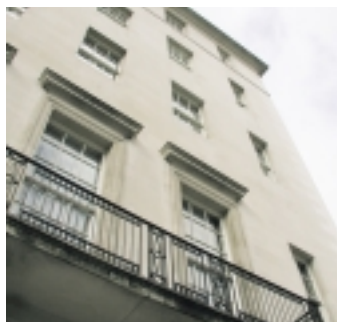


ANNUAL REVIEW 2004/2005

**NURSING &
MIDWIFERY
COUNCIL**

CONTENTS

ABOUT THE NMC	3	NMC PEOPLE	15
WHO WE ARE	3	THE COUNCIL	16
WHAT WE DO	3	ANNUAL ACCOUNTS	17-22
FACTS	3	FIGURES	17
PRESIDENT'S FOREWORD	4	SUMMARY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005	18
CHIEF EXECUTIVE'S REPORT	5	SUMMARY BALANCE SHEET AS AT 31 MARCH 2005	19
THE YEAR IN REVIEW	6-8	SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005	20
THREE-PART REGISTER OPENS SUCCESSFULLY	6	NOTES	21
NEW RULES GIVE NMC GREATER POWERS TO PROTECT THE PUBLIC	6	CONTACTING THE NMC	23
IMPROVEMENTS MADE TO THE OVERSEAS NURSES PROGRAMME	7		
SPOTLIGHT ON...	9-12		
STANDARDS AND REGISTRATION	9		
FITNESS TO PRACTISE	9		
MIDWIFERY	10		
QUALITY ASSURANCE	10		
EXTERNAL AND CORPORATE AFFAIRS	12		
INTO THE FUTURE	13-14		
REVIEW OF FITNESS FOR PRACTICE AT THE POINT OF REGISTRATION	14		
THE 2006 COUNCIL ELECTION	13		
THE ANNUAL REGISTRATION FEE	14		



WHO WE ARE

The Nursing and Midwifery Council (NMC) is the statutory regulator for over 670,000 nurses, midwives and specialist community public health nurses working in the UK. We protect the public by setting standards of practice for the professions and by ensuring that these are maintained. Our code of professional conduct explains to registrants the standards required of them in carrying out their professional responsibilities.

Although we are a statutory body and accountable to the Privy Council, we are not publicly funded. Our sole source of income is the registration fee paid by nurses and midwives. We are committed to being open, transparent, accessible and inclusive in everything that we do.

WHAT WE DO

- We maintain the register
- We consult on, and set standards for, education, ethics and conduct
- We give advice to registrants, employers and the public
- We deal with allegations of unfitness to practise, lack of competence and ill health
- We oversee the quality assurance of nursing and midwifery education
- We provide advice and guidance in support of the Local Supervisory Authorities for the supervision of midwives

FACTS

- We have the largest healthcare register in the world.
- Our website offers complete access to NMC services and support
- We hold events, seminars, conferences and roadshows around the UK
- Our telephone and e-mail professional advice service delivers one-to-one advice and information to registrants and the public the professional advice service receives between 6,000 and 9,000 calls, e-mails and letters every month.
- More than 32,000 new practitioners went on the register in 2004-2005, including 19,982 UK-trained newly qualified nurses and midwives, 11,477 overseas nurses and midwives, and 1,193 nurses and midwives from the European Economic Area
- The call centre answered over half a million calls during the year
- The overseas decisions team received some 69,000 enquiries and issued over 53,000 overseas application packs in 2004-2005
- We produced and distributed more than a million free publications during the year



PRESIDENT'S FOREWORD

Welcome to the third NMC Annual Review, which looks at our achievements from April 2004 to March 2005.

It's been a very busy year. Our new rules came into effect on 1 August 2004 when we opened our new register and set about providing registrants with up to date guidance and support in their day-to-day work.

Following consultation, we agreed lack of competence standards under our fitness to practise rules. The NMC has been given greater powers to protect the public and can, for the first time, deal with cases involving lack of competence.

The midwifery unit developed new standards and guidance for midwives and, for the first time, a UK-wide set of standards was developed for the role of the Lead Midwife for Education (LME).

In May 2004 we published the outcome of Kathleen Duffy's PhD study 'Failing to fail' on our website. The study revealed that there were some mentors who too readily gave students 'the benefit of the doubt' or who felt pressure, for a number of reasons, to pass a student who was not fit for registration. A month later we were asked by the Nurse Directors Association to reconsider our position on the use of skills laboratories to relieve pressure on the provision of practice placements. This sparked debate and agreement that a more in-depth review of pre-registration education was necessary.

