

Website FAQs: Consultation on increasing the registration fee

These frequently asked questions have been prepared to address general enquiries about the proposed increase of registration fees.

About the role of the regulator:

1 What is the role of the regulator?

The NMC exists to protect the public. We do this by maintaining the register of nurses and midwives who are qualified to work in the UK.

The NMC does not represent the nursing and midwifery professions. Our core regulatory activities include setting and quality assuring standards of education, maintaining the register, setting standards for practice, statutory supervision of midwives, and taking action where an individual's fitness to practise is called into question.

[Our remit is set out in the Nursing and Midwifery Order \(2001\)](#)

2 Are nurses and midwives required to be registered?

Yes. Nursing and midwifery are regulated professions. It is illegal to work as a nurse or midwife without being on the NMC register.

Registration with the NMC is, in effect, a licence to practise and is compulsory for anyone wishing to work in the UK as a nurse or midwife. It provides patients, employers and the public with proof that a person is fully qualified, trained, capable of safe and effective practice, and is someone worthy of public trust and confidence.

Through the NMC, registrants establish entry standards for those seeking to practise as a nurse or midwife, and the standards of conduct, performance, training and education required to practise safely throughout their career.

In common with doctors, dental hygienists, solicitors, opticians, architects and other professionals, nurses and midwives pay for their regulation with an annual registration fee.

We understand a fee increase in the current economic climate will be very difficult for nurses and midwives. We have held back on increases since 2007. However if we are to continue to protect the public we have no alternative but to increase the fees to pay for the cost of regulation.

[Find out how to claim back tax on the registration fee](#)

About the cost of regulation:

3 Why is the NMC increasing the registration fee?

The NMC is primarily funded by registration fees. The registration fee, currently set at £76 has remained unchanged since 2007. With a register of over 670,000 this provides us with a total annual income of approximately £53 million.

The income from this fee must cover all our regulatory activity including quality assurance of education, maintenance of the register, development of standards, statutory supervision of midwives and the processing of fitness to practise cases. Together these are the core functions that we carry out to ensure the protection of the public.

Although our fee income is fixed the majority of our cost base, for example costs associated with external suppliers and utilities, is subject to inflation. Since 2007 as a result of inflation these costs have risen by 13 per cent. Had we increased the annual registration fee in line with inflation it would now be £86 per year. We have tried our best to absorb inflationary pressures but we can no longer do this with the major increase in our workload and we will not be able to protect the public if we continue to do so.

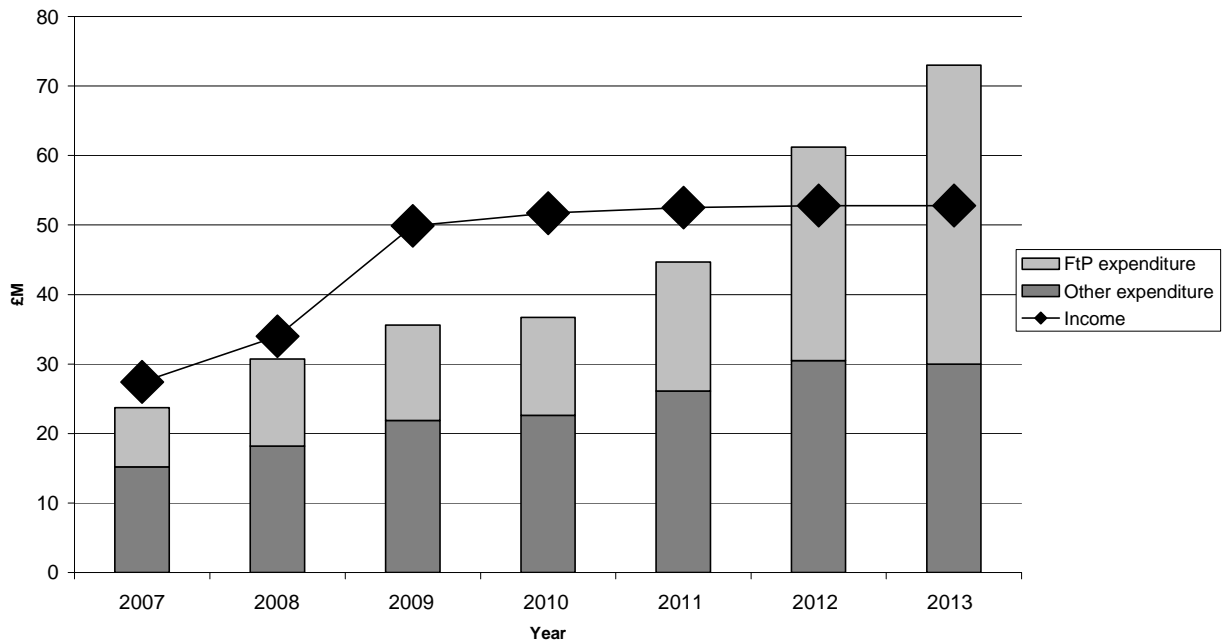
Complaints against nurses and midwives have soared by 48 percent since 2010 and our caseload has increased as a result.

