

*To consider*

## Chief Operating Officer's Report

### Issue

- 1 This report gives an update on the GMC's operational performance.
  - Annex A – Performance against service targets and volumes of activity – fitness to practise, registration and revalidation.
  - Annex B – Summary Information on Appeals and Judicial Reviews.
  - Annex C – 2013 Income and expenditure.

### Recommendation

- 2 Council is asked to consider the Chief Operating Officer's Report.

# Chief Operating Officer's Report

## Section one – significant issues potentially affecting performance

- 3 Following a hearing on 18 October 2013, we have been joined as a party to the judicial review of the Membership of the Royal College of General Practitioners examination, brought by British Association of Physicians of Indian Origin (BAPIO). The issue is whether we have failed to comply with the Public Sector Equality Duty under the Equality Act 2010. We filed our detailed grounds of response and our witness statement on 22 November 2013. The judicial review is likely to be heard in April 2014.
- 4 December 2013 marks the first anniversary of both the launch of revalidation and of our confidential helpline. The purpose of the helpline is to enable doctors to seek advice on any issues they may be dealing with and to raise serious concerns about patient safety when they feel unable to do this at local level. As of 13 November 2013, we had revalidated 23,297 doctors and our confidential helpline has received 750 enquiries, leading to over 64 investigations.

## Section two – Progress in delivering our operational plan

- 5 On 16 October 2013, we published a six-month update to our initial detailed response to the Mid Staffordshire Inquiry Report. The update includes details of the range and depth of our work to promote professionalism among doctors, doctors in training and medical students. We continue to consider the implications of the Mid Staffordshire Inquiry, and subsequent reports including the Berwick review into patient safety and the Keogh review into hospital mortality rates, and to take forward work to deliver their recommendations.
- 6 Events for doctors new to UK practice have taken place in Northern Ireland, Scotland and Wales as part of our pilot of the 'Welcome to UK Practice' programme. These were well received.
- 7 On 17 September 2013, we launched our consultation of *Making sure that all licensed doctors have the necessary knowledge of English to practise safely in the UK*. This would enable us to ask European doctors for evidence of their English language skills, before we grant a licence to practise, where concerns are identified during the registration process.
- 8 We completed the second of our improvement projects, on the Medical Practitioners Tribunal Service panel development process, undertaken as part of a 'Lean' review of our Fitness to Practise and adjudication processes in early October 2013. A third, which focuses on standardising and removing waste from our case review process, began in mid-October 2013 and will conclude in January 2014.

- 9** By the end of October 2013, we had received a total of 8,509 total fitness to practise enquiries; a reduction of 4% on this time last year. Taking into account that we changed the way we process certain enquiries earlier this year (excluding non-contentious letters about doctors being removed from Performers Lists), the like-for-like comparison is level. The number of enquiries triaged into Stream 1 (concerns that could require us to take action to remove or restrict the doctor's right to practise, which take up the bulk of our resource) has increased by 10% during the same period. Our analysis shows this has been driven primarily by an increase in complaints from patients plus an increase in multiple complaints about individual doctors. There has also been an increase in the number of complaints being received electronically, following the launch of our new online complaint form, which went live 17 October 2013.
- 10** The number of enquiries triaged into Stream 2, which are not appropriate for us to investigate but where we will contact the doctor's employer/contracting organisation(s) to ensure there are no wider concerns about their fitness to practice, has reduced by 24% since the same time last year. It is not clear why this trend is happening, however it may be related to the changing profile of complaints that we are receiving. It should also be noted that the Stream 2 figures are relatively small.
- 11** On 5 December 2013, we will submit our evidence to the annual Performance Standards Authority (PSA) Performance Review, providing a detailed summary of improvement and good practice we have demonstrated in 2013 together with learning we have taken from fellow regulators. The PSA is expected to respond in late January 2014, arranging for discussion of our evidence in mid-February 2014.
- 12** On 6 November 2013, the Audit and Risk Committee considered a revised version of the Risk Management Framework. The Committee was content with the Framework, subject to the amendments which were suggested at that meeting being made. The updated version of the Framework will be considered by Council at its meeting on 25 February 2014. The Performance and Resources Board also considered the Risk Management Framework at its meeting on 4 November 2013.

### **Performance and Resources Board**

- 13** At its meeting on 4 November 2013, the Performance and Resources Board agreed to enhance our benefit provision with the following additional benefits:

  - a** Buying and selling up to three days' annual leave.
  - b** Career development loans to cover course fees up to a maximum of £2,500 in a given tax year.

