

*To note*

**Merger of PMETB with the GMC: Overview and Progress Report**

**Issue**

1. Providing an overview of the work we have undertaken to prepare for the merger of PMETB with the GMC, including joint plans, future priorities and current risks.

**Recommendation**

2. To note progress and future priorities relating to the merger of PMETB with the GMC (paragraphs 15-46).

**Further information**

3. If you require further information about this paper, please contact us by email: [gmc@gmc-uk.org](mailto:gmc@gmc-uk.org) or tel. 0161 923 6602

## Background

4. In September 2007, the Independent Inquiry into Modernising Medical Careers, led by Sir John Tooke, recommended that 'PMETB should be assimilated in a regulatory structure within GMC that oversees the continuum of undergraduate and postgraduate medical education and training, continuing professional development, quality assurance and enhancement. The greater resources of the GMC would ensure that the improvements that are needed in postgraduate medical education will be achieved more swiftly and efficiently. To this end the assimilation should occur as soon as possible' (Recommendation 30).

5. In January 2008, the final report of the Independent Inquiry into Modernising Medical Careers confirmed the earlier recommendation that PMETB should be merged with the GMC.

6. In February 2008, the Secretary of State for Health accepted the Inquiry's recommendation and stated that this should be achieved through a 'merger of PMETB with the GMC at the soonest possible time.'

7. We already cooperate with PMETB in a number of important areas and the merger will provide an opportunity to build further on the strengths and achievements of both bodies.

8. In advance of the necessary legislation, each body, as a competent authority, must continue to exercise its statutory duties and powers on its own account.

9. With PMETB, we have recognised, however, that there is scope for bringing work together across the two organisations where this is consistent with the need to fulfil their respective statutory duties, where it assists with business continuity, and where it serves to mitigate risk in the run up to merger. The two organisations have therefore been working increasingly closely to prepare for the merger, and to ensure that there is no loss of momentum and that PMETB's programme of work and development continues.

### *Scoping study*

10. Following the announcement of the merger, we moved quickly with PMETB to commission an initial Scoping Study which identified the early operational issues that need to be addressed. The report, delivered by the consultancy firm Towers Perrin, provided a basic 'stock take' of both organisations in respect of human resources, information systems, accommodation and finance.

11. The Scoping Study suggested that there were no 'significant barriers' in respect of the 'mechanics' of the merger, and concluded that it 'can bring significant benefits to the medical education community and therefore to patients and the public, doctors, NHS and other healthcare providers, and medical schools and medical Royal Colleges'.

## *Oversight arrangements*

12. To support the merger process, the two organisations put in place joint oversight arrangements, comprising two groups. The first is the Joint Implementation Group, which acts on behalf of the governing bodies to consider joint proposals from the two management teams and resolves issues as they arise. The second is the Joint Oversight Group, chaired by John Jenkins and comprising non-executive members, to provide assurance to both governing bodies that risks are being managed, plans are being developed, and resources are in place.

13. The JOG has met twice, in July and November 2008. On each occasion it has provided a progress report to Council consisting of a short statement of assurance together with a note of any specific issues or areas of concern that would need to be brought to the attention of Council on a 'by exception' basis.

14. In addition, with PMETB, we are members of a Joint Steering Group, chaired by the Department of Health (England), which meets monthly to plan and monitor progress, and to agree the necessary project initiation, business case, and impact assessment documentation.

## **Discussion**

### *Assurance and risk*

15. Our broad programme of work includes four high level workstreams:

- a. Legislation.
- b. 'Mechanics' of merger, incorporating accommodation, human resources, finance and information systems.
- c. Communications.
- d. Post-merger benefits.

16. On 2 December 2008, through its regular progress report, the JOG was able to provide Council with assurance that the implementation of proposals relating to the merger of PMETB with the GMC are on track and that, for each area of work, risks are being managed and resources are in place.

