



# **The Royal College of Nursing Group Annual Report 2020**



# Combined RCN Group annual report and consolidated financial accounts for year ended 31 December 2020

Comprising the Royal College of Nursing of the United Kingdom, its trading subsidiary RCN Publishing Limited (RCNi), RCN Holdco Limited, and the RCN Foundation.

## Registered office

20 Cavendish Square, London W1G 0RN

Company registration number: RC000459

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# Contents

<b>Welcome</b>	<b>4</b>
<b>The RCN Group</b>	<b>6</b>
<b>Corporate governance framework</b>	<b>7</b>
<b>Corporate governance</b>	<b>8</b>
<b>Section 172 (1) statement</b>	<b>10</b>
<b>Risk management</b>	<b>13</b>
<b>Priority 1: Our Safe and Effective Care campaign</b>	<b>19</b>
<b>Priority 2: Developing members through their careers</b>	<b>24</b>
<b>Priority 3: Mobilising our membership</b>	<b>30</b>
<b>Priority 4: Shaping the future of the nursing profession and health care</b>	<b>39</b>
<b>Priority 5: Investing in our future by transforming the way we work</b>	<b>48</b>
<b>Streamlined Energy and Carbon Reporting (SECR)</b>	<b>57</b>
<b>Looking forward</b>	<b>62</b>
<b>Financial review</b>	<b>66</b>
<b>Statement of Council members' responsibilities</b>	<b>72</b>
<b>Independent auditor's report to the members of the Royal College of Nursing of the United Kingdom</b>	<b>73</b>
<b>Financial statements</b>	<b>78</b>
<b>Thank you to our supporters</b>	<b>120</b>
<b>Reference and administrative details</b>	<b>121</b>

# Welcome

2020 has been a challenging year for everyone in many ways, yet the COVID-19 pandemic has shown nursing's commitment, spirit, skill and professionalism in these testing and unprecedented times.

Nursing has been at the centre of the pandemic response and we have worked to ensure we continued to meet members' needs and the increased support and advice they have needed. From published guidance, employment advice and support via our Customer Service Centre and at local levels, to lobbying governments and employers, we've helped members through one of nursing's toughest times.

In the NHS, we and the other health unions, have worked hard to protect the incomes of members during COVID-19 absences. As a result, NHS staff across the UK, including those working through banks have been entitled to full pay for periods of self-isolation, shielding and sick leave.

We have also worked to protect the incomes of members working in the independent sector, where we successfully negotiated income protection during self-isolation, shielding and sickness absence for some of those members. In social care, we produced guidance for members in care homes to challenge their employer for full pay, with positive results - we even convinced one of the largest employers to backdate the full pay.

Many of our nursing students decided to support the pandemic response. We supported them in their choice and secured contracts with full employment status and protections for their time in extended clinical practice.

For the first time in its history, Congress as we know it didn't take place. We worked to bring members #RCN2020 - a series of online debates and events so members could have their say on key nursing issues and connect with colleagues.

We are going into 2021 in a stronger financial position as a result of higher than predicted membership numbers and underspends during the pandemic, including reduced expenditure on events and conferences and property running costs. Both provide us with an opportunity to push forward with our transformation agenda to further improve the way we support and deliver services to members. It will also enable us to deliver on other priorities including continuing our member and public-facing campaign work.



**Dame Donna Kinnair**  
**OBE**  
Chief Executive &  
General Secretary



**Dave Dawes**  
Chair of Council

While lockdown and social distancing measures meant the World Health Organization's International Year of the Nurse and Midwife wasn't quite the celebration of global nursing we had all hoped for, technology was utilised to help mark the momentous year. This was wonderfully highlighted by Only Boys Aloud who presented RCN Wales with a special thank you song and video for all the health care workers in Wales instead of appearing at the RCN Wales Nurse of the Year Awards.

Colleagues in Northern Ireland continued their strike action at the start of 2020 over unsafe staffing levels and pay disparity. This unprecedented action culminated in the RCN securing pay parity for the nursing workforce with NHS staff in England and commitments to significant progress on safe staffing.

Public support for nursing staff this year has been incredible. We have worked to build on this support and in September launched our *Fair Pay For Nursing* campaign demanding that the Government give nursing staff fair pay. A truly member-led campaign, its foundations were based on demands and feedback from tens of thousands of our members on what would make them feel valued. And our members were clear about where this should start – pay. This is the first time we have used such a detailed member engagement process to determine our pay claim.

There is a lot for us to be proud of this year. We have pulled together, made ourselves heard and sought change for the better. We have continued to build on the lessons from earlier in the pandemic. The coming months will continue to raise challenges for us as individuals and as a profession. Teamwork, collaboration, member engagement and valuing people have been, and will continue, to be vital in moving forward.

2021 is a time of hope. The COVID-19 vaccination programme is underway and the International Year of the Nurse and Midwife has been extended which creates more opportunities to showcase nursing around the globe. We will build even further on this year's progress and together we will continue to be the voice of nursing and make a real difference.

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**Public support  
for nursing  
staff this year  
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incredible**

# The RCN Group

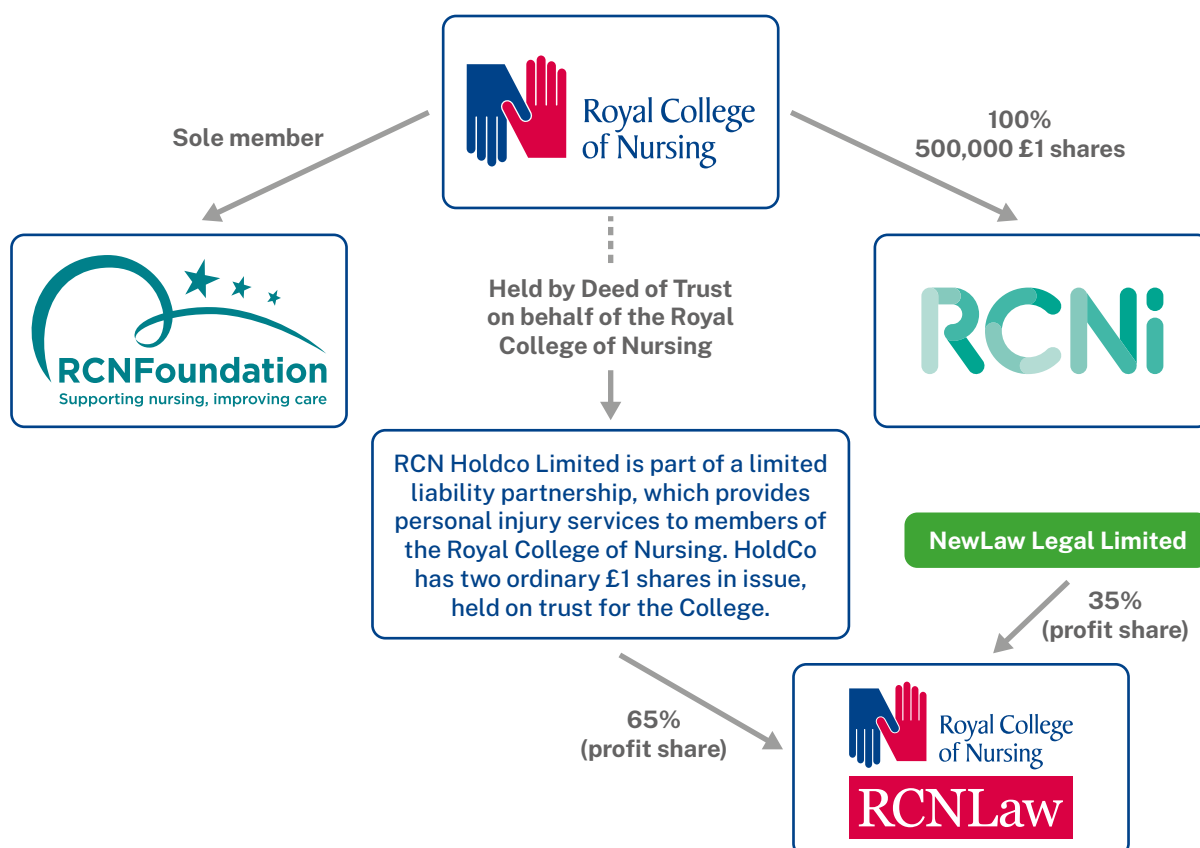
The Royal College of Nursing of the United Kingdom (RCN) was established in 1916 and incorporated by Royal Charter in 1928. Since 1977 we have also been registered as a special register trade union. We are the world’s largest nursing union and professional body. We represent more than 450,000 nurses, nursing students, midwives and nursing support workers in the UK and internationally. We are governed by 17 Council members.

RCN Publishing Limited (RCNi) is a wholly owned subsidiary of the Royal College of Nursing. It provides an essential nursing resource, inspiring and informing the whole nursing team to deliver best practice and exceptional patient care. RCNi has 500,000 ordinary £1 shares in issue and all are owned by the RCN. RCNi has it’s own Board of Directors.

The RCN Foundation is an independent charity that supports the needs of the nursing team. The Foundation is a charitable company limited by guarantee, the sole member of which is the College. It has a separate Board of Directors who are also the charity Trustees.

RCN Holdco Limited is part of a limited liability partnership, which provides personal injury services to members of the Royal College of Nursing.

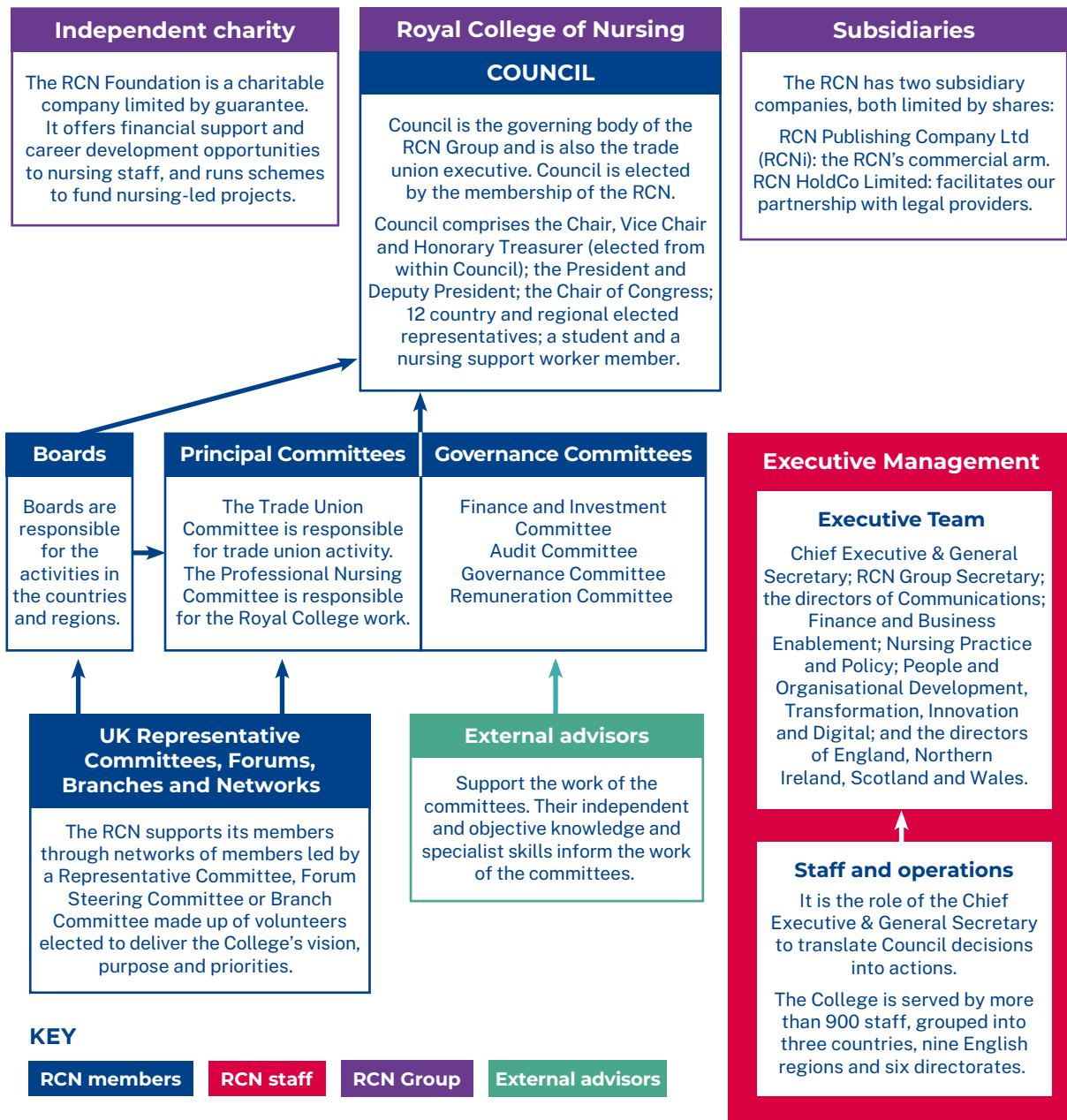
## Royal College of Nursing Group structure and relationships



# Corporate governance framework

## Royal College of Nursing Group structure

The Royal College of Nursing is a corporate body established by Royal Charter. We are one of a small number of special register trade unions allowed to have a corporate status. The College is the parent of the RCN Group with control over the RCN Foundation, RCN Publishing Limited (RCNi) and RCN HoldCo Limited.



# Corporate governance

Governance of the RCN is the responsibility of Council who:

- set strategy and direction in line with the overall purpose
- monitor performance and ensure that effective compliance controls are in place
- ensure compliance with Royal Charter, Standing Orders, regulations and policies
- ensure effective engagement with RCN members and other stakeholders.

The RCN's Executive Team is responsible for delivering the agreed RCN strategy.

## 2020 Council

**Chair:** Dee Sissons, East Midlands (until 21 August 2020); Dave Dawes, North West region (from 2 September 2020)

**Vice Chair:** Richard Jones MBE, Wales (until 24 August 2020); Carol Popplestone, Yorkshire & the Humber region (from 3 September 2020)

**President:** Professor Dame Anne Marie Rafferty FRCN, President

**Deputy President:** Yvonne Coghill CBE FRCN, Deputy President (until 29 October 2020)

### ENGLAND

**East Midlands region:** Dee Sissons (until 5 November 2020)

**Eastern region:** Dr Janice Waters, Eastern (until 29 June 2020); Jesudass Johnselvan (from 11 August 2020)

**London region:** Joan Myers OBE

**North West region:** Dave Dawes

**Northern region:** Dr Annessa Rehair (until 22 September 2020); Michael Appleby (from 15 December 2020)

**South East region:** Jeremy Benton

**South West region:** Geoffrey Walker OBE

**West Midlands region:** Professor Rod Thomson FRCN

**Yorkshire & the Humber region:** Catherine Best (until 20 February 2020); Carol Popplestone (from 14 July 2020)

### NORTHERN IRELAND

Fiona Devlin

### SCOTLAND

Geoff Earl

### WALES

Richard Jones MBE

### STUDENT MEMBER

Amy Fancourt

### NURSING SUPPORT WORKER MEMBER

Evan Keir

### CHAIR OF CONGRESS

BJ Waltho, non-voting member of Council



## **2020 Annual General Meeting (AGM)**

The 2020 AGM took place on Thursday 6 August. The AGM was an opportunity to ask questions about the organisation including our financial standing and what we had achieved in 2019.

Due to the COVID pandemic the AGM was held later than its original scheduled date in May and was held online for the first time ever. Because of this, the resolutions scheduled for the 2020 AGM were postponed until the 2021 AGM. The event was attended by over 800 members.

## **2020 Extraordinary General Meeting (EGM)**

In November 2020, RCN members called an EGM to discuss issues raised following our President election in August. More than 500 members joined and discussed an independent investigation's report on the elections which had been published in November. Comments and questions were received covering the powers of the returning officer, what was being done to revise the RCN's election policy, and the need for a new governance review. The meeting highlighted the commitment of everyone in working together to make the College stronger. Council committed to reviewing the election policy and guidelines once the elections have been concluded and, as a result of the investigation, the RCN is undertaking a review into its social media strategy guidelines. The Governance Support Committee and Council are taking forward the governance review and engaging with members throughout the process.

# Section 172 (1) statement

## **We welcome our responsibilities to promote the success of the College in accordance with Section 172 of the 2006 Companies Act.**

Council ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, Council acknowledges that the organisation can only grow and prosper over the long term if it understands and respects the views and needs of our members, customers, employees, suppliers and other stakeholders to whom we are accountable, as well as the environment we operate within.

Typically, in large and complex organisations such as the Royal College of Nursing, the Council fulfil their duties partly through a governance framework that delegates day-to-day decision making to the employees of the organisation. Council recognises that such delegation needs to be part of a robust governance structure, which covers our values, how we engage with our stakeholders, and how Council assures itself that the governance structure and systems of controls continue to be robust.

Our Chair of Council, with the assistance of the Associate Director of Governance, sets the agenda for each Council meeting to ensure that the requirements of section 172 are always met and considered through a combination of the following:

- Council papers ensure that stakeholder factors are addressed where judged relevant
- standing agenda points and papers are presented at each Council. For example, the Chief Executive & General Secretary and the Executive Directors present updates on the financial overview, strategic progress, member relations, businesses development, and operational progress. The Associate Director of Governance also presents at each Council meeting relevant corporate governance and compliance matters
- a rolling agenda of matters to be considered by the Board throughout the year, including a strategy review, which considers the purpose and strategy for the College, supported by a budget for the following year and a medium-term financial plan. Agenda items for the following year are set based on the discussions held and decisions taken by the Council throughout the year.
- a consistent approach to minute taking with details as to when section 172 factors are being considered
- formal consideration of any these factors which are relevant to any major decisions taken by the Council throughout the year
- a review of many of these topics through the risk management process and other standard Audit Committee, Finance and Investment Committee and Remuneration Committee agenda items
- regularly scheduled Board presentations and reports, such as member and customer engagement, risk register reports, health and safety reports, whistle blowing reports, and people and culture strategy and developments

- a consistent approach is being taken to every programme of priority work and that every project plan sets out the member decision making and engagement processes
- Corporate responsibility, including business ethics, antibribery and corruption, human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management.

### Effect and impact – principal Council decision and how the Council considered stakeholders views

With significant uncertainty created by the COVID-19 pandemic, RCN Council oversaw the Group’s response with the aim of ensuring we emerge from the crisis well positioned for long-term success, whilst supporting our employees and their safety and continuing to deliver for our members and customers. For more details on our priorities in response to the crisis, please see [pages 19-56](#).

Response to COVID-19			
	Employees	Members and Customer	Suppliers
<b>Consideration</b>	We considered the health, safety and wellbeing of all RCN employees. In particular, for those directly supporting member and customer delivery, Council deliberated the safety measures to protect their wellbeing. For those able to work from home, Council considered the infrastructure to support this and their working efficiency. Given the increase in homeworking, consideration was also given to the increased risk of cyberattacks and data breaches and how to mitigate this.	We considered continuity plans and our ability to continue delivering for our members and customers in the event of a significant proportion of the workforce being unable to work due to sickness. Council also considered the near-term demand from members and how their priorities might change over a longer period of time.	Council was satisfied that the RCN has worked closely with all its suppliers and contractors to ensure a collaborative partnership has been taken to minimise the impact of the pandemic on their financial health where it has been possible and appropriate to do so.

Response to COVID-19			
<b>Outcome/ Impact</b>	<p>Council was satisfied that sufficient measures were in place to protect the health, safety and wellbeing of our people and continue to monitor the situation.</p> <p>Additional security measures were deployed to enhance the security of our networks further, in light of homeworking.</p> <p>Employees were supported in terms of their health and wellbeing, given the impact of the pandemic on their personal as well as working lives. New employee benefits were made available, such as an app which gives access to a virtual GP, as well as new learning opportunities to support people to thrive during these challenging times and protect their mental wellbeing. People managers were offered specific support in recognition of the move to managing a fully remote team.</p> <p>Staff surveys, online discussion forums and live Q&amp;A sessions with the Chief Executive &amp; General Secretary have ensured our people have had routes to raise concerns and share their feedback, enabling the organisation to respond to what is working well and less well during this period.</p> <p>Where the pandemic impacted service demand, staff with capacity were temporarily attached to new teams to provide additional resources at peak times through the “RCN Responders” initiative.</p>	<p>Council was satisfied with the continuity plans in place to ensure the continued delivery of mission-critical work were a large proportion of the workforce to be absent. Particular attention was given to how we will respond to changing member customer priorities over a longer period of time.</p>	<p>Action has included continuing to maintain payment schedules where a service is not being received directly as a result of the pandemic, and where contractors staff have been furloughed – making payments to ensure contractors staff are not disadvantaged. Effort has also gone in to ensure payments are made in a timely manner wherever possible despite the challenges of remote working.</p>

# Risk management

## Managing strategic risks

Strategic risks are those that may result in a change in our strategic direction and threaten the successful delivery of our business priorities. The external context in which the RCN and the nursing profession operates continues to change rapidly and this has given rise to a number of significant new strategic risks. Over the past twelve months the impact of COVID-19, Brexit, and workload and pay, terms and conditions pressures are continuing to have, significant impacts on our business and our priorities.

## COVID-19 risk

We are currently in the midst of an emergency situation with the COVID-19 pandemic. There is a risk that we will not be able to continue to protect the health and wellbeing of our staff and ensure we can continue to meet the increased service demands being experienced in the face of disruption as we transform the way we work post-COVID-19. Mitigating actions have included:

- incorporating findings from member surveys and intelligence from all member contacts with our Customer Service Centre to provide the evidence base to inform our pandemic response
- the Executive Team has met daily to ensure the business response plan was delivered and to ensure we influenced and represented the interests of members in the national debate on the implementation of the COVID-19 emergency plans and the resumption of other services
- we have led the national debate on our members across the UK in the Black, Asian and ethnic minority community being disproportionately impacted by the pandemic
- we have continued to be the voice of nursing: standing up for members on national media each day and our Chief Executive & General Secretary has been a regular panellist on Question Time
- a resource management group and framework has been put in place to enable us to oversee the current remote working and redirect staff resources to support increased demand from members for our core services
- we have been 'at the table' to influence and shape decisions that would impact on our members, at country, regional and UK level
- we have successfully managed the closure of all our offices and enabled our staff to work remotely
- we have introduced a process for responding quickly to local increases in infections and lockdowns. Guidance is in place to support staff who may be asked to attend face-to-face meetings externally and health and safety activities and wellbeing initiatives have been delivered to ensure our staff work safely and feel supported
- we have run two staff surveys to ensure staff feel listened to.

## Our significant risks

Detailed below are the processes and controls we have in place to ensure we achieve our priorities for the year ahead.