Our own quality assurance processes identified problems in some institutions concerning practice placement availability, assessment of students and the preparation of mentors. Therefore, in March 2005 we set up a coalition of key stakeholders to look into developing clearer standards to help registrants practise more safely and effectively.

This focus on fitness for practice started in June 2004 with a consultation on how we can strengthen support for learning through mentors, practice teachers and qualified teachers. As a result, the NMC is developing a framework of knowledge, skills and competencies to support the standard. The Council expects to approve a final standard later in 2005.

The second consultation of the year resulted in 2,114 responses – our largest response ever! This focused on whether the NMC should set a standard for nurses working beyond initial registration. The analysis is due to be reviewed at Council in June 2005, although early indications are that we should develop common standards for 'Advanced Nurse Practitioners'.

During 2005 to 2006 we will look at education issues in more depth and will seek further involvement on standards for mental health, learning disabilities, children's and adult nursing. We will bed in the new rules, standards and guidance and clear the way for the new Council.

Looking back, it's been a year of major change - but we've met the challenges head-on. It's now time to build on and consolidate that work.

Jonathan Asbridge



CHIEF EXECUTIVE'S REPORT

ANNUAL REVIEW 2004-2005

We have achieved so much in the past financial year. In a year of extraordinary changes, the NMC and its people have risen magnificently to the challenges of delivering our business plan.

In line with the requirements of the Nursing and Midwifery Order 2001 (the Order), our first challenge was to deliver a new registration framework. The new register opened on 1 August 2004, with robust registration rules in place. We also introduced new rules, established standards, and gave guidance on fees, fitness to practise, midwifery, and education.

Quality assurance of education remained at the forefront of our activity as we set up systems to monitor and approve educational programmes in the devolved administrations of Scotland, Wales and Northern Ireland.

We became more outwardly focused and established a strong framework for collaboration and consultation with the public, employers, practitioners and those involved in the education and training of registrants and prospective registrants.

The NMC widened its scope early in 2004 when we became a founding member of the Federation of European Nurse Regulators (FEPI). The Council is increasingly concerned about the impact European legislation may have on public protection and one of FEPI's aims will be to lobby the European Parliament on nursing regulatory issues.

Financially we are still working in a deficit budget but we now have a firm grip on where we are and where we are going. There was huge debate about the fee increase but most people understood that this was long overdue and necessary to provide income.

Our new Organisational Development department was set up to help us refocus and strengthen the corporate infrastructure. The department continues to provide us with change management support through organisational restructuring. We introduced a new External and Corporate Affairs directorate, which has been building strong strategic alliances. We also established an in-house legal team to carry out fitness to practise work.

Next year we will consolidate the work of the current Council, in preparation for the election of the new Council.

Internally, we'll continue to give advice, support and guidance to registrants; we'll carry on developing new rules and ideas; and we'll further strengthen our lines of communication with stakeholders.

Externally we'll be looking closely at the implications of the Shipman enquiry and the review of non-medical professional regulation and what it all means for the NMC and registrants.

We've come a long way in the past year and have many achievements to feel proud of; but remember, this is just the start - there's still much to be done

Sarah Thewlis

THE YEAR IN REVIEW

THREE-PART REGISTER OPENS SUCCESSFULLY

Our new register opened in August 2004 when we completed the major project to transfer details of 670,000 practitioners from the old 15-part register.

We now have a much simpler three part register – one each for nurses, midwives and specialist community public health nurses – which makes it much easier for registrants, employers, and the public to get the details they require.

Head of Registrations, Adrian Daghorn, said: ***"One of the strongest improvements we made to public protection was the introduction of a good health and good character declaration. To support this we record whether a registrant has any police cautions or convictions and these are considered by the Chief Executive and Registrar before registration can take place."***

Key stakeholders, including employers, practitioners and the public, helped to shape the new register and took part in extensive consultations undertaken by the NMC.

"10.6% OF THOSE ON THE REGISTER ARE MEN – UP 1.6% ON 10 YEARS AGO."

"NEARLY 40% OF THOSE ON THE REGISTER ARE UNDER 40."

For the first time, anyone can access the register by logging onto the NMC website. This provides the public with an easy and simple way of checking a practitioner's registration details and eligibility to practise at any time.

Publications have also been updated and a new series of standards and guidance documents are being produced to support the changes.

