between the hourly pay of colleagues from Black and minority ethnic backgrounds and white colleagues. Further detail can be found in the Remuneration Report section of this report.

The issues raised by the WRES data are deeply concerning and we recognise the need to develop, at pace, actions that are both meaningful and sustainable. **The key actions and outcomes we have put in place over the past year are set out below.**

- We launched an inclusive mentoring scheme, called *Rising Together*, aimed at addressing the lack of progression for Black and minority ethnic colleagues into more senior roles, retaining talent, building our inclusive leadership approach, and addressing unconscious bias.
- We carried out a review of our internal leadership and resourcing for EDI and have formed a better resourced team. The team will be fully in place by the end of April 2021 and led by a newly created Head of EDI role.
- We have appointed a race equality consultant to work alongside our senior leaders to help increase their cultural intelligence so they can lead from the top, role model and champion race equality and help plan additional interventions.

These actions are already making a difference, although we recognise they will need more time to further embed and for us to gain a fuller understanding of the impact they have made.

We are pleased to share that early indicators show a quarter of the mentees who have taken part in *Rising Together* have already progressed into more senior roles.

We will continue to build on the work we have done to ensure we have sustainable outcomes for the professionals we regulate and all our internal workforce.

Welsh language

In October 2020, we shared our Welsh Language Scheme Annual Monitoring Report with the Welsh Language Commissioner, and responded to the consultation on proposed new Welsh language standards for healthcare regulators. Our response included a comprehensive regulatory impact assessment. We engaged closely with other regulators and, in collaboration with them, welcomed the direction of the new standards. We look forward to hearing from the Welsh Government on further detail and a timeline for the proposed legislation.

Freedom of Information and other information requests

We are committed to being as open and transparent as possible, while adhering to our legal obligations under Freedom of Information and data protection legislation. This includes people's right to access their personal information, and the right to challenge the way we use and process their personal data.

We also respond to third party disclosure requests from organisations such as the police and the Disclosure and Barring Service and Disclosure Scotland, with whom we can share personal information if there is a legitimate basis for disclosure.

353 received (2019–2020: 344) 88 percent (2019–20: 86 percent) responded to within statutory 20 working days

205 received (2019–2020: 166) 88 percent (2019–2020: 81 percent) responded to within statutory one calendar month

867 received (2019–20: 829) 94 percent (2019–2020: 94 percent) responded to within statutory one calendar month

Total number of information requests responded to on time this year

1,301 out of 1,425 (2019–2020: 1,211 out of 1,339) 91 percent (2019–2020: 90 percent)

If someone is unhappy with how their request for information has been handled, they have the right to request an internal review. We received a total of 34 requests for internal reviews during 2020–2021 (2019–2020: 16), which is proportionately low, only 2.4 percent of cases.

Of the people who remained dissatisfied following the outcome of their internal review and referred us to the Information Commissioner's Office (ICO), there were only three cases that the ICO chose to investigate beyond initial enquiries. In all three of these, we achieved resolution without any formal action being taken.

Learning from complaints about our work

Complaints are important to us. Every concern raised by someone using our services provides us with an important opportunity to improve.

In 2020–2021, we received 1,227 formal complaints (2019–2020: 888). We responded to 1,134 (92 percent) of these within 20 working days (2019–2020: 94 percent within 20 working days).

Of the overall 1,227 complaints, 236 were about our response to the Covid-19 pandemic. This has contributed to the overall increase in complaints during the 2020–2021 financial year.

We aim to handle any complaints about the service we have provided in a fair and timely way, treating those who raise complaints with respect and listening to their concerns.

Following our response, 29 people remained unhappy (2019–2020: 19). We therefore reviewed our handling of their complaint and responded to these in an average of 20 working days (2019–2020: 20 working days).

We have identified 414 learning points in 2020–2021 (2019–2020: 203) and used this learning to improve our services. Key learning from complaints is shared to ensure feedback is acted upon. **For example:**

> **Timeliness** Fitness to practise referrers have advised that they are not always being kept updated with delays following the re-allocation of cases. Professional Regulation colleagues are working to address the resourcing issues.

Technical issues – Some applicants have experienced delays in joining our register due to technical issues with uploading documents or progressing with the application. We have been working to address these issues.

Adjustments – Some customers have advised that we have not followed up on requests for reasonable adjustments, so we have reminded colleagues to update records with any adjustments.

During the year we have continued to improve the way we handle complaints; ensuring we understand fully what has caused the complaint and resolve matters as quickly as we can.

Technology

With our offices closed for most of 2020–2021, most of our work has been done from home. We moved fitness to practise hearings and all of our internal meetings onto videoconference, as well as moving our Contact Centre to remote working. We held stakeholder engagement events virtually, including pre-consultation events for post-registration standards that were attended by more than 2,000 people.

Working from home has accelerated our move to paperless working, which has had an environmental and a financial benefit – we have used around 88,000 fewer kilos of A4 paper and saved around £75,000 – and a data security benefit. The risk of data losses is less with paperless processes, which has contributed to our information security incidents falling from 98 in 2019–2020 to 57 in 2020–2021.

We launched our Covid-19 emergency register on 27 March 2020, having designed the process and built the register on our new Microsoft Dynamics 365 platform in just three weeks. Over the rest of the year, we used our technical expertise to develop, monitor and report on the temporary register.

Modernisation of Technology Services

Our programme to modernise our IT systems continues. Most of our registration processes that were on our legacy system WISER have now been moved on to Dynamics 365. We have seen improvements for the customer, with professionals now able to readmit to the register in 60 minutes. We have also made our payment processes quicker, and more flexible and user friendly. Although the timetable that was agreed by Council in the corporate plan for 2020–2021 has slipped, the remaining registration processes on WISER will be moved onto Microsoft Dynamics 365 during 2021–2022.

We agreed a new vision for the programme: "A big step forward in our digital technology to make it easier for people to connect with us and NMC colleagues to do their jobs. This will create the foundations to transform the experience of those who interact with us and help us deliver safe, effective and kind nursing and midwifery practice, improving everyone's health and wellbeing."

Office accommodation

Although our offices were closed for much of the year, we prepared a Covid-secure environment to meet Government guidelines, enabling the restarting of physical hearings across the four countries from September 2020, and preparing for the general reopening of our offices in line with the UK Government's roadmap out of lockdown in England and the equivalent roadmaps of the Scottish, Welsh and Northern Ireland administrations.

Covid-19 changed the way we work during 2020–2021 and we expect there to be a lasting impact. We updated our Accommodation plan to include an expectation of increased working from home over the long term, with less space required, and more emphasis on the office as a place for collaboration and engagement.

We have two accommodation projects under way through which we will develop our approach and realise the benefits of the new ways of working: our new offices and hearings rooms in Edinburgh, and the refurbishment of 23 Portland Place. The lease on our previous Edinburgh offices ends in April 2021. We have secured new space which is now being fitted out and is scheduled to open in September 2021. The refurbishment of 23 Portland Place is overdue and the majority of the plant and mechanical and electrical services are reaching the end of their economic and serviceable life. The project will move into the design and planning stage in the coming year, with construction expected to start in 2023–2024, subject to Council approval.

Environmental sustainability

Our strategy for 2020–2025 includes a commitment to corporate social responsibility and the sustainability of our estate. How we operate within the wider environment is a vital part of that. We minimise our environmental impact and support sustainability in a number of practical ways. For example, any new building is assessed for sustainability, and our new offices in Edinburgh have a Building Research Establishment Environmental Assessment Method rating of Very Good, excellent public transport links and 80 cycle racks. We incorporate sustainability in our procurement and investment policies, and as noted in our financial review, we have amended our investment policy to restrict investment in fossil fuel extraction.

Covid-19 has had a positive impact on the sustainability of our operations through accelerating our move to paperless working, as described earlier, and in prompting us to introduce virtual hearings.

Most of our travel is associated with fitness to practise hearings, and the environmental benefit of virtual hearings instead of in-person hearings is that travel is avoided. The table below shows our CO_2 emissions from travel and hotel accommodation over the past three years, demonstrating the reductions in CO_2 emissions that virtual hearings have enabled. However, we have resumed some in-person hearings, and while we expect to see some continued reduction we do not expect travel and CO_2 emissions to stay at the very low level seen in 2020–2021.

CO_2*	2018–2019	2019–2020	2020–2021
Flights	424	415	8
Rail	128	128	2
Hotels	331	275	8
Total	883	818	18

* CO_2 units are expressed in kilograms (Kg) of CO_2e (CO_2e = Carbon Dioxide Equivalent. CO_2e is a standardised unit of measurement which allows other greenhouse gas emissions to be expressed in terms of CO_2 based on their relative global warming potential).

Performance review

Strategic plan 2021–2022

An overview of our commitments for 2021–2022

Our corporate commitments support us to deliver our core purpose

For 2021–2022 we will make progress on our 2020–2025 strategy and strengthen our core role to regulate, support, and influence. As described in our performance review, our plans for 2020–2021 were significantly disrupted by Covid-19, so our commitments for 2021–2022 include work that was originally planned for last year and had to be reprioritised.

Innovation and improvement

Commitment 1: Reduce the fitness to practise caseload and make sustainable improvements to the way we regulate

We will commit additional resources to our new fitness to practise recovery programme so that we significantly reduce the fitness to practise caseload and deliver significant improvements across our processes for the future.

Commitment 2: Deliver our new test of competence for overseas applicants

We will launch our new test of competence for overseas applicants, which reflects our new standards for nursing and midwifery.

Proactive support for professionals

Commitment 3: Deliver a new set of ambitious post-registration standards focusing on community nursing practice

Last year we spoke to stakeholders about what is important for the new post-registration standards of proficiency. This year we will proceed with a full public consultation on the new draft standards during 2021 with an aim to publish the new standards in 2022.

Commitment 4: Using evidence and research, determine whether we should propose changes to our programme standards for pre-registration education in the UK

Following the UK's departure from the EU in 2020, the EU Directive 'on the mutual recognition of professional qualifications' no longer applies, so we will review evidence to determine whether we should propose changes to the minimum standards for education and training of nurses responsible for general care, and midwives.

More visible and better informed

We will proactively communicate and engage with the professionals on our register, our partners and the public, using a mix of two-way channels. Importantly, we will review and develop our presence across the four nations of the UK, with a more systematic and targeted approach to stakeholder engagement. This will enable the regional and devolved delivery of our strategy. Guided by the 2020 review of the employer link service, we will also develop a new approach for our outreach service ready for implementation in 2022–2023.

Empowering and engaging

Commitment 5: Build trust in professional regulation

We want to support professionals, students, stakeholders and the public to understand what we do , what we do not do, and where we are going, so we can better collaborate with them on the things that matter to them.

Greater insight and influence

Commitment 6: Deliver a substantial programme of regulatory reform to shape improvements to our legislative framework

We will continue our work with the Department of Health and Social Care (DHSC) and other regulators to shape improvements to our legislative framework. We will develop our policy so that we can influence the content of the legislation and be ready to consult on our proposed rules in 2022 (timescales subject to the wider DHSC timetable).

Commitment 7: Improve our data and insights

We want to advance our learning from data, insights and research to improve what we do now and in the future. This year we will put in place the foundations to improve our data and insights, and we will build relationships so that we can work collaboratively to share our insights for the benefit of the wider health and social care system.

Fit for the future organisation

Commitment 8: Deliver the next phase of our organisational design and People plan to support us to deliver our strategy

We want to make sure that we are organised in a more efficient and effective way to deliver our corporate strategy. With people and our colleague experience at the heart of this work, we will develop our plans to make the most of individual potential and organisational performance, and improve our organisational capability, structure, and processes. We will become a more inclusive employer in which all our colleagues can develop, progress and contribute to their full potential.

Commitment 9: Improve our IT to deliver a safe, secure, and reliable ICT infrastructure that supports new ways of working

We will continue our programme to modernise the systems that support our regulatory work, which will enable us to provide better customer service, and allow us to store and use our data to provide insights. We will also continue our investment to improve our technology services and our infrastructure so that our colleagues have the tools they need to work efficiently both now and in the future.

Commitment 10: Deliver fit-for-purpose workspaces for our colleagues at 23 Portland Place and in Edinburgh

We will continue to deliver our accommodation plans, which will provide modern working environments that support collaboration, new ways of working, and take account of the lessons we have learned from the success of home working during the coronavirus pandemic.

Financial review

Income and expenditure

As set out in our statement of financial activities, our total income for 2020–2021 was £92.0 million (2019–2020: £89.8 million) and total expenditure was £81.6 million (2019–2020: £82.3 million). This has resulted in a net surplus of income over expenditure of £10.4 million (2019–2020: £7.5 million) before the gain on revaluation of our investments and the actuarial gain on the defined benefit pension scheme. After those gains, our total funds increased over the year by £11.7 million (2019–2020: £9.2 million).

We had planned for a small deficit in 2020–2021. The net surplus is due to lower expenditure across both our core business and some of our projects when compared to budget. A key driver was the impact of the Covid-19 pandemic reducing fitness to practise activity in the first part of the year.

Income from registrants' fees was £90.8 million, in line with our budget and an increase on the previous year (2019–2020: £88.5 million). The number of nurses, midwives and nursing associates on our register grew by 2.1 percent, to 731,918. The Covid-19 temporary register does not contribute to our income because people on the temporary register do not pay a fee. Our 'other income' line includes £0.7 million from the DHSC, reimbursing us for the costs of setting up and maintaining the temporary register.

Our total expenditure of £81.6 million was £10.4 million (11 percent) lower than we had budgeted for and decreased by £0.7 million compared to 2019–2020.

Note 5 sets out our fully allocated costs for each charitable activity as required by the Charities Statement of Recommended Practice (SORP). This separates out the direct costs of each activity alongside the associated support costs, which have been allocated using headcount or overhead usage. The commentary that follows is based on the direct cost column, before allocation of support costs.

Direct costs of fitness to practise were £36.9 million, down from £37.9 million in 2019–2020, a reduction of two percent. As described in the performance review section of this report, in our response to the Covid-19 pandemic we paused most of our fitness to practise casework and physical hearings in March 2020.

While we continued to run hearings virtually and resumed investigations in July 2020 and physical hearings in September 2020, as a consequence of Covid-19 we made 208 panel decisions in 2020–2021, down from 452 the year before, and our total fitness to practise caseload increased to 6,357. The fall in our fitness to practise costs is therefore due to deferred expenditure rather than permanent savings, and we have budgeted for deficits in 2021–2022 and 2022–2023 as we work to reduce the caseload again.

The direct costs of maintaining the register were £5.6 million in 2020–2021 (2019–2020: £6.4 million). The fall in costs compared to the previous year is because of some deferred activities due to the Covid-19 pandemic. The completion of the Overseas programme, which had added to the costs in 2019–2020, is also a contributing factor.

Support costs (including Facilities, Finance, HR and ICT) were £31.5 million (2019–2020: £30.3 million).

Pensions

We operate two pension schemes for employees: a defined benefit scheme, which was closed to new entrants in November 2013, and a defined contribution scheme, into which all new employees are auto-enrolled. In March 2021, the Council agreed to close the defined benefit scheme to future accrual of benefits with effect from 1 July 2021.