- c The introduction of an 'Affinity benefit' scheme, consisting of a range of discounts that suit individual lifestyle.
- 14 The Board also agreed to implement the initiatives identified by the four staff survey work streams: how we support career development; how we manage change; the way we work; and our management policies and employment arrangements. It agreed to develop an overview of the proposed timescales for the main initiatives along with a designated owner who will be responsible for moving the work forward. It was also agreed that the groups should review progress before the end of 2013 and be involved further where appropriate. The Board agreed that the next staff survey should be launched in 2014.

### *Operational issues*

- 15 We will shortly be publishing the number of complaints we have received about doctors by secondary care location in the UK for the period 2007-2012. The data will be broken down into the various stages of our Fitness to Practise process. We know there is significant public interest in this data. We are also developing our capacity to publish further data, including at employer level, in the future.
- 16 In response to strong interest in implementing a duty of candour for all health professionals we intend to review our guidance to doctors to ensure that it is as clear as it can be in relation to this issue.
- 17 We continue to monitor and analyse all information disclosure incidents. Our focus remains on root cause analysis and implementing system changes, training and controls to further reduce the risk of human error. Our accreditation to the information security standard ISO 27001 is subject to annual audit by the BSI. It has completed its audit of our London office and will audit the Manchester office in December 2013.
- 18 Following a public consultation, Council approved a comprehensive records retention and disposal policy in December 2012. Implementation requires a fundamental re-working of our data architecture enabling the deletion of large amounts of data, electronic and paper documents and the creation of new business processes, for example to create a skeleton record for each Fitness to Practise case that we delete.
- 19 As we outlined in the December 2012 paper, we expect this work to take between two and three years. We had planned to commence the business analysis phase of the implementation in the final quarter of this year. However, we have rescheduled this to the first quarter of 2014 while we complete other systems development work which has proved to be more demanding than we anticipated at the start of the year. This work includes significant system changes for the Fitness to Practise and Registration and Revalidation Directorates, and the Medical Practitioners Tribunal Service.

### *Achievement of service targets*

- 20** Despite receiving increasingly complex enquiries, which sometimes causes a short-term, adverse effect on our call service targets, our Contact Centre continues to maintain a very high standard of service. On 24 October 2013, the Contact Centre achieved their best result yet in the Top 50 Companies for Customer Service Awards, being ranked at 6<sup>th</sup> overall place in the call category.
- 21** The volume of enquiries received by our Contact Centre can also be impacted by communications campaigns. In September 2013, we wrote to almost 8,000 doctors to let them know that we were considering withdrawing their licence to practise as they had failed to respond to a number of requests for information to support their revalidation. Over 70% of these doctors subsequently responded, which also drove the volume of enquiries to the Contact Centre up. We answered 73% of calls within 15 seconds in this month, which is below our target of 90% although the average wait time for all callers in September 2013 was less than 28 seconds. All other Registration and Revalidation related service targets were met and we responded to 98% of emails and letters within five working days, a significant improvement on the 83% we achieved during the July peak period.
- 22** We have missed the target of clearing 100% of Investigation Committee hearings within two months of referral. We have met this target consistently throughout 2013, with the exception of in July and September 2013, which had both achieved 50%. In practice this meant that two Investigation Committee hearings were delayed.
- 23** We have amended the Fitness to Practise service level: to conclude 90% of fitness to practise cases within 12 months, replacing the previous level of 15 months. This was a recommendation from the Health Select Committee. We achieved 94% for the first month this was introduced, in September.

## Supporting information

- Consultation: *Making sure that all licensed doctors have the necessary knowledge of English to practise safely in the UK* <http://www.gmc-uk.org/doctors/english.asp>
- As considered by Council in December 2012: *Report on the Outcomes of the Consultation on GMC's Records Retention Policy* [http://www.gmc-uk.org/9a\\_Report\\_on\\_Outcome\\_of\\_Consultation\\_on\\_GMCs\\_Records\\_Retention\\_Policy.pdf](http://www.gmc-uk.org/9a_Report_on_Outcome_of_Consultation_on_GMCs_Records_Retention_Policy.pdf) 50556006.pdf

**If you have any questions about this paper please contact: Paul Philip, Chief Operating Officer, [pphilip@gmc-uk.org](mailto:pphilip@gmc-uk.org), 0207 189 5124.**