The knock-on effects of improving the register have been widespread. For example:

Opening up access to the register has enabled us to work closely with the midwifery supervising authorities to improve the statutory annual Intention to Practise notification process for midwives. We will be including this information on our register during 2006.

A geographical locator, which helps to identify the area in which a UK registrant is practising, will be introduced to the register in January 2006.

As part of the launch of the new register we opened a part for specialist community public health nurses. This included Health Visitors and is being developed to recognise other practitioners who can demonstrate that they meet the public health competencies at specialist level.

"It's important that the register continues to evolve," Adrian Daghorn added, ***"We need to continue working with key stakeholders to improve and develop it as a powerful tool that protects the public and improves the standard of care being provided by our registrants."***



NEW RULES GIVE NMC GREATER POWERS TO PROTECT THE PUBLIC

The new fitness to practise rules came into effect on 1 August 2004, setting out fresh guidelines regarding the conduct and fitness to practise of practitioners.

The new legislation gave the NMC a greater range of powers to protect the public. In addition to the power to remove a registrant from the register, we can now impose a 'suspension order', a 'conditions of practice' order, or a 'caution' order of one to five years.

Previously the NMC was allowed to consider allegations of misconduct and unfitness to practise due to ill health. Under the new rules, we can consider allegations that fitness to practise is impaired by:

- **reason of misconduct,**
- **lack of competence,**
- **a conviction or caution,**
- **physical or mental ill health, or**
- **a determination by another UK regulatory body that a person's fitness to practise is impaired.**

One area which caused a great deal of discussion was allowing the NMC to deal with cases involving lack of competence. It was felt that many competence issues are not appropriate for referral to the NMC. However, it was decided that we would only become involved in a case if it was necessary to do so after it was first tackled at a workplace level.

The new rules also resulted in changes to the panels that consider fitness to practise cases and a great deal of work went into ensuring that panellists, staff and legal assessors were trained for the task.

"FROM APRIL 2004 TO APRIL 2005, THE NMC RECEIVED 1,389 COMPLAINTS CONCERNING MISCONDUCT."

THE YEAR IN REVIEW

IMPROVEMENTS MADE TO THE OVERSEAS NURSES PROGRAMME

A huge amount of work has gone into improving the standard for entry to the register for overseas nursing applicants who want to work in the UK.

A 12-strong team, headed by Professional Advisor for International Registrations, Janette Henderson, has spent the past year working on comprehensive new standards for overseas nurses who want to be admitted onto the NMC's register.

Following consultation, the Overseas Nurses Programme was developed. This defines strict competencies for overseas nurses that are comparable to those required of UK-trained nurses.

Janette said: *"The Overseas Nurses Programme will significantly improve public protection and will lead to an improvement in the quality of overseas nurses working in the UK."*

Janette explained that, from 1 September 2005, every applicant will have their skills and experience assessed and will have to pass a specified International English Language Test (IELTS) before they can apply for the programme.

The programme sets out common entry standards, a compulsory 20-day period of protected learning for all nurses trained outside the European Economic Area and, where appropriate, a period of supervised practice. This supervised practice will normally be three months in length but may increase up to nine months in certain circumstances.

Offered by approved educational institutions, the programme is designed to orientate the applicant to healthcare in the UK, allow them to transfer their skills to a different healthcare environment, and where required, have their clinical competence assessed in practice.

Once the programme has been successfully completed, the applicant can be recommended for acceptance onto the nurses' part of the register.

The need for change came as a result of inconsistency and the varying quality of supervised practice experienced by overseas nurses. Indeed, cases had come to the NMC's attention of overseas nurses on placement being asked to carry out kitchen and other domestic duties, which were not relevant to their training.

The number of applicants seeking registration is expected to fall as a result of the improvements: *"Nurses who do not meet our minimum standards will not be able to apply for registration,"* explained Janette. *"Of course, overseas nurses will continue to play an important role in healthcare provision in the UK, but we will only register those who can show us that they have the appropriate skills and qualifications, and are competent to practice."*

The team is now looking at strengthening the assessment process for refugee nurses seeking registration in the UK.

"DURING THE REPORTING YEAR THE NMC'S OVERSEAS ASSESSMENT TEAM CONSIDERED AND MADE DECISIONS ON 53,440 APPLICATIONS."

STANDARDS AND REGISTRATION

THE REGISTER

In August 2004 we successfully implemented the new three-part register for nurses, midwives and specialist community public health nurses as required by the Order. Standards of proficiency for entry to the register were published for each of the three parts.