The net deficit on our defined benefit pension scheme shown in our balance sheet is the difference between the value of the scheme assets and the value of the pension liability, which is the discounted present value of the pension benefits earned by members of the scheme. We make payments to the scheme under a recovery plan which aims to eliminate the deficit by March 2026. During the year, an updated recovery plan was agreed with the pension scheme trustees, under which we now pay £1.8 million a year, plus a one off lump sum of £6.3 million paid in October 2020. At each year end, the scheme assets are revalued to market value, and the scheme actuaries update their estimate of the value of the liability. The estimate of the liability depends on a number of assumptions including expected mortality rates, inflation and yields on corporate bonds over a number of years into the future.

During the year, the market value of the defined benefit scheme assets rose by £20.1 million more than the expected return on assets at the assumed long term growth rate. This reflects the rebound in equity markets from the sharp falls in February and March 2020 at the start of the Covid-19 pandemic, and more than reverses the £13.8 million fall in the value of scheme assets at the end of the previous year. The pension liability increased by £19.9 million mainly due to a reduction in the assumed discount rate, in line with reductions in bond yields, and increases in the assumed inflation rates. The net effect is a gain of £0.2 million, shown in the statement of financial activities as 'Actuarial gains on defined benefit pension scheme' (2019–2020: a gain of £1.7 million).

Investments

Nurses, midwives and nursing associates pay their registration fee either annually or quarterly in advance. Together with our free reserves, this means that we hold significant cash balances. During 2020–2021 most surplus funds were held in interest bearing deposit accounts spread across five UK high street banks. The interest earned on those bank deposits during the year was £0.4 million (2019–2020: £1.0 million). The fall compared to the previous year is because interest rates were reduced further in March 2020 in response to Covid-19, and because we moved £30 million into stock market investments during the year, as described below.

During 2020–2021 we moved to implement Council's investment policy, which identified a fund of £30 million to invest in stock markets for the long term and sets a target rate of return for the long term fund of three percent above the Consumer Price Index (CPI) rate of inflation, net of investment management costs. We appointed Sarasin & Partners as the investment managers for that fund. Since July 2020, we have invested £30 million, previously held in cash deposits, in a range of equities, funds and bonds. We proceeded cautiously, given the volatility in financial markets, providing tranches of £10 million to our investment managers in each of July 2020, October 2020 and January 2021.

Dividend and interest income from the portfolio, which is reinvested, was £0.2 million in 2020–2021, with gains on investments being £1.1 million at the year end. The statement of financial activities shows investment management costs of £0.04 million. The net annual rate of return on our investment portfolio after investment management costs is 8.5 percent. The total value of the investment fund at the year-end is £31.3 million.

The investment policy we operated during 2020–2021 was approved by the Council in May 2019. Council has since approved an updated policy at its May 2021 meeting. In particular, this reflected an extension of our ethical policy to restrict investment in fossil fuel extraction. Our current investment policy, along with an analysis of our investment holdings at the year end, can be found on our website.

Reserves

Our reserves policy is to maintain free reserves within a target range. Free reserves are funds that are freely available to spend, so do not include restricted funds, tangible fixed assets and amounts designated for essential future spending. We also set a minimum level for the aggregate forecast cash and investments balance in the course of the coming financial year. The Council reviews the target range of free reserves and the minimum cash and investments balance at least annually.

The target minimum level of free reserves is set to ensure our sustainability, taking account of the security of our income stream, our cash and investment balances, and an assessment of the potential financial impact of risks faced by the NMC. The target maximum level of free reserves is set to ensure our resources are applied effectively, balancing the interests of the people on our register who finance us through the fees that they pay, and the public who benefit from our work.

In March 2021 the Council reviewed the latest position regarding the reserves policy and agreed that the target range of free reserves should remain zero to £25 million, and the minimum aggregate cash and investments balance should remain £20 million.

Total reserves as at 31 March 2021 were £69.3 million (2020: £57.5 million), and free reserves were £41.5 million (2020: £31 million). As noted above, we have budgeted for deficits in 2021–2022 and 2022–2023 as we work to reduce the fitness to practise caseload. Also, our strategy implementation plans include significant capital investment in our infrastructure. Therefore, we expect our free reserves will reduce towards the lower end of the target range by the end of the strategy period.

Sir David Warren
Chair
9 July 2021

Andrea Sutcliffe
Chief Executive and Registrar
9 July 2021

Financial review

Remuneration report

Our people are our most valuable asset; we can only achieve what we do through and with them

The Remuneration Committee has responsibility for ensuring there are appropriate systems in place for remuneration and succession planning at the NMC. This report sets out the key areas of focus for the Committee and includes an account of allowances and expenses paid to Council members, remuneration made to senior management and employee pay. In reaching decisions on remuneration, the Committee takes into account a range of factors, including sector benchmarking and social and economic conditions. Fair remuneration is supported and enabled by effective performance assessment processes and the report also covers our approach to this for both Council and colleagues. Other areas of priority focus for the Committee in the year included reviewing our pay gap reports and the development of more effective policies articulating our duty of care to colleagues. The financial aspects of this report are audited by the external auditors, haysmacintyre, and the National Audit Office (NAO).

Council members' allowances and expenses

The Council is the governing body of the NMC and has ultimate decision-making authority as described in the annual governance statement. The members of the Council are the trustees of the NMC.

Under the Nursing and Midwifery Order 2001, the Council is responsible for determining the allowances to be paid to Council members. Council members receive an annual allowance based on the requirement for members to spend an average of three days a month on NMC business. In practice, Council members dedicate considerably more time than this.

To manage conflicts of interest, the Council has put in place arrangements for an Independent Panel made up of external experts to assess the appropriate level of allowances. The Council has agreed that it will either accept or reduce the level of allowance recommended by the Panel but will not increase it. Council member allowances were last increased from £13,250 to £14,724 as recommended by the Independent Panel on 1 April 2017. There has been no subsequent increase. The annual allowance for the Chair of Council remains at £78,000 for a commitment of three days a week or £52,000 for a commitment of two days per week.

Partner members, that is, members of committees who are not members of the Council, receive a daily allowance of £286 for time spent on NMC business and reimbursement of reasonable travel expenses. The Partner member daily allowance was last increased from £260 to £286 from 1 April 2017.

In July 2020, the Council established an Associate scheme and the first two Associates were appointed from 1 January 2021 for a two-year period. Associates receive an allowance of £10,296 based on a daily rate of £286 for a time commitment of three days a month.

In accordance with the arrangements described above, an Independent Panel convened in February 2020 to undertake a 'light touch' review of Council and Partner member allowances.

The Panel's findings and recommendations were due to be considered by the Council in March 2020 but the Council decided that it did not wish to take forward consideration of the Panel's recommendations at that time due to various factors, including the unprecedented circumstances of the Covid-19 pandemic. The Council has agreed that a full independent review be undertaken in 2021–2022.

Allowances paid to Council members and Associates in 2020–2021 amounted to £239,258 (2019–2020: £239,964). As explained in the footnote to table 1 below, the 2020–2021 total includes allowances paid to new Council members and Associates before beginning their formal terms of office, and to one Council member after their formal term ended. No extra contractual payments were made to any Council member in 2020–2021.

Allowance payments to Council members, Associates and Partner members are made through payroll with deductions for income tax and National Insurance. Expenses directly incurred in the performance of duties are reimbursed in accordance with the NMC's Council Travel, Accommodation and Expenses policy.

Expenses are made up of travel, accommodation, meals and subsistence and are incurred when members are carrying out their duties. Where any meetings are held in London, expenses are considered to be a taxable benefit in kind. The NMC pays the income tax and National Insurance arising through a PAYE settlement agreement with HMRC.

All meetings and events were held virtually in 2020–2021 due to the Covid-19 pandemic; no expenses were therefore incurred for Council meetings and events. The expenses listed for 2020–2021 were incurred in 2019–2020 but not reimbursed until 2020–2021.
All expenses incurred by members are included in table 1.

Method used to assess members' performance

The Council has an agreed policy and process in place for reviewing and enhancing the effectiveness of both the Council itself and its members. The performance review of the Chair of the Council is undertaken by the Vice-Chairs.

The review takes a structured and evidence-based approach. It includes a self-assessment by the Chair and peer assessment by members of the Council. The outcomes are used to agree objectives and ascertain development needs for the coming year. A similar process is in place for individual Council members led by the Chair. Annual performance reviews took place remotely in 2020–2021.

Diversity of our Council members, Associates and Partner members

Diversity data, as at 31 March 2021, for our Council members, Associates and Partner members is shown below. In total there were 11 Council members (1 vacancy), 2 Associates and 7 Partner members (31 March 2020: 12 Council Members, 7 Partner members).

Gender

14 Female | 6 Male
(2019–2020: 11 Female, 8 Male)

Ethnicity

16 White British | 2 Black African
1 Black Caribbean | 1 White British/ Irish
(2019–2020: 17 White British, 1 White British/Irish, 1 Black Caribbean)

Disability

18 No disability | 1 declared a disability
1 prefer not to answer
(2019–2020: 16 No disability, 2 Yes, 1 Prefer not to answer)

Table 1: Council allowances and expenses

	2020–2021				2019–2020			
	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)	Allowance (bands of £5,000) £'000	Taxable expenses (to nearest £100)	Total remuneration (bands of £5,000) £'000	Other expenses (to nearest £100)
Philip Graf CBE – Chair (until 31 December 2020)	55–60	0	55–60	0	75–80	2,500	80–85	0
Professor Karen Cox (Deputy (Acting) Chair from 5 October 2020)	10–15	0	10–15	0	10–15	2,100	15–20	600
Sir Hugh Bayley	10–15	0	10–15	0	10–15	1,700	15–20	0
Justine Craig (designate Council member)	0–5	0	0–5	0	0	0	0	0
Maura Devlin MBE (until 30 September 2020)	5–10	200	5–10	0	10–15	13,700	25–30	400
Claire Johnston	10–15	0	10–15	0	10–15	1,800	15–20	0
Eileen McEneaney MBE (from 1 October 2020)	5–10	0	5–10	0	0	0	0	0
Robert Parry	10–15	0	10–15	0	10–15	4,900	15–20	200
Marta Phillips OBE	10–15	0	10–15	100	10–15	1,400	15–20	0
Derek Pretty	10–15	0	10–15	0	10–15	4,200	15–20	800
Stephen Thornton CBE (until 30 September 2020)	5–10	0	5–10	0	10–15	4,500	15–20	1,000
Lorna Tinsley (until 30 September 2020)	10–15	0	10–15	200	10–15	3,000	15–20	300
Anna Walker CB (from 1 October 2020)	5–10	0	5–10	0	0	0	0	0
Ruth Walker MBE	10–15	0	10–15	0	10–15	5,200	15–23	400
Sue Whelan Tracy (from 1 October 2020)	10–15	0	10–15	0	0	0	0	0
Dr Lynne Wigens OBE (from 1 October 2020)	5–10	0	5–10	0	0	0	0	0
Dr Anne Wright CBE (until 30 September 2020)	5–10	0	5–10	0	10–15	1,000	15–20	0
Associates								
Tracey MacCormack (from 1 January 2021)	0–5	0	0–5	0	0	0	0	0
Dr Gloria Rowland MBE (from 1 January 2021)	0–5	0	0–5	0	0	0	0	0
Totals	**239.3**	**200**	**239.5**	**300**	**240.0**	**46,000**	**286.0**	**3,700**

In 2020–2021, new Council members and Associates were reimbursed for time spent engaging in induction and other NMC activities before their formal terms of office began. One former Council member was reimbursed for time spent serving on a selection panel for Council recruitment after their term of appointment had ended. These payments have been included in the allowances totals for those individuals. Payments were made using equivalent daily rates of £409 for Council members and £286 for Associates. Justine Craig, designate Council member (Scotland) was reimbursed for £1,943 for time spent on induction and other NMC activities.

Senior management team remuneration and performance assessment

The senior management team (called the Executive) comprises the Chief Executive and Registrar (Chief Executive) and Executive Directors. During 2020–2021 all directors reported directly to the Chief Executive. No Executive Directors are members of the Council or trustees of the NMC. Remuneration details are disclosed in full for all these individuals in tables 2 and 3.

The Chief Executive is the only employee appointed directly by and accountable to the Council. The Council has delegated authority to the Chief Executive to the extent described in the annual governance statement.

Executive performance assessment

The Remuneration Committee undertakes an annual review of the Executive's performance. The Committee reviews reports from the Chair on the performance of the Chief Executive. The Committee also reviews reports from the Chief Executive on the performance of the Executive Directors.

Executive remuneration

The remuneration of the Executive is approved by the Remuneration Committee annually in line with the Executive pay framework approved in 2016 and updated in 2020 to reflect the new organisational structure and Executive Director roles within this.

The Remuneration Committee reviewed the Executive's remuneration for 2020–2021 in February 2020. The Remuneration Committee concluded that for 2020–2021 the Executive should receive the same cost of living award as agreed by the Council for other employees (two percent). The Committee agreed the Chief Executive and Registrar's request not to receive the cost of living increase.

Andrea Sutcliffe was appointed Chief Executive and Registrar of the NMC on 14 January 2019. Her remuneration package for 2020–2021 included a base salary of £175,000.

Andrea is a member of the NMC's defined contribution pension scheme and the total employer contributions paid in 2020–2021 was £14,000 giving rise to a total figure of remuneration of £189,000. In 2019–2020, her salary was £175,000 with benefits in kind of £163 and a pension benefit of £14,000 giving rise to a single total figure of remuneration of £189,163.

The remuneration of the Executive team is set out in table 2. In total the Executive team (including interim Executive Directors) were paid £1.302 million in 2020–2021 (2019–2020: £1.268 million). The breakdown of this is provided in table 2.

When Council meetings are in London, members of the Executive team attend evening meals with Council and those meals are considered to be a taxable benefit in kind. The NMC pays the income tax arising through a PAYE settlement agreement with HMRC, and the value of the benefit is shown gross including the attributable income tax. During 2020–2021, all Council meetings were held virtually, so there were no evening meals and no taxable benefits in kind. The Executive team do not receive any other taxable benefits.

As required by HM Treasury's financial reporting manual, table 3 provides further detail about the pension benefits for the current member of the Executive who is a member of the defined benefit pension scheme.

The NMC does not operate any performance related pay or bonus arrangements. None of the Executive therefore received any performance bonuses.

Andrea Sutcliffe's employment contract requires notice of six months to be given by either party to terminate the contract. For Executive Directors the period is three months.

The Remuneration Committee considered Executive remuneration for 2021–2022 in February 2021. The Committee's consideration was informed by an external benchmarking evidence. The Committee approved proposals for a slight revision to the Executive remuneration framework to include a market range.

The Committee approved a one percent cost of living increase for each Executive Director with effect from 1 April 2021, in line with the increase approved by the Council for other employees.

The Committee agreed to a request by the Chief Executive and Registrar not to receive a pay increase for 2021–2022 but expects the incoming Chair will wish to keep this under review for future years.