In 2011-2012, total NMC revenue expenditure was £61 million and total annual income was £53 million, creating a deficit of £8 million. This was effectively funded by reserves. Without a fee increase our available reserves will run out by the end of this year.

To deal with our fitness to practise caseload in 2012-2013 we forecast that expenditure will reach £43 million. This together with the costs of our other core regulatory and support functions will increase total expenditure to £73 million. If our income were to remain at the current level we would have a deficit of £20 million which we would not be able to cover from our available reserves. We would then have no choice but to scale back our fitness to practise activity so that we can live within our means. This would however mean that we would be failing in our duty to protect the public.

If we are to continue to protect the public we have no alternative but to increase the fees to pay for the cost of regulation.

Income, total expenditure and fitness to practise expenditure



4 Why did you allow your available reserves to run so low?

In order to meet our Charity Commission requirements, we must have sufficient funds in reserve to cover periods of increased financial pressure.

When the NMC took over from the UKCC in 2002, it inherited a substantial debt. As part of the financial recovery plan, the governing Council of that time agreed with the Finance Committee's recommendation to have available reserves equal to six months expenditure.

The financial recovery plan was achieved in 2010. The governing Council reviewed the reserves policy and agreed with the Finance Committee's recommendation that three months worth of expenditure would be a more appropriate and proportionate amount to have in available reserves. We have kept our reserves policy low, compared to those of other charities, as the registration fee provides a consistent level of income throughout the year, rather than charities which rely on donations that can fluctuate dramatically month to month.

In order to comply with the new policy, we had to reduce the amount we had in available reserves from six months income to three months expenditure. It was agreed that the funds should be released over a period of time, ending in the financial year 2014-2015. The additional money available to the organisation allowed us to absorb the additional costs of fitness to practise incurred in 2011-2012.

However, the 48% increase in referrals to fitness to practise and the associated expenditure meant that we reached the agreed available reserves level two years sooner than anticipated. Were we to continue to reduce our available reserves, they would be fully depleted by the end of this financial year and we would have to

immediately reduce our activity and could no longer protect the public in the way that we are expected to do.

- 5 Many of the other healthcare regulators have recently reduced their registration fees despite also seeing a sharp increase in referrals. Why are nurses and midwives being asked to pay more?

Even with the reduction in registration fees, the vast majority of healthcare professionals still pay significantly more for their registration compared to nurses and midwives.

- 6 How does the proposed fee of £120 measure with other regulators and organisations?

A fee of £120 stands up well to those charged by other regulators in the health sector. The organisations listed below charge the following to provide them with the level of funding they need to deliver their core functions:

Organisation	Registration/Membership Fees (full registration/membership)
Dental nurses (GDC)	£120.00
Dentists (GDC)	£576.00
General Optical Council (GOC)	£260.00
General Medical Council (GMC)	£390.00

The cost of union membership fees are:

Organisation	Registration/Membership Fees (full registration/membership)
Union membership fees	
Unite/CPHVA	£152.76
Royal College of Nursing	£194.93
Royal College of Midwives	£239.00
Unison	£168.00 (entry level) - £270.00

- 7 What will raising the fee to £120 allow the NMC to do?

We would meet our six month key performance indicator (KPI) on adjudication and eliminate our historic caseload by the summer of 2014, further reducing the KPI to three months in due course.

There would be capacity to manage an increase in referrals of up to 8 per cent. We would have the capacity to handle the increasing length of hearings (average hearing takes 3.5 days) because of the increasing complexity of cases.