One of the biggest changes for practitioners entering the register or renewing their registration was the introduction of the declaration of good health and good character. We also now require all registrants to declare any police cautions or convictions. This allows us to consider a number of factors before registration takes place, and is important for public protection.

With the launch of the new register we also opened access to the public to view the register. We hope that this will encourage members of the public to check practitioner registration details and eligibility to practise. This service is available online 24-hours a day.

MIDWIVES' INTENTION TO PRACTISE

In the summer of 2004 the process of Intention to Practise notification (ITP) for midwives was reviewed. The aim was to improve protection of the public through statutory supervision of midwives by linking the ITP to the midwife's entry on the register. This enables us to confirm a midwife's eligibility to practise, rather than just confirming her effective registration. This information will be available to employers and to the public. Council approved the new process, and the first phase of this work was completed in the reporting year. The second is already underway and will be completed by the end of the next reporting year.



SPOTLIGHT ON...

FITNESS TO PRACTISE

Anyone who has a serious concern about the conduct of a registrant, or their fitness to practise due to ill health, can report this to us. We consider every complaint.

This year, 1,389 complaints were received, although only allegations that are serious and could lead to a practitioner being removed from the register were taken to a Professional Conduct Committee (PCC) or Health Committee (HC) hearing. PCC hearings are always held in public, except in exceptional circumstances. If a practitioner is found to be guilty of misconduct they can be removed from the register or cautioned.

The Nursing and Midwifery Council (Fitness to Practise) Rules 2004 were introduced on 1 August 2004, and all cases during the reporting year were dealt with under one of two sets of legislation. Cases reported before 1 August 2004 were considered under the 1993 Professional Conduct Rules, and complaints received on, or after 1 August 2004 are considered according to the new rules.

The 1993 rules allow us to consider allegations of misconduct and unfitness to practise due to ill health. Under the new rules, we can consider allegations that fitness to practise is impaired by reason of misconduct, lack of competence, a conviction or caution, physical or mental ill health, or a determination by another regulatory body in the UK that fitness to practise is impaired.

“THE PROFESSIONAL CONDUCT COMMITTEE REMOVED 106 PRACTITIONERS FROM THE REGISTER, AND CAUTIONED 35.”



Under the old rules, 1,403 cases were considered. Of these, 615 were closed by the Preliminary Proceedings Committee (PPC), 190 were forwarded for a hearing and 41 cautions were issued. A total of 43 cases were referred to professional screeners for consideration of health issues and 514 needed further investigation.

Under the new rules, 253 cases were considered. Of these cases, 216 were referred for further investigation, 28 were adjourned, 7 were referred to the Conduct and Competence Committee, one case was referred to the Health Committee and one case concerned a fraudulent or incorrect entry in the register.

The NMC has worked extremely hard to ensure that both systems run side by side effectively. A programme of training was implemented for all members, panellists, staff and legal assessors. There have also been a number of events with key stakeholders to make sure that the new powers and procedures are understood.

Further information is detailed in the *Fitness to practise annual report 2004–2005* which is on the NMC website.

MIDWIFERY

RULES, STANDARDS AND GUIDANCE

In preparation for the new register, the midwifery unit incorporated the new Nursing and Midwifery Council (Midwives) Rules 2004 into a new document - *Midwives rules and standards* – which included helpful guidance. This publication replaced the old *Midwives rules and code of practice*. A number of alterations were new, or revised, definitions and standards.

The midwifery unit continued to update policy that affects the education, practice and statutory supervision of midwives. These include standards for the preparation of supervisors of midwives, review of pre-registration midwifery education, updating the Intention to Practice forms, and a process of auditing the Local Supervising Authority Standards. In March 2005, Council agreed the Midwifery Committee's proposal not to regulate a level beyond midwifery registration.

MIDWIFERY LECTURE

The third Dame Mary Uprichard midwifery lecture was held in Birmingham in November 2004. Fay Macrory MBE, from Central Manchester/Manchester Children's Hospitals, spoke on protection for women using illegal substances.

CIRCULARS

The Midwifery Committee initiated a number of NMC Circulars during 2004. These covered issues such as medicines legislation, maintaining midwifery registration in neonatal units and guidance on the selection and appointment of Local Supervising Authority Midwifery Officers.

QUALITY ASSURANCE

Throughout the year the NMC has fulfilled its responsibility for the quality assurance of educational programmes leading to entry to the professional register. In Northern Ireland, Scotland and Wales agencies working on our behalf approved programmes and maintained regular contact with approved educational providers. Monitoring arrangements continue to demonstrate that our requirements are being met in the delivery of approved programmes. A new reporting framework has been introduced for the academic year 2004-2005, which will see monitoring reports for every approved institution in the UK made available on the NMC website.