Our priority	The objectives at risk in 2020	Controls and mitigation
Member decision making and participation	All our priority work programmes include member decision making and member engagement processes.	<p>The Executive Team is ensuring that a consistent approach is being taken to every programme of priority work and that every project plan sets out the member engagement and decision-making processes.</p> <p>Member experience is informing all our work with member task and finish groups overseeing all key work programmes and campaigns.</p> <p>A new membership research-based approach to our strategic communications strategy is reshaping the way we engage with members.</p> <p>The #RCN2020 events and debates were an opportunity for members to propose and engage in debates on key issues in the absence of being able to hold Congress 2020.</p>

Our priority	The objectives at risk in 2020	Controls and mitigation
<p>Business transformation including Information and Digital strategy</p>	<p>To develop and implement our business transformation plan and technology and digital transformation strategies.</p> <p>To complete and realise the benefits from the customer relationship management (CRM) programme.</p> <p>To have strong business continuity plans in place in the event of our technology infrastructure and systems failing and/or being subject to cyber-attack, disrupting critical business and service delivery functions.</p>	<p>Our transformation strategy was approved by Council in July 2020.</p> <p>To support our plans and ambitions, the RCN Group needs a clear and strong income strategy, which enables us to grow our income through a diverse range of activities.</p> <p>Ten transformation quick wins have been identified and delivered during 2020 and a clear framework and timetable is in place for the next stage of transformation.</p> <p>Our CRM upgrade programme has been fully implemented and our Case Management System being delivered via a new incremental delivery model.</p> <p>Our technology systems are regularly updated with the latest security features and data recovery arrangements are in place.</p> <p>Business continuity tests in cyber security take place and insurance is in place.</p> <p>Multi-factor authentication (MFA) was introduced in 2019 and guidance for staff was updated in March 2020 to reflect COVID-19 and home working. All staff now have two-factor authentication in place.</p> <p>The Data Protection Officer reports data breaches to the Executive Team monthly. RCN Council and Group Audit Committee receive quarterly figures, with follow up action.</p>

Our priority	The objectives at risk in 2020	Controls and mitigation
Financial sustainability	We plan, prepare for and mitigate our financial risks.	<p>We operate a three-year Group plan and financial strategy. The three-year plan and budget enables long-term, stable planning and is reviewed and updated annually.</p> <p>The COVID-19 Impact Assessment was undertaken and reported in the 2019 Annual Report and Accounts. The assessment showed our asset base remained strong in all scenarios. We have no long-term debt, our liabilities being operating creditors and provisions.</p> <p>Our 2020 plan and budget have been reviewed to take account of the impact of the pandemic.</p> <p>Our 2021 plan and budget have been aligned to ensure resources are targeted to meet key priorities and obligations and support the transformation programme.</p> <p>The 2019 triennial valuation of the pension scheme was approved by Council and the scheme trustees, TPT and submitted to the Pension Regulator in December 2020.</p> <p>Regular reviews conducted of investment managers and policy to ensure investment objectives are met.</p> <p>Monthly management accounts are produced and shared with RCN Council and quarterly forecasts produced and reviewed.</p> <p>Financial fraud is a core part of our annual internal audit programme. It is designed to review controls and identify potential weaknesses and recommend organisational improvements.</p>



Our priority	The objectives at risk in 2020	Controls and mitigation
Delivering our priority campaigns and strategies	<p>Our priority work programmes and strategies do not meet the needs of the membership and/or influence policy makers.</p> <p>The development and implementation of our priority strategies:</p> <ul style="list-style-type: none"> <li>• RCN Group Education and Learning Strategy</li> <li>• UK Pay Strategy</li> <li>• Independent Health and Social Care Strategy</li> <li>• <i>Staffing for Safe and Effective Care</i> campaign (SSEC)</li> </ul>	<p>Member-led task and finish groups are in place for all priority work and strategies.</p> <p>In addition to the member groups above, we have member engagement and decision-making processes in place which involve member engagement and consultation to inform the campaigns and strategies.</p> <p>Work on strategy led by member task and finish group was presented to Council in February 2021 following extensive member and stakeholder engagement and evidence review.</p> <p>The RCN Member UK Pay Policy was ratified in the summer of 2020 and set out the principles for pay negotiations for all members. Separate piece of work on independent health and social care sector. Evidence is being used to inform member decision making at each stage. Cases are being made to the public, politicians and specific stakeholders and clear rebuttal plan in place based on a wide range of socio economic and member data.</p> <p>The route map was approved by Council in November and the implementation has been launched.</p> <p>In 2020 the SSEC campaign was refocused and built upon learning and evidence from the pandemic.</p>

Our priority	The objectives at risk in 2020	Controls and mitigation
<p>Responding to external events</p>	<p>We respond confidently and in a timely way to external events, enabling us to meet members needs and protect our reputation.</p>	<p><b>COVID-19</b></p> <p>In March 2020, RCN Council agreed to a revised 2020 plan and budget to ensure we could meet the increased needs of our members during the pandemic. This involved existing staff resources being redeployed to priority member-focused areas. We ensured it was at every table to influence and shape COVID-19 decisions that impacted on members at country, regional and UK level.</p> <p>The 2019 Annual Report and Accounts included a COVID-19 assessment. This assessment showed that the RCN remained financially strong in all scenarios.</p> <p>The organisation ensured that staff had the correct equipment and enhanced cyber security testing and guidance was put in place (see <a href="#">Business transformation on page 15</a> for more details).</p> <p><b>Brexit</b></p> <p>We prepared a detailed analysis of potential implications for the organisation, our membership, the wider social care sector and patient care. Council agreed our positioning and action plan to lobby and negotiate with the UK Governments on the implications.</p> <p><b>Climate change</b></p> <p>In October 2019, we published a position statement on responding to climate change, arising from a debate at Congress that year. The statement was a commitment to act and to use our voice and advocacy power to influence our members, health and social care providers and the UK Governments to support action on climate change.</p> <p><b>Equality and inclusion</b></p> <p>We are committed to ensure that equality and inclusion are embedded at the heart of our organisation. It is a key priority and will be the subject of a number of our internal audits in 2021.</p>

# Priority 1: Our Safe and Effective Care campaign

The pandemic has highlighted the continuing issue of safe staffing and how vital workforce planning and supply are to delivering safe and effective care. Along with our crucial work to support members we have continued our focus on working effectively to highlight and address the nursing workforce crisis and its impact on patient care.

## Safe staffing

The initial draft of the *Nursing Workforce Standards* was reviewed by our Professional Nursing Committee in December following member co-production and stakeholder engagement.

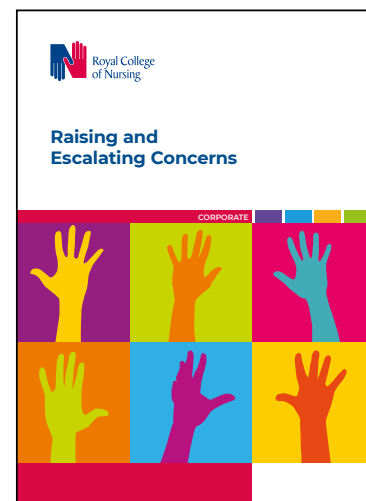
The standards will apply across all areas of nursing and all sectors within the UK. They have been designed to support a safe and effective nursing workforce alongside national legislation, to ensure safe and effective care is delivered. The workforce standards are due to be published later in 2021.

During 2020, the principles for legislation to inform lobbying in each UK country have been further developed, incorporating learning from the development and implementation of staffing legislation in Wales and Scotland. These policy positions will be published in early 2021 and set out in more detail what we expect legislation to support across the UK.

*Our Staffing Levels on the Frontline* survey in January explored current staffing levels, along with the impact on patient care and staff wellbeing in all health care settings in England. The survey received more than 18,500 completed responses and provides a valuable benchmark of the pre-pandemic landscape for nursing professionals in England.

The *Building a Better Future* survey was open to all RCN members from May to June. Completed by almost 42,000 members, it explored the impact of working on the frontline and how the pandemic has changed the professional lives of nursing staff. The **first survey report**, published in July, highlighted the alarming number of nurses considering leaving the profession. The **second survey report** was published in August and explored initial comparisons between different settings and included details on the RCN's plans for the next steps.

RCN Scotland led the development of a new UK-wide resource to support members to raise and escalate concerns. The guidance, published in November, provides information for members who have a concern and details guidance for senior nurses who have received a concern from a member of staff. It emphasises the importance of promoting a culture of safety and psychological safety.





## Harnessing support

In February 2020, our members delivered a petition to Downing Street with more than 220,000 signatures from frontline staff, their patients and members of the public calling on the Government to tackle the nursing workforce shortage. Our staff joined members in engaging with MPs bringing the voice of members directly to government. The subsequent media coverage ensured key messages reached a wide public audience.

In April, the Staffing for Safe and Effective Care (SSEC) campaigns across the UK refocused to support nursing staff working in the COVID-19 pandemic. The significant risk of a reduced focus on safe staffing during the crisis was mitigated by ensuring safe staffing messages were part of our COVID-19 position statements. Many of our position statements and guidance issued during the year related to our safe staffing principles:

- supplying and deploying staff with the right skills in the right numbers
- workforce planning
- nurse education
- safe, high quality, tailored services that account for patient and staff wellbeing.

In September, RCN Wales launched the *Vote For Nursing* campaign to support members campaigning ahead of the elections for a new Welsh Government in May 2021. Animations and graphics have been used on social media to showcase safe and effective care messages to the general public and inform member discussions being held with politicians to influence their manifestos.



Staffing for safe and effective care is also a key theme in RCN Scotland's manifesto for the Scottish Parliament elections in May 2021. The manifesto urges Scotland's political parties to commit to a timetable for implementation of the Health and Care (Staffing) Scotland Act and to ensure that the nursing workforce and its contribution to the health and wellbeing of the nation is valued.

During 2020, more than 9,000 people have signed up to become an RCN e-campaigner, making a real difference to the success of our campaigning work. E-campaigners comprise both our members and the public who receive regular emails and can take part in quick and easy online actions to support our campaigning activity, from sharing a tweet, emailing their MP to sharing nursing experiences.

A series of engagement events have been held across all nine England regions, bringing members together to share their experiences of safe staffing, pay and the pandemic. The feedback from these events will be used to inform the next phase of our safe staffing work in England.

RCN Northern Ireland and Scotland have utilised Sensemaker, a storytelling tool, to enable members to record the experiences of nursing staff as they faced the continuing challenges of the pandemic and to enable member-based strategy and resource development. Throughout the year RCN Scotland has collected more than 300 member stories and have held an interpretive workshop to develop recommendations for organisations and directors of nursing. RCN Northern Ireland has used its compiled stories to target local support and influence decision making and policy. These will also be an important historical record of nursing during a global pandemic.

## Driving change

Staff and members have held regular meetings with the Secretary of State for Health and Social Care where staffing issues have been raised, as well as engagements with MPs from across all parties. This includes the Shadow Health Secretary and health spokespeople for all parties in the House of Commons, as well as Helen Whately, Department of Health and Social Care Minister for Workforce.

In March, we worked with Mohammed Yasin MP to hold a debate in Westminster Hall on safe staffing with the Minister for Workforce. In addition, there have been regular interventions by Parliamentarians raising staffing issues within Parliament.

Safe staffing campaign policy priorities have been included in all appropriate submissions to Government and relevant inquiries. This has included the Public Accounts Committee Inquiry into the Nursing Workforce and several consultation submissions relating to the COVID-19 pandemic.

In December, we held our *Spotlight on Nursing Students* lobby week (England) where we supported our student members to engage with their MPs in a virtual meeting to discuss *Fund Our Future*, student funding issues, and the impact of COVID-19. Students met 20 cross-party MPs, and 212 students took email actions. The week also helped secure a meeting with the UK Government Universities Minister, Michelle Donelan. We also published a policy report for England - *Beyond the Bursary* - making an updated economic case for investment in nursing tuition fees, as well as grants which reflect the true costs of living. This is part of our ongoing political engagement work and our campaign communications work.

In Wales, our campaigning has resulted in the Welsh Government agreeing to extend the provisions of Section 25B of the Nurse Staffing Levels (Wales) Act 2016 to children's inpatient wards. While the Act puts an overall duty on health boards to maintain nurse staffing levels in every setting, wards covered by Section 25B must calculate the right level according to a very specific methodology which will result in safer and more effective care.

In the final Welsh Parliamentary debate on the Health and Social Care (Quality and Engagement) (Wales) Act 2020 the Counsel General specifically thanked the College for our contribution. We successfully joined forces with the British Medical Association (BMA) and 16 other health organisations to campaign for changes to this Act. The Welsh Government will now issue guidance to health boards which requires them to document their work to improve the quality of care according to the Health Care Standards – these standards include investing in the workforce. The Welsh Government has also committed to consult with us on the content of this guidance.

Following the industrial action taken by our members and members of other trade unions in Northern Ireland during December 2019 and January 2020, the reconstituted Northern Ireland Executive published a safe staffing framework in January that was subsequently



endorsed by our members in a consultative ballot. The framework includes a number of commitments to enhance safe and effective care, including significant increases in the number of commissioned pre-registration nursing education places over the next three years, an uplift to the post-registration nursing education budget, and a firm commitment to develop safe staffing legislation. Throughout the year, we have continued to work in partnership with the Department of Health and other stakeholders in order to hold the Northern Ireland Executive to account for the full delivery of these commitments, including the development of safe staffing legislation, in line with our UK priorities on staffing for safe and effective care. Please see **Priority 3: Mobilising our membership on page 30** for more on our industrial action.

In Scotland, the development of the guidance to support the Health and Care (Staffing) (Scotland) Act 2019 was well under way at the start of the year. However, implementation of the Act was paused to allow resources to be focused on the pandemic response. We have contributed to the development of workforce tools and methodologies for community nursing and the care home sector, including the provision for safety huddles. In November, as part of our strategic research alliance with the University of Sheffield, we held two well-attended webinars looking at the impact of the Act on the NHS and care homes.

The need for staffing for safe and effective care, and for passing the Act, has been made even clearer by the pandemic. We have worked to ensure that the Scottish Government's commitment to the principles of safe staffing remain and there is ongoing cross-party support to see this groundbreaking legislation enacted.



# Priority 2: Developing members through their careers

The continued professional development of our members is pivotal to the advancement of nursing. While the pandemic and its restrictions have resulted in many planned events being cancelled, the opportunities for online development and learning have proved vital and we have worked hard to ensure our members could still influence, learn and develop throughout the year.

## Education and learning strategy development

The development of the *Education, Learning and Development Strategy* has been a priority this year and has been led by the Professional Nursing Committee Task and Finish Group. The strategy will give access to flexible learning approaches, lead innovation, build on the integration of health and social care, and strengthen the voice of nursing and midwifery in all NHS and independent health and social care settings.

Throughout August and September, we undertook the first ever Group joint consultation (with RCN Foundation and RCNi). It explored our membership, staff and external stakeholder views on the future education, learning and development offer. UK-wide member engagement activities were developed including utilising Twitter, Instagram, blogs and animations. Member and staff engagement have been achieved through:

- virtual events
- attendance at member regional and country boards and committees
- focus groups
- interviews with executive nurses, external commercial and non-commercial stakeholders, higher education providers, the NMC and country stakeholders – these included Health Education England, Northern Ireland Practice and Education Council, NHS Education for Scotland and Health Education and Improvement Wales.

Following the engagement responses, the strategy comprises four proposed themes and has a three-year delivery timeframe. The strategy is due to be published in 2021.

## Forum engagement

The work of our professional forums in developing clinical publications for the nursing workforce has continued throughout the year. While some projects have been delayed due to the pandemic, more than 14 forum-led publications and resources have been published during 2020. Ranging from women's health pocket guides and a competency framework for rheumatology nurses, to futureproofing community children's nursing, they are all a testament to our members' commitment and dedication to the development of our profession.





Our professional forums have run several webinars on the impact of COVID-19 on specific areas of practice, including ophthalmic and children and young people's nursing. Our Research Society has also contributed to a national study on the impact of COVID-19 on the nursing workforce.

A forums audit was completed in the summer and its recommendations are influencing the terms of reference for the planned forum review that will be reported in the summer of 2021. Greater detail on our forum activities is included in the *RCN Forums Review of Activities 2020*.

## Virtual events programme

We ran more than 330 events throughout the year including:

- a motor neurone disease lecture
- the impact of COVID-19 on women's health services
- occupational health nursing
- pay
- equality
- health and wellbeing topics.

We also ran our #RCN2020 series of debates and events which replaced Congress 2020.

All these events have provided thousands of members with the opportunity to learn about the latest developments in nursing, continue their professional development and network with colleagues.

The RCNi virtual nursing careers fairs and seminar programmes took place from September to November. Thousands of nurses, nursing support workers and students attended the events, with many securing a new role to further their career.

## Information and learning in a pandemic

We have worked to support all our members and hold policymakers to account for their decisions and actions. For all our members, in every setting, we have provided information, guidance and support across our communication channels at every step of the way.

From the availability of adequate PPE, guidance on remote consultations and care planning, and the redeployment of staff to COVID-19 areas, to factsheets containing financial and employment advice, we have ensured up-to-date information and guidance has been readily available for our members.

Every print issue of *Bulletin*, *Activate*, *Students* and *Health+Care* since March has included information, advice and space for sharing experiences of the pandemic. In the spring, special branded COVID-19 issues of *Bulletin*, *Activate* and *Students* were also published. Content across these channels has included:

- PPE
- redeployment
- guidance for students
- financial advice and support
- mindfulness and wellbeing
- clinical advice (long-covid, vaccines, skin health)
- detail of RCN resources developed throughout the pandemic to inform and support our members
- how nursing staff across sectors have been coping and adapting
- member innovations such as the COVID-19 rehabilitation garden
- the *Inside Care Homes* series looking at the various challenges and obstacles care homes have faced.

Email has been a vital communications tool to support and inform our members. We sent out 28 twice-weekly COVID-19 updates to all members, highlighting important support, advice and clinical guidance. We have used insight from search, website traffic and Customer Service Centre call data to ensure the information we have included reflects the concerns we knew were most important to our members - 364,458 members opened at least one of our COVID-19 updates. In July, we began a weekly email update service, covering a broader range of information and issues important to members, with personalised content for members working in different sectors and specialties.

Throughout the year, our website received more than 19.2m page views and has been visited by 5.1m users. We have rapidly responded to the latest issues and member concerns by publishing a wealth of advice and support content, including the COVID-19 FAQs, for members on our website. Our **COVID-19 web pages** received more than 2.2m page views and 950,000 users accessed the content - 19% of the site's total users. Around one in three of these users visited from a search, and one in three came from our emails.

We have dramatically increased the use of member news stories online as a main communication tool throughout 2020 to ensure we have kept members up to date with general COVID-19-related news. The number of news stories totalled 166, a 31% increase on 2019, with 525,080 unique page views (74% increase on 2019).

In April, *Nursing Standard* launched a free-to-read COVID-19 hub to deliver up-to-date information for the profession, followed by the launch of the *Nursing Standard* Wellbeing Centre in recognition of the need for health and wellbeing information for the nursing workforce.

Our Prince of Wales Cadet Scheme has been adapted to enable online delivery. Two schemes were delivered virtually in Wales and in early Autumn the RCN Foundation funded a cohort panning across London, Slough and Berkshire. As part of the ongoing programme for The Prince of Wales cadets, an educational programme on dementia care has been delivered with follow-up work for the current cohorts. Funding has also been secured to build the scheme further over the next three years.

## Supporting the provision of learning activity

Originally launched in 2019, the ***Nursing Careers Resource***, a collaboration between the College and Health Education England, was developed to help registered nurses and the clinical support workforce across the UK plan their health careers effectively. The resource provides a range of registered nurse career journeys via set personas: moving on in a clinical role, changing clinical setting, changing nursing fields, education, research, leadership and return to work. The personas and supporting video/podcasts were reviewed and updated in September.



Royal College  
of Nursing

Wales Nursing Cadet Scheme



g.uk/  
cadets

Po number  
Quantity:  
Box number

Phase 2 of the project began in 2020 and we have secured further funding from Health Education England for the development and recording of videos and podcasts from practitioners, as well as a range of career journeys for people in support roles.

In collaboration with the Nursing and Midwifery Council we have worked on the *Mutual Recognition of Professional Qualification* and an agreed position statement has been completed on concerns about Brexit. In addition, we submitted our response to the Business Energy Industrial Strategy consultation on *The Recognition of Professional Qualifications and Regulation of Professions*.

During the year, we have delivered three infection prevention and control cohorts, as well as commissioning three *Introduction to Leadership* programmes, five *Developing Leadership* programmes and nine *Clinical Leadership* programmes. All programmes are designed to lead positive and effective change within the attendee's organisation and have been restructured to facilitate virtual delivery. We have also piloted the virtual version of the Cultural Ambassador programme, which is a new commercial offer in our professional services portfolio, adapting a previously designed course.

We have developed an educational resource on skin health to support health care workers resolve skin damage related to work. Launched in May, it was produced in collaboration with our members in occupational health and industry partners and was timely considering the additional hand washing brought about by COVID-19 and its potential impact on skin integrity.

An impressive 328 nurses working at advanced practice have gained RCN credentialing, with a further 27 renewals. We have also worked with nine higher education institutions on credentialing advanced practice.

In Northern Ireland, we have developed a new leadership in crisis programme for nurses working in health and social care and the independent nursing and residential care home sector, commissioned by the Department of Health. We have also continued to deliver a broad range of educational and other professional development programmes for members, including a number of programmes commissioned by the Public Health Agency.

Throughout 2020, RCNi continued to support members and the nursing profession by providing up-to-date news, clinical content and virtual events to deliver a suite of evidence-based professional development resources to improve care and patient outcomes. RCNi produced a series of films covering a wide range of awards to recognise the exceptional contribution of the whole nursing team, including a moving tribute to those who lost their lives to COVID-19. A joint RCNi and RCN online *Book of Remembrance* has also been created.

More detail on RCNi's activities throughout the year are available in the [RCNi Annual Report 2020](#).

# Priority 3: Mobilising our membership

The strength of our united voice has never been so important. Together we have made a real difference for members, colleagues, workplaces, as well as patients. Collaborative working, member engagement and our collective power have all been crucial to this year's work and the progress we have made.

## Demanding fair pay

In August, we launched our **Fair Pay For Nursing** campaign. The campaign seeks to secure a fully funded 12.5% increase for all members covered by Agenda for Change, as part of a one-year deal that applies equally to all bands. The percentage increase being called for has been confirmed following a series of member engagement activities led by our Trade Union Committee. In our all member survey we asked about pay expectations and the future of nursing. The survey revealed a rise in members considering leaving the profession, with many citing pay as a factor. Of the 42,000 members who responded, nearly three quarters (73%) said higher pay would make them feel more valued.

These responses directly informed our position on pay and we have engaged our elected and appointed members through the boards and committees that represent our members.

The campaign also seeks to benefit those working for independent employers, demonstrating the urgent need for them to at least have parity with NHS nursing staff NHS nursing colleagues. We have launched a new strategy setting out how we will better engage, empower and represent members working in the independent health and social care sector, and improving pay, terms and working conditions is a key part of this. We are looking at how we can work to better influence and lobby on behalf of members working in these settings and Council is committed to delivering this by listening and engaging with members.

*Fair Pay For Nursing* is a member-led campaign and calls for:

- recognition of the complexity of skill, responsibility and experience demonstrated every day, by nursing support workers, assistant practitioners, nursing associates, registered nurses and all members of the profession
- ensuring that a safety critical profession can reach safe staffing levels and fill tens of thousands of unfilled nursing jobs
- recognition that the salaries of too many nursing professionals have not kept pace with increases to their living costs over the past decade.



# CLAPPED US? BACK US



Nursing staff are fighting to  
get their work recognised.  
This year, of all years, support us.



**FAIR PAY  
FOR NURSING**  
#FairPayForNursing

info@hugemedia.co.uk

Huge Media Digital Events Team  
0151 448 7380 hugemedia.co.uk



A series of campaign Q&As took place from September onwards to spread the campaign messages which were attended by hundreds of members. In October, we launched our ‘email your MP’ action for members to contact their MPs ahead of the spending review. A total of 16,158 emails were sent, reaching all 650 MPs in the UK Parliament. We submitted a comprehensive case for investment in nursing to the UK Government ahead of the one year Spending Review in November, including calling for a 12.5% pay rise for nursing staff. We also led on the joint unions commissioning of an economic analysis demonstrating the wider economic benefits of investing in increased pay for Agenda for Change workforce, to inform the Pay Review Body, published in January 2021. In response to the Chancellor’s failure to deliver a pay rise in the spending review, we launched an online petition to demand fair pay for nursing, which remained live on our website in to 2021 and has been signed by over 35,000 people.

On 12 November 2020, we took the campaign fight to Westminster with a billboard calling on politicians, and everyone who clapped the NHS on their doorsteps earlier in the year, to support our campaign. The *Clapped Us? Back Us* billboard launch generated positive media coverage and created a number of interview opportunities including Dame Donna Kinnair appearing on ITV’s *Good Morning Britain* urging the public to show their support.

Utilising technology to build on the momentum and engagement in the campaign, we urged members to show their support on social media through a number of campaign resources designed specifically for Twitter, Facebook and Instagram. We also hosted our virtual pay rally on 25 November, which brought together members to hear speeches from Dame Donna Kinnair, Professor Anne Marie Rafferty and Council members to find out more and get involved in our fight for fair pay.

