

Briefing for MPs on registration fees, February 2004

The Nursing and Midwifery Council is the regulatory body for nursing, midwifery and health visiting. We have some 645,000 practitioners on our register. Our primary function established by Parliament is to protect the public through setting standards and dealing with allegations of misconduct against practitioners.

The NMC came into office in April 2002. We discovered a large and growing financial deficit. During our first year of operation, the Council conducted a thorough review of its finances and implemented a number of cost savings, including bringing IT and the call centre in-house. However, despite these significant measures, it is necessary to increase the three-yearly registration fee from the current £60.

The NMC consulted widely from end-October to mid-February on aspects of its finances, including the registration fee. This briefing is designed to explain to MPs the background to the fee increase to be paid by nurses, midwives and health visitors from August 2004.

What is the registration fee for?

All health professionals pay a registration fee to their regulatory body. So do all other professionals, such as accountants, lawyers, architects and engineers. The registration fee is their licence to practise. Registration demonstrates to the public that they have met the standards for getting onto the register and are maintaining their registration through updating. NMC registration shows that nurses, midwives and health visitors are fit to practise in the UK.

Why should nurses, midwives and health visitors pay?

There are two models for regulation: self-regulation and state regulation. The regulation of health and other professionals in the UK is the former. The latter model is most common in countries that aren't democratic or which have recently ceased to be totalitarian regimes. With self-regulation, the professions regulate themselves, increasingly in collaboration with public representation. Nurses, midwives and health visitors have paid a registration fee, and had to register, for a long time – midwives since 1902 and nurses since 1919.

Why a fee increase now?

The three-year registration fee has increased only twice in 11 years - in 1993 and 2002. In that period, the fee has been insufficient to cover the cost of regulation - mainly maintaining the register and dealing with allegations of misconduct. The previous regulatory body - the UKCC - was able to make good the shortfall each year through its extensive reserves but, by the time the NMC came into office, these had dissipated due to the stock market crash. For the past decade, those on the register have been paying well below the true cost. The current shortfall is some £4.5 million a year, or some £20 million cumulatively. At the same time, the NMC's new statutory responsibilities which come into effect in 2004 - for example, dealing with complaints about practitioners' lack of competence for the first time – will significantly increase our costs.

Has the NMC made savings and efficiencies?

Yes we have. Following a financial review, a number of cost-saving measures have been taken to bring stability. By bringing IT in-house, we should save £600,000 a year. We saved £300,000 by bringing our call centre in-house. A newly-appointed buyer will save the NMC £300,000 a year, as will setting up an in-house legal team. Between now and 2010, productivity and efficiency savings will offset inflation costs in that period.

What is the scale of the proposed fee increase?

The NMC has calculated precisely how much the registration fee should be and set this out in the consultation document. The amount has been built up pound by pound, to arrive at a figure of £48 a year between 2004 and 2010. The Council will consider the consultation responses in April and make a final decision on the fee then.

Why should everyone pay the same fee?

The Council has considered differential fees depending on salary but rejected this on two grounds. The cost of regulation - the licence to practise - is the same whatever your salary or hours of work. At the same time, having fees dependent on income would require the NMC to collect and maintain information on 650,000 salaries for the first time. This would be a mammoth task and would, in itself, put the fees up further.

But the NMC has consulted on two ideas that would make it easier - and cheaper - for those on the register. We have proposed that payment should be annual rather than every three years, enabling people to pay £48 rather than £144. This could not start until January 2006 so, in the interim period, we have suggested that newly qualified nurses and midwives should pay a lesser amount - two years of fees for three years' registration. The Council will review these options in light of the consultation responses.

How does the proposed fee compare with other health professionals?

All other health professionals pay fees to their regulatory bodies. These vary from the lowest, which is £60 a year, to the highest at £1,000 a year. So, at £48 a year, the NMC fee will still be the lowest by a very long way. And registrants get tax relief on the fee, so it is actually £37 a year.

What benefits will the higher fee bring?

As well as bringing financial health to the NMC for the future - and the prospect of no more large fee increases - the higher fee will mean the NMC can:

- Introduce on-line registration from 2005, making practitioners' business dealings with the NMC much simpler, quicker and more efficient
- Reduce substantially the time taken to deal with the thousands of applications from overseas-trained nurses and midwives
- Cut the time taken to investigate allegations of misconduct
- Enhance the professional advice and guidance we give to practitioners.

When will the higher fee start?

From August 2004. But those on the register pay every three years when they renew their registration. So a nurse who renews in July 2004 would not have to pay the higher fee until July 2007.

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