Quality assurance in England is undertaken using 'visitors'. These are experienced NMC registrants who engage in approval and monitoring of educational providers to confirm that our standards are being met. Visitors also worked with the independent Quality Assurance Agency in a major review process that incorporated a 20% sample of NMC programmes for monitoring. They undertook a pilot of prototype arrangements, for approval and ongoing quality monitoring enhancement, as a partner in the Department of Health (England) Partnership Quality Assurance Framework.

Action plans were set up to target concerns identified with individual programmes and the President of the Council has monitored the results. It was found that our outcomes had not been fully met in two institutions; this related to programme rather than practice learning issues. The action plans have addressed the issues identified and confirmed achievement of our standards.

New arrangements for Quality Assurance are being developed for introduction in October 2006 and will build on our existing experience.

SPOTLIGHT ON...

EXTERNAL AND CORPORATE AFFAIRS

A key focus of the year's communications activity was the launch in August 2004 of the new register, the new fitness to practise rules and procedures, and the registration fee increase. So much change coming together at the same time presented both a communications challenge and an opportunity. The challenges involved the extent of material to be prepared, edited, designed and published; the internal and external briefings and associated information to be written and distributed; and dealing with external stakeholder enquiries.

Although systems were put in place for handling queries and negative feedback from registrants about the fee rise, the long lead time for its introduction and the amount of material previously provided in *NMC News* probably contributed to a lower than expected response.

The NMC issued 15 circulars about changes to the register, changes to *The NMC code of professional conduct; standards for conduct, performance and ethics*, new midwives rules and standards and code of practice, guidance on good health and good character, and complaints about fitness to practise and lack of competence. External stakeholders were targeted with appropriate material. As well as circulars, the NMC website was used as a major source of communicating information.

Other significant communications issues during the year included the Council's conference on the management of violence, the use of skills labs in pre-registration education, early development of the overseas nurses programme, the 'miracle births' issue, the annual midwifery conference, the inquiry into the death of David Bennett and the Council's annual statistics. In total, we issued 50 press statements and 50 NMC circulars during the year. We also covered hundreds of news stories on the website.

In order to keep external stakeholders informed about NMC business, we sent out an electronic briefing after each of the Council's quarterly meetings. This has proved popular and we regularly receive positive feedback. In order to make the actual meetings more accessible, a section of the Council meeting agenda has been allocated to questions and comments from those attending. Registrants and members of the public have been able to raise issues with Council directly.

We also developed new ways of involving the public and users of health services in the work of the Council. Parents and children were invited to the first in a series of UK-wide focus groups aimed at developing new standards for children's nursing, and users of mental health services were well-represented at focus groups to develop standards for mental health nursing.



It's been a busy and productive year for the NMC... so what can we expect as we look to the future?

REVIEW OF FITNESS FOR PRACTICE AT THE POINT OF REGISTRATION

Concerns about the difficulties of finding practice placements for students, and the reluctance of some mentors to fail students, has led to a review of fitness for practice at the point of registration.

Our first consultation of the reporting year proposed a standard to support learning and assessment in practice. The purpose was to strengthen support for learning through mentors, practice teachers and qualified teachers. The consultation closed in October 2004 with 815 responses. After considering the report, Council started to develop a framework of knowledge, skills and competencies to support the standard.

In March 2005, we set up a UK-wide coalition from the nursing sector, universities, patient groups and the NMC. This will look at developing clearer standards to help newly-qualified registrants practise more safely and effectively. They will take into account government health policy, NHS service developments, benchmarking and competency frameworks. The Council expects to approve a final standard later in 2005.

The second consultation of the reporting year focused on whether or not the NMC should regulate a level of practice for nurses beyond initial registration. A significant amount of health care is provided by nurses who practise independently and manage the caseloads of patients and clients in a variety of hospital and community settings. The proposals sought

to set a standard that the public could expect of any nurse working at this level. There are nurses who hold job titles that imply an advanced level of knowledge and competence, but there is inconsistency in how they are trained and assessed for these roles.

The response to this consultation was huge – 2,114 responses – and the report will be considered at Council in June 2005. However, early indications suggest there is strong support for all aspects of the proposals and that those working at a level beyond initial registration should be known as Advanced Nurse Practitioners.