The graphic features a white header with the text 'FAIR PAY FOR NURSING' in bold black letters, accompanied by a logo of two hands (one blue, one red) and the Royal College of Nursing logo. Below this is a black section with white text: 'Join our #FairPayForNursing VIRTUAL RALLY'. To the right, a pink sign on a stand reads 'WEDNESDAY 25 NOVEMBER 6.30-7.30pm'.



## Guernsey disputes

Following a year of protests and failed talks around pay, an industrial action ballot was held on Guernsey in February. Members were disputing the offer of 5% for 2019 with a further 5% for 2020 but payable from September 2019. A resounding 61% of members voted with 95% voting for industrial action.

We continued to work hard with negotiators in Guernsey to avoid industrial action but started to draw up plans when it became clear we were not moving forward. Meanwhile, the coronavirus pandemic took hold and members took the decision that it would not be prudent to take industrial action whilst they were needed on the frontline. The industrial action was put on hold and lapsed during the summer. The pay rise for 2019/20 was imposed.

Guernsey's first ever General Election was held in the autumn and members again lobbied politicians hard to become nursing champions and support their call for a meaningful payrise to close the pay gap.

In late December, an imposed 5% pay rise for nursing staff for 2021 was awarded whilst the majority of public sector workers received nothing. Members accepted this award on 1 February 2021 and the RCN will not challenge the imposition. Talks remain ongoing to resolve the pay gap on Guernsey.

## Unprecedented industrial action in Northern Ireland

RCN members in Northern Ireland engaged in industrial action, including strike action, during December 2019 and January 2020 in pursuit of pay parity with England and measures to ensure safe and effective care. This generated unprecedented levels of member mobilisation through direct involvement in industrial action and strike action, standing on picket lines and taking part in workplace protests, political engagement, and promoting the need for pay parity and safe staffing via the media and social media, across Northern Ireland and Ireland, the UK and internationally.

A number of the RCN's demands have been included within the *New Decade, New Approach* agreement that paved the way for the re-establishment of the devolved institutions of government in Northern Ireland during January. The Northern Ireland Executive immediately moved to agree and publish framework agreements on pay parity and measures to promote safe and effective care, which were subsequently endorsed by RCN members in a consultative ballot. Pay parity with England was then restored with immediate effect and we have continued to hold the Department of Health to account for the delivery of its commitments on safe nurse staffing. We have consistently emphasised that industrial action by members remains suspended, rather than concluded, until the full delivery of all Executive undertakings on safe and effective care has been secured.



## Employment relations

Our employment relations team continues to represent the College on the NHS Staff Council Executive Committee and currently holds the position of Staff Side Secretary. The team also co-ordinates the College's delegation to the NHS Staff Council plenary meetings which includes the Chairs of our Trade Union Committee and the UK Stewards' and Safety Reps' Committees, plus senior RCN officials from across the UK.

During 2020, the NHS Staff Council continued to implement the 2018-21 framework agreement in England, preparing joint guidance on key changes to pay from 1 April 2020 and engaging in discussions on guidance on improved access to time off in lieu and annual leave. The Staff Council also initiated discussions on the calculation of holiday pay, following the decision in favour of 13 NHS employees in the Flowers case (2019). After the publication of the NHS England and Improvement *People Plan 2020/2021* in July, the NHS Staff Council initiated discussions on flexible working. Whilst initial discussions on flexible working have focused on England, national partnerships in Northern Ireland, Scotland and Wales have been asked to consider if they want to agree the same or similar handbook provisions on flexible working. In September, an NHS Staff Council joint statement was agreed and submitted to the Comprehensive Spending Review calling for full funding for a fair NHS pay award to be prioritised.

The Staff Council Executive also continued to oversee the work of the Job Evaluation Group, the Equality, Diversity and Inclusion Group and the Health, Safety and Wellbeing Partnership Group.

Under the leadership of the RCN Trade Union Committee, we are undertaking a nationwide project to build capacity in relation to job evaluation in the NHS. This has included work with officers and reps, producing tailored resources, delivering webinars and supporting strategic work locally. In addition, the Employment Relations and Nursing departments have led a project to gather evidence on band 5 to 6 progression in order to support our members including external research and targeted pilots and delivering resources to support individual re-banding requests.

We have continued to work with employers across the independent health and social care sector negotiating on pay, terms and conditions and the transfer of services for our members working for those employers. Additionally, we have continued to work with national public sector employers on terms and conditions of employment and service reconfiguration.

## COVID-19 terms and conditions

The pandemic and its pressures have impacted on the normal process for negotiations within the NHS, although we have worked with other health unions to use the usual forums and mechanisms to influence health departments' policies across the UK.

The outcomes of this work have included the provision of full pay for NHS staff across the UK for COVID-19-related absences, including periods of self-isolation and shielding, and for COVID-19-related sickness absence. In May, the NHS Staff Council also agreed national guidance on overtime payments during the COVID-19 pandemic which was accompanied by a joint union toolkit. Other guidance developed include managing annual leave during COVID-19, arrangements during school closures and support for shielding staff.

We have also been working hard to protect the incomes of members working in the independent sector. We have successfully negotiated income protection during self-isolation, shielding and sickness absence for some of these members and have produced guidance for members in care homes to challenge their employer for full pay. This resulted in one of the largest employers backdating their staff's full pay and the establishment of the Social Care Fund in Scotland. This is a new fund to support social care workers who have been shielding in the period March to October 2020 and were not placed on the Coronavirus Job Retention Scheme. The fund will enable employers to claim additional wages for social care workers amounting to the difference between 80% of their expected income and the actual wages they received.

The Welsh Government has put in place a statutory sick enhancement scheme to increase pay for staff in social care to full pay, should they have a COVID-19-related absence (excluding shielding). In Northern Ireland, as part of additional funding for infection control response, the Minister for Health in Northern Ireland made additional funding available for independent employers, such as nursing homes, to claim back money for up to pay 80% of normal pay where the employer paid at least that amount instead of Statutory Sick Pay for COVID-19-related absence. The employer can claim the funding (from the Department of Health) through the health and social care trusts. We maintain the position that employers should pay 100% of normal pay for COVID-19-related absences even if they can only 'claim back' from the DH/HSC trusts for 80%.

For our students, who took the difficult decision to support the pandemic response, we have secured contracts with full employment status and protections for their time in extended clinical practice.

We have lobbied for the provision of life assurance benefits for health and social care staff who have sadly lost their lives as a result of exposure to COVID-19 in the course of their work, in addition to the death benefits offered to those in the NHS pension. We have sought to influence governments on guidance relating to the schemes, its criteria and coverage, and provided advice and briefings for internal use. We continue to monitor applications to the scheme and support our regional/country staff in their work with employers and bereaved families.

In Northern Ireland, we joined the Minister of State for Care on a reference group reviewing funding for social care and the challenges across the sector because of the pandemic. The group secured a commitment to funding full pay for all staff absence and any facilities, support and equipment required for the control of infection in care homes.

## **NHS pension schemes**

The College is on the NHS Pension Board and Pension Scheme Advisory Board for England and Wales and holds the staff side co-chair position and is involved in the governance boards in the NHS schemes for Scotland and Northern Ireland. In September, we delivered a series of webinars and produced written briefings including FAQs on proposed changes to the NHS pension scheme required to correct the discriminatory effect of the 2015 transitional arrangements. The webinar recordings were available on our website for the duration of the consultation.

During 2020, we have worked with, and lobbied pension administrators, on issues relating to nursing, and provided technical and strategic support on matters such as opt outs, special class status and pensions taxation internally and externally. Additionally, we have held negotiations regarding the pension scheme for members on the Isle of Man.

## **Making a real difference**

Our workplace representatives have played a crucial role in supporting members and disseminating information and campaign messaging, making a real difference to colleagues and patients.

Amid the huge pressures of a pandemic, we welcomed more than 375 newly accredited reps during the year, with over 180 completing their training by the end of 2020 to become a learning rep, safety rep or steward. The remaining number are set to complete their training on the learning and development pathway in the first months of 2021.

What has been the biggest workplace challenge for you in your RCN rep role during the COVID-19 pandemic?

**#RCNreps20**



In 2020 there were 15,400 employment cases opened on behalf of members across the UK. Of this number, 10,400 were managed by staff and 5,000 by workplace stewards. At any one time during the year there would be approximately 5,500 cases open, providing workplace advice and representation to approximately 6,500 members.

In September, we launched our online learning and development pathway for RCN reps, meaning new reps or reps taking on an additional role, could complete the learning they need to start supporting members online, often from home. The project started in March, at the beginning of the pandemic, with the Learning, Development and Improvement team adapting each individual module for online delivery, running a pilot project in July and working closely with our three UK reps' committees to keep them informed at each step of the way. Indications have shown that the new pathway format has been hugely successful, with thirteen modules across all four countries completed or in the process of being delivered. These include the development modules for stewards, learning and safety reps. Continued learning for current reps has also made the transition online, with several development days held UK-wide.

In October, an online UK joint reps event was delivered in place of the usual face-to-face conference. RCNReps2020 was a series of live webinars which included sessions exploring which factors affect the mental health and wellbeing of nursing staff and interventions in the workplace that make a positive difference, and reflections on how reps can support members who have been redeployed during the pandemic. The level of engagement was high for each webinar with more than 200 participants at each session.

Member mobilisation has been at the heart of the **Safe Staffing and Effective Care** campaign and in January we ran a series of campaigning masterclasses for regional campaign team members. Supported by the Shelia McKechnie Foundation, attendees developed their skills in speaking to the media.

We have also worked on developing the resources for our student ambassadors. At the online student ambassador conference in November we launched a number of tools to help assist this vital role, including an online development module and an e-flyer detailing the support and development opportunities available.

## Pay talks

At the beginning of the year, our Employment Relations team represented the College on a sub-group of the NHS Staff Council to develop joint guidance summarising the key changes involved in year three of the 2018-21 framework agreement for NHS staff in England. Similar guidance and circulars were developed in Northern Ireland, Scotland and Wales. In preparation for the end of the three-year deal, our Trade Union Committee developed the *RCN Member Pay Policy*, following detailed consultation with the UK Reps' Committee and RCN boards.

During the summer, our Trade Union Committee undertook detailed discussions on our positioning on NHS pay in 2021/22, in line with the *RCN Member Pay Policy* and informed by advice from our Pay Working Group and the findings of our member survey. In July, the NHS Staff Side, which includes the College, and 13 other health unions, made a joint call to the Government to engage in early pay talks and to commit to an early and significant pay rise for NHS staff. The Staff Side Secretariat wrote to the Prime Minister and UK Chancellor of the Exchequer setting out this ask.

The NHS Staff Side engaged in discussions on agreeing a joint union position on pay. Due to different, democratically mandated, trade union positions on pay, it was not possible to agree a single position. However, the NHS Staff Side unanimously agreed to continue work jointly to call for an early and significant pay rise for NHS staff. This has included working together on joint union submissions to the Comprehensive Spending Review and for any Pay Review Body process, and to prepare joint campaign resources. In November, the NHS Staff Side Secretariat also wrote to the Prime Minister calling for the UK government to award a pay rise to NHS staff, who have been on the frontline fighting the pandemic.

During 2020, we have expanded our internal work on independent health and social care pay terms and conditions for our members in that sector. From November, a series of member engagement sessions were set up and these are continuing to 2021.

# Priority 4: Shaping the future of the nursing profession and health care

Shaping the future of the nursing profession runs through the core of the College and influences everything we do. The last year has showcased the commitment and professionalism of nursing staff and we have worked to ensure that nursing is invested in, valued and seen as a rewarding career by future generations.

## COVID-19 pandemic

Our staff around the UK have responded rapidly to issues affecting members working in the pandemic. Work has included supporting individual members facing professional and personal issues. Our regional teams, Customer Service Centre and the Nursing Department have seen a huge increase in members needing assistance and advice and have handled thousands of enquiries across the year. We have diverted resources to ensure we can assist as many members as possible.

We have ensured nursing and the issues affecting the nursing workforce have been represented across a variety of media channels. Dame Donna Kinnair and many other members of staff have taken part in media interviews and made robust representations on issues such as access to PPE, COVID-19 testing, and the inequalities for Black, Asian and minority ethnic (BAME) health and care staff highlighted by the pandemic.

During the year, we have developed UK-wide positions on professional nursing, employment relations and public policy issues associated with COVID-19 to help influence stakeholders across the UK. We introduced new ways of co-ordinating and recording activity across the College to support rapid, responsive working.

A wide range of clinical and professional guidance, position statements, resources and FAQs have been published on the website throughout the year, for example, evidence-based information on PPE. The information has been critical in helping to inform members, influence stakeholders and uphold member safety.

We have prioritised a range of issues affecting members working in the independent nursing and residential care home sector across the UK. Many of these relate to the pandemic and include concerns over the discharge of patients from hospital to care homes, access to and support for testing, the provision of PPE, sick pay and a range of other employment relations issues.

We submitted evidence to the many emerging inquiries and evidence sessions on various aspects of the response to the COVID-19 pandemic, including to the UK Government, Welsh Senedd, Scottish Parliament and the Northern Ireland Assembly at key points.



For the UK Government, this included the Public Accounts Committee on the NHS Nursing Workforce – alongside providing written evidence, our Chief Executive & General Secretary also gave evidence at a briefing session for MPs from the committee. At a later session, an RCN member gave evidence on their direct experience of the provision of PPE, which also secured media coverage. We also submitted evidence to:

- the Women and Equalities Committee inquiry on the unequal impact of COVID-19 on people from Black, Asian and minority ethnic backgrounds
- the Education Select Committee work on the impact COVID-19 has had on education and children’s services
- the House of Lords Technology Committee on digital innovation in nursing.

We have consistently informed Parliamentarians on the experiences, issues and demands of our members as they undertake COVID-19 general debate in the House of Commons.

We have presented oral and written evidence to the Northern Ireland Committee for Health in relation to these concerns on three separate occasions during the year and also played a leading role in a Department of Health rapid learning initiative focusing on the experiences of staff within the independent sector during the year.

The RCN Scotland team provided evidence to the Scottish Parliament’s Health and Sport Committee on resilience and emergency planning, the impact of the pandemic on care homes, and testing, as well as the Scottish Parliament’s Public Audit Committee on leadership in the NHS. The Director gave wide-ranging oral evidence to the House of Commons Scottish Affairs Committee inquiry on coronavirus and Scotland, focusing on the impact of immigration rules on health and care services, and the important role and high skill mix of nursing staff including health care support workers in care homes in particular. RCN Scotland has participated – and continues to do so where the work continues – in Scottish Government internal and external high level strategic, operational and policy groups established to respond to the pandemic, including the Mobilisation and Recovery



Group, its short life working group on Primary and Community Care, the Winter Planning Group, the Pandemic Response in Adult Social Care Group and its associated Clinical and Professional Advisory group and Care Home Data Insight and Analysis group, and short life working groups on mental health and health inequalities. This means we are able to contribute proactively to national activity, shaping the agenda as well as the response.

The Welsh Parliament is undertaking an inquiry into the response of the Welsh Government to COVID-19 and the ongoing impact on Welsh society and public services. This comprehensive Inquiry is taking place across all scrutiny Committees simultaneously and is the first of its kind. RCN Wales provide written and oral evidence to the Children and Young People's Committee in June 2020 with expert RCN members discussing the impact on safeguarding duties, health visiting and school nursing and mental health services for children and people. RCN Wales provided written evidence to the Equality Committee looking at the disproportionate impact of COVID-19 on differing groups including BAME members in August 2020. The Health and Social Care Committee is looking at the holistic response of health and social care services. RCN Wales has provided written evidence to this Committee on an ongoing basis examining aspects such as the welfare of members, nursing student experiences, vaccination and testing programme rollout. RCN Wales also provided oral evidence directly to Committee Members in May 2020.

We have presented oral and written evidence to the Northern Ireland Committee for Health in relation to these concerns on three separate occasions during the year and also played a leading role in a Department of Health rapid learning initiative focusing on the experiences of staff within the independent sector during the year.

In November, we submitted our case for investment in the nursing workforce to the one-year UK Government Spending Review. We also submitted evidence to the UK Government's Commission on Race and Ethnic Disparities in November, with a particular emphasis on the inequalities in experience and outcomes for health care staff highlighted by the pandemic, including unequal access to PPE.

We have established two new networks. The Return to Practice and Care Home Networks have provided supportive environments for nurses and nursing support workers to share experiences and signpost each other to clinical and professional materials on a closed Facebook page. Some of the lived experiences of participants have been used to inform governmental discussions in planning for winter pressures and the second wave of COVID-19.

Our online library services have remained available for members throughout the year. We have seen record numbers for online usage and an increase in member use of our online support and training. Statistics showed the highest recorded use of eBooks to date with a 50% increase on 2019 usage. Our library team developed a series of innovative wellbeing online events exclusively for members. The *Time to* series ran throughout the year and included sessions on meditation, drawing, gardening, cutting your own hair and a quiz.

Our Archives team produced and began implementing a UK-wide COVID-19 collecting plan. This includes introducing our first web archive collection for RCN COVID-19 pages ensuring the information is preserved and remains accessible beyond the pandemic.



## International Year of the Nurse and Midwife

While 2020 was not the year of celebrations originally planned, some online events did take place to commemorate this momentous year. The World Health Organization's *International Year of the Nurse and the Midwife* was launched at the College in January with a new exhibition ***Who Cares? The History of Emotions in Nursing*** which drew on new research from the Queen Mary Centre for the History of the Emotions.

This was followed by a temporary online exhibition in May ***The Many Faced Myths of Nursing*** which looked at how nursing has been perceived in the 200 years since Nightingale's birth, co-curated by the RCN History of Nursing Forum and the RCN Library and Archive Service. The event series accompanying this exhibition took Nightingale as inspiration for several high profile events, including *Nightingale's Legacy with Professor Anne Marie Rafferty*, *A Reappraisal of Nursing before Nightingale with Professor Alannah Tomkins* and a Book Club on Florence Nightingale's *Cassandra* for Nurses' Day in partnership with the LSE Women's Library.

Our History of Nursing Forum, Library and Archive Service and the UK Association of Nursing History came together in June to celebrate the launch of 30 new biographical articles published in the *Oxford Dictionary of National Biography* in three tranches across 2020. This collection of biographies celebrates the national and international contribution of British nurses and promotes the visibility of nursing in the UK. The online event *Hidden Lives, Untold Stories: Nurses Beyond Nightingale* brought together leading historians from as far afield as Australia.

We also collaborated with the Nightingale Museum on the 200th anniversary of Nightingale's birth. In October 2019, a collaboration with the Library and Archive Service and the RCN History of Nursing Forum saw RCN students select five objects in an interactive session held as part of the Scottish RCN Student conference *#FutureNurse #FutureLeader* in Dundee. These objects were then included in the Museum's physical exhibition which launched in March, and have also been available online in the *Nightingale in 200 Objects, People and Places* exhibition.

The first RCN Wales event to celebrate the International Year of the Nurse and Midwife was the biennial Betsi Cadwaladr lecture in February. Chaired by Professor Donna Mead OBE, CStJ, FRCN, it included reflections from Jean Saunders, RCN Wales Nurse of the Year 2019 and the late Bryan Wilson, Vice President of the Florence Nightingale Foundation.

Further celebratory events included the launch of the Only Boys Aloud celebration video in November, which was in place of the RCN Wales Nurse of the Year awards, monthly virtual showcases of Welsh members involving interview, written stories, Q&As, videos and blogs and a Black History Month online event in October on Nursing is Colour Blind. This was followed in December by a video interview on a patient's experience as a Black African American living in Wales.

RCN Wales commissioned Nathan Wyburn, a Welsh fine art graduate, to produce a piece of art celebrating nursing. The pop art piece featured Welsh nurse icon, Betsi Cadwaladr and will be on display in the Betsi Cadwaladr room in the RCN Wales office. It has also featured in an online exhibition on the history of nursing in Wales.

## #RCN2020

For the first time in its history, RCN Congress could not take place in 2020. Based on debates and fringe events from the Congress programme, a new programme was set by the Agenda Committee for an interactive series of online debates and events called **#RCN2020**. The series was attended by more than 800 delegates. This programme enabled nursing staff to share opinions and experiences on topics vital to the profession, helping to shape the work the College will do to support members into 2021.



The original proposers of the items for debate and discussion worked with our professional leads and officers from the Nursing, Employment Relations, Policy and Public Affairs teams to prepare the briefings that would inform the debates and events. These were hosted by members from RCN Council, committees and executive directors.

A particularly topical debate was on nursing in care homes. Information from this event informed the Care Home Network's Facebook page; shaped independent strategy; provided the views of members and key stakeholders in the submission of evidence for national events; and assisted in updating the care home resource. The future of nursing debate focused on changes in the nursing profession and nursing practice, acknowledging the significant changes that have taken place in the century since registration was introduced, and the opportunities that the future will bring.

Members could also take part in robust debate during the online fringe events, discussing subjects including human rights in end of life care, nursing student internships in care homes and economic inequality contributing to a global public health crisis.

In April, our Archives team launched a member-only website for our digital archives, providing secure, GDPR-compliant access to our RCN Congress Archive including publications, reports and audio-visual material. This has been followed with the launch of the RCN AGM Archive in July.

## Collaborative working

Throughout 2020 our Learning Disability Forum, Nursing Department and Policy and Public Affairs teams have reviewed the field of learning disability nursing in terms of its practice, education and workforce. Our new *Connecting for Change* publication is due to be released in 2021 and details a range of recommendations that will be delivered across 2021. This includes working with the Nursing and Midwifery Council (NMC) to better determine where learning disability nurses work as well as their employment status. This work will enable the College to help shape and support the development of learning disability nursing.

Having published a series of web resources and ***Parity of Esteem – Delivering Physical Health Equality for those with Serious Mental Health Needs*** during 2019, we have continued to work to influence and shape the mental health policy agenda across the UK.

During the year, our Mental Health Forum has run a lived experience project which will promote inclusion and collaboration. This project aims to develop and support a partnership approach and will increase partnership working opportunities for mental health nursing members, patients and carers and put involvement at the heart of the College's work on mental health. This project continues into 2021.

Our membership of Equally Well UK has also continued, which links us to over 50 organisations involved in supporting greater physical health equality for those with serious mental health needs.

Our partnership with the University of Sheffield has continued throughout 2020. We are mid-way through our five-year strategic research alliance with the university and are concentrating on three workstreams:

- workforce (focus on district nursing)
- levels of practice (focus on advanced nursing practice and nursing associates)
- education (focus on CPD).

We have worked with the university, together with stakeholders, to refresh the priorities for the alliance, ensuring that the current priorities for policy and the profession are taken forward. The research questions and methods for the three workstreams for the remainder of the programme have also been finalised.

## Global nursing

Our global nursing focus has been affected by the immediacy of the pandemic issues in the UK. We participated in a discussion with the UK Government ahead of the UK's Presidency of the G7 and WHO's Executive Board sessions in January. We have shared our perspective on the opportunities for the UK to promote the essential role of nursing on the global stage, by highlighting the leading role of nurses in COVID-19 vaccination programmes and promoting the extension of the International Year of the Nurse and Midwife into 2021.

Following two years of fighting tirelessly for our members, the immigration surcharge for health care workers from overseas was finally waived by the Government in May. We repeatedly called on the Government to exempt health and care staff from the fee, arguing that it was unfair and unjust, and represented an unnecessary financial burden on staff. It was initially raised as an issue by members at RCN Congress in 2018. We will continue to lobby for an immigration system which enables and incentivises international workforce to enter the UK.

During 2020, we conducted a member survey on whether the College should re-join the International Council of Nurses (ICN). The survey involved an RCN Council and ICN approved factsheet, online information and member emails. Two online member engagement sessions were held in November and final decisions will be made at the AGM in 2021, after Council makes a recommendation to members based on the outcomes of the member engagement activity.