[We could appropriately invest in our ICT](#) infrastructure to deliver more efficient registration services and improve our information management as per the CHRE recommendations in its [interim report of the review of the NMC](#).

- 8 What will happen if the NMC doesn't increase its registration fee?

We will not be able to deliver public protection in the way that we are required to do.

The NMC has already significantly dipped into its reserves to continue to fund activity. Without a fee increase we would have to immediately scale back the action plan that we have put in place to reduce the older cases in our fitness to practise case load including:

- Cutting hearings from 15 per day to eight, adding at least 460 cases per year to the hearings waiting list
- Failing to meet any of our adjudication key performance indicators
- Not having the capacity to manage any additional increase in referrals

[Revalidation](#) and investment in our ICT would be put on hold.

About fitness to practise:

9 How much did the NMC spend on fitness to practise activity in 2011-2012?

Last year direct fitness to practise costs were £31 million.

10 How much is the NMC expecting to spend on fitness to practise activity in 2012-2013?

Whilst it is impossible to predict future fitness to practise referrals, based on our own experience and that of the other healthcare professionals regulators we believe it is prudent to plan for a year on year increase of eight per cent. Based on our projections we will need to spend £43 million of direct expenditure on fitness to practise. This will result in a total funding requirement for the NMC of £73 million.

At current fee levels this would create a deficit of approximately £20 million. Before reaching that point we would be compelled to dramatically reduce our fitness to practise activity, which would mean that we would be failing in our duty to protect the public.

11 What efficiency savings did the NMC make before taking the decision to increase the fee?

It is clear that with limited financial resources, the NMC must focus on delivering its core statutory responsibilities. As a result, the NMC has reviewed its projects and priorities, and has deferred or closed a number of significant areas of work.

Our projections for future years take into account significant efficiency savings which we are working to deliver. These include cost savings of £8.5 million per year in fitness to practise, and annual savings of £4 million as a result of an organisational restructure and a pay freeze for staff members.

However these savings will not be enough. The cost of regulation has continued to outstrip our available income. Our funding is not enough to manage the increase in referrals and it does not allow us to implement the quality improvements and measures that we need to achieve to protect the public.

12 What is the NMC's current fitness to practise caseload?

The NMC's current caseload is approximately 4,500. This number changes on a daily basis depending on incoming referrals and cases that are closed.

13 How much money does the NMC spend on each hearing?

The overall cost of a case depends on its complexity and the stage at which we resolve it. However the total cost of managing our caseload, regardless of the stage it reaches, will be approximately £43 million in 2012-2013.

14 What measures has the NMC taken to reduce fitness to practise costs?

Fitness to practise efficiency savings are built into the strategic financial model at £2.4M in 2012-2013, and £8.5M per annum going forward, however these still cannot 'bridge the gap' between our expenditure requirements and our annual income.

We have tried very hard to deliver fitness to practise within the funds available to us. However complaints against nurses and midwives have soared by 48 percent since 2010 and our caseload has increased as a result.

All healthcare regulators have experienced an increase in referrals. We have a legal obligation to investigate all complaints about nurses and midwives that are raised with us.

Actions taken to reduce the 4,500 caseload include a rigorous first stage screening process to eliminate inappropriate referrals and running 20 hearings a day across the UK for the next two years to target older cases.

We have implemented an NMC Efficiency Board to drive the delivery of identified efficiencies, including those arising from the switch from external to in-house case investigation, and those we can implement following the changes in the [Rules in February 2012](#).

If we are to continue to protect the public we have no alternative but to increase the fees to pay for the cost of regulation.

15 Is this a result of poor financial handling by the organisation?

No. The organisation has seen a significant rise in referrals and this costs money. Our function is to protect the public and we have a duty to handle fitness to practise referrals to the required standards and timeframes and with professional expertise. Despite a projected £8.5 million in efficiency savings in fitness to practise activity, our expenses remain greater than our income.

We inherited a financial deficit from our predecessor body and in 2002-2003 we initiated a financial recovery plan in order to make good this deficit. This was successfully achieved in March 2010 when we returned to a position of financial stability. At this time we had six months worth of expenditure in available free reserves.