The standards of overseas nurse applicants seeking entry to the register are also set to rise following work to develop the Overseas Nurses Programme. From 1 September 2005, every applicant will have her skills and experience assessed and will have to pass a specified International English Language Test (IELTS) before she can apply for the programme.

INTO THE FUTURE

THE 2006 COUNCIL ELECTION

Self-regulation will be under the spotlight next year as never before when we get the chance to prove that we can effectively regulate ourselves!

Early in 2006 year we will get the results of our first ever Council election, and newly elected members will take office on 31 July 2006. This date will mark the start of a new era for the NMC because it means we are prepared for self regulation after introducing all of the requirements that were laid out in the Nursing and Midwifery Order 2001.

12 registrant and 12 alternate Council members - nurses, midwives and specialist community public health nurses from each of the four UK countries - will bring a wealth of experience and expertise to the NMC. They will work alongside 11 lay members, who will have been appointed by the NHS Appointments Commission on behalf of the Privy Council, to shape the development of our professions.



THE ANNUAL REGISTRATION FEE

Following extensive consultation, it was agreed to increase the three-yearly registration fee from £60 to £129 from August 2004.

As was to be expected, proposals to increase the fee created much discussion and debate. The original proposal was for a three-yearly fee of £144 but, in response to feedback from the consultation, Council agreed to reduce this to £129 on the understanding that the registration fee would be reviewed again in 2007.

The consultation responses also showed strong support for annual payment of the registration fee. In response to this feedback, Council took the decision to change the three-yearly payment cycle so that registrants could pay their fee annually. This will come into effect from 1 January 2006, and under the new system, registrants will pay £43 a year for registration. The three-year cycle for renewal of registration remains unchanged.

The income from the fee increase will help improve the deteriorating financial position that the NMC inherited from the UKCC. It will also help us to provide self-regulation, recover past shortfalls, cover future growth in regulatory activity, restore financial health and cover inflation.

Practitioners who pay the registration fee are effectively obtaining a licence to practise in the UK. In return, the NMC seeks their input into the development of standards for the nursing and midwifery professions and provides guidance, advice and support to help them meet our standards.

A further consultation on the fee rise is due in 2006, for a rise to take effect in 2007.



The Council is the governing body of the NMC and deals with strategic issues of registration, unfitness to practise and quality assurance.

Unlike the majority of health regulatory bodies, our Council has almost 50% lay representation. Of the 23 voting council members, 12 are registrant members and 11 are lay members. The registrant and alternate members consist of equal numbers of nurses, midwives and specialist community public health nurses from each of the four UK countries. The lay members include representatives from education, employer and consumer groups.

215 staff are employed in our London office and work in the following areas:

- External and Corporate Affairs
- Facilities
- Finance and IT
- Fitness to Practise
- Human Resources
- Standards and Registration.

The NMC trains all new staff in diversity issues and each year we produce a report to see how we're doing as an organisation that reflects a diverse environment. The report shows that the NMC staff profile is now at a 60/40 balance for both gender and ethnicity as apposed to 70/30 (gender) and 75/25 (ethnicity) five years ago. The NMC is at least as ethnically diverse as London's cosmopolitan population.

THE COUNCIL

The NMC Council consists of the following members:

REGISTRANT MEMBERS

Jonathan Asbridge, President
(Nursing, England)

Elizabeth Bannon
(Midwifery, Northern Ireland)

Marianne Cowpe
(Health Visiting, Wales)

Sharon Hall
(Nursing, Wales)

Mary Hanratty, Vice-President
(Nursing, Northern Ireland)

Vinny Ness
(Midwifery, Wales)

Kathy McLean
(Nursing, Scotland)

Heather Shaw
(Midwifery, Scotland)

Cathy Warwick
(Midwifery, England)

Bronya Webster
(Health Visiting, England)

Ishbel White
(Health Visiting, Scotland)

Fiona Wright
(Health Visiting, Northern Ireland)

LAY MEMBERS

Moi Ali

Paddy Buxton

Jill Crawford

Alan Ferguson

Pat Frost

Christina Funnell

Cathy Gritzner

Maxwell Irvine

John Leece Jones

Donald Pennington

Trevor Purt

ALTERNATE MEMBERS

Maureen Jamison
(Health Visiting, Northern Ireland)

Margaret Eiri Jones
(Nursing, Wales)

Nancy Kirkland
(Nursing, Scotland)

Paul Lewis
(Midwifery, England)

Heather Livesey
(Health Visiting, England)