## Equality, inclusion and diversity

The global pandemic and awareness of movements such as Black Lives Matter have brought issues of equality, inclusion and diversity into the mainstream. In response to concerns over the significant inequalities exposed by the pandemic, we have established a new Black, Asian and minority ethnic (BAME) Network to support members in Northern Ireland. We are also developing a number of other member networks such as LGBTQ+, race and other networks across the range of protected characteristics.

The importance of diversity in nursing became more explicit as we moved into 2020. This was explored in events such as *Black Nurses Before Windrush* with Stephen Bourne, *Nursing Whilst Black* with Dr Claire Chatterton and Yvonne Coghill CBE showcasing new research on the history of black nurses in the UK; and Filipino nurse Romalyn Ante in conversation with Molly Case on her recent book *Antiemetic for Homesickness*. In September, we also launched a new series of discussion events for members, the *Inclusion Café Book Club*.

Our *Cultural Ambassadors* programme has been enhanced for virtual delivery and continues to build the racial literacy of participants and provide them with ongoing support to continue their roles.

In November, we published *Fair Care for Trans and Non-binary Patients*. The updated guidance has been developed to help nursing staff provide fair and dignified care for trans and non-binary patients and service users. It includes a useful glossary of terms and signposts readers to specialist agencies working in the field.

A series of podcasts has been produced to provide a platform for members to share their lived experiences as well as solutions to discrimination. The *Nursing Whilst Black* podcast series features the diverse perspective of nurses, students, nursing entrepreneurs and nursing support workers, each one sharing their lived experience, advice for anyone wanting to act an ally, as well as their views on the actions that organisations can take to tackle institutional racism. A second podcast series focusing on the lived experience of nurses with disability and neurodiversity has also been launched to commemorate the International Day of Persons with Disabilities.

From June to September, we ran a series of webinars focusing on identifying how the issues of race and racism impact on the art and science of nursing. The *Racism and Nursing* webinars offered opportunities to hear from and interact with nurses, nursing educators, employers and regulators. One of the sessions brought together the chief nursing officers and their representatives across the UK to discuss the importance of inclusive leadership, transformation and allyship.



## Independent health and social care

In January, a Council-led task and finish group was established to oversee the development of the UK independent health and social care sector strategy. Members of this group were primarily recruited from the independent sector using the RCN Governance appointment process. A programme board comprising RCN staff was also established to lead this work.

The **Care Home Network** has been established and now has almost 700 members. Utilising this network enabled us to ensure the challenges being faced by the sector were included in our pandemic response work and resulted in more responsive media, parliamentary, employment relations, professional and communications activity on behalf of independent health and social care sector members. Members were engaged directly in the strategy development via regional and country boards, committees, forums and other networks.

RCN Council agreed the strategic framework that has guided the development of this work. The framework sets out the planning approach to delivering the organisational transformation required to achieve our strategic outcomes. The drivers for change, current state analysis, future state and strategic roadmap phases of the framework have been completed. The next phase, mobilisation, resource and investment will be delivered through the transformational plan which is the starting point for this journey of change. The transformational plan was approved by Council in November and was published in December.

# Priority 5: Investing in our future by transforming the way we work

Technology enables us to modernise and transform our member journey and support staff in their roles around the organisation. Ensuring the RCN Group, which includes the RCN Foundation and RCNi, builds solid foundations, utilises new technologies and continually evolves to meet our members' needs continues to be a key focus of our work.

## Transformation

We have continued to develop products and processes that enable the Group to anticipate and respond to the needs of our members and customers, offering more opportunities for engagement and easy access to the benefits membership brings.

Our five core objectives for delivering Group-wide change have been established.

- 1. To improve the member and customer experience** by making sense of our customer data and sourcing valuable insights about customer needs and audience-specifics, in order to tailor our offerings accordingly.
- 2. To develop a Group strategy for a digital world**, ensuring that the RCN Group can modernise and survive in a fast-moving digital environment, while also offering a first-class digital experience to our members and customers.
- 3. Create new revenue channels** by delivering new products and services.
- 4. Transform our ways of working through agility**, meaning more effective internal decision making and better overall organisational flexibility by transitioning to new ways of working as part of a new digital business strategy.
- 5. Reduce operational costs** through our digital transformation initiatives by optimising business performance and efficiency.

The first stage of our transformation journey saw the launch of the Quick Wins programme. Each quick win has been identified as an area where the organisation needs to modernise, while also being something that could be delivered quickly, within short timeframes.

Working closely with our Students' Committee, we developed the first quick win. RCN *Starting Out*, is an online resource aimed at students and newly qualified nurses. This new member benefit offers personalised content including education and learning resources, support and help with professional and personal matters, with the ability to find all the benefits of membership in one place. Launched in September 2020, more than 3,000 members logged into the resource in the first week. We have also begun work on expanding it to include other areas of our membership.



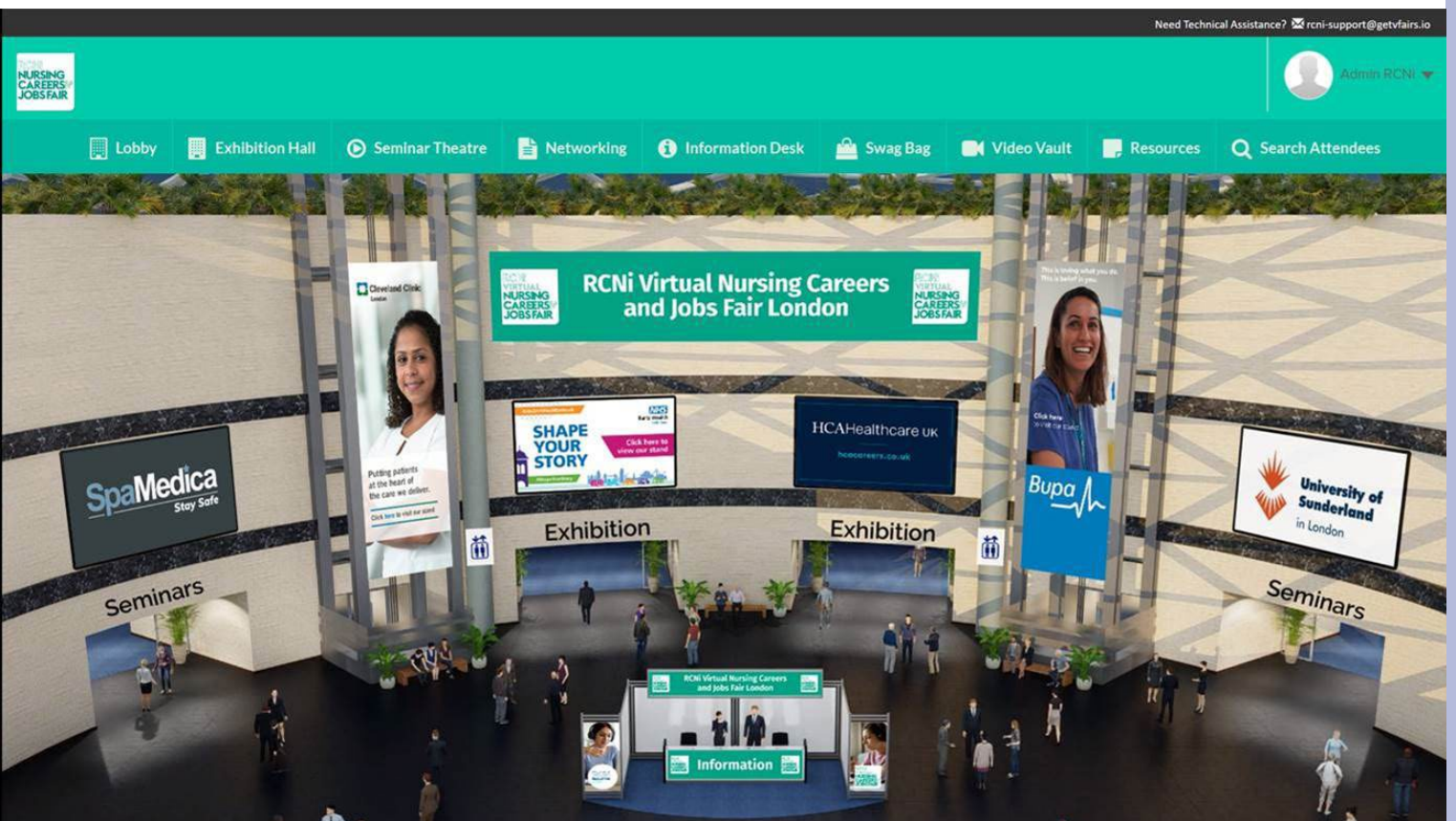
Other quick wins have included improving our digital platforms to enable us to quickly adapt to a virtual environment and continue to engage with and support members during the pandemic.

Our digital platforms have proved invaluable in enabling us to continue to provide a wide range of webinars, events, debates and recruitment fairs during the year. More than 290 events took place from the start of lockdown to the end of the year. Virtual events have also enabled us to work more sustainably and at much lower costs. Our virtual London careers and recruitment fair saw a saving of £122,000 in comparison to the same face-to-face event held in 2019, as well as an increase in margin of 19%.

## Virtual working

In March our offices around the UK closed and staff had to rapidly transform ways of working. In a matter of weeks all staff not already able to work remotely (including our Customer Service Centre), were issued with the equipment they needed to work from home. As a result, we have been able to continue to deliver our membership services and business priorities during such a critical time.

We introduced Microsoft Teams to all Group staff to enable us to better communicate with both our members across all sectors and colleagues within the Group.



## Customer relationship management

We have upgraded our Customer Relationship Management (CRM) database to the most modern, and up-to-date technology platform available. The CRM has enabled us to improve the strength and quality of the data we hold and we can now apply a more member-centric approach to better anticipate the needs of our members and customers. The possibilities this data offers are immense, and we are exploring the opportunities and benefits this will increasingly bring to our political influencing and policy work, business intelligence, income generation and many other areas of the Group.

## Financial sustainability

2020 has been the second of a three-year plan and budget cycle developed to underpin our Group Strategy and ensure we are able to meet its priorities within a financially sustainable framework. The overarching theme of the strategy is to strengthen our position as a nursing-led organisation with a global and unified presence. The strategy's four key strategic themes are:

- the provision of education and learning
- setting clinical standards and supporting practice
- active personal and workplace support
- influencing and shaping policy.

By transforming the way we work and utilising technology, we will continue to champion and support our members and ensure our products and services meet the needs of all our members, readers, subscribers and beneficiaries.

In 2020, we have reported RCN Group net operating surplus of £11.2m. This is ahead of the planned position for the year which was an operating surplus of £0.5m. The stronger financial performance has been due primarily to non-recurrent savings due to pandemic restrictions. Social distancing guidance has severely restricted activities across a number of areas, which has resulted in lower expenditure. Higher membership income than budgeted for, has offset the reduction in non-membership income.

In 2020, our membership numbers reached more than 450,000 with increases across our membership categories as the improved retention of members. Our membership income has therefore increased by £2.7m.

We have re-invested resources to where it has been most needed during the pandemic.

For example, training additional responders to assist with the increased demand at the Customer Service Centre and investing in the development of our digital platforms and provision of virtual events.

The unplanned surplus also consists of savings resulting from delays to some work, for example representation cases which have been postponed or delayed during the year but will be undertaken in 2021.

How the increase in reserves in 2020 can be best utilised is an important element of our work on the new financial strategy covering 2022-2024, which will be approved by Council in July 2021. This will include our vital work on:

- fighting for fair pay for our members
- securing the provision of services to meet our members' needs and the overall increase in member demand
- the development of new products and services
- the continuation of our transformation programme
- our education strategy.

The cancellation of Congress and other events and activities as well as the reduced running costs of many of our properties have contributed to the overall reduction in operating expenditure which is £3.8m lower than 2019. The cancellation of Congress accounted for approximately £0.8m of the reduction in overall expenditure.

Whilst remote working and the use of technology will continue to influence the way we work and engage with members, we expect most expenditure to return to pre-2020 levels once the pandemic eases and social distancing restrictions are relaxed.

The increase in membership income offset the £1.5m decrease in RCN UK non-membership income and £1.2m decrease in RCNi trading income, which have been severely impacted by the pandemic. Face-to-face events, conference services and some education programmes could not take place due to pandemic restrictions and pressures.

Both the RCN and RCN Foundation investment portfolios ended the year well. Like most investments they lost ground in the period following the start of the pandemic, but performed well in the second half of the year and ended December with a combined net realised gains of £3m and net unrealised gains of £10m.

The RCN UK portfolio also benefited from £10m, which was transferred from RCN cash reserves to the RCN portfolio in the first half of the year, following Council's decision in 2019 to transfer a total of £20m (in four £5m tranches).

The results of the 2019 triennial valuation on our defined benefit pension scheme were approved by both Council and the pension scheme trustees TPT in November. The 30 September 2019 triennial valuation reported a scheme deficit of £9.5m (30 September 2016: deficit of £52.1m). The revised deficit funding plan retained annual deficit payments at £3.3m, however the recovery period has reduced from 31 October 2026 to 31 July 2021.

The accounting valuation of our defined benefit pension scheme reported a surplus of £31.3m at 31 December 2020, an increase of £17.7m on 2019. Whilst the surplus increase in the accounting valuation is good news, as per 2019, we are unable to report the surplus in our financial statements as the surplus does not belong to the RCN.

The RCN UK defined benefit scheme has liabilities over £401m, which is off set by scheme assets of £432m. Any small change in the assumptions used to calculate the liabilities can have a significant impact on the overall value of the scheme. A 0.5% movement in the discount rate will have a £40m impact on the liabilities. More information about the defined benefit pension scheme can be found at [note 16.2](#) of notes to the financial statements, beginning on page 108.

## Responding to our members

### Customer Service Centre

The Centre has responded to the COVID-19 pandemic by moving our contact centre operation almost overnight to being 100% remote working. This was done against a backdrop of unprecedented demand on our services both in terms of the volume of contacts, which hit double what we would usually expect in the early months, and the increasingly challenging nature of the calls as members presented with more and more complex and distressing requests for support.

We also had to adapt to using different technology to work from home, and then switch back again once the technology was available to allow us to do so.

As we were unable to manage such unprecedented demand with our usual adviser resourcing we trained over a hundred RCN staff from the across the organisation to help us take calls, later reducing this to a dedicated group of responders as demand began to reduce.

We updated our online information and telephony messaging to promote digital interactions with members to offer them alternatives and to allow us to manage demand better by using asynchronous communication. Throughout we maintained our response to members within our usual 24 hours service level agreement for email contact.

We are proud that the centre continued to provide a service every day of the pandemic and we continue to be available seven days a week.



Handled over  
**104,000**  
contacts, via  
telephone, email  
and chat

Nearly  
**19,000**  
of these were  
COVID-19  
contacts

**60%**  
of all contacts  
were resolved by  
advisers

**40%**  
referred on  
for additional  
support

**900**  
members were  
supported with  
statement  
checks

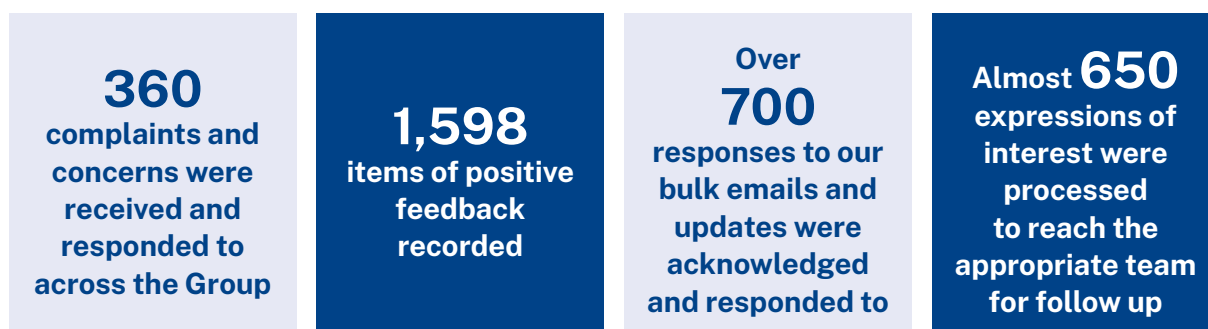
Customer  
Relations Team  
handled over  
**1,000**  
pieces of  
feedback

And over  
**650**  
expressions  
of interest to  
become an RCN  
representative

**3,301**  
customer  
satisfaction  
responses with  
a 74.3 Net  
Promoter Score

We have continued to work on self-service offering and advice guides and had over 2.2m hits to our online advice pages in [Get-Help](#).

During the pandemic, we have worked across RCN departments to produce three brand new COVID-19 specific advice guides including the COVID-19 FAQs and continue to be the main point of contact for all updates and reviews.



The delivery of investigation workshops commenced – *A Masterclass in Conducting Investigations and Hearings* was launched to support senior managers in undertaking investigations and reporting writing. Roll out of this training continues throughout 2021.

Development of the new *Complaint Handling Module* commenced which will make the process simpler, more intuitive and will strengthen our management and reporting of complaints, alongside improved oversight for Heads of Departments.

## Member Support Services

Our Member Support Services (MSS) teams have seen a huge increase in demand for advice and support during the year which has been attributed to the pandemic.

We have received enquiries from members with underlying health issues and those who considered themselves to be disabled by the COVID-19 outbreak, with concerns relating to how exposure to the virus would affect them and seeking guidance on their own rights and responsibilities. Other enquiries included long-term sickness, leaving employment to care for family members and financial hardship.

Our **Lamplight Support Service** - which supports the nursing community to adapt to change or deal with pressures adversely affecting their financial situation – has helped administer £390,000 of the RCN Foundation's £1.5m COVID-19 Support Fund to frontline health and social care staff, in addition to its usual support to those in financial hardship, with the remainder being administered directly by the RCN Foundation.

We have also experienced a surge in demand for our immigration services. The 22% increase has been due in part to issues ranging from changes in government policy on tier 2 visas, the immigration health surcharge and the UK's departure from the European Union.

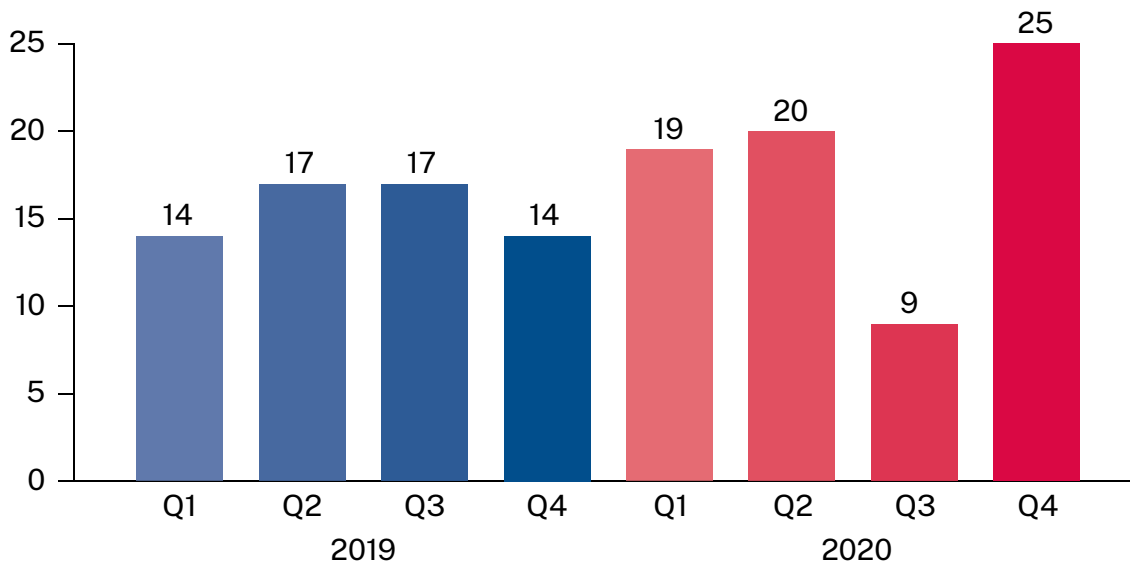
Our counselling service has seen a significant increase in contact from members experiencing trauma-related issues and stress. We provided an extra 500 counselling sessions during the year, bringing the number of sessions delivered to 5,821. Our careers team ran virtual career sessions to approximately 1,500 members throughout 2020 with the sessions on interviews and applying for jobs having the best uptake.

We have received a total of 654,744 hits on our MSS web pages and have regularly reviewed and updated the information and resources available to staff and members to ensure their accuracy in such a rapidly changing environment.

Our peer support service and education forum have worked together throughout the year to deliver a series of neurodiversity events and have engaged with members with disabilities to influence government policy on the requirements of members with health care needs, particularly those who are hard of hearing.

## Subject access requests

In 2020 we received a 19% increase in subject access requests: from 62 in 2019 to 74 in 2020. There was a significant increase in Q4 2020 which caused initiatives and priorities to be paused as resource had to be diverted to support our legal obligations.



## Investing in people

With an increased focus on transforming our ways of working, along with the introduction of new digital products, it is imperative that we also invest in people to enable them to work in new ways to support our members and customers.

In November 2020, we started work on transforming how we develop, motivate and engage staff, looking at our values and behavioural competencies to meet both today’s and future needs. We have developed a new online portal where our staff can embark on their tailored learning journey to improve their skillsets, enabling us to work even more effectively on behalf of our members. This online portal is due to launch later in 2021.

## Environmental responsibility

We have explored how we can reduce the number of cash and paper touch points across the Group and replace with end-to-end digital processes. Internally, this has included the launch of a new digital signature tool, which has reduced the amount of paper the Group uses.

Following a resolution at Congress 2019, we defined **our position on climate change and our commitment to embedding sustainability principles into all our work**. We, as an organisation, support positive action on the environment and sustainability and will continue to support companies investing in new technology, providing that this can be achieved without financial detriment.

We continue to work on a responsible investing policy and have commenced a review of our property strategy through a Council task and finish group.

RCN Council requires that the investments should be managed in a socially responsible manner in line with our corporate values and policies. As we review our leases and procurement contracts, we focus on improving sustainability, compliance with modern slavery legislation and our commitment to equality and inclusion.



# Streamlined Energy and Carbon Reporting (SECR)

## Introduction

This report presents SECR for the Royal College of Nursing of the United Kingdom (RCN), a Royal Charter company with company number RC000459<sup>1</sup>. Data was assessed and the report provided by Sustainable Advantage.

The Companies and Limited Liability Partnerships Regulations 2018 implement the government's latest policy on SECR. SECR replaced the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) in April 2019. This new framework aims to simplify carbon and energy reporting requirements while still ensuring that companies have the information required to understand and reduce their emissions and energy costs.

## Approach

The UK Government's environmental reporting guidance on how to measure and report greenhouse gas emissions<sup>2</sup> has been used, along with the provided greenhouse gas reporting figures for 2020<sup>3</sup>. The financial control approach has been used to define the scope boundary<sup>2</sup>. The reporting period is 1 January 2020 to 31 December 2020, aligning with the financial year.

## Base year and changes in emissions

A base year of 1 January 2019 to 31 December 2019, has been used, as this is the earliest year for which reliable data was recorded and measured, and that the business had a similar structure to the current reporting period. The base year will be used as the benchmark for future emission data and consumption changes. The recalculation policy is to recalculate the base year emissions only for relevant significant changes which meet the threshold of affecting 5% of base year emissions.

RCN's emissions are reported for the first year under SECR, however changes from the base year, which is also the previous calendar year, have been recorded and detailed. Due to the ongoing COVID-19 pandemic, data for the current reporting period is skewed, in the sense that there has been less energy consumption across the business.

1. [find-and-update.company-information.service.gov.uk/company/RC000459](https://find-and-update.company-information.service.gov.uk/company/RC000459)
2. [assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/850130/Env-reporting-guidance\\_inc\\_SECR\\_31March.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf)
3. [www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020](https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020)

## Operational scopes

Scope 1, scope 2 and partial scope 3 emissions have been included within this report. RCN owned or leased nine sites in the reporting period where electricity and gas are the primary and only utilities used. RCN own or lease no company vehicles; however, 210 staff claim mileage across the sites.