17. It was recognised, however, that legislation and co-location, in particular, are 'critical path' activities with external dependencies that are not wholly controlled by PMETB or by us.

18. Since the Council meeting in December 2008, we have been working closely with DH(E), through the Joint Steering Group, to identify and mitigate the risks associated with these activities, and to ensure that the necessary arrangements are put in place to minimise delay. We remain confident of securing fit-for-purpose legislation in good time, but our initial aspiration to achieve co-location by the middle of 2009 now looks to be an unlikely prospect.

19. Progress, including on legislation and co-location, was discussed with the Secretary of State on 12 January 2009, and any important developments in these areas will be reported to Council.

### *Legislation*

20. We have agreed with DH(E) a two-stage approach to legislation.

21. The first stage requires delivery of a Section 60 Order to achieve the statutory transfer of functions from PMETB to the GMC no later than April 2010. The draft Order will be subject to consultation in the first half of 2009.

22. The process and key milestones for the first Order have been agreed, but we remain dependent on parliamentary timetables and the need for close liaison with key interests. DH(E) have taken the opportunity to develop a streamlined approach to the content of the Order, with detailed provisions contained in rules and regulations rather than in primary legislation. They have assured us that the Scottish and UK Parliaments will consider the Order concurrently rather than sequentially, which will reduce pressure on the timetable.

23. The second stage will be coordinated with the outcomes of the independent review led by Lord Naren Patel (which is discussed below). The recommendations emerging from the review will inform future policy and, where appropriate, further legislation after the formal transfer of PMETB's functions to the GMC.

### *Accommodation*

24. The Scoping Study identified the 'future accommodation strategy and the ability to move PMETB staff into GMC offices' as a 'key issue', and the JIG agreed, in September 2008, that the two organisations should be co-located as soon as practicable. This was communicated to GMC and PMETB staff.

25. We believe the co-location of PMETB with the GMC will provide a number of benefits including:

- a. Bringing forward the realisation of some of the practical advantages of the merger - for example, by providing a single location for trainees, the medical Royal Colleges and other key interests needing to visit one or both organisations.
- b. Ruling out the need to move PMETB staff twice, should notice be served by PMETB's current landlord in the period before the legal transfer of responsibilities.
- c. Increasing the chances of achieving operational stability in the period before the legal transfer of responsibilities.
- d. Enabling high speed data connections to our network to be provided internally rather than by a third party.

- e. Providing greater opportunities for joint working, on both policy and process improvement initiatives.
- f. Assisting with vacancy management.

26. We have explored a range of options and have concluded that the most beneficial approach is to co-locate PMETB staff within our Regent's Place office during 2009. The JIG was clear, however, that co-location would not be possible unless DH(E) underwrote the costs.

27. Our approach has been to attempt to coordinate the timing of the physical separation of our adjudication function, in preparation for OHPA, with the co-location of PMETB with the GMC. Our conclusion is that it will be extremely difficult to align these two timetables in time to achieve co-location prior to the formal transfer of functions.

28. A number of external factors, including the timing of the establishment of OHPA, and the current economic climate (and the inevitable resource pressures within Government), have meant that our original intention to co-locate PMETB in the middle of 2009 is now an unlikely prospect. We are currently working with DH(E) to agree a robust business case for achieving co-location at the earliest possible time, and in a way that maximises the benefits and delivers cost-effectiveness.

#### *Information systems*

29. We have identified a series of IS projects and activities that will be required to deliver the merger of PMETB with the GMC. These include developing a solution for PMETB based on our Strategic Applications Project, and moving PMETB staff onto our own core systems. A significant amount of this work will need to take place before the legal transfer of responsibilities, although it is likely that some will take place after the point of merger. We have also agreed to provide feasibility advice on any IS development work that PMETB should undertake during 2009.