Table 2: Executive team remuneration

	2020–2021					2019–2020				
	Salary (bands of £5,000) £'000	Benefits in kind £'000	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Expenses £'000	Salary (bands of £5,000) £'000	Benefits in kind £'000	Pension benefits (to nearest £'000)	Total remuneration (bands of £5,000) £'000	Expenses £'000
Andrea Sutcliffe Chief Executive and Registrar	170–175	0	14,000	185–190	200	170–175	200	14,000	185–190	5,400
Emma Broadbent[1] Director of Registration and Revalidation 2019–2020; Executive Director of Professional Regulation 2020–2021	145–150	0	18,000	160–165	0	130–135	100	15,000	145–150	1,800
Sarah Daniels[2] Director of People and Organisational Development. Member of Executive Board until 19 October 2020	165–170	0	12,000	175–180	0	125–130	100	15,000	140–145	700
Andrew Gillies Interim Director of Resources until 1 August 2019; Executive Director of Resources and Technology Services from 1 August 2019	130–135	0	16,000	145–150	400	120–125	1,500	15,000	135–140	1,500
Candace Imison Director of Strategy Development from 8 April 2019 to 30 April 2020, 3 days per week	5–10	0	1,000	5–10	0	70–75 FTE* 115–120	100	8,000	80–85	1,800
Matthew McClelland[3] Director of Fitness to Practise 2019–2020; Executive Director of Strategy and Insight 2020–2021	135–140	0	54,000	190–195	0	135–140	100	39,000	175–180	0
Ngozika Francesca Okosi Executive Director of People and Organisational Effectiveness from 19 October 2020	60–65 FYE** 130–135	0	3,000	60–65	0	0	0	0	0	0
Richard Sheldon Interim Director of Technology and Business Innovation To 2 September 2019	0	0	0	0	0	55–60 FYE 115–120	0	4,000	55–60	100
Tom Scott[1] Interim Executive Director of Professional Regulation From 8 February 2021	15–20 FYE 130–135	0	2,000	20–25	0	0	0	0	0	0
Geraldine Walters Director of Education, Standards and Policy 2019–2020; Executive Director of Professional Practice 2020–2021	160–165	0	13,000	175–180	100	155 160	200	13,000	170–175	3,900
Edward Welsh Director of External Affairs 2019–2020; Executive Director of Communications and Engagement 2020–2021	145–150	0	18,000	160–165	200	140–145	100	17,000	160–165	2,700
Totals[4]	**1,152**	**0**	**150,000**	**1,302**	**900**	**1,126.8**	**1,000**	**140,000**	**1,268.3**	**21,700**

[1]Emma Broadbent was on leave due to ill health from 11 January 2021. Tom Scott was engaged as interim Executive Director of Professional Regulation to cover Emma Broadbent's absence.

[2]Sarah Daniels was a member of the Executive team until 19 October 2020. Her post as Director of People and Organisational Development was made redundant as a result of the new NMC directorate structure, and she left the NMC on 22 January 2021. Her salary of £165–170k disclosed in table 2 includes salary of £100–£105k for the period to 22 January 2021 (a full year equivalent of £125–130k) and her exit package of £60–65k. Her exit package is also disclosed in table 5.

[3]Matthew McClelland is a member of the defined benefit scheme, and details of the value of his pension benefits in 2020–2021 are shown in table 3. His pension benefits shown above have been calculated as the real increase in his pension in the year multiplied by 20 less the value of employee contributions made. The other current directors are members of the defined contribution scheme, the value of their pension benefits are the employer contributions made by the NMC into their pension funds. *Full Time Equivalent (FTE) **Full Year Equivalent (FYE)

[4]Totals subject to rounding.

Table 3: Executive team defined benefit pension information

	Real increase in pension at age 60 (bands of £2,500) £'000	Accrued pension at age 60 at 31 Mar 2020 (bands of £5,000) £'000	Cash equivalent transfer value at 1 Apr 2020 £'000	Cash equivalent transfer value at 31 Mar 2021 £'000	Real increase in cash equivalent transfer value £'000
Matthew McClelland Director of Fitness to Practise 2019–2020; Executive Director of Strategy and Insight 2020–2021	0–2.5	15–20	467	543	66

Off payroll engagements and exit packages

In line with HM Treasury requirements, information must be published on highly paid and/or senior off payroll engagements at the year end, and the number and cost of exit packages agreed and paid during the year and the prior year. None of the Council or the Executive team are engaged off payroll. All off payroll engagements are assessed using the government employment status calculator to identify the correct method of engagement.

Table 4: Off payroll engagements

Off payroll engagements as of 31 March 2021, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2021	3
Of which:	
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	2
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
For all new off payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	1
Of which:	
Number assessed as within IR35	1
Number assessed as outside IR35	0
Number engaged directly and are on the payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 5: Exit packages

Year ended 31 March 2021				
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Number of departures where special payments have been made**
Less than £10,000	–	4	4	–
£10,001 – £25,000	1	–	1	–
£25,001 – £50,000	–	–	–	–
£50,001 – £100,000	1	–	1	
Total number of exit packages	**2**	**4**	**6**	**–**
Total cost £	**85,590**	**4,461**	**90,051**	**–**

Year ended 31 March 2020				
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Number of departures where special payments have been made**
Less than £10,000	–	8	8	–
£10,001 – £25,000	1	1	2	–
£25,001 – £50,000	–	1	1	–
Total number of exit packages	**1**	**10**	**11**	**–**
Total cost £	**14,915**	**87,071**	**101,986**	**–**

Remuneration and performance assessment of other employees

All employees have a six-month probation period on commencing employment and a notice period of one to three months depending on their grade.

The remuneration of all employees is reviewed annually taking into account a range of information including employee turnover, recruitment activity and retention trends, benchmarking data and overall affordability. Based on this information, the Council approved a standard rate increase in pay for all eligible employees of two percent with effect from 1 April 2020.

In 2019, the Council approved a three-year investment in grading and pay, including a new simplified grading structure. Evidence from benchmarking and high turnover rates had confirmed that our pay rates had fallen behind comparator organisations. The aim of the investment was to move colleagues towards the mid-point of their grade within three years, weighted most heavily to lower paid grades. For 2020–2021 we implemented a second stage of salary increases to move colleagues closer to the middle of their pay bands, effective from 1 April 2020.

For 2021–2022, the Council approved a standard rate increase in pay for all eligible employees of one percent with effect from 1 April 2021. The one percent increase has also been applied to the minimum and maximum values of each of the staff pay grades introduced in October 2019. The rate of increase took into account the current rate of inflation, expectations around the future rate of inflation, as well as benchmarking against market conditions in both the private and public sector.

We also implemented a third and final stage of salary increases to move colleagues towards the middle of their pay bands, again focusing on the lower paid grades, also effective from 1 April 2021.

Our performance and development review process operated as in previous years with annual objectives set for the coming year in May and reviewed in October and November. This process is not linked to pay.

Pension arrangements

Our main pension scheme is a defined contribution pension scheme. The minimum contribution level is that employees contribute one percent of their salary and the NMC contributes eight percent (2019–2020: eight percent). The NMC matches additional employee contributions up to a maximum of 12 percent employer contributions. From 1 April 2021 this will be increased to a maximum of 14 percent employer contributions. We are also introducing the opportunity for employees to contribute to the defined contribution pension scheme by salary sacrifice as of 1 April 2021. At 31 March 2021, 833 employees (84.3 percent) were members of the defined contribution scheme (31 March 2020: 719, 84.5 percent).

Employees who joined the NMC before November 2013 were able to join a defined benefit pension scheme. The scheme was closed to employees joining the NMC after 1 November 2013. Members of the defined benefit scheme make a contribution of six percent of salary. The employer's contribution during 2020–2021 was 37.9 percent (2019–2020: 39.3 percent), as set by the Scheme Actuary. At 31 March 2021, 89 employees (nine percent) were members of the defined benefit scheme (31 March 2020: 94, 11 percent).

On 23 March 2021, following a consultation, the Council agreed to close the defined benefit pension scheme to future accrual with effect from 1 July 2021. The Council made the decision to achieve the objectives of harmonisation of benefits for all colleagues, reducing the NMC's exposure to financial risk and being able to redirect costs to other expenditure.

Further information about remuneration and pensions is contained in notes 9 and 18 to the accounts.

NMC grading structure and pay differentials

Table 6: Employees by grade and gender at 31 March 2021

	Male		Female	
Pay level	% of colleagues	No of colleagues	% of colleagues	No of colleagues
1–4	14.6%	144	32.7%	323
5–7	15.1%	149	25.2%	249
8–11	4.0%	40	7.6%	75
Executive Director	0.4%	4	0.3%	3
CEO	0.0%	0	0.1%	1
Total employees	**34.1%**	**337**	**65.9%**	**651**

Table 7: Employees by grade and ethnicity at 31 March 2021

	White		BME		Unknown	
Pay level	% of colleagues	No of colleagues	% of colleagues	No of colleagues	% of colleagues	No of colleagues
1–4	18.0%	178	24.7%	244	4.6%	45
5–7	22.6%	223	12.3%	122	5.4%	53
8–11	8.3%	82	2.2%	22	1.1%	11
Executive Director	0.6%	6	0.1%	1	0.0%	0
CEO	0.1%	1	0.0%	0	0.0%	0
Total employees	**49.6%**	**490**	**39.4%**	**389**	**11.0%**	**109**

The highest paid permanent employee in the NMC at 31 March 2021 is Andrea Sutcliffe, Chief Executive and Registrar and we have used her salary as the comparator when calculating the differential to the median remuneration of NMC employees. Andrea Sutcliffe's remuneration was 4.61 times the median remuneration of NMC employees, which was £38,000.

In 2019–2020, Andrea Sutcliffe's remuneration was 4.86 times the median remuneration of NMC employees, which was £35,983. Remuneration in this calculation is based on annualised, full-time equivalent remuneration of all staff (not including contractor and agency staff) as at the reporting date. It does not include paid annual leave, employer pension contributions or the cash equivalent transfer value of pensions.

Gender pay gap

Our median pay gap for 2021 was 8.3 percent (2020: nine percent) and the mean pay gap was 4.9 percent. (2020: 3.4 percent)

The negative change in our mean pay gap is due to a three percent increase in female employees working in lower middle pay grades. The median pay gap has been positively impacted, reducing by 0.7 percent. This decrease has been driven by the progress on our reward strategy.

Despite the slight increase in the mean pay gap, our gender pay gaps are still significantly smaller than the national averages (NMC mean: 4.9 percent, national mean: 16.6 percent; NMC median: 8.3 percent, national median: 16.5 percent). We will actively work to reduce our gap as we implement our People plan.

Further detail will be published later this year in our fifth annual Gender Pay report.

Ethnicity pay gap

We are reporting on our ethnicity pay gap for the second time in 2021.

Our mean pay gap for 2021 was 23.7 percent (2020: 28.7 percent) and the median pay gap was 27.1 percent. (2020: 27.1 percent)

Our analysis is that this pay gap is not due to unequal pay for similar roles. Overall, 39 percent of employees in the NMC are from Black and minority ethnic backgrounds. Our pay gaps are caused by the fact that many colleagues from Black and minority ethnic backgrounds are in junior grades in the organisation and are under-represented in senior roles. However, we did increase Black and minority ethnic representation in our upper quartile pay grades by three percent in 2020–2021.

We are committed to addressing representation of Black and minority ethnic employees in senior roles in the organisation. We are committed to taking meaningful action and have already taken some important steps based on what we have learned. This includes reviewing our EDI priorities, recruiting additional resource into our EDI function and ensuring accountability for race equality is embedded across all the NMC's work areas. We have a specific action plan in development to improve outcomes, using the NHS Workplace Race Equality Standard (WRES) and have committed to using the WRES survey as an ongoing benchmark. We have launched an inclusive mentoring scheme for colleagues from minority ethnic backgrounds, reviewed our EDI training to include 'lived experiences' and started to address issues of race and equality through our leadership development programme.

Disability pay gap

We are reporting on our disability pay gap for the second time in 2021.

Our median pay gap for 2021 was -9.8 percent (2020: -10.5 percent) and the mean pay gap was -3.4 percent (2020: -2.6 percent). Our disability pay gap report shows that employees who have declared a disability are on average paid more than employees who have not declared disabilities. There is representation of disabled colleagues throughout most of our pay levels.

However, only 5.4 percent of colleagues have declared a disability. The Office of National Statistics states that in 2018, 18.9 percent of the UK working population was disabled. Under-reporting is therefore likely to be an issue. In 2020–2021, we have supported and encouraged employees to disclose disabilities and as result have seen the percentage of colleagues disclosing increase by 1.6 percent. In 2021–2022 we will work further with Workaround, our employee network for colleagues with disabilities, to ensure people are confident to disclose their disabilities and to improve our processes and capabilities to support disabled colleagues better.

Employee sickness and turnover

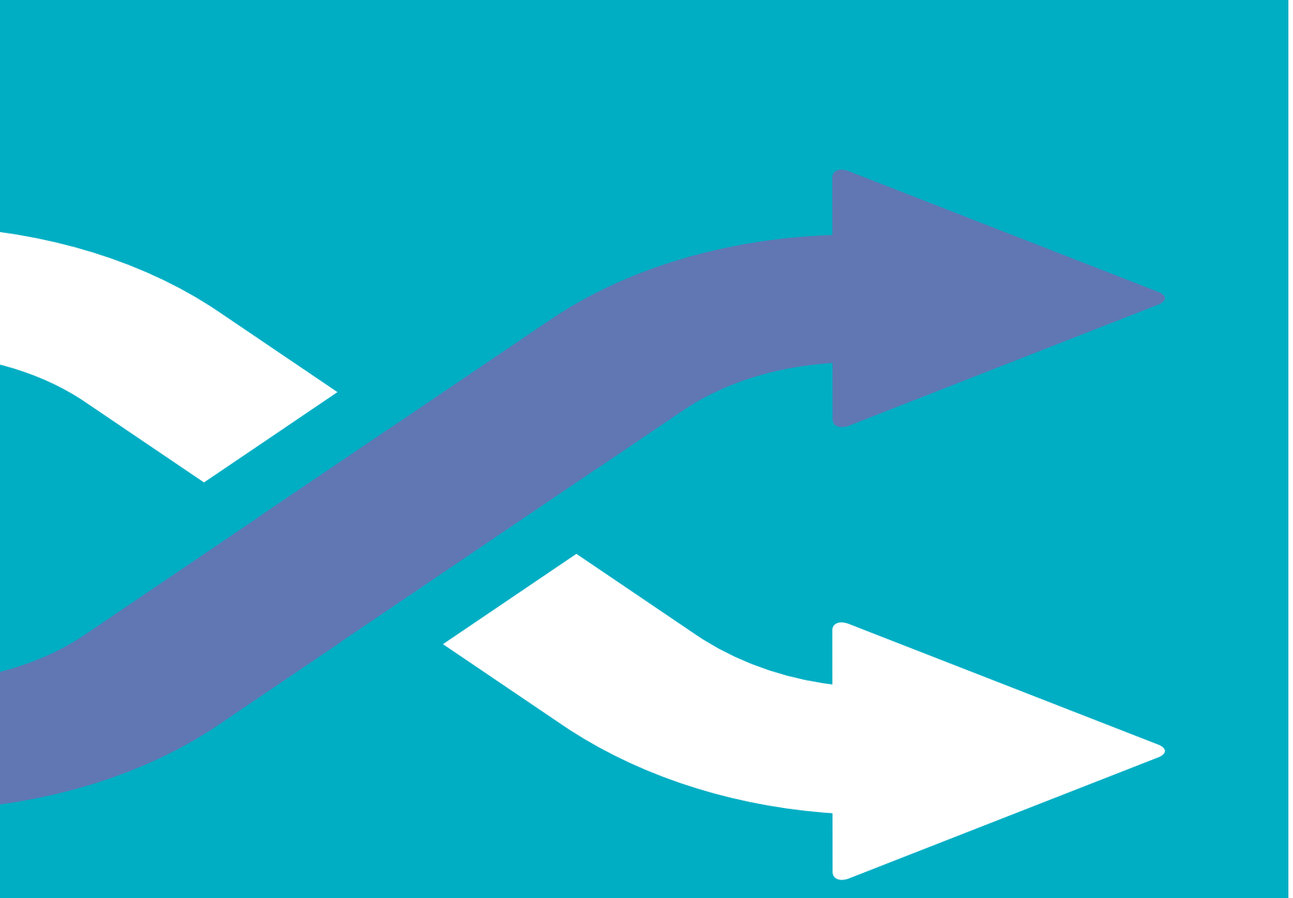
Employee sickness and turnover is reported in the 'organisational and people development' section of the performance review. While we are pleased to note that both indicators have improved significantly over the year – particularly turnover which has fallen to 5.6 percent from 13.5 percent – we acknowledge that job and financial security during Covid-19 was a key driver for retention as well as other factors. As restrictions ease further in 2021–2022, in common with other organisations, we expect to see an increase in turnover.