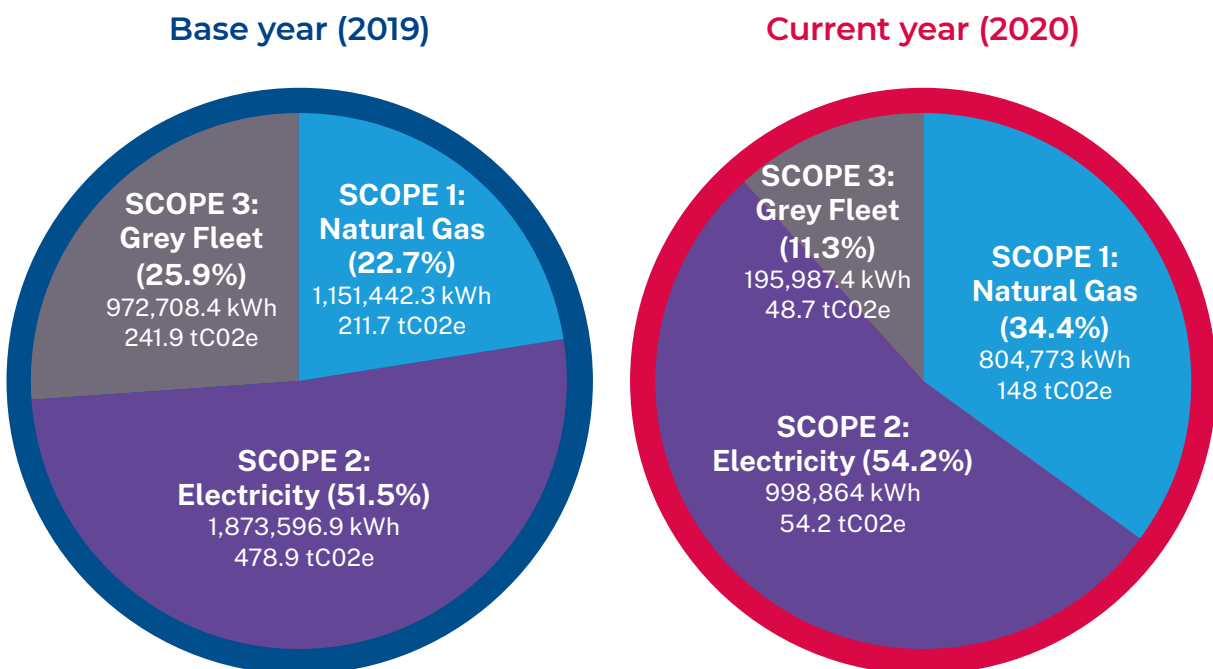
Scope 1 emissions consist of the natural gas used within the sites.

Scope 2 consists of electricity usage within the sites.

Scope 3 emissions are from the grey fleet\* mileage.

All activities are based within the UK.

**Diagram 1 (below) shows the breakdown of consumption and carbon emissions, in kWh and tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) respectively, by scope and specific area for both the base year and current reporting period**



\* A grey fleet vehicle is one owned and driven by an employee for business purposes. The employee is reimbursed on a pence per mile basis for using their private vehicle on business journeys.

## Intensity ratios and targets

Individual intensity ratios for each site have been measured. The metric of tCO<sub>2</sub>e per m<sup>2</sup> floor area has been used and an internal “league table”, showing the relative performance of each site where those with a lower tCO<sub>2</sub>e per m<sup>2</sup> floor area are performing better, has been created. For the grey fleet, a metric of tCO<sub>2</sub>e per vehicle has been measured.

The chosen emissions reduction target is to reduce all intensity ratios across the business by 5% from 2019 to 2021, shown in Tables 1 and 2. Due to the COVID-19 pandemic, the intensity ratios for the current reporting period are atypical due to lower energy consumption across the business. For this reason, targets are set from the base year, and the reduction target of 5% across two years, factors in the deferment of various energy efficiency projects within the current reporting period.

Targets are based upon intensity ratios to improve performance, rather than allow for spurious improvements due to changes in operations. If floor areas and number of vehicles theoretically remain the same across the current and upcoming reporting periods, predicted gross emissions are 866.0 tCO<sub>2</sub>e. This excludes emissions for the new site in Bolton leased during the current reporting period. Table 1 shows the intensity ratios and targets for the grey fleet, while Table 2 shows intensity ratios and targets for all buildings.

**Table 1 - Grey fleet carbon emissions with intensity ratios, target, and predicted tCO<sub>2</sub>e, with comparison to the base year. Intensity ratios are presented as tCO<sub>2</sub>e/vehicle.**

	Base Year (2019)		Current Year (2020)		2021	
	tCO <sub>2</sub> e	Intensity Ratio	tCO <sub>2</sub> e	Intensity Ratio	Predicted tCO <sub>2</sub> e	Intensity Target
<b>Grey Fleet</b>	241.9	1.152	48.7	0.232	229.9	1.094

**Table 2 - Breakdown of site carbon emissions with intensity ratios, targets, and predicted tCO<sub>2</sub>e, with comparison to the base year. Intensity ratios are presented as tCO<sub>2</sub>e/m<sup>2</sup>.**

Site	Base Year (2019)		Current Year (2020)		2021	
	tCO <sub>2</sub> e	Intensity Ratio	tCO <sub>2</sub> e	Intensity Ratio	Predicted tCO <sub>2</sub> e	Intensity Target
<b>Belfast</b>	17.0	0.021	9.8	0.012	16.1	0.020
<b>Bolton - Old<sup>†</sup></b>	20.9	0.072	6.3	0.021	-	-
<b>Bolton - New<sup>†</sup></b>	-	-	3.0	0.007	-	-
<b>Cardiff Gate</b>	106.2	0.059	60.0	0.033	100.9	0.056
<b>Cardiff HQ</b>	32.8	0.053	21.9	0.036	31.1	0.051
<b>Edinburgh</b>	44.4	0.052	33.8	0.039	42.2	0.049
<b>London HQ</b>	446.0	0.094	230.0	0.049	423.7	0.090
<b>Newbury</b>	6.9	0.021	3.8	0.012	6.6	0.020
<b>Sunderland</b>	16.4	0.041	12.2	0.031	15.6	0.039

<sup>†</sup>Both sites were only owned for part of the current reporting period, intensity ratios are reported, however, targets have not been set based off these ratios.

Our other sites (Birmingham, Bury St Edmunds, Croydon, Exeter, Glasgow, Leeds and Nottingham) are billed for utilities through the service charge, therefore are not an additional cost and not part of this report.

## Energy efficiency improvements (ESOS)

The RCN has reported under both ESOS Phase 1 and 2. The following actions have been taken within the current reporting period in line with ESOS phase 2 recommendations:

- Servers are hosted with a third-party contractor reducing AC requirements.
- LED lighting and PIR sensors are being installed throughout the sites.
- A boiler replacement programme was carried out in Cardiff Gate and Edinburgh.
- The replacement of boilers, chillers, and dry air coolers with a heat pump solution is being investigated for a freehold site.
- The effect COVID-19 has had on emissions, especially around use of office space, and enforced flexible working is being investigated to enhance future strategy.

Energy savings of 410,358 kWh over three years have been realised in the two main buildings.

## Further information

For any further information please visit our [website](#) or call 020 7409 3333.

# Looking forward

We welcome our new Council who were elected for the period 2020 to 2023.

## 2021 Council

**Chair:** Dave Dawes

**Vice Chair:** Carol Popplestone

**President:** Professor Dame Anne Marie Rafferty CBE FRCN, President

**Deputy President:** Tracey Budding

### ENGLAND

**East Midlands region:** Mel Kerr

**Eastern region:** Jesudass Johnselvan

**London region:** Dr Joan Myers OBE

**North West region:** Dave Dawes

**Northern region:** Michael Appleby

**South East region:** Jeremy Benton

**South West region:** Geoffrey Walker OBE

**West Midlands region:** Rod Thomson FRCN

**Yorkshire & the Humber region:**  
Carol Popplestone

### NORTHERN IRELAND

Fiona Devlin

### SCOTLAND

Geoff Earl

### WALES

Richard Jones MBE

### STUDENT MEMBER

Shaun Williams

### NURSING SUPPORT WORKER MEMBER

Evan Keir

### CHAIR OF CONGRESS

BJ Waltho, non-voting member of Council

## RCN Group strategy plans and priorities for 2021

The first RCN Group Strategy and three-year Group Plan for 2019–2021 was developed and agreed during 2018 under four strategic themes:

### 1. Provision of education and learning

Patients have a right to expect the very best care which is underpinned by evidence-based practice and from practitioners who are informed and up to date. We aim to ensure that the nursing team can readily access up-to-date, world-class education and professional development resources, at any time and in any setting in a way that is personalised to them.

### 2. Setting clinical standards and supporting practice

Teams and individuals delivering health and care can rely on us to keep them informed on best practice and to set and promote world-class standards so that they can provide the very best care to their patients.

### 3. Active personal and workplace support

Those working in health and care do their best work in an environment which is safe and respects and supports their physical and mental wellbeing. We work with members of the nursing team and their employers to nurture exemplary working practices and support them when things go wrong.

### 4. Influencing and shaping policy

We develop evidence-based positions and work to influence those in power to shape policy. We work with decision makers and opinion formers to inform and recognise the importance and contribution of the nursing team to secure the best outcomes for patients. We have no ties to any political party and we take pride in our political independence.

#### Our business priorities for 2019–2021 are to:

- ensure that nurses, prospective nurses, and other health and care practitioners, can readily access up-to-date, world-class education and professional development resources
- drive exemplary working practices
- develop tools and resources to empower the nursing workforce to lead and champion our work on the ground
- influence and shape health and wider public policy issues
- strengthen our engagement and champion diversity and inclusion
- enrich the customer experience through making the best and most efficient use of digital technology by ensuring that our systems are easy to use, up to date and integrated
- ensure our data is managed securely and thoughtfully to enable all our stakeholders to make the most of the RCN Group
- develop a culture that fosters high performance delivered through a highly skilled, engaged and agile workforce
- strive to grow our income whilst at the same time maintaining our subscriptions at as low a level as possible
- work with other organisations, both in the UK and overseas; governments, health and care delivery groups, charities, health care companies, and others.



In reaction to the March 2021 announcement of a 1% pay offer for NHS staff, RCN Council voted unanimously to support members by setting up a £35m strike fund. The fund will be used to provide compensation for loss of earnings and campaigning should RCN members vote for Industrial Action in the future.

In 2020 we focused on the following priorities which are set out in detail on pages 19 to 56.

1. Our Safe and Effective Care campaign.
2. Developing members through their careers.
3. Mobilising our membership.
4. Shaping the future of the nursing profession and health care.
5. Investing in our future by transforming the way we work.



Looking forward, the specific workstreams for 2021 are:

1. Staffing for Safe and Effective Care campaign.
2. Independent Health and Social Care Strategy.
3. UK Pay Strategy.
4. Education Strategy.
5. Independent Governance Review/Implementation.
6. Business Transformation Strategy (including a workforce strategy, a property strategy and a digital transformation strategy).
7. Information Management and Business Intelligence.
8. Membership Strategy (to incorporate the Membership Category Review).
9. Income Strategy (to incorporate the Commercial Strategy).
10. Influencing policy and professional standards.

**Council has also agreed the following ways of working principles to be embedded into our work.**

- Members will help shape new priority work through member and staff collaborative working and co-production.
- We will actively engage members in decision making and priority setting.
- We will have clear and transparent member decision making and will prepare concise decision papers with clear recommendations.
- An evidence base will inform decision making.
- We will capture, share and learn from individual projects.
- We will embrace innovation to optimise member engagement.
- We will adopt a robust and structured approach to ensuring consistent two-way communication.
- An equality and inclusion impact assessment will be carried out for every piece of work.
- A risk assessment will be undertaken for every piece of work.
- Our environmental and sustainability principles will be applied to all our work.
- There will be a project initiation document prepared for every new project with clear measurable targets and key performance indicators (KPIs).
- We will put in place resource allocation mechanisms.

# Financial review

The RCN Group is made up of RCN UK, a special registered trade union and professional Royal College, RCN Publishing Company (RCNi), the RCN Foundation (RCNF), a registered charity, RCN Holdco Limited and COVID-19 Healthcare Support Appeal (CHSA).

The RCN Group statement of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows for the year ended 31 December 2020 are set out on [pages 79-82](#).

These financial statements are presented in accordance with Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council and the Trade Union and Labour Relations (Consolidation) Act 1992. The RCN Group statements report the consolidation on a line-by-line basis of RCN UK and its subsidiaries RCNi, the RCN Foundation and RCN Holdco Limited.

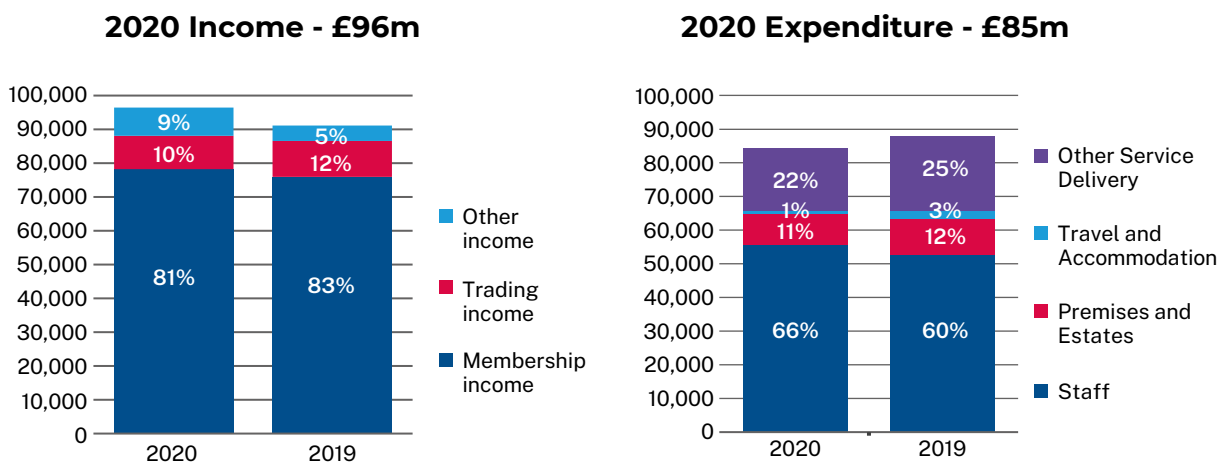
## RCN Group results

The RCN Group results for the year ended 31 December 2020 report a surplus before taxation of £16.8m (31 December 2019: £11.1m).

RCN Group surplus has increased by £5.8m compared to 2019. Income was £5.6m higher, and expenditure £3.3m lower, however this was offset by an adverse impact on the performance of RCN Group investments. Overall realised gains were over £3m but £1.9m lower than the previous year. There was a £0.1m loss in 2020 relating to foreign exchange movements, which is £1.1m lower than the gains of £1.0m in 2019. Further information regarding RCN Group investments can be found in note 12.






The RCN Group operating surplus for the year ended 31 December 2020 was £11.2m. This is £8.9m higher than the operating surplus of £2.3m in 2019, reflecting a combination of higher income and lower expenditure in comparison to the previous year.

The surplus before taxation for the RCN Group excluding the charitable activities of the RCN Foundation was £13.3m, as stated in note 4.1.








## Income

RCN Group income for the year ended 31 December 2020 was £96.0m (31 December 2019: £90.5m). The significant differences between income in 2020 and 2019 are shown below:

RCN Group income	2020 £'000	2019 £'000		Movement
Membership	78,016	75,350		Overall increase of 3.5% compared to 2019, due to the increase in member numbers.
RCNi trading income	9,769	11,008		RCNi trading income for 2020 has been adversely impacted by the cancellation of face to face events during the pandemic.
CHSA income	4,996	-		The new time-limited COVID-19 Healthcare Support Appeal (CHSA) received £4.970m donation from TikTok, £5k from other donors, and £21k gift from RCN Foundation to cover legal costs.
Other	3,252	4,116		RCN UK non-subscription income fell by £1.6m, through the adverse impact of COVID-19 restrictions on events, professional education and conference services. This was mitigated by £0.4m additional voluntary income to the RCN Foundation, and £0.3m compensation on termination of RCNi's office lease.
<b>Total RCN Group</b>	<b>96,033</b>	<b>90,474</b>		Overall RCN Group income has increased by 6.1%.

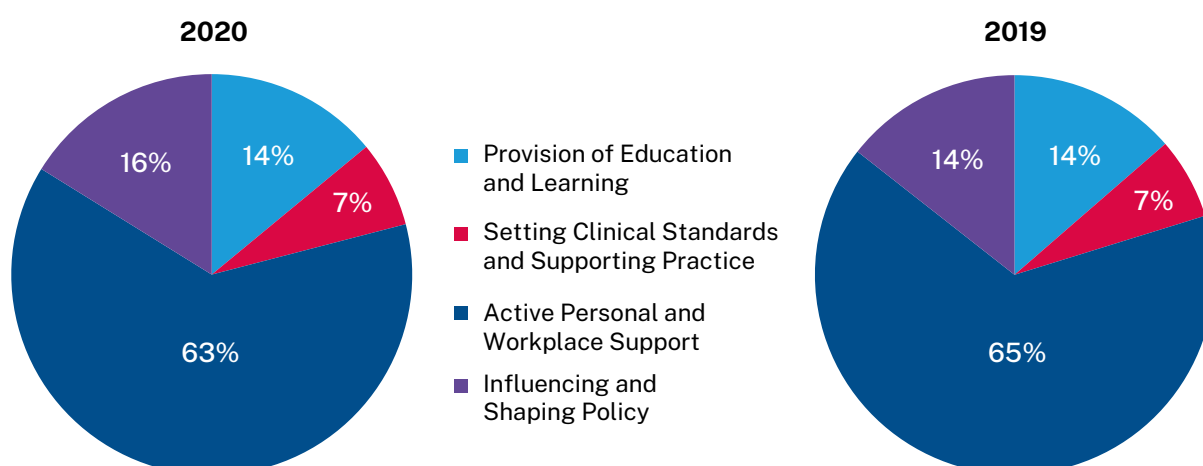
## Expenditure

RCN Group expenditure for the year ended 31 December 2020 was £84.8m (31 December 2019: £88.1m). The significant differences between expenditure in 2020 and 2019 are shown below:

RCN Group expenditure	2020 £'000	2019 £'000		Movement
Staff	55,514	53,361		Staff costs have increased by 4%. There was a 1.2% increase in overall full-time equivalent (FTE) compared to 2019, and the annual staff pay award and incremental progression increased costs by around 2%.
Premises and estates	9,585	10,353		Despite additional expenditure on information technology as we continue to pursue the digital strategy, 2020 total premises and estates costs were lower than 2019 due to savings in office related costs while staff worked from home.
Accommodation and travel	509	2,517		80% reduction as almost all operations have been conducted without face-to-face contact since March 2020 during the pandemic.
Other service delivery	19,186	21,900		12% net reduction compared to 2019 driven by a £4.3m lower cost of member clinical negligence indemnity cases, though additional costs have arisen due to provision for an historic VAT liability in RCNi.
<b>Total RCN Group</b>	<b>84,794</b>	<b>88,131</b>		Overall RCN Group expenditure has reduced by 3.5%.

RCN UK now reports expenditure aligned to the four Strategic Themes developed and agreed for the 2019-2021 RCN Group Strategy, as shown below. Further information can be found in note 10.

### RCN UK four strategic themes



### Net results

The total net assets of the RCN Group increased from £150.0m to £177.0m. This includes charitable funds of the RCN Foundation of £40.7m (31 December 2019: £37.3m), which are not available for general use.

RCN UK total membership numbers have increased by 3% during the year. As in 2019, nurse members saw the highest increase in membership numbers, and the nursing support worker category saw the highest proportional increase year-on-year. Different categories have different subscription prices therefore the increase in income is not directly aligned with the increase in membership numbers. RCN UK expenditure was £6.2m lower in 2020 than in 2019, due to the effect of lower costs of the member indemnity scheme due to an improvement in the projected outcome of several significant prior year cases during 2020. Although the total year-end provision for ongoing indemnity cases was only £0.3m lower than at the close of 2019, due to new cases arising, the cash payments made in 2020 were £4.0m lower than in the previous year. Like other organisations, the reduction in travel and accommodation during the pandemic has had an impact on expenditure.

Trading income relates to the income generated by RCNi excluding any sales made to other RCN Group entities. Intercompany trading income was £1.5m in 2020 (£1.3m in 2019).

RCNi achieved revenue, including sales to other RCN Group entities, of £11.6m (2019: £12.4m) and achieved profits before tax of £602,000 (2019: £442,000). The profit before tax of £0.6m included an exceptional VAT liability of £1.0m and receipt of £0.3m compensation from exiting the Harrow office lease. Without the net impact of these

one-off items the profit before tax would have been £1.3m. In addition to transforming the digital product and service portfolio, a tight focus on cost control resulted in better-than-expected profit performance in 2020 despite a drop in income due to the impact of COVID-19.

The RCN Foundation continued to deliver on key areas of work aimed at meeting its purpose of supporting and strengthening nursing and midwifery to improve the health and wellbeing of the public. All RCN Foundation funded projects were affected to varying degrees by the pandemic, and our approach during this period has therefore been to offer support and flexibility to enable funded projects to continue. The RCN Foundation also set up its COVID-19 Support Fund to provide £1.5m in emergency aid to nursing and midwifery staff effected by the pandemic. In 2020, the RCN Foundation facilitated a donation of £5m from TikTok which resulted in the creation of a subsidiary charity, the COVID-19 Healthcare Support Appeal (CHSA), to accept and administer that specific donation.

RCN Holdco Limited's share of the profit before tax from the RCN Law joint venture in the year ended 31 December 2020 was £285k. The business continues to focus on providing legal support to claim for personal injuries and probate services to RCN members. The RCN Holdco Limited directors who are also on the board of directors for RCN Law LLP continue to be confident that RCN Law LLP is showing growth in line with the forecast.

## Reserves

2020 has been an unusual year, the RCN and RCN Group has fared better than many, reporting a significant surplus due in part to overall income remaining strong and in part non-recurrent expenditure savings due to restricted and delayed activity. The 2020 surplus is reflected in the increase to reserves reported at the 31 December 2020. During 2021 we will be developing the 2022-2024 financial strategy which will underpin the new RCN Group 2022-2024 strategic plan, consideration will be given to how best to utilise that increase to fight for fair pay for our members, provide services which meet our members needs and continues the work on our education strategy and the overall transformation programme.

## Investments, policy and performance

The RCN Group holds two investment portfolios, one in the RCN UK and the other within RCN Foundation. The two portfolios have distinct investment strategies but share the same ethical policies. The RCN Foundation adopts a low to medium level of risk to investing, compared to a medium level of risk by RCN UK.

The RCN UK investment objective is to achieve capital growth over time. The portfolio will be subject to short-term volatility but nevertheless will aim to achieve its longer-term target.

The RCN Finance and Investment Committee agreed to adopt a segregated approach, investing in fixed interest issues and individual shares rather than funds as being the most efficient way of achieving the agreed asset allocation and the ethical requirements. The fund managers have discretion over the selection of stocks, but the contract with Sarasin & Partners stipulates the requirement for the investments to be managed in a socially responsible manner in line with the RCN values and corporate policies. This includes avoiding any investment in companies with a direct link to the manufacture of tobacco products. Work has begun, in conjunction with the RCN Foundation and the Group's investment manager, to review the Group's ethical investment policy, this has included presentations from organisations specialising in this area. Both the RCN and RCN Foundation have reached general agreement on the direction of travel and more detailed organisation specific recommendations will be considered and implemented in 2021.

At 31 December 2020 Group investment portfolios reported gains from the position at 31 December 2019, this is despite significant losses in Spring 2020 at the start of the pandemic. Both portfolios not only recouped those losses but have reported gains overall. Net realised gains for the Group, including the impact of foreign exchange movements, was £3.0m, which was a reduction of £3.0m on the 2019 position. The RCN Group also reported unrealised gains of £10.0m at 31 December 2020, which is ahead of the 2019 position of £9.1m.