## Annex A

### **Performance against service targets and volumes of activity – fitness to practise, registration and revalidation**

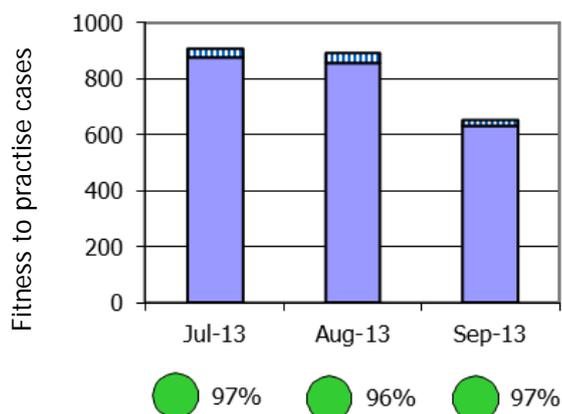
- 1** These graphs show our performance against our fitness to practise and registration service targets over the past three months, and the volume of activity we have handled. This includes the performance of our contact centre and reception services which support the whole organisation.
- 2** We also include data on revalidation activity.
- 3** For the service targets, we illustrate the volume of activity and the proportion of total activity handled within and outside the target timeframe. The traffic lights show our monthly performance, and indicate whether or not we achieved the target.

## Fitness to practise

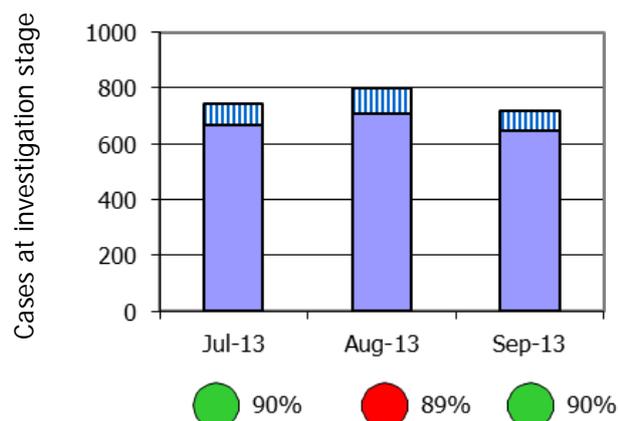
### Service targets



To conclude 90% of fitness to practise cases within 15 months



To conclude or refer 90% of cases at investigation stage within 6 months



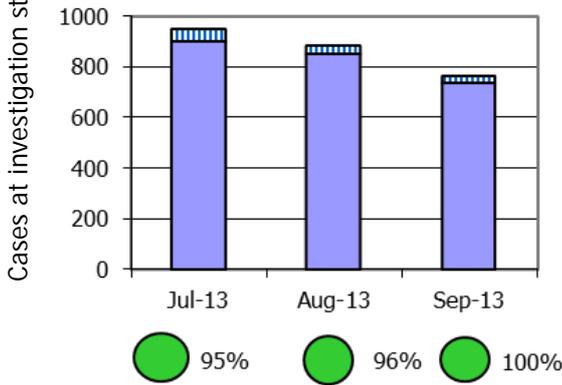
**Commentary:** Service target achieved<sup>1</sup>. We have now begun to report on a new target: To conclude 90% of cases within 12 months. We met this in September (total 94%). Comparative charts will be included for the next Performance Review in January 2014.

**Commentary:** Service target achieved for July and September, and narrowly missed for August<sup>2</sup>.

<sup>1</sup> This target measures all fitness to practise enquiries received by the GMC that result in a stream 1 investigation, stream 2 investigation or immediate closure and excludes cases that are criminal convictions, statutory inquiries, determinations and restoration applications. Each bar (by month) shows the number of cases that were opened 15 months before.

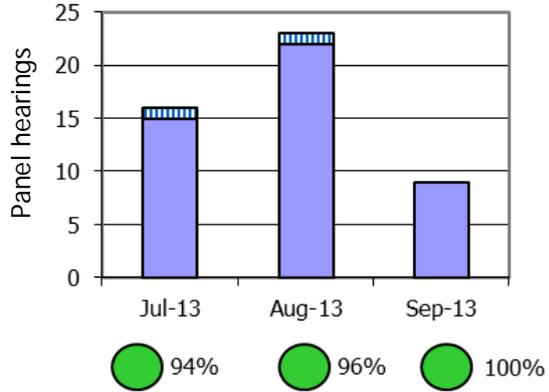
<sup>2</sup> This target measures all fitness to practise enquiries received by the GMC that result in a stream 1 investigation, stream 2 investigation or immediate closure including cases that require health assessments, performance assessments and those that are considered by the Investigation Committee. It excludes from consideration cases that are criminal convictions, statutory inquiries, determinations and restoration applications. Each bar (by month) shows the number of cases that entered the investigation stage six months before.