Chrissie Hayes
(Midwifery, Wales)

Angela O'Connor
(Nursing, Northern Ireland)

Eileen Pollock
(Midwifery, Northern Ireland)

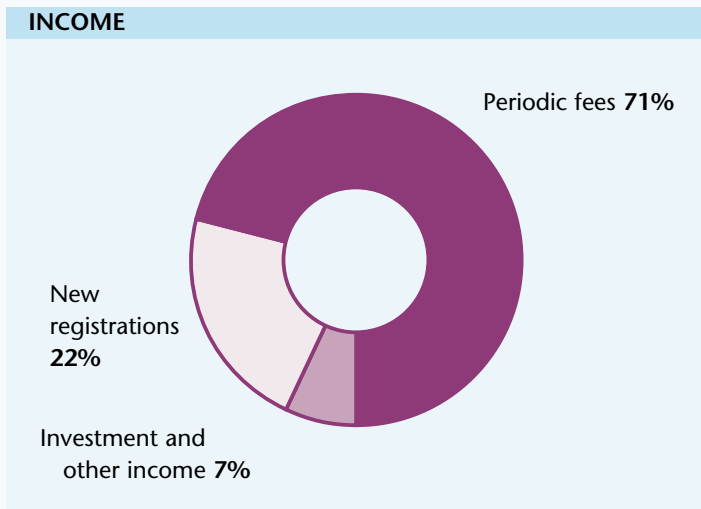
Angela Roberts
(Health Visiting, Wales)

David Sines
(Nursing, England)

Mary Vance
(Midwifery, Scotland)

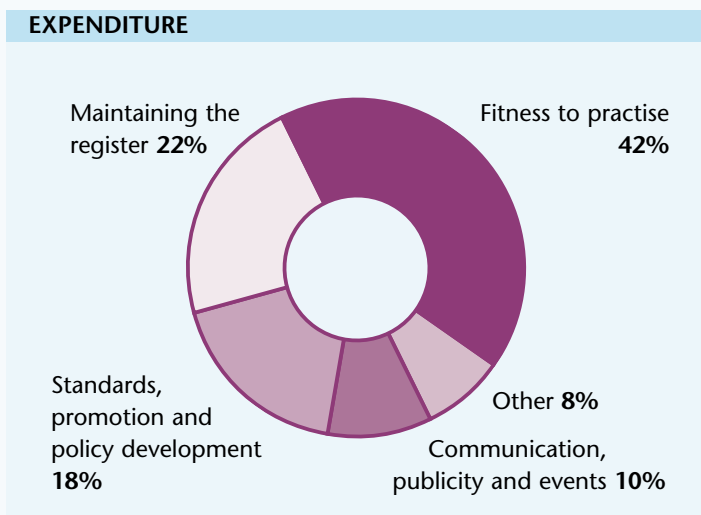
Sheena Wright
(Health Visiting, Scotland)

Breakdown of income and expenditure



In 2004-2005 our income totalled £20,213,000, and our expenditure came to £20,942,000. In the previous year, income totalled £18,800,000 and expenditure totalled £21,179,000. The improvement on the previous year was £1,650,000. An analysis of both the income and expenditure is included in the summary accounts on the following pages.

The NMC has a five-year recovery plan in place to take us through to 2010. It is designed to deliver a targeted level of free reserves equal to 50% of annual expenditure by 2010. The current financial year results remain on course to deliver this target.



At 31 March 2004 we had negative free reserves of £6,471,000. Therefore, along with the fee increase, the NMC has been working hard to save money in every area of the business. Amongst other things, we have reduced the number of publications that we print by making greater use of the NMC website, and we have saved further costs by renegotiating our printing contracts and cleaning services. As at 31 March 2005, our negative free reserves had increased to £7,257,000, but the position has now stabilised as the cost saving measures and increased fee income take effect.