The RCN Group investment income for 2020 reported £2.6m (2019: £2.7m). Investment income has been impacted by the COVID-19 pandemic due primarily to a reduction in company dividends. Further information can be found in [note 5](#).

## Pension

At 31 December 2020 the RCN Group defined benefit pension scheme is shown within the 31 December 2020 financial statements as nil (31 December 2019: nil). The RCN defined benefit accounting valuation (also known as the FRS 102 valuation) reported a scheme surplus of £31.3m (2019: £13.6m), however as the surplus does not belong to the RCN, the RCN must report the scheme as having a nil valuation. The accounting valuation, like all valuations on defined benefit pension schemes, is a snapshot at a point in time, and this particular valuation is aimed at reporting the RCN's obligation to the scheme at the date of the Statement of Financial Position.

The latest triennial valuation reporting the position as at 30 September 2019 was approved by both Council and the scheme trustees TPT and submitted to the Pension Regulator in December 2020. The 2019 valuation reported a scheme deficit of £9.5m (30 September 2016: deficit of £52.1m). The triennial valuation is important because it is this valuation that determines how well or not the scheme is funded. It is also important to note that the duration of the scheme will extend for many decades into the future, it is difficult to predict how long scheme members will continue to draw their pension. It is also difficult to estimate accurately the income generated by the scheme to pay for

pension payments as long as they fall due. The 2019 valuation retains the annual deficit payments at £3.4m rising by RPI (Retail Price Index) annually. However, the recovery plan now ends 31 July 2021, previously 31 October 2026.

The favourable movement in the accounting valuation is due to the value of the schemes assets increasing by more than the scheme's liabilities.

Council continues to be committed to ensuring the scheme is appropriately funded. The funding requirement of the pension scheme is incorporated into the financial strategy and budget to ensure the RCN's long-term obligation to the scheme can be met.

Further details of pension scheme matters can be found in note 16 of the financial statements.

Transaction	£'000	Impact on financial statements
Employer contributions	3,972	Cash payments from accumulated funds
Annual deficit funding	3,343	Cash payments from accumulated funds
Scheme administrative expenses	278	Cash payment included within operating expenditure
<b>Total paid by RCN in the year</b>	<b>7,593</b>	
FRS 102 charge to statement of comprehensive income	4,457	Non cash, calculated by actuaries, based on assumptions and included within operating expenditure
<b>Net surplus of scheme in the year</b>	<b>3,136</b>	
Actuarial gain charged to OCI	10,742	
Actuarial gain reversed from OCI	(10,742)	The actuarial gain is not recognised in the financial statements
<b>Total movement in deficit</b>	<b>3,136</b>	

## Financial resilience

The RCN Group is considered to have sufficient resources to meet its obligations as they fall due for at least 12 months after the signing of the financial statements and there is no indication that the Group would not be able to operate as a going concern for the foreseeable future.

Further information regarding RCN group accounting policies and assessment of going concern can be found in note 1.

# Statement of Council members' responsibilities

Council members are responsible for preparing the Report of Council and the financial statements in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Trade Union and Labour Relations (Consolidation) Act 1992.

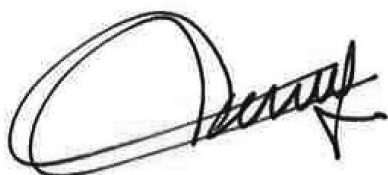
The Trade Union and Labour Relations (Consolidation) Act 1992 requires Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation. In preparing these financial statements, Council members are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business
- prepare an annual return to the Certification Officer
- provide members of the RCN with financial statements for each year.

Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992 and the Royal College of Nursing of the United Kingdom's standing orders. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council members are also responsible for the maintenance and integrity of the organisation and financial information included on the organisation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by Council and signed on their behalf by:



**Dave Dawes, Chair of Council**

**Date: 14 April 2021**



# Independent auditor's report to the members of the Royal College of Nursing of the United Kingdom

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of the Royal College of Nursing (the 'College') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 December 2020 and of the Group's and College's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group and College Statement of Comprehensive Income;
- the Group and College Statements of Changes in Equity;
- the Group and College Statement of Financial Position;
- the Group Statement of Cash Flow;
- the related notes 1 to 27.

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).

### 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 Group and the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 Council members' 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 Group's and College'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 Council members 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 Council members are responsible for the other information contained within the annual report. 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.

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.

## Responsibilities of Council members

As explained more fully in the Statement of Council members' responsibilities, the Council members 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 members 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 members are responsible for assessing the Group's and College'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 members either intend to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

## 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Trade Union and Labour Relations Act, the UK Charities Act, the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Cut off in relation to subscription income: membership fees can either be paid on a monthly or annual basis. Where payment is made on an annual basis an element of membership income received may need to be deferred. There is a risk that the deferral could be manipulated to recognise income in an incorrect period. On a sample basis, we have substantively tested a selection of members paying annually checking the date paid, the period covered and any linked deferral. We have assessed the calculation made by management to support the recognition and deferral of annually received subscription income.
- Valuation of the legal indemnity provision: this provision is an estimate based on assumptions that could be manipulated. We challenged the assumptions made, performed a retrospective review of RCN's past accuracy of this estimate, and reviewed correspondence with legal advisors on a sample basis.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

## Report on other legal and regulatory requirements

### Matters on which we are required to report by exception

Under the Trade Union and Labour Relations (Consolidation) Act 1992 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept with respect to the College's transactions and its assets and liabilities; or
- the College has not established and maintained a satisfactory system of control over its accounting records, cash holdings and all receipts and remittances; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### Use of our report

This report is made solely to the College's members, as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 and Section 17 of the Royal College of Nursing Royal Charter. Our audit work has been undertaken so that we might state to the members 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 College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Gooding FCA (Senior statutory auditor)**  
**For and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**St Albans, United Kingdom**

**Date: 21 April 2021**



# Financial statements

## Statement of comprehensive income for the year ended 31 December 2020

	Note	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
<b>Income</b>					
Membership income	4	78,016	75,350	78,016	75,350
Trading income		-	-	9,769	11,008
Other income	4	3,098	4,433	8,248	4,116
<b>Total income</b>		<b>81,114</b>	<b>79,783</b>	<b>96,033</b>	<b>90,474</b>
<b>Expenditure</b>					
Staff costs	9	49,704	47,181	55,514	53,361
Premises and estate costs		9,364	9,926	9,585	10,353
Travel and accommodation		505	2,503	509	2,517
Other service delivery costs		10,854	17,014	19,186	21,900
<b>Total expenditure</b>	10	<b>70,427</b>	<b>76,624</b>	<b>84,795</b>	<b>88,131</b>
<b>Operating surplus</b>		<b>10,687</b>	<b>3,159</b>	<b>11,238</b>	<b>2,343</b>
Investment income	5	1,789	1,631	2,571	2,719
Net realised gains on investments	12	2,425	3,584	3,035	4,944
Dividends received from subsidiary	6.1.b	353	-	-	-
Foreign exchange gains/(losses) on investments		(6)	864	(7)	1,047
<b>Surplus before taxation</b>	3	<b>15,246</b>	<b>9,239</b>	<b>16,837</b>	<b>11,053</b>
Taxation	8	-	-	60	(123)
<b>Surplus after taxation</b>		<b>15,246</b>	<b>9,239</b>	<b>16,777</b>	<b>10,930</b>
Actuarial gains/(losses) on defined pension scheme	16.2	10,742	12,728	10,742	12,728
Actuarial gains/(losses) on defined pension scheme - removal of scheme surplus	16.2	(10,742)	(12,728)	(10,742)	(12,728)
Revaluation reserve adjustment	20	(64)	(64)	(64)	(64)
Net unrealised (losses)/gains on fixed asset investment	12	8,131	5,786	10,007	9,074
Net unrealised gains/(losses) on joint venture		-	-	285	176
<b>Total comprehensive income for the period</b>		<b>23,314</b>	<b>14,961</b>	<b>27,005</b>	<b>20,116</b>
<b>Reserves brought forward</b>		<b>108,225</b>	<b>93,264</b>	<b>149,946</b>	<b>129,830</b>
<b>Reserves carried forward</b>		<b>131,539</b>	<b>108,225</b>	<b>176,951</b>	<b>149,946</b>

All the above results derive from continuing operations. There is no difference between the surplus before tax for the periods stated above and the historical cost equivalent.

Notes on [pages 83 to 119](#) form part of these financial statements.

## Statement of changes in equity for the year ended 31 December 2020

### RCN UK

	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total funds £'000
<b>Accumulated funds at 1 January 2019 as previously reported</b>	<b>1,991</b>	<b>93,744</b>	<b>(2,471)</b>	<b>93,264</b>
Surplus in period	-	6,768	2,471	9,239
Other comprehensive income	(64)	5,786	-	5,722
<b>Accumulated funds at 31 December 2019</b>	<b>1,927</b>	<b>106,298</b>	<b>-</b>	<b>108,225</b>
Surplus in period	-	14,894	-	14,894
Other comprehensive income	(64)	8,131	-	8,067
Dividends	-	353	-	353
<b>Accumulated funds at 31 December 2020</b>	<b>1,863</b>	<b>129,676</b>	<b>-</b>	<b>131,539</b>

## Statement of changes in equity for the year ended 31 December 2020

### RCN Group

	Reserves for charitable purposes £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total funds £'000
<b>Accumulated funds at 1 January 2019 as previously reported</b>	<b>32,630</b>	<b>1,991</b>	<b>97,680</b>	<b>(2,471)</b>	<b>129,830</b>
Surplus in period	1,351	-	7,108	2,471	10,929
Other comprehensive income	3,303	(64)	5,947	-	9,186
<b>Accumulated funds at 31 December 2019</b>	<b>37,284</b>	<b>1,927</b>	<b>110,735</b>	<b>-</b>	<b>149,946</b>
Surplus in period	1,004	-	15,773	-	16,777
Other comprehensive income	2,486	(64)	7,806	-	10,228
<b>Accumulated funds at 31 December 2020</b>	<b>40,774</b>	<b>1,863</b>	<b>134,314</b>	<b>-</b>	<b>176,951</b>



## Statement of financial position as at 31 December 2020

		RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
	Note				
<b>Fixed assets</b>					
Property, plant and equipment	11	13,082	15,610	13,197	15,819
Intangible assets	11.3	-	-	-	-
Long term financial assets	12.1	100,818	80,216	138,413	115,349
Investment in joint venture	6.2	-	-	597	272
<b>Total fixed assets</b>		<b>113,900</b>	<b>95,826</b>	<b>152,207</b>	<b>131,440</b>
<b>Current assets</b>					
Inventory		2	19	2	19
Debtors and prepayments	13	6,598	2,588	8,362	3,456
Short term financial assets	12.2	-	-	1,001	1,001
Short-term deposits	18	24,406	22,344	29,206	26,104
Cash at bank and in hand	18	5,294	5,188	9,467	7,094
<b>Total current assets</b>		<b>36,300</b>	<b>30,139</b>	<b>48,038</b>	<b>37,674</b>
<b>Creditors — amounts falling due within one year</b>					
Creditors and accrued charges	14.1	(8,989)	(8,184)	(13,622)	(9,514)
<b>Net current assets</b>		<b>27,311</b>	<b>21,955</b>	<b>34,416</b>	<b>28,160</b>
<b>Total assets less current liabilities</b>		<b>141,211</b>	<b>117,781</b>	<b>186,623</b>	<b>159,600</b>
Provisions for liabilities and charges	14.2	(9,671)	(9,556)	(9,671)	(9,654)
<b>Net assets (excluding pension scheme liability)</b>		<b>131,539</b>	<b>108,225</b>	<b>176,951</b>	<b>149,946</b>
Defined benefit pension scheme liability	16.2	-	-	-	-
<b>Net assets (including pension scheme liability)</b>		<b>131,539</b>	<b>108,225</b>	<b>176,951</b>	<b>149,946</b>
<b>Represented by:</b>					
Revaluation reserve	20	1,863	1,927	1,863	1,927
Accumulated funds	20	129,676	106,298	134,314	110,735
<b>Reserves excluding reserves for charitable purposes and pension liability</b>		<b>131,539</b>	<b>108,225</b>	<b>136,177</b>	<b>112,662</b>
Pension reserve	16.2	-	-	-	-
<b>Total reserves excluding reserves for charitable purposes</b>		<b>131,539</b>	<b>108,225</b>	<b>136,177</b>	<b>112,662</b>
Reserves for charitable purposes	7.2	-	-	40,774	37,284
<b>Total reserves</b>		<b>131,539</b>	<b>108,225</b>	<b>176,951</b>	<b>149,946</b>

Notes on [pages 83 to 119](#) form part of these financial statements. The financial statements were approved by Council on 14 April 2021



**David Dawes**  
Chair of Council



**Professor Rod Thomson**  
Honorary Treasurer



**Dame Donna Kinnair**  
Chief Executive & General Secretary

## RCN Group statement of cash flows for the year ended 31 December 2020

	31 December 2020	31 December 2019
	£'000	£'000
<b>Surplus from operating activities</b>	<b>11,238</b>	<b>2,343</b>
Depreciation	3,015	2,971
Amortisation of intangible assets	-	2
Write off property, plant and equipment	-	-
Taxation	(60)	(123)
Total pension contributions less current service and finance costs	(2,933)	(3,388)
Revaluation reserve adjustment	(64)	(64)
Decrease in inventories	16	4
Decrease/(increase) in debtors	(4,905)	1,020
(Decrease)/increase in creditors	4,108	(1,340)
Increase/(decrease) in provisions	17	4,347
<b>Net cash generated from operating activities</b>	<b>10,432</b>	<b>5,772</b>
<b>Investing activities</b>		
Investment income	2,571	2,719
Purchase/disposal of property, plant and equipment and intangible assets	(266)	(390)
Disposal of property, plant and equipment	-	-
Acquisition of financial assets	(57,436)	(41,767)
Disposal of financial assets	45,348	35,026
Increase/(decrease) in long-term financial assets	2,083	(8,283)
Unrealised gain on joint venture	(286)	-
Net realised long-term investment gains	3,028	5,991
<b>Net cash (outflow)/inflow from investing activities</b>	<b>5,474</b>	<b>(938)</b>
Increase/(decrease) in cash	5,475	(1,175)
Cash and cash equivalents at beginning of year	33,198	34,134
<b>Cash and cash equivalents at end of year</b>	<b>38,673</b>	<b>33,198</b>
<b>Components of cash and cash equivalents</b>		
Cash	9,467	7,094
Cash equivalents (short-term deposits)	29,206	26,104
<b>Total</b>	<b>38,673</b>	<b>33,198</b>

## Notes to the financial statements

### 1. Accounting policies and assessment of going concern

The consolidated financial statements presented show the consolidated statement of comprehensive income, statement of changes in equity, statement of financial position and the statement of cash flows of the RCN Group for the year ended 31 December 2020.

The RCN Group financial statements consolidate the accounts of the RCN UK, RCN Foundation, COVID-19 Healthcare Support Appeal (CHSA), RCN UK's wholly owned trading subsidiaries RCNi and RCN Holdco Limited. The transactions of the RCN UK include amounts relating to activities as a Trade Union registered under the Trade Union and Labour Relations (Consolidated) Act 1992 as reported in these financial statements. RCN UK represents the combined Trade Union (representation) and professional college (other college) activities of the RCN UK.

The Council is of the opinion that any of the three scenarios in the impact assessment, such as 'Likely', 'Best' and 'Worse' will not threaten the sustainability and viability of the business as a going concern. Therefore, it is not appropriate to modify the key assumptions and judgements while preparing the financial statements for the business.

The Council considers that there are no material uncertainties about the Royal College of Nursing's ability to continue as a going concern and the business has demonstrated its resilience since the beginning of the COVID-19 crisis. Therefore, the Council members have a reasonable expectation that the RCN Group has adequate resources in operational existence to meet obligations as they fall due for at least 12 months from the date of signing and beyond.

The most significant areas of adjustment and key assumptions that affect items in the financial statements are to do with financial asset investments, provisions and pensions. Over the long term, Council believe that COVID-10 will not have a significant impact on those areas.

#### a. Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. There were no material departures from that standard. The financial statements are prepared in Sterling and rounded to the nearest £'000.

The financial statements have been prepared in accordance with the accounting policies set out below, all of which have been applied consistently.

#### b. Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. Membership and other income is apportioned between representation activities and other college activities in line with expenditure.

Revenue grants for specific purposes in the Foundation are recognised when measured reliably and on receipt as restricted income. Legacy income is accrued when the amount can be measured reliably, the receipt of the funds is probable and entitlement becomes known.

### **c. Deferred income**

Subscription and membership income relating to the current year is recognised on receipt, and any portion relating to future periods is deferred. Commission received in advance is recognised as income when it is earned. Government grants are recognised as income when any specific conditions are met.

### **d. Accrued income**

Income is accrued and included in the income and expenditure accounts when there is a probable future economic benefit that can be reliably measured.

### **e. Basis of consolidation**

The RCN Group financial statements consolidate the accounts of the RCN UK, RCN Foundation, RCNi and COVID-19 Health care Support Appeal on a line-by-line basis. Financial transactions between group entities are eliminated on consolidation.

RCN Holdco is held by deed of trust on behalf of the RCN UK. RCN Holdco's investment in the joint venture RCN Law LLP is accounted for in the group financial statements using the equity method.

### **f. Expenditure**

Expenditure is recognised on an accruals basis. Expenditure reported in the income and expenditure statement is analysed under the following headings:

#### **Staff costs**

All payroll related costs including basic pay, employer's contributions to National Insurance and pensions cost incurred by the RCN of running the staff pension schemes. Other costs included in this category include the cost of temporary agency staff and staff seconded to the RCN UK from external organisations.

#### **Premises and estate costs**

This includes all premises maintenance and running costs including rent, rates, general maintenance, stationery, telephony, IT running costs and depreciation.

#### **Travel and accommodation**

This includes all travel and accommodation costs incurred by staff, Council, other office holders, activists and other members when carrying out their duties on behalf of the RCN UK and other RCN Group entities.

#### **Other service delivery costs**

This includes legal representation costs, the cost of the member indemnity scheme, campaigns and communications, member newsletters and publications and the cost of delivering RCN UK events and conferences including Congress.

### **g. Pensions**

The RCN UK operates defined benefit and defined contribution schemes.

#### **Defined benefit pension schemes**

Pension asset and liabilities are recorded on the statement of financial position in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102,

also known as the accounting valuation, measures the value of pension assets and liabilities at the statement of financial performance date and determines the benefits accrued for the year and the interest on assets and liabilities.

Actuarial gains and losses arising from new valuations and from updating valuations to the statement of financial position date are recognised in the statement of comprehensive income under the heading of actuarial gains and losses on defined benefit pension scheme. Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds.

Full actuarial valuations, by a professionally qualified actuary often known as the market valuation, are obtained at least every three years. The data used is updated to reflect current conditions at each statement of financial position date in order to prepare the accounting valuation. The pension scheme assets are measured at bid value.

The triennial valuation determines the funding levels required over the expected life of the scheme. The requirements of FRS 102 report the RCN's obligation to the scheme at a specific point in time.

### **Defined contribution pension scheme**

Since 1 November 2013 the RCN UK offers its employees a defined contribution pension scheme. The scheme has three levels of employee and employer contribution. This scheme is used to fulfil the auto enrolment obligations. All new employees and those not in the defined benefit scheme are automatically enrolled into the lowest contribution level. Once in the scheme employees can opt to move to a higher level of contribution. Please see [note 16.1](#) for more information. All employer contributions made to the scheme are charged to the statement of comprehensive income as incurred.

## **h. Irrecoverable Value Added Tax**

Irrecoverable Value Added Tax is expensed in the related income and expenditure accounts.

### **i. Direct tax**

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

### **j. Deferred tax**

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion for gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

## **k. Property, plant, equipment and intangible assets**

Property, plant and equipment are included at cost except the long leasehold building of 20 Cavendish Square, which is held at the revalued amount. The revalued book amount has not been updated as the RCN UK has adopted the transitional arrangement under FRS 102, and continues to take the existing revaluation as the deemed cost. The long leasehold property of UK headquarters was revalued on 31 March 1997 on an open market basis by Drivas Jonas, Chartered Surveyors.

Expenditure in the RCN UK of a capital nature over £1,000 is capitalised as Property, plant and equipment. Expenditure in RCNi of a capital nature over £500 is capitalised as Property, plant and equipment.

Minor items of furniture and equipment below £1,000 (£500 for RCNi) are charged to the income and expenditure account in the year of purchase.

### **l. Depreciation**

Depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation of the assets less any residual value over their estimated useful lives.

Freehold buildings	50 years
Leasehold improvements	50 years or based on expected economic life of works done, or the period of the lease if less
Components:	
• Equipment	5 years
• External works	20 years
• Library works	20 years
• Other works including electrical and mechanical works	10 years
Computer software	3-5 years RCN Group estimates the useful life of software at five years but RCNi uses the shorter useful life of three years due to the rapid technological change in their sector
Computer equipment	3 years (included in furniture and equipment in note 11)
Furniture and other equipment	5 years

### **m. Impairment of property, plant and equipment**

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use when there is an indication of a reduction in the carrying value. Any impairment is recognised in the income and expenditure account in the year in which it occurs.

### **n. Financial assets**

Financial assets are stated at market valuation, where market value represents the bid market price on the last trading day of the year. Unlisted securities are stated at original cost. Financial assets purchased as part of treasury management, which are intended to be held for less than one year, are shown as short term deposits; financial assets held to generate longer term income and capital growth are shown within property, plant and equipment. Realised gains and losses are charged to the income and expenditure account; unrealised gains and losses are charged to other comprehensive income. Foreign currency transactions within the investment portfolio are recorded at the exchange rate ruling on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Income and Expenditure account.

Investments in subsidiaries are stated at cost less provision for any impairment. Impairments are charged to the income and expenditure account. The investment in RCN

Holdco Limited is valued at its original cost, adjusted at the reporting date for the RCN Group's share of the gains/(losses) recognised by RCN Law LLP. This has been treated as an unrealised gain on the investment.

#### **o. Leasing**

Assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the RCN Group are capitalised as fixed assets at the fair value of the leased asset. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the income and expenditure account so as to produce a constant periodic rate of charge. Rentals for other leased assets, held under the terms of operating leases are charged directly to the income and expenditure account on a straight-line basis over the term of the lease.

#### **p. Liquid resources**

Liquid resources are defined as being cash balances held on deposit that are readily available (they usually require less than 24 hours notice in order to be accessed).

#### **q. Provisions**

Provisions for future liabilities are recognised when there is a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

Costs arising from the provision of legal services to members are charged to the income and expenditure account in the accounting period in which they are incurred under representation activities. Because of the prolonged nature of litigation, and the uncertainty of the outcome of any particular case, no attempt is made to estimate future legal costs, or recoveries of legal costs, for ongoing cases. In cases where there is litigation which falls within the professional indemnity, RCN UK includes a provision within the financial statements to cover the RCN UK's proportion of the potential liability. Information received after the statement of financial performance date is considered when measuring provisions and where new information is material, provisions are re-measured.

#### **r. Financial Instruments**

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

## 2. Critical judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial performance date and the amounts reported for income and expenditure during the year. However, the nature of the estimates means that actual outcomes could differ from those estimates. There are no critical judgements other than those involving the estimates.

The following estimates have had the most significant effect on the amount recognised in the financial statements:

### **Pensions**

For defined benefit schemes, the amount charged to the statement of comprehensive income in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the period, adjusted to reflect variations from that cost. Current and past service costs and net interest are included within expenditure, allocated on the same basis as the staff costs of the scheme members. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the statement of comprehensive income under incoming resources.

The costs, assets and liabilities of the defined benefit schemes operating by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions used in the accounting valuation are set out in note 16. Any resulting pension scheme deficit is included on the statement of financial position.