To conclude or refer 95% of cases at the investigation stage within 12 months



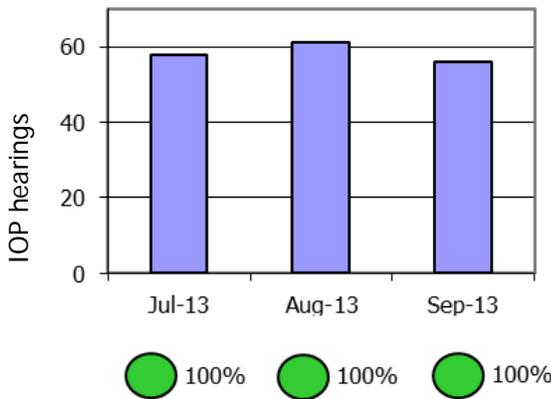
**Commentary:** Service target achieved<sup>3</sup>.

To commence 90% of panel hearings within nine months of referral



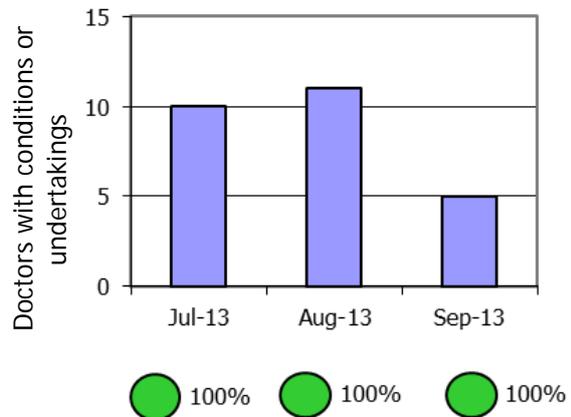
**Commentary:** Service target achieved<sup>4</sup>.

To commence 100% of IOP hearings within 3 weeks of referral



**Commentary:** Service target achieved<sup>5</sup>.

To review 100% of doctors with conditions or undertakings attached to their registration before being returned to unrestricted registration



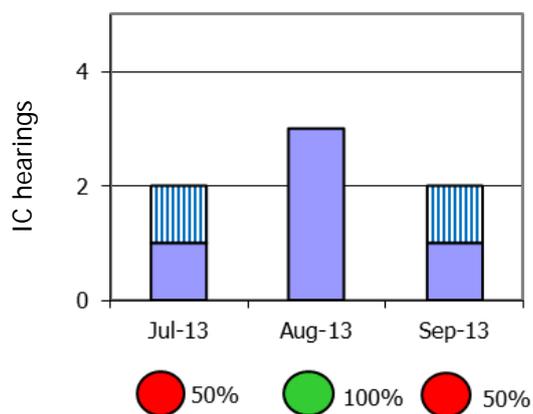
**Commentary:** Service target achieved.

<sup>3</sup> This target measures all fitness to practise enquiries received by the GMC that result in a stream 1 investigation, stream 2 investigation or immediate closure including cases that require Health Assessments, Performance Assessments and those that are considered by the Investigation Committee. It excludes from consideration cases that are criminal convictions, statutory inquiries, determinations and restoration applications. Each bar (by month) shows the number of cases that entered the investigation stage 12 months before.

<sup>4</sup> This target excludes cases that have concluded prior to a FTP panel hearing within nine months of referral from investigation (i.e. referral cancellations, voluntary erasures etc). Each bar (by month) shows the number of referrals to a Fitness to Practise Panel nine months before.

<sup>5</sup> Each bar (by month) shows the number of referrals to an Interim Orders Panel three weeks before.

To commence 100% of IC hearings  
within 2 months of referral



**Commentary:** We missed this target in July and September – the only times it's been missed so far in 2013. In practice this meant that two IC hearings missed the target in the past three months<sup>6</sup>.