Sir David Warren
Chair
9 July 2021

Andrea Sutcliffe
Chief Executive and Registrar
9 July 2021

Statement of the responsibilities

of the Council and of the Chief Executive and Registrar in respect of the accounts



Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts

The Nursing and Midwifery Order 2001 requires that annual accounts are prepared and audited. The Council and its Chief Executive and Registrar (as Accounting Officer) are responsible for the preparation and approval of the accounts.

The accounts are prepared in accordance with the determination received from the Privy Council which requires the accounts to be prepared in accordance with the Charities Statement of Recommended Practice Accounting and Reporting (SORP) revised 2015 and that the accounts also comply with the applicable law and Accounting Standards issued (Appendix 1).

The law applicable to charities registered in England and Wales and Scotland requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of the charity's affairs and of its net movement in funds for that period. In preparing these accounts they are required to:

- observe the applicable accounts determination issued by the Privy Council
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates on a reasonable basis
- prepare the accounts on a going concern basis unless it is inappropriate to presume the Council will continue in operation
- state whether applicable accounting standards have been followed, and
- disclose and explain any material departures in the financial statements.

The Council and its Chief Executive and Registrar are responsible for the keeping of proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Council and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Nursing and Midwifery Order 2001. They are also responsible for safeguarding the assets of the Council and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

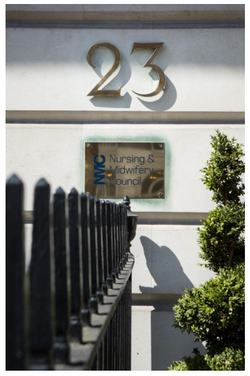
The Privy Council has appointed the Chief Executive and Registrar as Accounting Officer for the Nursing and Midwifery Council. In her capacity as Accounting Officer she is responsible for the execution of the Council's obligations under section 52 of the Nursing and Midwifery Order (as amended). In doing so, she is asked to take into account the principles set out in Chapter 3 relating to the responsibilities of Accounting Officers and wider guidance contained in Managing Public Money (HM Treasury, 2013, with annexes revised March 2018).

So far as we know, there is no relevant audit information of which the NMC's auditors are unaware. We have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the NMC's auditors are aware of that information. The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Principal place of business

The NMC works across England, Northern Ireland, Scotland, and Wales. Its principal place of business is:

23 Portland Place
London W1B 1PZ



Advisers

Independent External Auditor

Haysmacintyre LLP Chartered Accountants, 10 Queen Street Place London EC4R 1AG

Statutory Auditor

Comptroller and Auditor General, National Audit Office, 157–197 Buckingham Palace Road, Victoria, London SW1W 9SP

Bankers

HSBC Bank Plc, Space One, Floor 2, 1 Beadon Road, London W6 0EA

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Internal Auditor

RSM Risk Assurance Services LLP, 25 Farringdon Street, London EC4A 4AB

Solicitors

Capsticks Solicitors LLP, 1 St Georges Road, London SW19 4DR

Mills & Reeve LLP, 24 King William Street, London EC4R 9AT

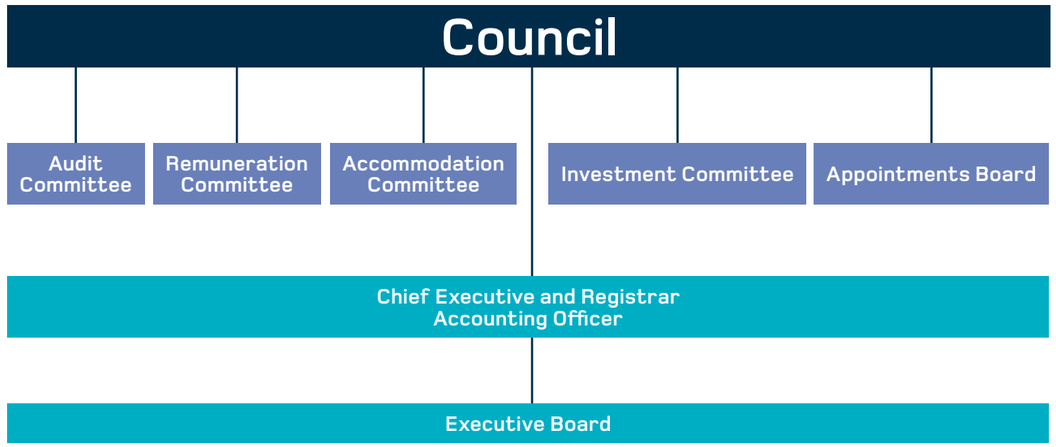
Addleshaw Goddard LLP, 60 Chiswell Street, London EC1Y 4AG

Trowers & Hamlins LLP, 3 Bunhill Row, London EC1Y 8YZ

Annual governance statement

We are an independent statutory body. Our powers and responsibilities are set out in legislation.[1] We are also a registered charity.[2] Our charitable object is to protect and safeguard the health and wellbeing of the public.

The Council takes account of Charity Commission and Office of the Scottish Charity Regulator (OSCR) guidance in making decisions and throughout this report we explain how our work demonstrates public benefit.



[1]SI 2002/253 The Nursing and Midwifery Order 2001 (as amended) (the Order)
[2]Registered in England and Wales (number 1091434) and in Scotland (number SC038362)

The Council

The Council is our governing body and the Council members are the charity trustees. Members of the Council are collectively responsible for ensuring that the NMC is solvent, well-run and delivers public benefit.

The Council's remit is to (a) set our strategic direction and corporate objectives, in line with our core purpose; (b) ensure effective systems are in place for managing performance and risk; and (c) maintain probity in, and public accountability for, the exercise of our functions and the use of funds. Our Scheme of Delegation sets out which matters can only be decided by the Council.

The Council is made up of 12 members of which half must be professionals on our register and half are lay members.[3] Lay members are those who have never been a registered nurse, midwife or nursing associate. As a UK-wide regulator, the Council's membership must include at least one member who lives or works wholly or mainly in each of England, Wales, Scotland and Northern Ireland.

The Chair and members of the Council are appointed by the Privy Council, following open and competitive selection processes. The Privy Council receives assurance from the Professional Standards Authority for Health and Social Care (PSA) on the robustness of our appointment or reappointment process.

We carried out a selection process in 2019–2020 for four new Council members. The new members were originally expected to take up office on 1 May 2020 to replace four Council members whose terms were due to end on 30 April 2020. Owing to the Covid-19 pandemic, the Privy Council, on our recommendation, deferred the appointment of the new Council members to take effect on 1 October 2020. **These members are listed below:**

- Eileen McEneaney (registrant)
- Dr Lynne Wigens (registrant)
- Anna Walker (lay)
- Sue Whelan Tracy (lay)

[3] SI 2012/2745 Nursing and Midwifery Council (Constitution) (Amendment) Order 2012

To provide consistency during the interim period, the Privy Council extended the terms of the Council members who were due to depart the Council at the end of April 2020 to September 2020.
In accordance with this decision, the following members departed Council on 30 September 2020:

- Maura Devlin (registrant)
- Lorna Tinsley (registrant)
- Stephen Thornton (lay)
- Dr Anne Wright (lay)

The following Council members were reappointed for a second term from 1 May 2020:

- Ruth Walker (registrant)
- Sir Hugh Bayley (lay)
- Derek Pretty (lay)
- Marta Phillips (lay)

We carried out a selection process in 2020 for a new Council member for Scotland. The Privy Council appointed Justine Craig to take office on 1 May 2021, succeeding the former Council member for Scotland, Robert Parry, whose term ended on 30 April 2021.

Sadly, the Chair of Council, Philip Graf, was taken seriously ill in September 2020. In accordance with legislative requirements and Standing Orders (paragraph 3.3.2), the Council nominated Karen Cox as Deputy Chair, to serve as Acting Chair in his absence. The Chair resigned his office on 31 December 2020 due to continuing serious ill health. The Council reviewed the arrangements in place on 1 December 2020 and agreed that Karen Cox would continue to serve as Acting Chair until a new Chair could be appointed. The Acting Chair has drawn on the support of the entire Council in fulfilling their duties, particularly from the Vice-Chairs, Derek Pretty and Robert Parry. The Council oversaw a selection process for a new Chair of Council. The Privy Council appointed Sir David Warren KCMG to take office from 21 June 2021.

Council Associate scheme

In July 2020, the Council established an Associate scheme (Standing Orders, paragraph 3.7). Under the scheme, the Council can appoint Associates as necessary to support the work of the Council, either as a developmental opportunity or to bring specific expertise or experience to the Council's work, as determined by the Chair. Associates are involved in all aspects of the Council's work in a similar way to appointed Council members, but do not vote on Council decisions.

The Council decided to introduce the scheme in response to challenges previously experienced in identifying candidates suitable to recommend for appointment across the diversity of our registrant base. Often this was because, though exceptional professionals, applicants lacked Board level exposure, or had not had the opportunity to develop the strategic skills needed to serve on a UK-wide body, such as the Council. We wanted to play our part in developing the talent base by identifying those with potential to become health and care Board or Council members of the future.

Following an open, competitive process, the first two Associates were appointed from 1 January 2021 for a two-year period (the maximum term permitted under Standing Orders):

- Dr Gloria Rowland MBE (registrant)
- Tracey MacCormack (registrant)

Council attendance 1 April 2020 to 31 March 2021

Council and Associate membership and attendance during 2020–2021 is set out below:

Member	Number of sessions attended*	Number of sessions eligible to attend*	% of sessions attended
Philip Graf CBE (Chair) (to 31 December 2020)	8	8	100%
Sir Hugh Bayley	15	15	100%
Professor Karen Cox (Deputy Chair from 5 October 2020)	15	15	100%
Claire Johnston	15	15	100%
Robert Parry	15	15	100%
Derek Pretty	15	15	100%
Marta Phillips OBE	12.5	15	83%
Ruth Walker MBE	15	15	100%
Maura Devlin MBE (to 30 September 2020)	7	8	87%
Stephen Thornton CBE (to 30 September 2020)	6	8	75%
Lorna Tinsley (to 30 September 2020)	8	8	100%
Dr Anne Wright CBE (to 30 September 2020)	8	8	100%
Eileen McEneaney MBE (appointed 1 October 2020)	7	7	100%
Dr Lynne Wigens OBE (appointed 1 October 2020)	7	7	100%
Anna Walker CB (appointed 1 October 2020)	7	7	100%
Sue Whelan Tracy (appointed 1 October 2020)	5	7	71%
Associate			
Dr Gloria Rowland MBE (appointed 1 January 2021)	5	5	100%
Tracey MacCormack (appointed 1 January 2021)	5	5	100%

*Includes Open and Confidential meetings

The Council holds both Open meetings, which members of the public can attend, and private Confidential meetings. The Council seeks to conduct as much business as possible in the Open meetings: business that can be conducted in Confidential meetings is prescribed by the Standing Orders (paragraph 5.2.5).

Due to the Covid-19 pandemic, since March 2020 Council seminars and meetings have been held virtually, as allowed for within Standing Orders. All Open meetings have been held virtually in a way that ensured members of the public could continue to be present and have the opportunity to raise questions. All changes were undertaken with regard to the Charity Commission Covid-19 guidance.

In March 2020, to enable us to respond proportionately to the Covid-19 emergency, the Council approved the Nursing and Midwifery Council (Emergency Procedures) (Amendment) Rules 2020 and subsequently in July 2020 approved the Nursing and Midwifery Council (Coronavirus) (Amendment) (No 2) Rules 2020. The response enabled by these Rules is detailed in the performance review section of the report.

Recognising that the severity and impact of the Covid-19 pandemic might require decisions to be taken at speed, in March 2020 the Council agreed arrangements for rapid decision-making, with appropriate safeguards. The Council authorised the Chief Executive and Registrar, with the agreement of the Chair, to add any additional groups of suitable people to the temporary register and to take any other action necessary to implement the emergency measures agreed by the Council. The Council agreed that, wherever possible, the Chair should consult Council members in advance before signalling agreement to a proposal from the Chief Executive and Registrar. In all circumstances, the Chief Executive and Registrar would inform Council members of all emergency decisions within 24 hours of being made.

In 2020–2021, a number of emergency decisions were approved by the Chair or Acting Chair in line with the arrangements set out above. In all but three cases, Council members were consulted in advance and discussion sessions were held by videoconference. There were three instances where, due to the urgency of the matter, the Council was not consulted in advance but was subsequently informed within 24 hours of the decision being made. All Chair's or Deputy Chair's Actions were published in Open Council papers.

In addition to formal meetings, Council members also attend monthly seminars, hold videoconferences and participate in a wide range of other activities. These include attending consultation workshops and events with the public, people using health and care services, professionals and NMC colleagues. These activities help ensure Council members have the insight they need to hold the Executive to account and make informed decisions. In 2020–2021, given the pandemic, these events and activities were held virtually.

Effectiveness of governance

We are committed to high standards of governance. Our practice complies with the Cabinet Office Corporate Governance Code of Good Practice for central government departments to the extent that it is applicable. We also strive to meet the principles and recommended practice contained in the Charity Governance Code and the NCVO Charity Ethical Principles. The Council conducts its business in accordance with the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Council members receive a full induction on appointment and undertake individual appraisals annually. These inform future individual and collective development, as well as consideration of reappointments. Induction sessions and appraisals have all been held virtually during 2020–2021.

The Council undertakes regular reviews of its own effectiveness. In accordance with good governance, an external independent review of governance takes place regularly, with the last review taking place in 2019. The review found that our approach to governance is robust and detailed, with a number of aspects of good governance in evidence. Some practical and logistical suggestions for strengthening current arrangements were made and have been implemented, including through some minor amendments to the Council Standing Orders and Scheme of Delegation, such as amendments to financial regulations and authorisation levels.

In autumn 2020, the Council and Executive team held a virtual development day to explore and strengthen ways of working.

Changes to our ways of working due to Covid-19 have helped identify further ways we can develop more agile, flexible, and responsive ways of working. For instance, undertaking meetings virtually during 2020–2021 has brought benefits, which we intend to embed in our processes as restrictions ease. In particular, we are keen to ensure our Open meetings continue to be as accessible as possible for members of the public across the UK.