### **Legal provision**

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements.

However, legal indemnity fluctuates with changes in the status of legal cases that can be unforeseen, giving rise to estimation uncertainty. The uncertainty is linked to the progress of cases and the percentage likelihood of success.



### 3. Surplus on activities

Surplus on activities is stated after charging:

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
<b>Depreciation</b>	2,533	2,950	2,675	3,109
<b>Operating leases:</b>				
Land and buildings	946	1,011	1,119	1,176
Other leased assets	80	169	80	169
<b>Auditors' remuneration:</b>				
Audit services*	122	106	163	132
Non-audit services	-	-	-	-

\* RCN UK have funded the audit fees on behalf of RCN Holdco as they had not generated sufficient cash reserves.

### 4. Income — RCN UK

	Representation activities £'000	Other college activities £'000	Total 31 December 2020 £'000	Total 31 December 2019 £'000
Membership income	52,552	25,464	78,016	75,350
Other income	2,087	1,011	3,098	4,433
<b>Total</b>	<b>54,639</b>	<b>26,475</b>	<b>81,114</b>	<b>79,783</b>

Representation is defined as relating to Trade Union activities.

Membership and other income is split — 67.36% representation and 32.64% other college activities in line with expenditure. See note 10 for basis of allocation.

#### 4.1. Group results less charitable activities

Total RCN Group results less RCN Foundation Group charitable activities before taxation were equal to £13.3m (31 December 2019: £6.9m).

## 5. Investment income

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
UK equities	426	371	705	901
Overseas equities	955	791	1,257	1,122
UK fixed interest	395	450	569	658
Bank interest	13	19	16	30
Overseas fixed interest	-	-	24	8
<b>Total</b>	<b>1,789</b>	<b>1,631</b>	<b>2,571</b>	<b>2,719</b>

RCN investment income is split – 45.56% representation (£815,000) and 54.44% other college activities (£974,000) in line with investment holdings. See note 19 for allocation of investment assets.

## 6. RCN UK trading subsidiary undertakings

RCNi and RCN Holdco Limited are the trading subsidiaries of the Royal College of Nursing of the United Kingdom (RCN). Their registered addresses are 20 Cavendish Square, London W1G 0RN.

### 6.1.a Trading results (RCNi)

RCNi (registered company no: 02119155) produces a portfolio of nursing journals, learning and decision support products, career services and events to the nursing community. RCNi is incorporated in the United Kingdom and wholly owned by the Royal College of Nursing of the United Kingdom. Details of the trading activities are set out below.

	RCNi 31 December 2020 £'000	RCNi 31 December 2019 £'000
Income	11,591	12,352
Costs	(10,989)	(11,926)
<b>Profit</b>	<b>602</b>	<b>442</b>
Taxation	(85)	(86)
<b>Profit after tax</b>	<b>517</b>	<b>356</b>

### 6.1.b Summarised statement of financial position RCNi

	RCNi 31 December 2020 £'000	RCNi 31 December 2019 £'000
Property, plant and equipment and intangible assets	110	201
Current assets	6,834	5,780
<b>Creditors: falling due within one year</b>		
Creditors and accrued charges	(2,616)	(1,716)
Provisions for liabilities and charges	(6)	(107)
<b>Total net assets</b>	<b>4,322</b>	<b>4,158</b>
<b>Capital and reserves</b>	<b>4,322</b>	<b>4,158</b>
<b>Ordinary share capital held by the RCN UK (£'000) is:</b>	<b>500</b>	<b>500</b>

The directors propose a dividend of £413,848 for 2020 (2019: £353,000, paid in 2020), if agreed this will be paid in 2021.

## 6.2. RCN Holdco Limited

RCN Holdco Limited (registered company no: 9691324) does not trade directly but is a member of a jointly-controlled entity, RCN Law LLP, which provides legal services to members of the Royal College of Nursing.

	RCN Holdco Limited 31 December 2020 £'000	RCN Holdco Limited 31 December 2019 £'000
Investment in joint venture	597	272
<b>Total net assets/(liabilities)</b>	<b>597</b>	<b>272</b>
<b>Capital and reserves</b>	<b>597</b>	<b>272</b>

The trading subsidiary RCN Holdco Limited reported in the table above is wholly owned by shareholders on trust for the Royal College of Nursing of the United Kingdom.

## 7. RCN Foundation Group

RCN UK is the sole member of the RCN Foundation Group. RCN Foundation Group is a charitable company providing grants that supports nursing to improve health and wellbeing of the public. Its registered company number is 07026001 and its registered address is 20 Cavendish Square, London W1G 0RN.

RCN Foundation created a time limited entity, COVID-19 Health care Support Appeal (CHSA), to assist the UK health sector workers during COVID-19 pandemic. The entity was incorporated with the Companies House on 3 April 2020.

The results below are the consolidated accounts of the RCN Foundation Group, including CHSA performance and financial position for the nine months of operations since its inception.

### 7.1. Summarised statement of financial activities

Details of the charitable activities of the RCN Foundation Group are set out below.

	RCN Foundation Group 31 December 2020 £'000	RCN Foundation Group 31 December 2019 £'000
Income and endowments	6,722	1,598
Expenditure	(5,718)	(1,776)
Net gains/(losses) on investment	2,486	4,832
<b>Net movement in funds</b>	<b>3,490</b>	<b>4,654</b>

### 7.2. Summarised balance sheet of RCN Foundation Group

	RCN Foundation Group 31 December 2020 £'000	RCN Foundation Group 31 December 2019 £'000
Tangible property, plant and equipment	4	9
Investments	37,587	35,132
Current assets	1,845	2,753
<b>Creditors: falling due within one year</b>		
Creditors and accrued charges	(411)	(610)
<b>Total assets less current liabilities</b>	<b>39,025</b>	<b>37,284</b>
Creditors due after more than one year	-	-
<b>Total net assets</b>	<b>39,025</b>	<b>37,284</b>
Revaluation reserve	8,489	6,035
Other funds	30,536	31,249
<b>Reserves</b>	<b>39,025</b>	<b>37,284</b>

## 8. Taxation note

### Taxation on surplus/(loss)

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
<b>UK corporation tax</b>				
Current tax on surplus	-	-	135	141
Adjustments in respect of prior years	-	-	(72)	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>141</b>
<b>Deferred tax</b>				
Movement in period	-	-	(3)	(14)
<b>Taxation on surplus</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>127</b>

The differences are explained below:

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
<b>Surplus before tax</b>	<b>15,246</b>	<b>3,159</b>	<b>16,133</b>	<b>3,818</b>
Surplus at the main rate of corporation tax in the UK of 19% (December 2019: 19%)	2,897	600	3,065	725
Expenses not deductible for tax purposes	12,297	13,397	12,297	13,438
Income not taxable	(14,854)	(14,545)	(14,854)	(14,586)
Adjustments to brought forward values	-	(941)	-	(941)
Other tax adjustments, reliefs and transfers	(801)	-	(801)	(21)
Group income	(67)	-	(67)	-
Fixed asset difference	321	353	323	375
Group relief surrendered/ (claimed)	38	-	-	-
Deferred tax not recognised	169	1,033	169	1,033
Change in tax rates	-	-	-	1
Adjustments to tax charge in respect of previous periods	-	(16)	(72)	(16)
Adjust closing deferred tax to average rate of 19%	-	166	-	166
Adjust opening deferred tax to average rate of 19%	-	(47)	-	(47)
Adjustments to tax charge in respect of previous periods - deferred tax	-	-	(2)	-
<b>Total tax (credit)/charge</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>127</b>

### Deferred tax asset/liability balance

The RCN Group has a deferred tax liability arising from timing differences as set out below, shown at 19% rate for the current year (31 December 2019: 17%).

	31 December 2020 £'000	31 December 2019 £'000
<b>Analysis of deferred tax asset/(liability)</b>		
Fixed asset timing differences	6	83
Short-term timing differences	-	(11)
Losses and other deductions	-	131
<b>Carried forward as at period end</b>	<b>6</b>	<b>203</b>

There are also unrecognised deferred tax assets as at 31 December 2020 totalling £318,000 (31 December 2019: £375,000) in respect of tax losses and other short term timing differences in relation to the Royal College of Nursing.

## 9. Staff costs — RCN Group

	31 December 2020 £'000	31 December 2019 £'000
Wages and salaries	44,685	43,391
Social security costs	4,497	4,344
Other pensions costs	6,295	5,626
<b>Total</b>	<b>55,477</b>	<b>53,361</b>

Of the total staff costs £33,480,664 (31 December 2019: £32,871,293) has been allocated to RCN UK representation activities.

The total pension cost comprises:

	31 December 2020 £'000	31 December 2019 £'000
RCN defined benefit scheme (see note 16.2)	4,457	3,976
Expense charge	(278)	(389)
RCN defined contribution scheme (see note 16.1)	2,116	2,040
<b>Total</b>	<b>6,295</b>	<b>5,627</b>

RCN Group staffing numbers

### Representation and other college activities: full-time equivalent (FTE)

	2020 Average FTE	2019 Average FTE
Representation activities	618	612
Other college activities	213	209
RCNi	87	86
<b>Total</b>	<b>918</b>	<b>907</b>

### Total staff numbers: average headcount

	2020 Average	2019 Average
RCN UK (including staff that support the RCN Foundation)	920	912
RCNi	95	95
<b>Total</b>	<b>1,015</b>	<b>1,007</b>

### Total emoluments for the Chief Executive & General Secretary, members of the Executive Team and RCNi Directors

	31 December 2020 £'000	31 December 2019 £'000
RCN Chief Executive & General Secretary	197	193
RCN Executive Team	1,518	1,004
RCN Foundation Director	89	83
RCNi Directors	480	511
<b>Total</b>	<b>2,284</b>	<b>1,791</b>



The Chief Executive & General Secretary fulfils the role of Key Management Personnel as defined in FRS 102.

The above table incorporates basic pay London Weighting where applicable and pension costs. Any compensation for loss of office paid in the period is also included in the table above. RCN Executive Team emoluments includes £54,194 paid to the employer of the Interim Director of Human Resources as recompense for time spent on services for the RCN.

RCN UK staff, with the exception of the RCN Chief Executive & General Secretary, are paid on RCN UK pay scales. The Council is responsible for setting the pay of the Chief Executive & General Secretary on the advice of the Remuneration Committee. The RCN Chief Executive & General Secretary normally receives an annual increase at the same amount agreed for all staff.

RCN Foundation does not employ any staff. However, a service level agreement exists between the RCN UK and RCN Foundation for the provision of services.

The RCN's commercial subsidiary RCN Publishing Company (RCNi) has a remuneration package which includes a performance related pay process benchmarked against comparator organisations.

RCN UK staff costs in the year include £361,540 (31 December 2019: £227,596) in respect of compensation for loss of office due to restructuring and redundancies arising from changes following reviews of some of the RCN UK's operations.

RCNi staff costs in the year include £55,556 (31 December 2019: £288,638) in respect of compensation for loss of office due to restructuring and redundancies arising from changes to RCNi operations. These costs are covered by legal agreements and subject to confidentiality.

The number of staff whose annual gross pay within the RCN Group is over £70,000 is reported below:

	31 December 2020			31 December 2019		
	RCN	RCNi	Total	RCN	RCNi	Total
£70,000-£80,000	33	3	<b>36</b>	26	2	<b>28</b>
£80,000-£90,000	13	1	<b>14</b>	14	-	<b>14</b>
£90,000-£100,000	5	1	<b>6</b>	2	1	<b>3</b>
£100,000-£110,000	-	-	-	2	1	<b>3</b>
£110,000-£120,000	5	1	<b>6</b>	2	2	<b>4</b>
£120,000-£130,000	1	-	<b>1</b>	-	-	-
£130,000-£140,000	2	-	<b>2</b>	1	-	<b>1</b>
£140,000-£150,000	-	-	-	1	-	<b>1</b>
£150,000 - £160,000	-	-	-	-	1	<b>1</b>
£160,000-£170,000	-	-	-	-	-	-
£170,000-£180,000	1	1	<b>1</b>	1	-	<b>1</b>
£180,000-£190,000	-	-	-	-	-	-
£190,000-£200,000	-	-	-	-	-	-
£200,000 and over	1	-	-	-	-	-
<b>Total</b>	<b>61</b>	<b>7</b>	<b>68</b>	<b>49</b>	<b>7</b>	<b>56</b>

The figures in the above table include any payments made in respect of compensation for loss of office.

This analysis only includes individuals employed directly by the RCN and RCNi.

### Gender pay gap

All organisations with over 250 employees are required to publish their gender pay gap data.

The RCN's gender pay gap as at 5 April 2020 has been calculated as:

	2020	2019
Mean pay gap	0.3%	7.4%
Median pay gap	1.1%	9.8%

Please note these are preliminary figures with the full report due to be published by 5 October 2021 in accordance with the regulations.

Our workforce is 74.4% female and 25.6% male. The main driver behind the pay gap is related to the distribution of men and women across our grades: a higher proportion of the men are in more senior roles, and a higher proportion of the women are in lower graded roles. There has been positive movement however, and it is evident from the quartiles data over the past three years that the proportion of women in more senior roles is increasing, and likewise is decreasing in lower graded roles.

We are confident that both are paid equally for doing the same work. Our pay structure rewards length of service so any gender pay gap within a pay grade is directly attributable to how long staff have worked at the RCN and not their gender.

The current reporting requirements also include a breakdown of the profile of men and women in each of the organisation's four pay quartiles.

### Profile of men and women within the organisation's four pay quartiles

Quartile	Men	Women
Upper	26.7%	73.3%
Upper middle	31.9%	68.1%
Lower middle	25.2%	74.8%
Lower	18.6%	81.4%

## 10. Breakdown of RCN UK expenditure linked to the trade union return (AR21)

### Four strategic themes – split by representation and other college activities 2020

	2020 Representation activities £'000	2020 Other college activities £'000	Total 31 December 2020 £'000
Provision of education and learning	26	9,890	9,916
Setting clinical standards and supporting practice	–	4,915	4,915
Active personal and workplace support	39,854	4,298	44,152
Influencing and shaping policy	7,560	3,884	11,444
<b>Total expenditure</b>	<b>47,440</b>	<b>22,987</b>	<b>70,427</b>

### Four strategic themes – split by representation and other college activities 2019

	2019 Representation activities £'000	2019 Other college activities £'000	Total 31 December 2019 £'000
Provision of education and learning	82	10,295	10,377
Setting clinical standards and supporting practice	–	5,032	5,032
Active personal and workplace support	46,060	4,147	50,207
Influencing and shaping policy	7,242	3,766	11,008
<b>Total expenditure</b>	<b>53,384</b>	<b>23,240</b>	<b>76,624</b>

The four strategic themes represent the broad categories of the products and services the RCN provides to its members' and other stakeholders in its roles as a Royal College and a special registered Trade Union.

## Further analysis of RCN UK expenditure

	Representation activities £'000	Other college activities £'000	Total 31 December 2020 £'000	Total 31 December 2019 £'000
Staff costs	33,481	16,223	49,704	47,181
Premise and estate costs	6,308	3,056	9,364	9,926
Travel and accommodation	340	165	505	2,503
Other service delivery costs	7,311	3,543	10,854	17,014
<b>Total expenditure</b>	<b>47,440</b>	<b>22,987</b>	<b>70,427</b>	<b>76,624</b>

Representation is defined as relating to trade union activities.

Direct costs are allocated to the relevant products and services categories. Infrastructure and support costs have been apportioned over products and services as a percentage of their total spend.

## 11. Property, plant, equipment and intangible assets

### 11.1. Property, plant and equipment – RCN UK

	Freehold land and buildings	Leasehold improvements	Furniture and equipment	Computer software	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
Balance at 1 January 2020	3,433	27,251	3,795	8,137	103	42,719
Additions	-	-	189	2	15	206
Disposals	-	(610)	(53)	(378)	-	(1,041)
Transfer of assets under construction	-	-	4	-	(4)	-
Reclassification *	750	(750)	-	-	-	-
Capital reclassified as revenue expenditure	-	-	-	-	(99)	(99)
<b>Balance at 31 December 2020</b>	<b>4,183</b>	<b>25,891</b>	<b>3,935</b>	<b>7,761</b>	<b>15</b>	<b>41,785</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2020	2,262	15,304	3,640	5,903	-	27,109
Charge for year	124	1,218	123	1,169	-	2,634
Disposals	-	(610)	(53)	(378)	-	(1,041)
Depreciation relating to reclassification	554	(554)	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>2,940</b>	<b>15,358</b>	<b>3,710</b>	<b>6,694</b>	<b>-</b>	<b>28,702</b>
<b>Net book value at 31 December 2020</b>	<b>1,243</b>	<b>10,533</b>	<b>226</b>	<b>1,067</b>	<b>15</b>	<b>13,082</b>
<b>Net book value at 31 December 2019</b>	<b>1,171</b>	<b>11,947</b>	<b>155</b>	<b>2,233</b>	<b>103</b>	<b>15,610</b>

#### Reclassification of leases \*

A small number of properties held under the freehold arrangements were incorrectly identified as leasehold assets.

Leasehold assets cost of £750,000 and its relevant depreciation of £554,000 have been reclassified as Freehold assets and depreciation, this was due to previous incorrect identification.

A reclassification adjustment has been made to include them in the appropriate assets category.

Please note the useful economic life estimates and the depreciation method is not impacted due to the change in classification.

The capitalised value reflects the costs incurred in building and developing the live functionality of the CRM, but costs of updating the system have been expensed. The software assets relating to the CRM in RCN UK, RCN Foundation Group and RCNi are all being depreciated over an estimated useful life of five years ending in 2023. At the balance sheet date no impairment to the capital value is considered necessary.

The historical cost of the revalued asset is:

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>Leasehold improvements</b>	<b>Leasehold improvements</b>
	£'000	£'000
Cost	22,167	22,167
Accumulated depreciation based on historical cost	(10,476)	(10,033)
<b>Historical cost net book value</b>	<b>11,691</b>	<b>12,134</b>

## 11.2. Property, plant and equipment – RCN Group

	<b>Freehold land and buildings</b>	<b>Leasehold improvements</b>	<b>Furniture and equipment</b>	<b>Computer software</b>	<b>Assets under construction</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
Balance at 1 January 2020	3,433	27,639	4,272	9,006	115	44,465
Additions	–	–	209	2	55	266
Disposals	–	(996)	(56)	(378)	–	(1,430)
Transfer of assets under construction	–	–	4	–	(4)	–
Reclassification	750	(750)	–	–	–	–
Capital reclassified as revenue expenditure	–	–	–	–	(113)	(113)
<b>Balance at 31 December 2020</b>	<b>4,183</b>	<b>25,893</b>	<b>4,429</b>	<b>8,630</b>	<b>53</b>	<b>43,188</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2020	2,262	15,691	4,031	6,662	–	28,646
Charge for year	124	1,218	177	1,256	–	2,775
Disposals	–	(996)	(56)	(378)	–	(1,430)
Reclassification	554	(554)	–	–	–	–
<b>Balance at 31 December 2020</b>	<b>2,940</b>	<b>15,359</b>	<b>4,152</b>	<b>7,540</b>	<b>–</b>	<b>29,991</b>
<b>Net book value at 31 December 2020</b>	<b>1,243</b>	<b>10,534</b>	<b>277</b>	<b>1,090</b>	<b>53</b>	<b>13,197</b>
<b>Net book value at 31 December 2019</b>	<b>1,171</b>	<b>11,948</b>	<b>241</b>	<b>2,344</b>	<b>115</b>	<b>15,819</b>

### 11.3. Intangible assets

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
<b>Cost or valuation</b>				
Cost as at 1 January 2019	-	-	9	9
<b>Balance as at 31 December 2019</b>	-	-	9	9
<b>Depreciation</b>				
Accumulated depreciation at 1 January 2020	-	-	9	7
Charge for year	-	-	-	2
<b>Balance as at 31 December 2020</b>	-	-	9	9
<b>Net book value at 31 December 2020</b>	-	-	-	-
<b>Net book value at 31 December 2019</b>	-	-	-	-

## 12. Financial assets

### 12.1. Long-term financial assets

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
Market value at start of period	<b>75,356</b>	<b>58,730</b>	<b>109,158</b>	<b>88,399</b>
Additions at cost	45,198	31,482	57,436	41,767
Disposals at carrying value	(34,031)	(24,196)	(45,272)	(34,692)
Redemptions	(63)	(30)	(75)	(334)
Net realised gains	2,425	3,584	3,035	4,944
Net unrealised gains	8,131	5,786	10,007	9,074
<b>Financial assets at market value at period end</b>	<b>97,016</b>	<b>75,356</b>	<b>134,289</b>	<b>109,158</b>
Cash held for reinvestment	3,802	4,860	4,124	6,191
<b>Market value at period end</b>	<b>100,818</b>	<b>80,216</b>	<b>138,413</b>	<b>115,349</b>
<b>Historical cost at period end</b>	<b>80,242</b>	<b>67,777</b>	<b>109,936</b>	<b>96,874</b>

Financial assets at market value comprise:

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
<b>Listed financial assets</b>				
Fixed interest (Government securities and bonds)	17,669	12,566	23,927	18,450
UK equities	5,662	5,878	13,156	14,481
Global equities	62,775	46,160	82,751	61,524
Alternative assets	8,982	8,003	11,076	10,067
Property	1,388	2,826	2,722	4,730
Liquid assets	4,342	4,783	4,781	6,097
<b>Total</b>	<b>100,818</b>	<b>80,216</b>	<b>138,413</b>	<b>115,349</b>

### Holdings over 5%

The following investments represented holdings in excess of 5% of the investment portfolio at 31 December 2020.

	RCN UK 31 December 2020	RCN UK 31 December 2019	RCN Group 31 December 2020	RCN Group 31 December 2019
Treasury 3.25%	-%	-%	-%	-%

Due to the volatility of the market at the time the financial statements have been signed off, the investment portfolio has reduced its value. The RCN will continue monitoring the situation closely with our investment manager – Sarasin & Partners. Nevertheless, there is no intention to liquidate the portfolio in the near future.

### 12.2. Short-term financial assets

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
Market value at start of period	-	-	1,001	1,001
Additions at cost	-	-	4,000	4,000
Redemptions	-	-	(4,000)	(4,000)
(Losses)/gains on short-term investments	-	-	-	-
<b>Financial assets at market value at period end</b>	<b>-</b>	<b>-</b>	<b>1,001</b>	<b>1,001</b>
Cash held for reinvestment	-	-	-	-
<b>Market value at period end</b>	<b>-</b>	<b>-</b>	<b>1,001</b>	<b>1,001</b>
<b>Historical cost at period end</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>



### 12.3. Investment in joint venture

	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
Investment in RCN Law LLP	597	272
<b>Total</b>	<b>597</b>	<b>272</b>

The investment in the joint venture is held on trust for RCN UK by RCN Holdco Limited. The value of the investment at 31 December 2020, is RCN Holdco Limited's share of the cumulative profit.

### 13. Debtors

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
Trade debtors	580	483	2,207	888
Amount due from subsidiaries and associated undertakings	118	90	-	-
Other debtors	3,648	261	3,674	510
Taxation	-	46	112	46
Prepayments and accrued income	2,252	1,708	2,363	2,012
<b>Total</b>	<b>6,598</b>	<b>2,588</b>	<b>8,356</b>	<b>3,456</b>

All amounts included in debtors are receivable within one year except deferred tax of £6,000 included within RCN Group taxation (31 December 2019: deferred tax of £9,523 included within RCN Group taxation).

### 14. Creditors and accrued charges

#### 14.1. Amounts falling due within 1 year

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
Bank overdrafts and loans	2	6	2	6
Trade creditors	1,428	646	2,322	278
Amount due to subsidiaries and associated undertakings	83	79	-	-
Pension contribution	600	817	719	873
PAYE, social security and taxation	1,229	2,125	1,626	2,397
Other creditors	555	586	2,991	1,049
Accruals and deferred income*	5,092	3,925	5,962	4,911
<b>Total</b>	<b>8,989</b>	<b>8,184</b>	<b>13,622</b>	<b>9,514</b>

\* in 2020 this includes an accrual for holiday pay which had previously been categorised as a provision.