Council agreed to reduce our financial reserves requirement to three months operating expenditure and that this should be phased in via increased expenditure over revenue levels to reduce reserves to the agreed level by 2014-2015. As of 31 March 2012 our available free reserves have already reduced to this level, two years before anticipated. This is primarily due to significant additional expenditure required to deal with the fitness to practise caseload in 2011-2012.

16 Why do nurses have to pay for others mistakes?

The registration fee entitles all nurses and midwives to practise in the UK. The fee pays for a wide range of regulatory activity including setting and quality assuring standards of education, maintaining the register, setting standards for practice and taking action where an individual's fitness to practise is called into question.

Fitness to practise helps guarantee the reputation of the profession.

About the consultation:

17 When is the NMC increasing the registration fee?

We are currently consulting on the decision to increase our registration fee until 24 August, and expect that the fee increase will take effect from January 2013.

Contributions from individuals, groups and organisations are encouraged.

[Contribute to the consultation](#)

18 Why are you asking for equality and diversity information on a consultation about raising the registration fee?

Collecting ethnic monitoring data as part of consultations enables us to make sure that we are engaging with all sections of society in developing our policies. If the data shows that any particular groups have been under-represented as respondents we may be able to undertake further engagement with those groups prior to any decisions being made.

Ethnic monitoring data is also used as part of the equality impact assessment process which enables us to demonstrate that we show 'due regard' to the following nine protected characteristics when we develop policies - race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity, gender reassignment and marriage and civil partnership. For more information see the Equality Act 2010.

About our offices in London:

19 Why does the NMC continue to hold hearings in London? Why does the NMC have offices in London?

While the majority of hearings take place in London, we must hold hearings in the country of the person's registered address.

23 Portland Place costs us £250 per year due to the terms of our lease. It is more economical for us to use this building and find other buildings nearby than move to another part of the country. Our London offices cost £2.2 million in 2011-2012, or 4 percent of total expenditure.

The NMC also has offices in Edinburgh and Cardiff.

20 How can the NMC justify paying the travel and accommodation costs for witnesses to come to London?

Witnesses are vital to fitness to practise hearings so it is appropriate we provide travel and accommodation for those who are required to attend to give evidence.

We make every effort to find the best price for travel and have negotiated special rates with local hotels well below the advertised rate.

About the decision to remove the professional advice service:

21 How can the NMC justify increasing the registration fee while at the same time removing services it provides to nurses and midwives?

As part of our current refocus on our core regulatory functions, we have reviewed our role in providing advice to nurses and midwives and consider that this can lead to confusion about our purpose as a regulator. Other mechanisms and organisations exist which are better placed to undertake this role and through which nurses and midwives can obtain advice and support in relation to professional or clinical issues. These include local processes including managers, employers, CPD activities and peers, professional organisations and trade unions and for midwives, the LSA framework.

As a result we will be withdrawing our individual telephone and email advisory service from 29 June. The nurses and midwives section of the NMC website has been redesigned to enable nurses to easily access the NMC standards and guidance that they need to apply in their practice and to see which standards and guidance are currently under review. There will be a separate section focussing on how regulation can be applied in practice including clear signposting to other organisations who provide different types of information or services for nurses and midwives.

As always, we encourage nurses and midwives to raise any concerns they might have in the workplace, through talking to peers and line managers, keeping in mind their own professional accountability and in the interest in the safety of the public.

Definitions

Revalidation

- 22 All UK healthcare professional regulators are committed to delivering an effective system of revalidation. In the case of the NMC this will be by 2014. The purpose of revalidation is to protect the public by enabling us to confirm that nurses and midwives continue to be fit to practise and that their skills and knowledge are up to date and specific to their current area and scope of practice. It is also intended that revalidation should promote a culture of continuous improvement in practice for nurses and midwives. We will therefore be required to establish standards and deliver an effective and proportionate model of revalidation.

Information communication and technology (ICT)

- 23 Our current registration system and database was developed in 2001. In 2008-2009 we made significant investment in a new case management system enabling more efficient processing of fitness to practise cases. Further significant investment is now required to update the registration system and improve the integration of the fitness to practise and registration systems. It will ensure that the data we use is accessible and robust. It will improve how we generate and subsequently use our management information. We will also be able to provide a more efficient registration service for nurses and midwives. All of these will enable us to better protect the public.