Council committees

The Council continues to have an Audit Committee, a Remuneration Committee, an Appointments Board, and an Investment Committee. In May 2020, the Council established an Accommodation Committee to oversee implementation of our Accommodation plan.

Appointment of Council members to the Audit, Remuneration, Investment and Accommodation Committees is governed by the Council's Standing Orders and Scheme of Delegation, together with a set of principles adopted by the Council in 2015. Council committee membership is reviewed regularly.

The remit, membership and attendance record for each Committee is set out below. Committees also made a number of decisions by correspondence outside of the meetings identified below.

Audit Committee

The remit of the Audit Committee is to support the Council and management by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. Key activities of the committee in 2020–2021 are summarised later in this statement.

The membership of the Committee and attendance for the period 1 April 2020 to 31 March 2021 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Marta Phillips OBE (Chair)	4	4	100%
Robert Parry	3	4	75%
Derek Pretty	4	4	100%
Eileen McEneaney MBE (appointed 1 October 2020)	2	2	100%
Sue Whelan Tracy (appointed 10 June 2020)*	2	3	66%

* attended as an ex officio member (in capacity as a designate Council member) from 10 June to 30 September 2020, and from 1 October 2020 as a Council member.

Remuneration Committee

The remit of the Remuneration Committee is to ensure that there are appropriate systems in place for remuneration and succession planning. In 2020–2021, key activities included scrutinising the Chair recruitment process; considering proposals relating to the Defined Benefit Pension Scheme and employee duty of care arrangements; and the annual staff and Executive pay review.

The membership of the Committee and attendance for the period 1 April 2020 to 31 March 2021 are shown below:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Professor Karen Cox (Chair until 30 September 2020)	3	3	100%
Sir Hugh Bayley	6	6	100%
Maura Devlin MBE (to 30 September 2020)	3	3	100%
Ruth Walker MBE (Chair from 1 October 2020)	5	6	83%
Dr Lynne Wigens OBE (appointed 1 October 2020)	2	3	66%
Anna Walker CB (appointed 1 October 2020)	3	3	100%

Investment Committee

The remit of the Investment Committee is to oversee implementation of the Council's investment strategy and monitor the Council's investment portfolio. In 2020–2021, key activities included reviewing the ethical dimension of our investment policy and ensuring investment risks due to Covid-19 were effectively mitigated.

The membership of the Committee and attendance for the period 1 April 2020 to 31 March 2021 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Derek Pretty (Chair)	3	3	100%
Thomasina Findlay	3	3	100%
Nick McLeod-Clarke	3	3	100%
Stephen Thornton CBE (to 30 September 2020)	1	1	100%
Claire Johnston	3	3	100%
Sue Whelan Tracy (appointed 1 October 2020)	2	2	100%

Accommodation Committee

The Accommodation Committee was established by Council in May 2020 to oversee implementation of the Council's Accommodation plan within the financial and other parameters set by the Council.

In 2020–2021, key activities included reviewing and recommending the organisational Accommodation plan to the Council; scrutinising business cases and leasing of new office premises in Edinburgh and refurbishment of our main London building.

The membership of the Committee and attendance for the period 20 May 2020 to 31 March 2021 were as follows:

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Philip Graf CBE (to 31 December 2020) (Chair)	2	2	100%
Derek Pretty (Chair from 1 January 2021)	3	3	100%
Robert Parry	3	3	100%
Anna Walker CB*	3	3	100%
Dr Lynne Wigens OBE (appointed 1 October 2020)	1	1	100%

* Attended as an ex officio member (in capacity as a designate Council member) until 30 September 2020, and from 1 October 2020 as a Council member.

Appointments Board

The Appointments Board is made up entirely of non-Council (partner) members, appointed following open competitive recruitment processes. Angie Loveless and Clare Salters were reappointed to serve a second term from 1 March 2021. Jane Slatter has been reappointed to serve a second term as Chair of the Appointments Board from 6 August 2021. Robert Allan has been reappointed to serve a second term from 1 October 2021.

The remit of the Appointments Board is to assist the Council in connection with the exercise of any function relating to the appointment of Panel members and Legal Assessors to the Practice Committees (the Investigating Committee and the Fitness to Practise Committee). The Board's remit was extended by the Council in May 2020 to include Registration Appeal Panel members.

In line with the power granted by the emergency rules established in March 2020, the Council accepted the Board's recommendations to extend the second term of appointment of a cohort of Panel members. This was one of two decisions undertaken by the Board by correspondence.

Other key activities in 2020–2021 included the appointment and reappointment of Panel members; approval of the Panel member training programme for 2021–2022; a review of the diversity of Panel members and preparation for a selection process for new Panel members to run from March 2021.

The membership of the Committee and attendance for the period 1 April 2020 to 31 March 2021 is set out below.

Member	Number of sessions attended	Number of sessions eligible to attend	% of sessions attended
Jane Slatter (Chair)	3	3	100%
Robert Allan	3	3	100%
Angie Loveless	3	3	100%
Frederick Psyk	3	3	100%
Clare Salters	3	3	100%

Role of the Executive

The Chief Executive and Registrar is appointed by, and accountable to, the Council. The Chief Executive and Registrar's role is to lead and manage the NMC's regulatory, professional, business and financial affairs within the strategic framework established by the Council.

As the Accounting Officer, the Chief Executive and Registrar has personal responsibility for matters relating to financial propriety and regularity; keeping proper account of financial affairs; avoidance of waste and extravagance; and the effective use of resources.

The Executive Board is the key management decision-making body. The Board's membership comprises the Chief Executive and Registrar and all directors. General Counsel also attends. The Board works with the Chief Executive and Registrar and provides assurances to the Council through: developing and implementing strategies, policies, business plans and budgets; ensuring effective and efficient use of resources, finance and people; and identifying and managing risk.

We established a Gold and Silver Command structure to respond rapidly to the challenges of the Covid-19 pandemic, with both groups meeting daily initially and then weekly, as required. This approach was highly effective at managing the rapidly changing situation. Learning from this approach, the Executive Board reviewed and revised its terms of reference and moved to weekly meetings from January 2021.

Professional Standards Authority oversight

The Professional Standards Authority (PSA) oversees and reports to Parliament on our work, as well as other health and care professional regulators.

In late March 2021, the PSA published its annual review of our performance for 2019–2020. The PSA has revised the Standards of Good Regulation used to assess regulators' performance annually, including introducing a new set of General Standards. This was the first performance review which used the new set of Standards.

The PSA found that we had met 17 of the 18 Standards of Good Regulation. The Standard we did not meet was in relation to fitness to practise:

- The regulator's process for examining and investigating cases is fair, proportionate, deals with cases as quickly as is consistent with a fair resolution of the case and ensures that appropriate evidence is available to support decision-makers to reach a fair decision that protects the public at each stage of the process (Standard 15).

We did not meet Standard 15 because we are taking longer to progress cases through our fitness to practise process and to reach final conclusions on cases. The PSA also questioned our approach to making some final adjudication decisions on cases at a meeting rather than a public hearing.

This outcome represents an improvement from the outcome of our 2018–2019 performance review, which found that we did not meet two of the Standards of Good Regulation in relation to fitness to practise, including the one above.

The PSA recognised the improvements we have made since last year's performance review, and included some positive reflections on our temporary register and the speed with which it was set up. We continue to be committed to learning from the PSA's reviews of our performance.

Performance monitoring and data quality

We have aligned our corporate plan and budget to our 2020–2025 Strategy. The Council monitors our progress against our corporate plan and budget through quarterly performance reports presented at public meetings. These reports provide updates against our corporate comments, key performance indicators (KPIs), our budget and investments, and corporate risk exposure. In collaboration with the Executive, the Council decides what performance information and data it wants to review so it can make effective decisions about our performance and risk exposure. The Council regularly considers the quality and content of performance reporting.

Risk management and internal control

The Council is responsible for establishing and maintaining a sound system of risk management and internal control. Our system of internal control is designed to manage, rather than eliminate, risk and provide reasonable assurance of effectiveness. The Audit Committee provides assurance to the Council about the operation of the system of internal control and risk management. The Council considers corporate risk on a quarterly basis at Open meetings.

The Chief Executive and Registrar is responsible for ensuring an effective system of risk management and internal control and, together with the directors, for ensuring that this system is implemented across the organisation. They are responsible, with the directors, for identifying and evaluating risks, putting in place appropriate mitigations and monitoring and reporting progress. The Executive Board reviews corporate risks monthly.

The Council reviewed and approved an updated risk management framework in January 2021 on the recommendation of the Audit Committee. The framework was updated as part of our risk improvement work (which we started in 2019) to restate key roles and responsibilities, to clarify our risk management procedure, and to confirm our escalation procedure. The framework provides the foundations for our risk education programme for colleagues that began in 2020, and continues to be developed and implemented.

In 2021–2022 we will design a framework of risk assurance, which draws together insights from across all our sources of assurance.

Assurance

Our system of internal control includes:

- a wide-ranging programme of training, induction, appraisals and coaching to ensure our colleagues have the right skills, values and experience for their roles
- widespread monitoring and reporting to track our performance, risk exposure, quality, data, and budget forecasts
- detailed schemes of delegation for decision making
- internal control mechanisms such as documented policies and standard operating procedures, service level agreements, restricted access on systems, segregated duties, management information, regular quality checking, incident reporting, and business continuity planning
- established processes for learning such as customer complaints, serious event reviews, internal and external audits, quality assurance reviews, and learning logs
- planning mechanisms such as business plans, programme and project business cases, personal objectives, and improvement plans.

Annual governance statement

The Executive Board is responsible for:

- ensuring that the annual internal audit work plan and other internal quality assurance work are complementary and focused on areas of potential internal control weakness
- reviewing the performance of our strategic change portfolio alongside our corporate risk register every month
- undertaking an annual assessment of the effectiveness of risk management and internal control arrangements for each directorate.

We undertake an annual review of the effectiveness of our internal control environment and risk management. The 2020–2021 review concluded that we have reasonable assurance that our internal control environment operates adequately at corporate and directorate level.

Further work is needed to strengthen and standardise our approach across all our directorates based on our updated risk management framework. In 2021–2022, directorates will be supported to further develop their understanding of their risk management responsibilities, as well as standardising their risk and internal control measures.

Key issues and risks

Covid–19 pandemic

When the Council approved the strategy for 2020–2025 and the corporate plan for 2020–2021, it recognised that the Covid-19 pandemic would impact the pace at which we would be able to take forward our ambitions and require us to reprioritise some activities. This was reflected in our 2019–2020 Annual Governance Statement with the impact of the Covid-19 pandemic identified as a key issue for 2020–2021. In 2020–2021 we reprioritised our work to respond to the emergency, with the result that we paused or rescheduled a number of our corporate commitments for 2020–2021.
We also re-planned the timing of key activities within our five-year work programme.

Central to our decision-making was the need to ensure that we could regulate the professionals on our register safely and fairly while they practised in extraordinary circumstances while maintaining our capacity to deliver services virtually and protect NMC colleagues. As detailed in the performance review section of the report, we used the emergency powers granted to us to put in place several measures to support health and care sector workforce capacity.

We implemented our internal business continuity plans to take a range of actions to minimise disruption, including establishing a Gold and Silver structure; supporting all colleagues to work from home and enabling our contact centre to operate virtually; and strong internal and external engagement and communications to provide clear and concise advice.

The impact on our strategy will continue to be managed into 2021–2022, ensuring that our decisions and actions stay aligned to the needs of the sector as it recovers from the pandemic.

As for all organisations, Covid-19 presented a significant risk to the wellbeing of colleagues. We took a number of actions to ensure we supported wellbeing, such as providing Covid-secure premises for those who found it difficult to work from home; partnering with Thrive to provide access to a mental health support app; and promoting our Employee Assistance Programme to colleagues.

Against the backdrop of the Covid-19 pandemic, the organisation managed two key risks during 2020–2021:

Fitness to practise caseload

Replacing outdated ICT systems

Both these risks were anticipated in our 2019–2020 Annual Report and the mitigating actions identified helped to minimise the impact of these risks.

Fitness to practise caseload

Our fitness to practise caseload had been increasing before the pandemic. This was partly due to the impact of new, person-centred ways of working arising from our new, strategic approach to fitness to practise which were taking longer, and partly due to vacancies in key teams, such as screening and investigations. Although measures had been taken to address this, before the benefits had begun to impact, the outbreak of the pandemic exacerbated the situation.

We prioritised high-risk fitness to practise cases and paused investigations on other fitness to practise cases during the first wave of the pandemic. Even though we resumed all casework in July 2020 and in-person hearings in September 2020, the backlog continued to grow.

We recognise that addressing the backlog of fitness to practise cases is essential if we are to carry out our regulatory duties with the confidence of the public, those on our register and the wider health and social care sector. We understand the impact that delays in the progress of fitness to practise cases have on the health and wellbeing of everyone involved. We are determined to minimise these as far as possible while retaining the quality of our decision-making.

We developed a fitness to practise recovery and improvement programme in late 2020 to reduce the backlog and optimise our fitness to practise processes. We began implementing the programme in early 2021.

Mitigation in 2021–2022

We will continue to implement our fitness to practise recovery programme and monitor progress closely; it will remain the top priority during 2021–2022 and is one of our corporate plan commitments.

Due to uncertainty around the level of resource needed to bring the caseload back down to optimum levels, an updated budget for 2021–2022 will be brought to the Council for approval in September 2021, when the extent of the risk will be clearer.

Stability of our ICT infrastructure

Effective ICT is a core enabler for delivering our strategy and providing effective services for our stakeholders. Since August 2018, we have been undertaking a modernisation programme to ensure our technology is effective and fit for purpose.

In 2019–2020 and 2020–2021, budget overspends and delays within our modernisation programme impacted our ability to deliver this programme.

In 2020 we commissioned an external review to identify where we could improve our management of the programme. We are addressing the external review's recommendations for improvement, including careful planning of the next phase, clarification of scope, increasing cost management controls and strengthening of governance arrangements.

Planning for the next phase of the programme was completed and the Council approved the business case in January 2021. We continue to implement and embed the improvements recommended by the external review.

Mitigation in 2021–2022

Our continuing reliance on outdated legacy ICT systems remains a key risk in 2021–2022, which we will mitigate through further implementation of our modernisation programme.

In March 2021, Council approved additional investment in IT services to support this work as part of the corporate plan and budget for 2021–2022.

The Council will continue to receive regular reports on the progress of the programme in 2021–2022, including lessons learned, overall timetable and the achievement of key milestones.

Other risks

As well as these risk areas, our 2019–2020 Annual Report also identified regulatory reform and the UK's exit from the EU as areas of focus for risk management for 2020–2021. Although these remain important areas of focus, they have not been as significant as the other areas identified, in part due to the impact of our mitigating actions and, for regulatory reform, in part due to the government's timeframes for this work becoming clearer during the year. Further detail on our activity related to these areas can be found in the performance review section of the report.

Public interest disclosures (whistleblowing)

Our Whistleblowing policy encourages colleagues and others who work for, or with us, to speak up if they see something wrong. We review the policy regularly and have continued to raise awareness of the policy by promoting it through managers' briefings and other internal communications.

The Audit Committee receives a report on whistleblowing at every meeting. There were no occasions when people used the Whistleblowing policy to raise concerns in 2020–2021 (2019–2020: five).

Of the five concerns raised during 2019–2020, all were dealt with and closed by November 2020, and actions arising (from three of the concerns) were taken forward as part of wider pieces of work.