ANNUAL ACCOUNTS 2004-2005

Summary statement of financial activities for the year ended 31 March 2005

	2005 £ 000s	2004 £ 000s
Income		
Periodic fees	14,367	11,254
Registrations	4,421	4,935
Other fee income	248	245
Total fee income	19,036	16,434
Interest and investment income	830	762
Trading and other income	347	479
Grants receivable from Government bodies	-	1,125
Total income	20,213	18,800
Expenditure		
Standards promotion and policy development	3,739	2,754
Maintaining the register	4,606	5,489
Fitness to practise	8,883	8,317
Cost of new register	40	1,085
Direct charitable expenditure	17,268	17,645
Communication, publicity and events	2,125	1,849
Management and administration	1,466	1,376
Cost of generating funds	83	73
Other expenditure	3,674	3,298
Realised loss from investments	-	236
Total expenditure	20,942	21,179
Net movement in Funds for the year	-729	2,379
Total Funds brought forward as restated	3,215	5,594
Total Funds carried forward	2,486	3,215

Summary balance sheet as at 31 March 2005

	2005 £ 000s	2004 £ 000s
FIXED ASSETS		
Tangible assets	9,743	9,686
TOTAL FIXED ASSETS	9,743	9,686
CURRENT ASSETS		
Debtors and amounts owing to NMC	431	422
Cash at bank and in hand	27,847	17,615
TOTAL CURRENT ASSETS	28,278	18,037
Creditors (amounts falling due within one year)	-18,698	-14,414
NET CURRENT LIABILITIES	9,580	3,623
TOTAL ASSETS LESS CURRENT LIABILITIES	19,323	13,309
Creditors (amounts falling due after more than one year)	-16,248	9,509
Provision for liabilities and charges	-589	585
NET ASSETS	2,486	3,215
Restricted funds	25	65
Unrestricted funds	2,461	3,150
INCOME FUND	2,486	3,215

Mr Jonathan Asbridge, President, NMC

Mrs Sarah Thewlis BA FCIPD hon FRCGP FRSA , Chief Executive and Registrar, NMC

1 December 2005

ANNUAL ACCOUNTS 2004-2005

Summary cash flow statement for the year ended 31 March 2005

	2005 £ 000s	2004 £ 000s
Income/ (Expenditure) for period	-729	-2,379
Add back non cash items		
Depreciation	381	370
Loss on disposal of fixed asset	2	4
Realised and unrealised loss on investments	-	238
Total add back non cash items	383	612
Net inflow/(outflow) of funds from activities	-346	-1,767
Applications		
Capital expenditure	-440	-260
Receipts from sale of investments	-	4,725
Movements in working capital	4,275	4,066
Movements in fees paid in advance	6,739	594
Movements in liabilities and charges	4	360
Total applications	10,578	9,485
Net inflow/(outflow) of funds	10,232	7,718
Represented by movements in cash and bank accounts	10,232	7,718

Notes

1. BASIS OF SUMMARY ACCOUNTS

The summarised accounts are a summary of information extracted from the annual accounts and contain information relating to both the Statement of Financial Activities and the Balance Sheet.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the charity. For further information, the full accounts, which received an unqualified audit opinion, should be consulted. Copies of these are available on our website at www.nmc-uk.org or can be obtained from the Nursing and Midwifery Council, 23 Portland Place, London W1B 1PZ.

The annual accounts were approved by the Council on 1 December 2005, and have been laid before Parliament by the Privy Council, and submitted to the Charity Commission.

The accounts of the Nursing and Midwifery Council are prepared in accordance with the Accounts Directive received from the Privy Council. This requires the accounts to be prepared in accordance with the Statements of Recommended Practice 'Accounting by Charities' and that the accounts also comply with the Applicable Accounting Standards issued or adopted by the Accounting Standards Board.

2. RELATED PARTY TRANSACTIONS

A full declaration of related party transactions has been made in accordance with FRS 8, and this is detailed in the full financial statements. The full financial statements are available from the website at www.nmc-uk.org.

3. INDEPENDENT AUDITORS' STATEMENT TO THE MEMBERS OF NURSING AND MIDWIFERY COUNCIL

We have examined the summarised financial statements of the Nursing and Midwifery Council set out on pages 18,19 and 20.

4. RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITORS

The council are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Councils' Annual Report. We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

5. BASIS OF OPINION

We conducted our work in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statement" issued by the Auditing Practices Board for use in the United Kingdom.

6. OPINION

In our opinion the summarised financial statements are consistent with the full financial statements and the Councils' Annual Report of Nursing and Midwifery Council for the year ended 31 March 2005.

haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

5 December 2005

REGISTRATIONS

For all overseas registration enquiries,
e-mail overseasreg@nmc-uk.org.

There are two separate switchboard numbers for the NMC's
Registration Department.

For all new and existing United Kingdom and European Union
registrations, call 020 7333 9333.

For all registration enquiries from countries outside the EU,
call 020 7333 6600.

PROFESSIONAL ADVICE

Telephone 020 7333 6541/6550/6553
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PUBLICATIONS

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**NURSING &
MIDWIFERY
COUNCIL**

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