30. We have agreed with PMETB - subject to the completion of our Licensing and SAP Phase 3 projects, currently scheduled for the end of September 2009 – that both organisations will start working on a joint project to develop a Quality Assurance system in the final quarter of 2009.

31. Although a broad plan is in place, the precise timing of the IS work required to facilitate the merger of PMETB with the GMC will to a large extent be dependent on agreeing a firm plan for co-location.

## *Human Resources*

32. We have identified a number of human resources issues as crucial to the success of the merger. The respective management teams have agreed a joint set of operating principles to inform the practical integration of the two organisations, and to provide reassurance to both sets of staff. Our starting point is that the functions and responsibilities of the two organisations are complementary, not overlapping, and we therefore do not envisage that we would want, or need, to consider compulsory redundancy.

33. We need to pay close attention to the risks and opportunities for staff in both organisations as preparations for the merger progress, and to ensure that all human resource questions are addressed effectively and sensitively. This includes pensions issues.

34. We have been working increasingly closely with PMETB to implement a number of joint initiatives to enable staff from both organisations to benefit from learning and development opportunities. We have, for example, made our training programme for 2009 available to all PMETB staff, as well as providing them with access to our virtual learning centre, Management Direct. We have also agreed a vacancy handling protocol.

35. We have set out a sequential plan for addressing each of the key human resource issues.

## *Finance*

36. We have identified three strands of finance-related work:

- a. Basic financial processes, including the harmonisation of financial years, chart of accounts, and transaction processing.
- b. Financial planning, including coordinating and consolidating business and budgetary plans for 2009 and 2010.
- c. Financial modeling, including detailed scoping work on the post-merger fees framework and the recovery of costs for Quality Assurance.

## *Communications*

37. The JIG has agreed that, where possible, we should seek to communicate jointly, both to our key interests and to our staff, on all merger matters.

38. A joint Communications Group has been established to ensure that information is conveyed, internally and externally, in a manner that is timely, informative and consistent. A number of joint statements have been agreed and communicated, and we have published 'Q&A' documents to staff.

39. We have also hosted an Open Forum event for PMETB staff at our London office, and have contributed to PMETB's staff away day. We plan to hold further joint meetings of staff from both organisations.

### *Post-merger benefits*

40. Aside from the practical benefits, the creation for the first time ever in the UK of a single continuum for medical education and training provides a unique opportunity to take a strategic approach. We therefore identified the need for a policy review to run concurrently with the first Section 60 Order process. Lord Naren Patel, Chairman of the National Patient Safety Agency and former Chairman of the Specialist Training Authority, accepted our invitation to lead the review.

41. The purpose of the review is to form conclusions on what is an appropriate, modern approach to the regulation of education and training within an independent framework of four interlocking regulatory functions.

42. We propose that the review should involve extensive engagement with key interests, an interim report, and a final report with recommendations for Council to consider. It should be completed by early 2010, in good time to inform the development of a second Section 60 Order to follow shortly after the formal transfer of PMETB's functions to the GMC.

43. A productive first roundtable of key interests was held on 4 November 2008.

44. Alongside the policy review of the regulation of education and training, we have begun early joint work in a number of areas where we believe it to be appropriate and beneficial in preparing for the merger:

- a. Revalidation.
- b. Quality Assurance.
- c. Modular Credentialing.
- d. Partner/Associate integration.
- e. Equality and Diversity.

### *Future governance*

45. The description of the proposed 'governance model' of Council is the subject of a separate paper, and Members have agreed to begin the process of populating the components of the model.

46. Separately, we will discuss with PMETB the best arrangements for providing oversight and assurance to both governing bodies with regard to delivery of the practical elements of merger, as well as for identifying areas for joint working in the period before the formal transfer of responsibilities, in order that the benefits of merger are realised and a seamless transition achieved.

**Recommendation:** To note progress and future priorities relating to the merger of PMETB with the GMC.

### **Resource implications**

47. None arising from this report.

### **Equality**

48. None arising from this report.