Most of the issues raised during 2019–2020 were a mixture of internal complaints, potential grievance matters and wider concerns about HR/people related issues. One, relating to potential inconsistent application of requirements for admission to the register, is being addressed through improvement to our guidance and information.

We undertook a review of our Whistleblowing policy, taking into consideration feedback received from previous training sessions. The updated policy was approved by the Audit Committee in November 2020 and shared with staff through internal communications. We ran a masterclass for key staff involved in whistleblowing in March 2021.

Safeguarding and protecting people

Our Safeguarding and Protecting People from Harm policy focuses both on the role of colleagues in identifying and managing external concerns they may become aware of and, internally, on protecting colleagues from abuse and harassment. We have underpinning guidance and a standard operating procedure for employees to follow. We report regularly on the operation of the policy to Council.

We rolled out more awareness-raising communications across the organisation in November 2020 to encourage understanding of our safeguarding process. As part of this, colleagues were encouraged to read the policy, guidance and a new standard operating procedure and to undertake the e-learning. We have also improved our recording of safeguarding concerns and our safeguarding lead received a monthly report during the year, which is a new process.

There was a notably higher number of safeguarding concerns identified this year: we recorded 52 this year compared to 14 in 2019–2020. Around 71 percent of the 52 concerns were related to people involved in our fitness to practise process. The fitness to practise process creates a lot of interaction between our employees and professionals on our register, members of the public and employers, which in turn presents many situations where we might identify safeguarding concerns.

We took appropriate action to address the 52 concerns. Some of these responses included providing the person with appropriate support, while in other cases we were satisfied that the person already had support in place and signposted them to an appropriate charity or deemed no further action was required by us.

Annual governance statement

In 20 out of the 52 cases, we made a referral to an external body, such as the police or a local safeguarding authority, so they could make a more appropriate intervention. We deemed one case serious enough to report to the Charity Commission, in line with our obligations as a registered charity. It did not request any further action of us and had confidence that we were handling the matter appropriately.

We undertook an internal lessons learned review on the concern reported to the Charity Commission. The learning identified the need for additional training and guidance to support case teams in making decisions about safeguarding, contacting the police and in sharing safeguarding information sensitively. This learning is being incorporated into our corporate safeguarding action plan.

In August 2020, we produced a new Risk of suicide and self harm protocol for colleagues to follow in cases where individuals appeared to be at risk of self-harm. The protocol was tailored to Professional Regulation colleagues and processes, and managers were supported to discuss the protocol with their teams. We continue to raise awareness through internal communications, and will ensure the protocol becomes embedded in our processes.

615 employees have undertaken our safeguarding e-learning (299 as at March 2020). We did not run any additional face to face training in 2020–2021 as our focus had been diverted onto responding to the pandemic. In 2021–2022, we will run additional training and encourage everyone to complete the e-learning.

We know there is more we need to do to improve our safeguarding process. We started a quality assurance review in quarter four of 2020–2021 to assess how our safeguarding process is working. This will further clarify what we must do to improve, and these outcomes will feed into our corporate safeguarding action plan for 2021–2022.

Information governance and lapses in protective security

We continue to align our information security management to ISO 27001, the international information security standard.

Incidents are reported, managed and investigated in line with our Serious Event Reporting (SER) process through which learning and recommendations for improvement are identified.

The table below provides a breakdown of the number of information security incidents in 2020–2021, with 2019–2020 figures shown for comparative purposes. Of the 57 information security incidents recorded in 2020–2021, 44 were unauthorised disclosure of data (data breaches). We think it is likely that the reduction in the number of incidents compared to the previous year is due to a temporary reduction in the volume of fitness to practise casework at the start of the Covid-19 pandemic and to the change away from paper-based working while working from home during the pandemic. We will continue to monitor the number and types of incidents as the organisation returns to working in our offices.

	2020–2021	2019–2020
Critical	0	0
Major	0	2
Moderate	26	31
Minor	31	65
Total	**57**	**98**

In 2020–2021 we reported one personal data breach to the Information Commissioner's Office (ICO) (2019–2020: two). The ICO has not taken any regulatory action in relation to the breach.

Anti-fraud, bribery and corruption

No instances of actual or suspected fraud, bribery or corruption were detected in 2020–2021 (2019–2020: none). Antifraud and bribery training is mandatory for all new employees. Refresher training is undertaken by all colleagues every two years.

In 2020–2021 we implemented additional recruitment vetting processes for key roles where the risks of fraud, bribery and corruption are potentially higher, for example, within the finance team.

A gifts and hospitality policy is in place for Council members, partner members and colleagues, which supports good practice in this area. Regular reminders are issued about the importance of adhering to the policy. A register of all gifts and hospitality accepted or declined is maintained.

Modern slavery

No modern slavery issues were identified during the year (2019–2020: none).

In accordance with the requirements of the Modern Slavery Act 2015, we updated and published our Modern Slavery Statement in May 2021.

All colleagues have access to our modern slavery e-learning module, which raises awareness and understanding throughout the organisation.

We continue to embed our procurement policy, which is to make use of well-established national framework agreements wherever possible. Suppliers on these frameworks have been subject to rigorous due diligence checks. In addition, we have our own supplier assurance process in place which requires our suppliers to provide information related to their modern slavery position and which is risk assessed accordingly.

Internal incident reporting – Serious Event Reviews

Internally, we report any incidents or near misses where things have gone wrong. These are investigated under our Serious Events Review (SER) process to identify learning and to put in place measures to prevent recurrence. Themes and learning from SERs are reported to the Executive Board and Audit Committee meetings quarterly.

During 2020–2021, a total of 142 corporate incidents and near misses were reported (2019–2020: 179). Under our incident reporting process, we distinguish between Adverse Incidents (AIs) and Serious Events (SEs) based on the severity of the incident.

Incidents are clasified as AIs when they have a minimal impact on our organisation and our work, although they still provide valuable learning for us. We classify as SEs incidents that impact, actually or potentially, more seriously on our organisation and our work. Of the 142 corporate incidents reported in 2020–2021, 52 were classified as SEs (2019–2020: 49), while the remaining 90 were AIs (2019–2020: 130).

We have continued to make changes and improvements as a result of learning from complaints including strengthening process and managerial oversight. We are embedding changes to the SER process to provide for sharing of learning across the organisation.

Serious incident/notifiable event reporting

Issues which require reporting to the Charity Commission/OSCR are identified through a number of routes: including the Serious Event Review policy and process, and through the Whistleblowing; Anti-Fraud, Bribery and Corruption; and Safeguarding policies and processes. In accordance with Charity Commission/OSCR guidance, where we identify an issue permission is sought from the Council, as trustees, to report to the Charity Commission/OSCR, or if more urgent reporting is needed, permission is sought from the Chair or Acting Chair and Council informed at the earliest opportunity.

As indicated earlier, we reported one serious incident arising from a safeguarding matter to the Charity Commission in 2020–2021 (2019–2020: one). The Commission was satisfied that the Council was dealing with the matter appropriately and responsibly.

Annual governance statement

Audit Committee

Throughout the year, the Audit Committee has advised the Council on the strength of assurance available. The Committee has welcomed the attendance of the Internal Auditors, the External Auditors and the National Audit Office (NAO) at its meetings, and in keeping with good practice, has held private meetings with each at appropriate junctures during the year.

Matters addressed by the Committee included:

- ensuring our audit and risk processes are appropriately managed, mitigating and taking into account the impact of the Covid-19 pandemic
- reviewing the Annual Report and Accounts and the Annual Fitness to Practise Report, and recommending to the Council the approval of those reports. The Committee also reviewed the reports from the External Auditors and National Audit Office, and the Executive's responses to recommendations made by the auditors
- reviewing the accounting policies for the year to 31 March 2021
- reviewing risk management and assurance arrangements, including progress against the risk management improvement plan, which included the development of our risk management framework and risk assurance framework
- undertaking comprehensive reviews of the risks, mitigations and sources of assurance in relation to core work such as that of the General Counsel
- reviewing the adequacy of internal controls and related assurance. The Committee had close oversight of IT business resilience and increased its focus on the Modernisation of Technology Services programme. Given the importance and scale of this project, it was agreed that oversight of this work would be retained by the Council from February 2021 onwards
- reviewing work undertaken on assurance mapping our fitness to practise processes against the PSA's Standards of Good Regulation and the recommendations of the PSA's Lessons Learned Review
- considering proposed revisions to the Financial Regulations for approval by the Council
- approving the internal audit work plan for 2020–2021, reviewing internal audit report outcomes and overseeing action to progress closure of outstanding internal audit recommendations
- reviewing the tender processes for internal and external auditors
- reviewing serious events and data breaches, to ensure organisational sharing and implementation of learning to prevent recurrence
- reviewing single tender actions and seeking assurance that proper procurement processes are being adhered to by the Executive and that any single tender actions are justifiable
- monitoring the implementation and use of the internal Whistleblowing and Anti-Fraud, Bribery, and Corruption policies to be assured that any issues raised are comprehensively investigated and any action and learning is taken forward.

Internal audit annual opinion 2020–2021

Ten internal audit assignments, including those previously referenced, were conducted during the year in accordance with the programme agreed by the Audit Committee. All internal audit recommendations were accepted and have either been addressed or are being implemented, with regular updates to the Audit Committee. Internal audit also assured the implementation of recommendations from audits. Other than six medium and low priority actions, all recommendations from audits where action has fallen due in the period have been implemented. The follow-up of recommended actions from previous years also highlighted good progress in implementing these agreed actions.

Annual governance statement

The Head of Internal Audit's annual opinion is that:

> The organisation has an adequate and **effective framework** for risk management, governance and internal control.

"However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

Key challenges highlighted for the future were: ongoing development in the People and Organisational Effectiveness directorate which was established in 2020–2021; and the continuing impact of Covid-19 relating to regulatory duties, to NMC colleagues and to operations, such as the fitness to practise backlog.

Overall assessment of effectiveness of governance and assurance

As Chair of the Council and Accounting Officer, we have reviewed the effectiveness of governance, risk management and internal controls.

In reaching our assessment, we have relied upon a range of evidence, including the opinion and report of the Head of Internal Audit; the corporate assessment of the quality of controls and assurance in place in directorates and the annual review of the effectiveness of risk management. We have also relied on the Opinion and Audit Findings Report of our external auditors; and the Audit Completion Report and Management Letter of the National Audit Office.

Overall, we consider that there is reasonable assurance that there are adequate arrangements in place for governance, risk management and control. We recognise the need to address and strengthen our controls in relation to our Learning and Development and Retention processes, and to maintain a high level of scrutiny over the recovery of our fitness to practise caseload and the progression of the Modernisation of Technology Services programme.

Sir David Warren
Chair
9 July 2021

Andrea Sutcliffe
Chief Executive and Registrar
9 July 2021

Annual governance statement

Independent auditor's report



Independent auditor's report to the trustees of The Nursing and Midwifery Council

Opinion

We have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial

statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts and strategic plan. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and Accounts.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees (Council) for the financial statements

As explained more fully in the Statement of the responsibilities of the Council, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity, or have no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission and the Professional Standards Authority for Health and Social Care, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, and the Statement of Recommended Practice for Charities (SORP).

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential posting of inappropriate journal entries and management bias in certain areas of management estimate.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor
12 July 2021

10 Queen Street Place
London
EC4R 1AG

Independent auditor's report

The Certificate and Report

of the Comptroller and Auditor General to the Houses of Parliament



Opinion on financial statements

I certify that I have audited the financial statements of the Nursing and Midwifery Council for the year ended 31 March 2021 under the Nursing and Midwifery Order 2001. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the Nursing and Midwifery Council's affairs as at 31 March 2021 and of its net income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Nursing and Midwifery Order 2001 and the determination of the Privy Council issued thereunder; and
- have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, the Charities Act 2011 and determination of the Privy Council issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Nursing and Midwifery Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Nursing and Midwifery Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Nursing and Midwifery Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Council and of the Chief Executive and Registrar with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereon. The Council and the Chief Executive and Registrar are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with the determination made by the Privy Council under the Nursing and Midwifery Order 2001; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Nursing and Midwifery Council and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report.

Certificate and Report

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Council and of the Chief Executive and Registrar

As explained more fully in the Statement of the responsibilities of the Council and of the Chief Executive and Registrar in respect of the accounts, the Council and its Chief Executive and Registrar are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Council and its Chief Executive and Registrar determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- assessing the Nursing and Midwifery Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council and its Chief Executive and Registrar either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Nursing and Midwifery Order 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to the Nursing and Midwifery Council's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Nursing and Midwifery Council's controls relating to the Nursing and Midwifery Order 2001, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Modern Slavery Act 2015.

- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, and posting of unusual journals; and
- obtaining an understanding of the Nursing and Midwifery Council's framework of authority as well as other legal and regulatory frameworks that the Nursing and Midwifery Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Nursing and Midwifery Council. The key laws and regulations I considered in this context included the Nursing and Midwifery Order 2001 and Accounts Direction issued thereunder, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Modern Slavery Act 2015, and Employment Law.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- inspecting correspondence with regulators and tax authorities;
- reading minutes of meetings of those charged with governance and the Council;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in addressing our assurance over regularity, considering any special payments made in year, any off payroll arrangements, review of Council and Audit Committee papers and minutes and an overall comparative review of current year to prior year.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
14 July 2021

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements for the year ended 31 March 2021

Statement of financial activities for the year ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Income from:			
Charitable activities:			
Fees	2	90,778	88,450
Investments and other income	3	1,227	1,389
Total		**92,005**	**89,839**
Expenditure on:			
Raising funds	4	(40)	0
Charitable activities	5	(81,520)	(82,349)
Total		**(81,560)**	**(82,349)**
Net income		**10,445**	**7,490**
Other recognised gains/(losses):			
Actuarial gain on defined benefit pension scheme	18	176	1,705
Gain on investments	13	1,125	0
Net movement in funds		**11,746**	**9,195**
Reconciliation of funds:			
Total funds brought forward		57,527	48,332
Total funds carried forward		**69,273**	**57,527**

All funds are unrestricted in the current and previous financial years. All activities reflected in the above two periods were derived from continuing operations.
All recognised gains and losses are included in the above statement.

The notes on pages 144 to 170 form part of these accounts.

Balance sheet as at 31 March 2021

	Note	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Fixed assets:			
Tangible assets	11	27,730	26,541
Investments	13	31,281	0
Total fixed assets		**59,011**	**26,541**
Current assets:			
Debtors	14	4,022	2,744
Investments	13	54,244	63,915
Cash at bank and in hand		13,668	33,067
Total current assets		**71,934**	**99,726**
Liabilities:			
Creditors: amounts falling due within one year	15	(56,425)	(54,365)
Total current liabilities		**(56,425)**	**(54,365)**
Net current assets		**15,509**	**45,361**
Total assets less current liabilities		**74,520**	**71,902**
Creditors: amounts falling due after more than one year	16	(135)	(299)
Provisions for liabilities	17	(1,957)	(2,454)
Net assets excluding pension liability		**72,428**	**69,149**
Defined benefit pension scheme liability	18	(3,155)	(11,622)
Total net assets		**69,273**	**57,527**
The funds of the NMC			
Unrestricted funds		**69,273**	**57,527**
Total funds		**69,273**	**57,527**

The notes on pages 144 to 170 form part of these accounts.