## 14.2. Provision for liabilities and charges

	RCN UK 31 December 2020 £'000	RCN UK 31 December 2019 £'000	RCN Group 31 December 2020 £'000	RCN Group 31 December 2019 £'000
Provision for dilapidations	433	144	433	241
Professional indemnity claims	8,469	8,765	8,469	8,766
Outsourced representation	314	232	314	232
Provision for holiday pay*	-	415	-	415
Staff pay offer constructive obligation	455	-	455	-
<b>Total</b>	<b>9,671</b>	<b>9,556</b>	<b>9,671</b>	<b>9,654</b>

\* reclassified an accrual in 2020

### RCN UK Movements - provision for liabilities and charges

	31 December 2019 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2020 £'000
Provision for dilapidations	144	-	289	-	433
Professional indemnity claims	8,765	1,775	(1,432)	(640)	8,468
Outsourced representation	232	193	83	(193)	315
Staff pay offer constructive obligation	-	455	-	-	455
Provision for holiday pay	415	-	(415)	-	-
<b>Total</b>	<b>9,556</b>	<b>2,423</b>	<b>(1,475)</b>	<b>(833)</b>	<b>9,671</b>

### RCN Group Movements - provision for liabilities and charges

	31 December 2019 £'000	New provisions £'000	Net adjustments £'000	Utilised £'000	31 December 2020 £'000
Provision for dilapidations	241	23	168	-	432
Professional indemnity claims	8,766	1,775	(1,432)	(640)	8,469
Outsourced representation	232	193	83	(193)	315
Staff pay offer constructive obligation	-	455	-	-	455
Provision for holiday pay	415	-	(415)	-	-
<b>Total</b>	<b>9,654</b>	<b>2,446</b>	<b>(1,596)</b>	<b>(833)</b>	<b>9,671</b>

Provision for dilapidations relates to the expected cost of alterations, wear and tear on nine leasehold properties. Amounts are uncertain and are payable at the end of the lease term.

Provision for professional indemnity cases are for members who are subject to claims of clinical negligence. The nature of these cases means that the liability is of uncertain timing and amount until each case is settled.

Provision for outsourced representation relates to reserves on ongoing member representation cases in Northern Ireland.

The management of RCN UK has made an offer in respect of 2020 as part of ongoing staff pay negotiations, which gives rise to a constructive obligation.

Provision for holiday pay outstanding as at year ended 31 December 2020 has been recategorised as an accrual and is included within staff costs. The accrual at 31 December 2020 was £908,000.

## 15. Leasing commitments

### 15.1 Operating leases – RCN UK

The total future minimum lease payments as at 31 December 2020 under non-cancellable operating leases were:

	Assets 31 December 2020 £'000	Assets 31 December 2019 £'000
Within one year	901	1,125
Within one to two years	564	735
Within two to five years	537	642
Over five years	501	502
<b>Total</b>	<b>2,503</b>	<b>3,004</b>

### 15.2 Operating leases – RCN Group

The total future minimum lease payments as at 31 December 2020 under non-cancellable operating leases were:

	Assets 31 December 2020 £'000	Assets 31 December 2019 £'000
Within one year	901	1,125
Within one to two years	564	735
Within two to five years	537	642
Over five years	501	502
<b>Total</b>	<b>2,503</b>	<b>3,004</b>

## 16. Pensions

### 16.1. RCN Group defined contribution pension scheme

From 1 November 2013 all new employees are auto enrolled into a defined contribution scheme. The scheme is a Group Personal Pension plan managed and administered by Standard Life. The scheme has three contribution levels:

	Employee	Employee	Employer
	If not salary sacrifice	Salary sacrifice	
Level 1	2.4%	3.0%	8.0%
Level 2	4.0%	5.0%	10.0%
Level 3	5.6%	7.0%	12.0%

All new employees are automatically enrolled into level 1 under auto enrolment regulation. Employees may then choose a higher contribution level.

RCN Group employer contributions paid during the year ended 31 December 2020 were £2,116,151 (year ended 31 December 2019: £2,039,888). The increase in employer contributions is due to the number of employees enrolled increasing year on year.

### 16.2. RCN Group defined benefit pension scheme

The RCN Group operates a defined benefit pension scheme with the assets of the scheme being held in separate trustee administered funds. This scheme was closed to new members with effect from 1 November 2013. Existing active members as at 31 October 2013 can still contribute to the scheme.

The pension cost is assessed in accordance with FRS 102: Retirement benefits, based on the advice of independent qualified actuaries using the projected unit method, also known as accounting valuation.

The pension scheme was subject to a triennial valuation as at 30 September 2019. The results of the actuarial valuation was signed off by the RCN Council and the Pension Trustees (TPT) in November 2020, before submission to the Pension regulator by 31 December 2020.

The current triennial valuation at 30 September 2019 by a qualified independent actuary has reported a deficit of £9.5m, compared to a deficit of £52.1m in September 2016.

The revised deficit recovery plan maintained annual deficit payments at around £3.4m continuing to rise annually by Retail Price Index (RPI). From 1 April 2020 the annual deficit recovery payment will be £3,362,958.

The scheme data in the September 2019 valuation forms the basis of the requirements by FRS 102 and reported in the RCN's statement of financial position.

The market value of the fund assets as at 31 December 2020, net of additional voluntary contributions was £378,355,000. There was no investment holding greater than 5% of the value of the fund at 31 December 2020.

## Employer

From 1 November 2013, changes to the scheme were implemented resulting in an employer's annual average contribution of 10%. From 1 April 2019, the average contribution rose to 10.7%. Estimated employer contributions to be paid by the RCN for the year ending 31 December 2021 are £7,795,347. The total contributions paid in the year ended 31 December 2020 was £7,316,000, including deficit funding of £3,344,000.

	<b>RCN Group</b> <b>31 December 2020</b> £'000
2020 Pension contribution payments	
Agreed annual deficit payment	3,344
Individual CARE contributions	3,972
<b>Total contribution paid</b>	<b>7,316</b>
Contributions as per FRS 102 valuation report	7,491
<b>Variance</b>	<b>(175)</b>
Variance explained:	
Augmentation costs	-
Deemed refunded PPF levy	102
Scheme expenses	(278)
Unexplained variance	1
<b>Total</b>	<b>(175)</b>

## Contributory employees

From 1 November 2013 current members contributions were set out in the schedule of contributions at 6%, 8% or 13% (depending on employee opted retirement age). From 1 April 2020 current member contributions have been set at 6.2%, 8.2% or 13.2% (depending on employee opted retirement age). From 1 April 2021 current member contributions will rise to 7.2%, 9.2% or 14.2%.

From 1 June 2007, benefits are no longer accrued under the final salary defined benefit pension scheme. RCN UK now provides benefits on a Career Average Revalued Earnings (CARE) basis via the occupational pension scheme. All benefits and liabilities accrued as at 1 June 2007 in the final salary defined benefit pension scheme were transferred to the CARE scheme.

## FRS 102 Retirement benefits

The tables below state the FRS 102 actuarial assumptions upon which the valuation of the scheme was based.

The principal actuarial assumptions were as follows:

	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Discount rate	1.45%	2.05%	2.75%	2.45%	2.70%
Inflation assumptions (RPI)	2.95%	3.00%	3.25%	3.25%	3.25%
Inflation assumptions (CPI)	2.60%	2.00%	2.25%	2.25%	2.25%
Allowance for revaluation of deferred and CARE pensions accrued before 1 November 2013 (with LPI of 5%)*	2.95% (RPI)	3.00% (RPI)	3.25% (RPI)	3.25% (RPI)	3.25% (RPI)
Allowance for CARE revaluation of pensions accrued after 1 November 2013 (with LPI cap of 2.5%)*	2.5% (CPI)	1.60% (CPI)	1.70% (CPI)	1.70% (CPI)	1.70% (CPI)
Allowance for pension payments increases accrued before 1 June 2007 (with LPI cap of 5%)*	2.85% (RPI)	2.90% (RPI)	3.10% (RPI)	3.10% (RPI)	3.10% (RPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 5%)*	2.60% (CPI)	2.10% (CPI)	2.30% (CPI)	2.30% (CPI)	2.30% (CPI)
Allowance for pension payments increases accrued after 1 June 2007 (with LPI cap of 3%)*	-	1.80% (CPI)	1.95% (CPI)	1.95% (CPI)	1.90% (CPI)
Allowance for commutation of pension for cash at retirement	75% of Post A Day	60% of Post A Day	60% of Post A Day	60% of Post A Day	100% of Post A Day

\* where Limited Price Index (LPI) is a measure of Retail Price Inflation (RPI) or Consumer Price Index (CPI) with a cap of 5% per annum and floor of 0% per annum

	31 December 2020 Years	31 December 2019 Years	31 December 2018 Years	31 December 2017 Years	31 December 2016 Years
<b>Life expectancies</b>					
Longevity at age 65 for current pensioners					
- Men	21.9	21.9	22.1	22.1	22.2
- Women	24.0	23.9	23.8	23.7	23.9
Longevity at age 65 for future pensioners					
- Men	23.2	23.2	23.5	23.5	23.9
- Women	25.1	24.9	25.0	25.0	25.4

The analysis of assets in the Pension Fund is as follows:

	31 December 2020 £'000	31 December 2019 £'000	31 December 2018 £'000	31 December 2017 £'000	31 December 2016 £'000
Equities	65,684	72,480	175,496	173,176	166,085
Bonds	265,505	176,162	112,887	115,737	93,017
Property	15,066	15,075	14,390	15,114	14,539
Other	85,178	88,998	1,198	1,432	999
Insured pensioners	612	520	592	704	726
<b>Total market value of assets</b>	<b>432,045</b>	<b>353,235</b>	<b>304,563</b>	<b>306,163</b>	<b>275,366</b>
Actuarial value of liability	(400,770)	(339,590)	(307,034)	(318,327)	(289,951)
<b>Net pension asset/(liability)</b>	<b>31,275</b>	<b>13,645</b>	<b>(2,471)</b>	<b>(12,164)</b>	<b>(14,585)</b>

The percentage of assets held in each asset class is as follows:

	31 December 2020 %	31 December 2019 %	31 December 2018 %	31 December 2017 %	31 December 2016 %
Equities	15	21	58	56	60
Bonds	61	50	37	38	34
Property	4	4	5	5	5
Other	20	25	-	1	1
Insured pensioners	-	-	-	-	-
<b>Total market value of assets %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The analysis of amounts charged to income and expenditure is as follows:

	31 December 2020 £'000	31 December 2019 £'000
Current service cost*	4,764	4,004
Interest on obligation	6,926	8,345
Interest on assets	(7,233)	(8,373)
<b>Total</b>	<b>4,457</b>	<b>3,976</b>

\* The current service cost includes the cost of administration expenses of £278,000.

## Analysis of amounts charged to Statement of comprehensive income

	31 December 2020 £'000	31 December 2019 £'000
Return on plan assets excluding interest income	72,360	40,516
Experience gains/(losses) on liabilities	(5,582)	1,253
Gain/(loss) from change in assumptions	(52,182)	(29,041)
<b>Actuarial gain/(loss) before tax</b>	<b>14,596</b>	<b>12,728</b>

As per FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it can recover the excess either through reduced contributions in the future or through refunds from the plan. The surplus does not belong to the RCN and will not be recognised in the RCN statement of financial position.

The cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income since adoption of FRS 102 are shown below:

	Actuarial gains/(losses) charged to comprehensive income £'000	Cumulative actuarial gains and (losses) £'000
2014	(14,192)	(14,192)
2015	8,598	(5,594)
2016	23,949	18,355
2017	(938)	17,417
2018	1,829	19,246
2019	12,728	31,974
<b>2020</b>	<b>14,596</b>	<b>46,570</b>

## Change in the present value of the defined benefit obligation

	31 December 2020 £'000	31 December 2019 £'000
<b>Opening defined benefit obligation</b>	<b>339,590</b>	<b>307,034</b>
Service cost	4,486	3,615
Interest cost	6,926	8,345
Contributions by employees	693	772
Actuarial (gains)/losses	57,764	27,788
Benefits paid	(8,689)	(7,964)
Losses (gains) due to benefit changes	-	-
<b>Closing defined benefit obligation</b>	<b>400,770</b>	<b>339,590</b>



## Change in the fair value of the scheme assets

	31 December 2020 £'000	31 December 2019 £'000
<b>Opening fair value of the scheme assets</b>	<b>353,235</b>	<b>304,563</b>
Expected return	7,233	8,373
Expenses	(278)	(389)
Actuarial gains/(losses)	72,360	40,516
Contributions by employer	7,491	7,364
Contributions by employees	693	772
Benefits paid	(8,689)	(7,964)
<b>Closing fair value of the scheme assets</b>	<b>432,045</b>	<b>353,235</b>
<b>Actual return on scheme assets</b>	<b>79,593</b>	<b>48,889</b>

The history of experience gains and losses are as follows:

The impact of using a more recent valuation is to introduce gains and losses that arose between 30 September 2016 and 30 September 2019, resulting in the experience loss arising on the liabilities during 2020 in the disclosures, which amounts to around 1.27% of the liabilities.

	31 December 2020 £'000	31 December 2019 £'000	31 December 2018 £'000	31 December 2017 £'000	31 December 2016 £'000
Defined benefit obligation	(400,770)	(339,590)	(307,034)	(318,327)	(289,951)
Scheme assets	432,045	353,235	304,563	306,163	275,366
<b>Net pension asset/(deficit)</b>	<b>31,275</b>	<b>13,645</b>	<b>(2,471)</b>	<b>(12,164)</b>	<b>(14,585)</b>
<b>Experience gains/(losses) on scheme liabilities:</b>					
Amount	(5,582)	1,253	(2,582)	8,830	-
Percentage of the present value of scheme liabilities	1.39%	0.36%	0.84%	2.77%	-
<b>Actual return less expected return on scheme assets:</b>					
Amount	(72,360)	(40,516)	14,012	(21,729)	(41,998)
Percentage of scheme assets	(16.75%)	(11.46%)	4.6%	(7.1%)	(15.3%)

## Sensitivity

The following table provides an indication of the sensitivity of the value of liabilities to changes in assumptions. The impact on the Statement of Comprehensive Income cannot easily be predicted.

Change	Impact on liabilities	Change in defined benefit asset (liability)* £'000
Discount rate by +/- 0.5% p.a.	- 9.5%/+10.5%	38,175/(42,105)
Inflation linked assumptions by +/- 0.5%	+7.8%/-7.2%	(31,189)/28,979
Life expectancy by +/- 2 to 3 year	+8.5% to +13.2%/-8.2% to -12.2%	(33,905) to (52,982)/32,983 to 48,854

\* based on value of liabilities at 31 December 2020

## 17. Management of liquid resources - RCN Group

	31 December 2019 £'000	Cash flow £'000	31 December 2020 £'000
Cash invested in UK money market and deposit accounts	26,104	3,102	29,206

## 18. Analysis of changes in net funds - RCN Group

	31 December 2019 £'000	Cash flow £'000	31 December 2020 £'000
Short-term deposits	26,104	3,102	29,206
Cash at bank and in hand	7,094	2,373	9,467
<b>Total</b>	<b>33,198</b>	<b>5,475</b>	<b>38,673</b>

## 19. Allocation of RCN UK balance sheet between representation and other activities

	Representation activities	Other college activities	Total 31 December 2020	Representation activities	Other college activities	Total 31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>						
Property, plant and equipment	-	13,082	13,082	-	15,610	15,610
Investments	45,929	54,889	100,818	41,125	39,091	80,216
<b>Total fixed assets</b>	<b>45,929</b>	<b>67,971</b>	<b>113,900</b>	<b>41,125</b>	<b>54,701</b>	<b>95,826</b>
<b>Current assets</b>						
Inventory	-	2	2	-	19	19
Debtors and prepayments	4,444	2,154	6,598	1,803	785	2,588
Short term deposits	16,440	7,966	24,406	15,566	6,777	22,344
Cash at bank and cash in hand	3,566	1,728	5,294	3,614	1,574	5,188
<b>Total current assets</b>	<b>24,450</b>	<b>11,850</b>	<b>36,300</b>	<b>20,983</b>	<b>9,155</b>	<b>30,139</b>
<b>Liabilities</b>						
Bank overdraft	(1)	(1)	(2)	(4)	(2)	(6)
Trade creditors	(961)	(467)	(1,428)	(449)	(197)	(646)
Other creditors	(1,423)	(1,044)	(2,467)	(2,228)	(1,379)	(3,607)
Accruals and deferred income	(2,886)	(2,206)	(5,092)	(2,328)	(1,597)	(3,925)
<b>Total liabilities</b>	<b>(5,271)</b>	<b>(3,718)</b>	<b>(8,989)</b>	<b>(5,009)</b>	<b>(3,175)</b>	<b>(8,184)</b>
<b>Total assets less current liabilities</b>	<b>65,107</b>	<b>76,104</b>	<b>141,211</b>	<b>57,099</b>	<b>60,681</b>	<b>117,781</b>
Provisions	(9,381)	(290)	(9,671)	(9,386)	(170)	(9,556)
<b>Net assets (excluding pension deficit)</b>	<b>55,726</b>	<b>75,814</b>	<b>131,540</b>	<b>47,713</b>	<b>60,511</b>	<b>108,225</b>

For assets and liabilities in the name of the RCN UK there is no distinction between representation and other college activities.

Current assets and liabilities which can be identified as representation or other college activities are allocated directly to the appropriate activity type. Other current assets and liabilities are apportioned based on direct income/expenditure.

Representation activities are disclosed in the RCN's Annual Return for a Trade Union (AR21).

## 20. Reserves

### 20.1. Reserves – RCN UK

	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
<b>At 1 January 2020</b>	<b>1,927</b>	<b>106,298</b>	–	<b>108,225</b>
Surplus in period	–	14,894	–	14,894
Investment unrealised gains	–	8,131	–	8,131
Revaluation reserve	(64)	–	–	(64)
Dividends	–	353	–	353
<b>At 31 December 2020</b>	<b>1,863</b>	<b>129,676</b>	–	<b>131,539</b>

The revaluation reserve relates to the leasehold improvements. See note 11.1 for further detail.

### 20.2. Reserves – RCN Group

	Reserves for charitable purposes £'000	Revaluation reserve £'000	Accumulated funds £'000	Pension reserve £'000	Total £'000
<b>At 1 January 2020</b>	<b>37,284</b>	<b>1,927</b>	<b>110,735</b>	–	<b>149,946</b>
Surplus in period	1,004	–	15,773	–	16,777
Investment unrealised gains	2,486	–	7,806	–	10,292
Revaluation reserve	–	(64)	–	–	(64)
<b>At 31 December 2020</b>	<b>40,774</b>	<b>1,863</b>	<b>134,314</b>	–	<b>176,951</b>

## 21. Commitments

### 21.1. Capital commitments

The value of contracts committed to but not provided for was £Nil (31 December 2019: £Nil).

### 21.2. Pension commitments

The pension scheme was subject to an actuarial valuation at 30 September 2019 by a qualified independent actuary. The valuation reported a deficit of £9.5m, compared to a deficit of £52.1m in September 2016. The 2019 actuarial valuation of the CARE pension scheme has resulted in a revised deficit-funding plan of £3.4m per annum from 1 April 2021 rising by RPI annually thereafter.

The current actuarial valuation of the defined benefit (CARE) scheme based on 30 September 2019 was finalised in December 2020. The next actuarial valuation based on the position at 30 September 2022, will be finalised in December 2023.

## 22. Contingent liabilities

RCN UK contingent liabilities are estimated at £632,375 as at 31 December 2020 (31 December 2019: £343,500). The estimated liability arises from member cases within the professional indemnity scheme that have a lower than 50% chance of success.

## 23. Trade union and labour relations (consolidation) Act 1992

A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the union have been or are being conducted in breach of rules of the law or in breach of the union and contemplates bringing civil proceedings against the union or responsible officials, they should consider obtaining independent legal advice.

## 24. Council and Committee expenses and remuneration

### 24.1. Council and Committee expenses

Expenses paid to, or on behalf of, Council members while carrying out their governance duties in the year ended 31 December 2020 amounted to £14,000 (31 December 2019: £70,000). Expenses related predominantly to travel expenses incurred while carrying out Council duties. The number of Council members who received reimbursement within the period was 16 (31 December 2019: 17).

Expenses paid to, or on behalf of, members of the Trade Union Committee and Professional Nursing Committee while carrying out their governance duties amounted to £8,000 (31 December 2019: £38,000). Expenses related predominately to travel and accommodation expenses incurred while carrying out Committee duties. The number of Committee members who received reimbursement was 25 (31 December 2019: 28).

### 24.2. Council remuneration

Council and Committee members do not receive remuneration for undertaking the role, however a total of £106,000 was paid to the employers of the President and Chair of Council as recompense for time spent on services for the RCN UK (31 December 2019: £101,000). Breakdown as follows:

	31 December 2020 £'000	31 December 2019 £'000
Chair of Council (former)	24	21
Chair of Council (current)	-	-
President (current)	83	80
<b>Total</b>	<b>106</b>	<b>101</b>

## 25. Related party transactions

The RCN Group has taken the exemption under FRS 102 not to disclose any transactions of balances between wholly-owned subsidiary entities, which have been eliminated on consolidation.

## 26. Historic VAT liability

RCNi sells digital publications subject to standard rate Value Added Tax (VAT), but a long-running case between News Corp versus HMRC is now decided in favour of HMRC at the Court of Appeal.

Litigation has not yet completed, and we know that News Corp are seeking to appeal to the Supreme Court, in order for the case to be heard the taxpayer will have to be granted permission to appeal (by either the Court of Appeal or the Supreme Court itself). If permission is not granted, the Court of Appeal's decision will be final, and if the Supreme Court does hear it, its decision will be final.

Based on our independent tax advisor's expert opinion, the chances of the Court overturning the case are less than 50%.

## 27. Post Balance Sheet Events

In reaction to the recent announcement of a 1% pay award for the NHS workers by the Chancellor of Exchequer, the RCN Council decided to take industrial action. During the governing council meeting on 5 March 2021, the RCN Council unanimously voted for industrial action. To support the RCN members, should they wish to strike, the Council proposed to set up a £35m fund. The monies will be used to provide compensation for loss of earnings and campaigning during the industrial action.

# Thank you to our supporters

RCN Council would like to thank the external advisers to all RCN Group committees, for the very significant expertise, knowledge and commitment they bring to the work of the RCN Group.

We would like to thank all the members who have played an active role in the organisation in 2020 including all our learning representatives, safety representatives and stewards, Board, Branch and Committee members, and all those who have taken part in campaigns, #RCN2020, and all our other events. It really does make a difference.

We would like to express our warmest thanks to the companies listed below, for their substantial support in 2020. The same thanks go to all the other companies, groups and individuals - far too numerous to list here - who help to make our work possible.

Lighthouse Financial Advice Ltd

LV=

Molnlycke

SC Johnson Professional

SharpSMART UK Ltd

We would also like to thank Rachel Armitage, Deepa Korea, the boards and trustees of RCNi and the RCN Foundation and all of their staff for their tireless work for the RCN Group.



# Reference and administrative details

## Registered office

20 Cavendish Square, London W1G 0RN

Company registration number: RC000459

Trade Union list number: 528T

The main educational centre, library and central administrative office of the Royal College of Nursing of the United Kingdom (RCN) is 20 Cavendish Square, London W1G 0RN.

## Bankers

National Westminster Bank PLC, 250 Regent Street, London W1B 3BN

## Independent auditor

Deloitte LLP, Statutory Auditor, 1 New Street Square, London EC4A 3HQ

## Investment managers

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

## Lawyers

Bates Wells LLP, 10 Queen Street Place, London EC4R 1BE

## Chief Executive & General Secretary

Dame Donna Kinnair OBE

The RCN represents nurses and nursing,  
promotes excellence in practice and shapes  
health policies

**[rcn.org.uk](http://rcn.org.uk)**

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