Sir David Warren
Chair
9 July 2021

Andrea Sutcliffe
Chief Executive and Registrar
9 July 2021

Statement of cash flows for the year ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	£'000	Year ended 31 March 2020 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities			**5,039**		**9,972**
Cash flows from investing activities					
Interest from bank deposits	3	355		953	
Cash investment – fixed asset investments	13	(30,000)		0	
Cash investment – long term deposit	13	(7,926)		(343)	
Purchase of property, plant and equipment	11	(4,464)		(8,731)	
Net cash used in investing activities			**(42,035)**		**(8,121)**
Change in cash and cash equivalents in the reporting period			**(36,996)**		**1,851**
Cash and cash equivalents at the beginning of the year			**76,546**		**74,695**
Cash and cash equivalents at the end of the year			**39,550**		**76,546**

The notes on pages 144 to 170 form part of these accounts.

Reconciliation of net income to net cash flow from operating activities

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Net income from the reporting period (as per the statement of financial activities)	10,445	7,490
Interest from bank deposits	(355)	(953)
Dividends and interest earned in our investment portfolio	(196)	0
Investment management charge	40	0
Depreciation charges	3,273	1,564
Loss on equipment disposal	1	311
(Increase)/decrease in debtors	(1,278)	1,591
Increase/(decrease) in creditors and provisions	1,400	880
Movements in pensions	(8,291)	(911)
Net cash inflow from operating activities	**5,039**	**9,972**

Analysis of cash and cash equivalents

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Cash at bank and in hand	13,668	33,067
Short term investments [1]	25,882	43,479
	39,550	**76,546**

In accordance with the Charities' SoRP, FRS 102, deposits with maturities of three months or less at 31 March 2021 have been classified as short term investments within cash equivalents. Investments with maturities of between three months and 12 months have been described as 'long term deposits' in Note 13 and classified as current assets in the balance sheet.

In these accounts, cash at bank and in hand means bank accounts with instant access. The NMC does not hold any physical cash.

Short term investments include bank deposits with a maturity of three months or less from the balance sheet date.

For the purpose of the cash flow statement, cash at bank and in hand and short-term investments are both treated as cash and cash equivalents.

For the purpose of the balance sheet, current asset investments include deposits with maturity of 12 months or less from the balance sheet date.

[1] See note 13 investments

Notes to the accounts

1. Basis of preparation and accounting policies

We prepare our accounts in accordance with the Charities' SoRP (FRS 102). As set out in our Accounts Direction from the Privy Council, which is reproduced at Appendix 1, we also have regard to the Government Financial Reporting Manual (FReM), to the extent that the requirements of the FReM clarify or build on the requirements of the Charities' SoRP.

We meet the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are as follows:

Going concern

The accounts are prepared on the going concern basis.

Our objective is to protect the public by regulating nurses and midwives in England, Wales, Scotland and Northern Ireland, and nursing associates in England. We are funded by the registration fees paid by nurses, midwives and nursing associates. The Council has reviewed our circumstances, our work plans, our budgets, cash flow forecasts and our current and forecast reserves levels, including the financial impact of Covid-19. Although our budget for 2021-2022 shows a deficit of £9.3 million and our indicative budget for 2022-2023 shows a deficit of £7.5 million, including the additional costs of recovering from Covid-19, we expect to return to break even in 2023-2024. Our income remains relatively very secure, and our cash and reserves levels remain strong.
The recent consultation by the Department for Health and Social Care on the UK model of regulation for healthcare professionals was clear on the presumption of the continued future need for our regulatory functions. Given the continued need for our regulatory functions and our financial position outlined above, the Council considers that adequate resources continue to be available to fund our activities for the foreseeable future and there are no material uncertainties about the NMC's ability to continue as a going concern.

Accounting convention

We prepare our accounts under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated on the relevant accounting policy notes.

Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, we are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may ultimately differ from those estimates. The significant areas subject to estimation and judgement are:

- Depreciation

The useful economic lives of tangible fixed assets are based on management's judgement and experience.

- Pensions

The principal assumptions used to calculate the liabilities in the defined benefit pension scheme are those as set out in note 18.

Income

All income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

- Income from charitable activities

Nurses, midwives and nursing associates must pay an annual registration fee to be registered with the NMC and able to practise. Registration fees are paid either annually in advance or quarterly in advance. We recognise the fees as income on a monthly basis across the year to which the registration fee applies. The deferred income amount within our creditors is the value of fees that we have received at each balance sheet date that relate to a future financial year. Other fees including verification fees are credited to income on the day of receipt.

- Investment Income

Investment income is accounted for when receivable.

- Government Grants

Grant income is recognised once the NMC has entitlement to the income, it is probable that the income will be received and the amount can be reliably measured.

Expenditure

- Charitable activities

Expenditure on charitable activities includes all expenditure related to the objects of the charity which comprise: standards promotion and policy development, education, maintaining the register, fitness to practise, and communication and public engagement. See note 5.

- Support costs

Support costs are the costs of our corporate functions, including premises, IT, finance and human resources. They are apportioned to the regulatory functions on the basis of the employee numbers in the regulatory functions.

Fund accounting

All funds are currently unrestricted and reported as such in the financial statements. They are available for use at the discretion of the Council to support the general objectives of the NMC.

If we received restricted funds these would be used in accordance with specific restrictions imposed by donors.

Leased assets

Rentals applicable to operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities in equal amounts over the periods of the leases.

Employee benefits

- Holiday pay

Holiday pay is recognised as an expense in the period in which the service is received.

- Pension costs

Retirement benefits are provided by a defined benefit scheme and a defined contribution scheme. Both schemes are funded by contributions from the NMC and employees. Payments are made to pension trusts, which are financially separate from the NMC.

Payments to the defined benefit scheme are made in accordance with periodic calculations by professionally qualified actuaries. The pension costs for the defined benefit scheme are accounted for on a basis of charging the expected cost of providing pensions over the period during which the NMC benefits from the employees' services. The effect of variations from regular costs is spread over a time period set by the pension trust.

Payments to the defined contribution scheme are made on the basis of set percentage contributions by the NMC and employees, and the costs are charged to the statement of financial activities as incurred.

Fixed assets

Tangible fixed assets costing over £5,000 are capitalised. Depreciation is provided on tangible fixed assets to write them down to a nominal value of £1 over their estimated useful lives in equal instalments as follows:

Long leasehold premises - 23 Portland Place[2]	**50 years**
Office fit out and refurbishment	**Period of the lease or the useful economic life of the asset**
Furniture	**10 years**
IT Projects	**3 – 5 years**
Equipment	**3 – 5 years**

We revalued 23 Portland Place during 2013–14 and on first adoption of FRS 102 opted to use this valuation as deemed cost in future.

Internal costs incurred on software development are written off in the year in which they are incurred.

Investments

Fixed asset investments are initially capitalised at cost and subsequently recognised at market value at the balance sheet date.

Gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their cost if acquired during the year, and are charged or credited to the statement of financial activities in the year of disposal.

The movement in market values during the year for assets held at the year-end is credited or charged to the statement of financial activities based on the market value at the year end.

Debtors

Debtors and accrued income are recognised at the amount due at year end. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

[2] See Note 11.1

Creditors and provisions

Creditors and provisions are recognised where we have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost consist of cash balances, investments, trade and other debtors. Investments in the stock market are held at market value. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

2. Fee income

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Registration fees	86,901	83,572
Other fees paid by registrants	3,877	4,878
Total	**90,778**	**88,450**

3. Investment and other income

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Interest earned from bank deposits	355	953
Dividends and interest earned in our fixed investment portfolio	196	0
Other income	676	436
Total	**1,227**	**1,389**

Other income includes:

£0.676 million under a contract with the Department of Health and Social Care for work undertaken by the NMC to set up a temporary register to support nursing resources in response to the coronavirus pandemic (2019–2020: £nil).

£nil under a contract with the Department of Health and Social Care for work undertaken by the NMC to bring nursing associates onto the register (2019–2020: £0.308 million).

4. Analysis of expenditure on raising funds

	31 March 2021	31 March 2020
	£'000	£'000
Investment management charge	**40**	0

5. Analysis of expenditure on charitable activities

Year ended 31 March 2021	Activities undertaken directly: Employee costs £'000	Activities undertaken directly: Other costs £'000	Support costs: Employee costs £'000	Support costs: Other costs £'000	Total 2020–2021 £'000
Charitable activities:					
Standards promotion and policy development	1,774	538	579	619	3,510
Education	890	1,765	309	330	3,294
Maintaining the register	5,479	103	2,838	3,032	11,452
Fitness to practise	26,441	10,438	9,748	12,682	59,309
Communications and public engagement	2,010	588	656	701	3,955
Total	36,594	13,432	14,130	17,364	81,520

Year ended 31 March 2020	Activities undertaken directly: Employee costs £'000	Activities undertaken directly: Other costs £'000	Support costs: Employee costs £'000	Support costs: Other costs £'000	Total 2019–2020 £'000
Charitable activities:					
Standards promotion and policy development	1,671	93	426	483	2,673
Education	960	2,345	213	242	3,760
Maintaining the Register	5,925	515	2,518	2,857	11,815
Fitness to practise	22,448	15,475	8,431	13,766	60,120
Communications and public engagement	1,902	742	626	711	3,981
Total	**32,906**	**19,170**	**12,214**	**18,059**	**82,349**

6. Analysis of support costs

Year ended 31 March 2021	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2020–2021 £'000
Facilities	111	59	544	4,134	126	4,974
Finance and procurement	134	71	654	2,245	151	3,255
HR	171	91	838	2,877	193	4,170
ICT	422	225	2,068	7,105	478	10,298
Governance	189	101	928	3,190	215	4,623
Legal	47	25	230	789	53	1,144
Depreciation	134	72	657	2,258	152	3,273
Pension adjustment	(10)	(5)	(49)	(168)	(11)	(243)
Total	**1,198**	**639**	**5,870**	**22,430**	**1,357**	**31,494**

Year ended 31 March 2020	Standards promotion and policy development £'000	Education £'000	Maintaining the register £'000	Fitness to practise £'000	Comms and public engagement £'000	Total 2019–2020 £'000
Facilities	70	35	414	5,585	103	6,207
Finance and procurement	106	53	628	2,105	156	3,048
HR	148	74	874	2,927	217	4,240
ICT	339	170	2,006	6,716	499	9,730
Governance	143	71	844	2,825	210	4,093
Legal	40	20	234	785	58	1,137
Depreciation	65	33	387	1,294	96	1,875
Pension adjustment	(2)	(1)	(12)	(39)	(3)	(57)
Total	**909**	**455**	**5,375**	**22,198**	**1,336**	**30,273**

7. Goverance costs

The breakdown of governance costs (included within support costs) is:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Council members' allowances, national insurance, travel and subsistence	288	351
Auditors' remuneration: Haysmacintyre	24	30
Auditors' remuneration: NAO	7	7
Professional Standards Authority annual fee	1,902	1,884
Operating costs (including salaries)	2,402	1,821
Total	**4,623**	**4,093**

8. Total resources expended by cost category

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Salaries and associated costs	50,724	45,121
Fitness to practise related costs	9,794	14,342
IT development and support	4,477	5,014
Professional fees	5,082	4,531
Rent payable on office leases	1,979	2,441
Other premises costs	1,970	2,716
Other employee related costs	1,109	2,303
Quality assurance of education	1,761	2,202
Depreciation	3,273	1,875
Printing, postage and stationery	228	802
Finance and insurance[3] costs	802	551
Council and committee costs	361	451
Total	**81,560**	**82,349**

Expenditure on consultancy

The definition of consultancy is the provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions. On this basis, consultancy costs have been identified as below. These costs are included mainly in the professional fees category, and also in the IT development and support category.

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Consultancy	979	902

[3] Includes trustees' indemnity insurance

9. Information regarding employees

	Executive	Other employees	Total year ended 31 March 2021	Total year ended 31 March 2020
	£'000	£'000	£'000	£'000
Salaries and associated costs				
Wages and salaries	1,152	37,438	38,590	33,932
Social security costs (employer's NI contributions and Apprenticeship levy)	152	4,035	4,187	3,740
Defined benefit pension costs – present employees[4]	54	2,225	2,279	1,711
Defined contribution pension costs – present employees	96	3,024	3,120	2,469
Temporary and contract workers	0	2,458	2,458	3,167
Termination payments[5]	0	90	90	102
Total	**1,454**	**49,270**	**50,724**	**45,121**

[4] Further information about the NMC's employee pension schemes can be found in Note 18.

[5] This includes £nil extra contractual payments, redundancy payments of £44,000 and payments in lieu of notice of £47,000 (2019–2020: extra contractual payments of £nil, redundancy payments of £47,000 and payments in lieu of notice of £47,000).

Information relating to higher paid employees (including the Executive)

There were 136 (2019–2020: 101) employees (including members of Executive for the period) whose remuneration fell in the following bands:

	Year ended 31 March 2021	Year ended 31 March 2020
	Number of employees	Number of employees
60,001 - 70,000	52	46
70,001 - 80,000	51	25
80,001 - 90,000	19	19
90,001 - 100,000	3	2
100,001 - 110,000	3	-
110,001 - 120,000	-	-
120,001 - 130,000	-	4
130,001 - 140,000	3	2
140,001 - 150,000	2	1
150,001 - 160,000	-	1
160,001 - 170,000	2	-
170,001 - 180,000	1	1

The above table includes eight Executive members who received more than £60,000 in the year.

There were a further two Executive members in post for part of the year whose earnings fell in the bands £0 - £10,000 and £10,001 - £20,000. For more information on Executive remuneration in the year see the remuneration report.

The table shows two employees with remuneration in 2020–2021 in the £160,001 - 170,000 band, with none in that band in 2019–2020. One of those employee's remuneration in 2020–2021 includes an exit package of £60,000 - 65,000, as disclosed in the remuneration report. The other employee's remuneration was towards the top of the £150,001 - 160,000 band in 2019–2020 and moved up to the £160,001 - 170,000 band in 2020–2021 through the standard annual pay increase.

	Year ended 31 March 2021	Year ended 31 March 2020
	Number of employees	Number of employees
Average number of permanent and fixed term contract employees		
Executive	7	9
Other employees	886	787
Average number of agency temporary staff and contractors during the year	71	83
Total	**964**	**879**

10. Charitable status

We are registered as a charity in England and Wales with the Charity Commission (charity no. 1091434) and in Scotland with the Office of the Scottish Charity Regulator (charity no. SC038362).

Due to our charitable status we are not liable to corporation tax on our charitable activities or on our investment income and gains. We also receive charitable rate relief from the City of Westminster, London Borough of Newham and Edinburgh City Council.

11. Tangible fixed assets for use by the charity

	23 PP long lease-hold premises[6]	Buildings refurbi-shment	IT projects	Furni-ture	Equip-ment	Capital work in progress[7]	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:							
1 April 2020	15,448	13,651	3,148	555	10,334	8,196	**51,332**
Additions	-	-	3,173	-	-	1,291	**4,464**
Disposals	-	(1,770)	-	(38)	(139)	-	**(1,947)**
Transfers	-	-	7,147	-	-	(7,147)	**-**
31 March 2021	15,448	11,881	13,468	517	10,195	2,340	**53,849**
Depreciation:							
1 April 2020	2,069	9,488	2,487	421	10,327	-	**24,792**
Depreciation charge for the year	354	615	2,280	22	2	-	**3,273**
Disposals	-	(1,770)	-	(38)	(138)	-	**(1,946)**
31 March 2021	2,423	8,333	4,767	405	10,191	-	**26,119**
Net Book Value:							
1 April 2020	13,379	4,163	662	134	7	8,196	**26,541**
31 March 2021	13,025	3,548	8,701	112	4	2,340	**27,730**

Capital work-in-progress projects are added to the fixed asset register and depreciated when brought into use.

During the year, £7.147 million of work in progress relating to our Modernisation of Technology Services programme (MoTS) was brought into use and transferred to IT projects, with a further £3.173 million of additions capitalised also relating to the MoTS programme.

[6] See Note 11.1 | [7] See Note 11.2

11.1 Long leasehold premises

The UKCC (the NMC's predecessor body) acquired the leasehold interest in 23 Portland Place, London W1B 1PZ from the General Nursing Council for England and Wales at nil cost. The lease has a peppercorn rent of £250 a year and expires in the year 2933. The lease was valued as at 31 March 2014 on an existing use basis, by external valuers Carter Jonas, at £17.185 million. There is a restrictive covenant on the lease which restricts the use and occupation of the property to the NMC.

11.2 Capital work in progress

These are projects to create capital assets for use in the business where expenditure has been incurred at the period end but the assets have not yet been completed or brought into use. These include the Modernisation of Technology project, the Test of Competence management project and the Overseas Registration project.

12. Related party transactions

We are accountable to Parliament through the Privy Council. The Nursing and Midwifery Order 2001 sets out the nature of our relationship with the Privy Council and the reporting mechanisms required. While not accountable to the Department of Health and Social Care, we have regular contact with the Department on policy and other matters.

During the period 1 April 2020 to 31 March 2021, the total allowances paid to the current and previous Chair were £58,500 (2019–2020: £86,754), and allowances, travel and subsistence and training expenses paid to, or incurred in relation to, members of the Council were £239,258 (2019–2020: £294,464). Council members are paid directly via the NMC payroll. Details of amounts paid to individual Council and Executive members are set out in the remuneration report.

During the year, the NMC engaged facilitation and coaching services from Aim Higher Leadership Ltd. John Welsh, the brother of Edward Welsh, Executive Director of External Affairs, is an external associate sub-contractor of Aim Higher Leadership. The NMC paid Aim Higher Leadership a total of £31,650 during the year (2019–2020: £22,487).

13. Investments

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Fixed asset investments		
Market value at 1 April	0	0
New capital invested	30,000	0
Dividends and interest received and retained in fund	196	0
Management fees charged at source	(40)	0
Net gain/(loss) on revaluation	1,125	0
Market value at 31 March	**31,281**	**0**
Comprising the following:		
Listed investments		
Fixed income securities	3,470	0
Equities	22,524	0
Property funds	503	0
Alternative investment funds	2,482	0
	28,797	0
Unlisted investments		
Cash	2,302	0
Market value at 31 March	**31,281**	**0**

During the period 1 April 2020 to 31 March 2021, £30,000,000 was invested in the stock market using our investment managers Sarasin & Partners.

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Current asset investments		
Short term deposits (maturity of 3 months or less)	25,882	43,479
Long term deposits (maturity of more than 3 months but less than 12 months)	28,362	20,436
Total	**54,244**	**63,915**

14. Debtors

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Debtors	767	170
Prepayments and accrued income	3,255	2,574
Total	**4,022**	**2,744**

15. Creditors: amounts falling due within one year

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Creditors and accruals	13,263	9,403
Other taxes and social security	1,405	1,270
Deferred income	41,757	43,692
Total	**56,425**	**54,365**

16. Creditors: amounts falling due after more than one year

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Deferred income	0	106
Lease premium	135	193
Total	**135**	**299**

17. Provisions

	Dilapidations[8]	Pension – early retirement[9]	Panellists[10]	Total
	£'000	£'000		
At 1 April 2020	(798)	(156)	(1,500)	(2,454)
Utilised in the year	150	67	-	217
Additions	(128)	-	-	(128)
Releases	108	-	300	408
At 31 March 2021	**(668)**	**(89)**	**(1,200)**	**(1,957)**

[8] The provision for dilapidations represents our prudent estimate of the costs of putting our leased properties back into the condition they were in before to the start of our leases.

[9] The provision for pension early retirement reflects the cost of a member of the defined benefit pension scheme retiring early due to incapacity. The additional cost is being paid monthly until June 2022.

[10] The provision for potential additional panellist costs reflects our prudent estimate of the possible wider impact of a single claim to an employment tribunal for additional sums by a fitness to practise panellist. Panellists are independent contractors who sit on our fitness to practise panels. Legal proceedings with respect to this are continuing. The reduction in the provision compared to last year reflects more recent legal advice as to the likely extent of the potential liability.

18. Pension commitments

We operate two pension schemes: a defined contribution scheme and a defined benefit scheme.

The defined contribution pension scheme

Our main pension scheme is a defined contribution pension scheme operated by The People's Pension. The minimum contribution level is that employees contribute one percent of their pensionable salary and the NMC contributes eight percent (2019–2020: eight percent). Employees may make additional contributions which are matched by the NMC up to a maximum employer contribution of 12 percent. As at 31 March 2021, 84 percent of employees were members of the defined contribution pension scheme. From 2021-2022 the maximum employer contribution has increased to 14 percent.

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
NMC's (employer's) defined contribution scheme contributions made in year	**2,936**	2,468
	%	%
NMC's (employer's) basic contribution defined contribution scheme	**8.00%**	8.00%
Employees' basic contribution defined contribution	**1.00%**	1.00%

The defined benefit pension scheme

Employees who joined the NMC before November 2013 were able to join our defined benefit pension scheme, The Nursing and Midwifery Council and Associated Employers Pension Scheme, scheme registration number 101652586. It is a funded, multi-employer scheme with the Department of Health and Social Care, administered by Premier Pensions Management Limited. The National Assembly for Wales and NHS Education for Scotland, previous participants, withdrew from the scheme during 2013 and 2015 respectively. In March 2021, following a consultation with the active members of the Scheme, the Council decided to close the defined benefit pension scheme to future accrual of benefits with effect from 1 July 2021. As at 31 March 2021, nine percent of the NMC's employees belong to the scheme.

Contributions to the scheme are charged to the statement of financial activities (SoFA) so as to spread the cost of pensions over employees' working lives. Contributions are determined by a qualified actuary on the basis of triennial valuations.

The latest completed valuation of the scheme was carried out on behalf of the pension trustees by Premier Pensions Management Limited as at 31 March 2019, using a full yield curve approach. At the date of the valuation, the value of the scheme assets was £124.0 million (including annuities held for insured pensioners). The value of the assets represented 88 percent of the value of the benefits, which had accrued to members after allowing for expected future increases in earnings and pensions. The past service shortfall of assets is being amortised over the period to 31 March 2026. The main assumptions used in the valuation were a real return on investments above salary increases of 0.65 percent per annum and above pension increases of -0.15 percent and -0.20 percent for non-pensioners and pensioners respectively per annum.

If the scheme had been wound up on the valuation date (31 March 2019), the assets would have been approximately 72 percent of the amount necessary to purchase insurance contracts to meet the accrued benefits for active members and past leavers and the current benefits for pensioners. The estimated deficit would have been £42.8 million.

There is a Recovery Plan in place to ensure that the scheme funding level will reach 100 percent based on current actuarial assumptions, by 31 March 2026. We will make good the deficit over the period to 31 March 2026 by making recovery plan payments of £1.8 million per annum with increases of 3.65 percent each April (the first such increase made in April 2015). The value of recovery plan payments, including an additional payment of £6.3 million, in the year ended 31 March 2021 was £8,100,000 (31 March 2020: £1,172,309).

The next triennial valuation will be as at 31 March 2022.

The FRS 102 valuation has been based on a full assessment of the liabilities of the scheme as at 31 March 2021.

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Amounts recognised in balance sheet		
Assets at fair value	97,343	67,004
Present value of defined benefit obligation	(100,498)	(78,626)
Deficit	**(3,155)**	(11,622)
Net liability	**(3,155)**	(11,622)

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Amounts recognised in SoFA		
Current service cost	(1,565)	(2,014)
Past service cost	(11)	0
Expected return on plan assets	1,736	2,021
Interest on pension obligation	(1,926)	(2,377)
Net amount recognised in SoFA	**(1,766)**	**(2,370)**
	%	%
NMC's (employer's) contribution defined benefit scheme	39.30%	39.30%
Employees' contribution defined benefit scheme	6.00%	6.00%

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Reconciliation of present value of defined benefit obligation		
Opening balance at 1 April 2020	**78,626**	**91,100**
Current service cost	1,565	2,014
Past service cost	11	0
Interest cost	1,926	2,377
Employee contribution	269	282
Actuarial (gain)/losses	19,943	(15,494)
Benefits paid	(1,842)	(1,653)
Closing balance at 31 March 2021	**100,498**	**78,626**

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Reconciliation of fair value of plan assets		
Opening balance at 1 April 2020	**67,004**	**76,862**
Expected return on assets	1,736	2,021
Actuarial gain/(losses)	20,119	(13,789)
Employer contribution	10,057	3,281
Employee contribution	269	282
Benefits paid	(1,842)	(1,653)
Closing balance at 31 March 2021	**97,343**	**67,004**

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Reconciliation of change in funded status		
Opening balance at 1 April 2020	**(11,622)**	**(14,238)**
Pension expense	(1,766)	(2,370)
Actuarial gain/(losses)	176	1,705
Employer contribution	10,057	3,281
Closing balance at 31 March 2021	(3,155)	(11,622)
Actual return on plan assets	**21,855**	**(11,768)**

	Period ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000	£'000	£'000
History of experience adjustments				
Defined benefit obligation	(100,498)	(78,626)	(91,100)	(84,114)
Plan assets	97,343	67,004	76,862	72,414
Deficit	**(3,155)**	**(11,622)**	**(14,238)**	**(11,700)**
Experience adjustments on scheme liability - gain/(loss)	731	5,226	(695)	(2,795)
Experience adjustments on scheme assets	**20,119**	**(13,789)**	**898**	**(49)**

	As at 31 March 2021
	£'000
Expected contribution in following period	
Employer	2,530
Employee	66
Total	**2,596**

	2021 per annum	2020 per annum
	%	%
Principal assumption		
Discount rate	1.90%	2.45%
Retail price inflation	3.05%	2.75%
Consumer price inflation	2.60%	1.75%
Pension increases	3.05%	2.75%
Expected return on assets	1.90%	2.45%
Life expectancy at age 60	**Years**	**Years**
Males born 1961	26.6	26.5
Females born 1961	29.2	29.0
Males born 1981	28.1	28.0
Females born 1981	30.7	30.5

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Scheme assets		
Growth funds	64,444	37,128
Bonds	1,929	1,656
Liability driven investments	4,998	4,646
Cash	3,461	2,354
Insured annuities	22,511	21,220
Total	**97,343**	**67,004**

19. Capital commitments

At 31 March 2021, £1.2 million for Registration and Revalidation Test of Competence and £0.7 million Modernisation of Technology Services capital expenditure has been contracted for but has not been provided for in the financial statements.

The following capital expenditure had been approved but not contracted for:

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Modernisation of Technology Services	2,400	6,700
Accommodation programme	5,100	3,500
Registrations & revalidation (test of competence)	0	500
IT infrastructure improvements	700	0
Total	**8,200**	**10,700**

20. Operating lease commitments

At 31 March 2021 we had the following future minimum operating lease payments:

	Land and buildings	
	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Leases which expire:		
Within one year	1,491	1,630
Between one and five years	4,724	5,534
More than five years	2,800	3,481
Total	**9,015**	**10,645**

We lease premises at 2 Stratford Place, London for the period until 21 July 2024; and 1 Westfield Avenue, London, for the period until 6 February 2029. Our lease at 114 - 116 George Street, Edinburgh, expired on 24 April 2021. On 1 April 2021, we entered an agreement for a lease on premises at 10 George Street, Edinburgh. The lease was entered on 17 May 2021, and runs for the period until 14 November 2034, with break clauses at 17 May 2026 and 14 November 2029.

21. Financial Instruments

Financial instruments play a more limited role in creating and managing risk than would apply to a commercial organisation.

	As at 31 March 2021	As at 31 March 2020
	£'000	£'000
Financial assets measured at amortised cost	103,215	99,726
Financial liabilities measured at amortised cost	(14,668)	(10,673)

Financial assets held at amortised cost consist of cash balances £13.668 million (2019–2020: £33.067 million), investments in fixed term bank deposits £54.244 million (2019–2020: £63.915 million) and debtors £4.022 million (2019–2020: £2.744 million). Investments in the stock market (via investment managers) £31.281 million (2019–2020: nil) are held at market value . Financial liabilities held at amortised cost comprise creditors and accruals £13,263 million (2019–2020: £9.403 million) and other taxes and social security £1.405 million (2019–2020: £1.270 million).

22. Comparative statement of financial activities

In the year ended 31 March 2021, all income and expenditure was unrestricted with no brought forward restricted balance.

23. Extra-contractual payments

There were no extra-contractual payments in the period ended 31 March 2021 (31 March 2020: £Nil).

24. Contingent assets and contingent liabilities

At 31 March 2021 there were no contingent assets or liabilities.

25. Post balance sheet events

There have been no events after the balance sheet date requiring adjustment or disclosure in these financial statements.

The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

Appendix 1



The Nursing and Midwifery Order 2001 (Form of Accounts) Determination 2010

Their Lordships make the following determination in exercise of powers conferred by article 52(1) of the Nursing and Midwifery Order 2001[11].

This determination has effect from 23rd February 2010.

Interpretation

1. In this Determination

"the accounts" means the accounts which it is the Council's duty to keep and prepare under article 52(1) of the Nursing and Midwifery Order 2001 in respect of the financial year ending on 31st March 2010 and subsequent financial years;

"the Charities' SoRP" means the "Accounting and Reporting by Charities: Statement of Recommended Practice 2005 prepared by the Charities Commission or any updated edition in force for the relevant financial year.

"the Council" means the Nursing and Midwifery Council;

"the FReM" means the Government Financial Reporting Manual issued by HM Treasury which is in force for the relevant financial year.

[11] S.I 2002/253

Determination

2. The accounts must

(a) be prepared so as to give a true and fair view of the Council's state of affairs as at 31st March of the financial year in question and of the incoming resources and application of resources of the Council for that financial year; and

(b) disclose any material incoming or outgoing resources that have not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

3. Subject to paragraph 4, in order to comply with paragraph 2(a), the accounts must be prepared

(a) in compliance with the accounting principles and disclosure requirements contained in the Charities' SoRP; and

(b) having regard to the requirements of the FReM to the extent that those requirements clarify, or build on, the requirements of the Charities' SoRP.

4. Where the presence of exceptional circumstances means that compliance with the requirements of the Charities' SoRP or the FReM would give rise to the preparation of accounts which were inconsistent with the requirement in paragraph 2(b), those requirements should be departed from only to the extent necessary to give a true and fair view of that state of affairs.

5. In cases referred to in paragraph 4, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned and the spirit of the Charities' SORP and the FReM.

6. This determination shall be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council
Dated: 18th July 2011

Nursing & Midwifery Council

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