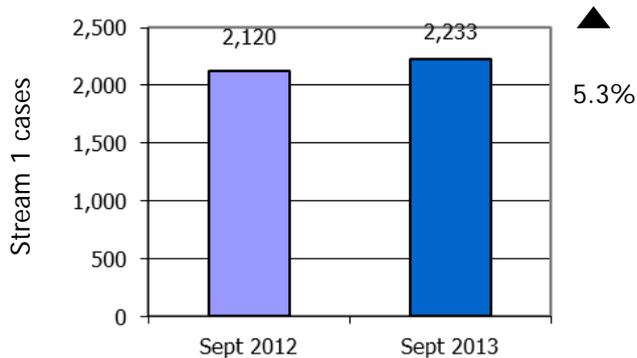
<sup>6</sup> Each bar (by month) shows the number of referrals to an Investigation Committee two months prior.

## Fitness to practise

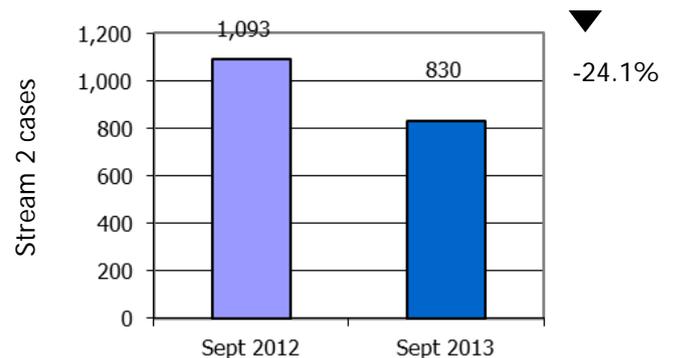
### Case intake

- 4 These graphs show our accumulated case intake levels to the end of September 2013, compared with the accumulated levels to the end of September 2012, and indicate the percentage change.

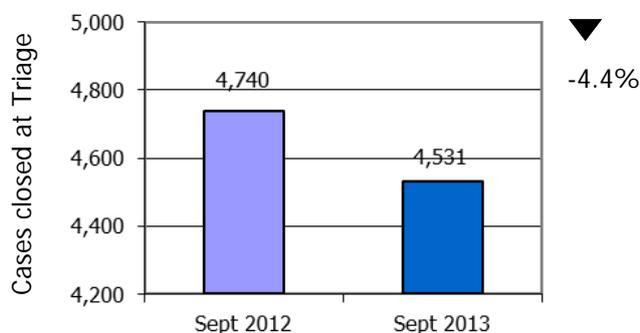
YTD Stream 1 case intake:  
accumulated to September 2012 and  
September 2013



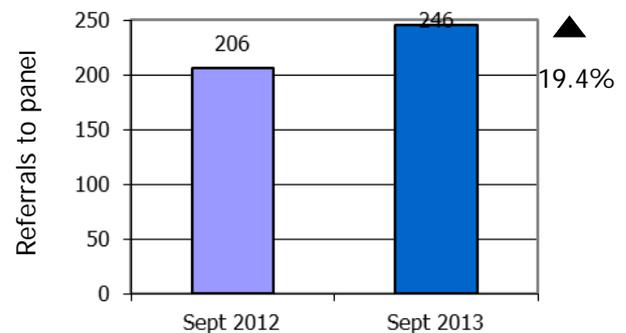
YTD Stream 2 case intake:  
accumulated to September 2012 and  
September 2013



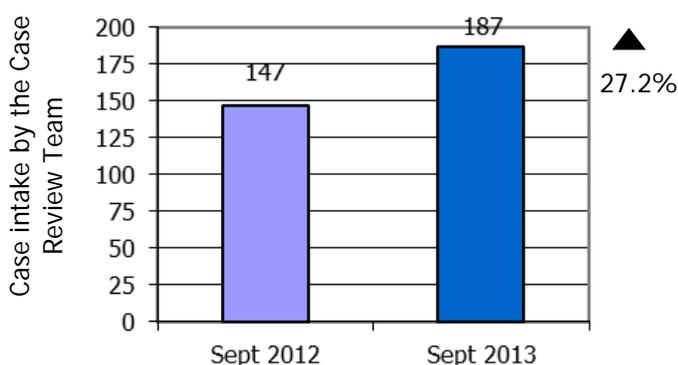
YTD cases closed at Triage:  
accumulated to September 2012 and  
September 2013



YTD number of referrals to panel:  
accumulated to September 2012 and  
September 2013



YTD case intake by the Case Review  
Team accumulated to September  
2012 and September 2013



## Registration, PLAB and certification

### Service targets



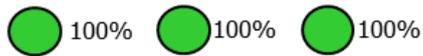
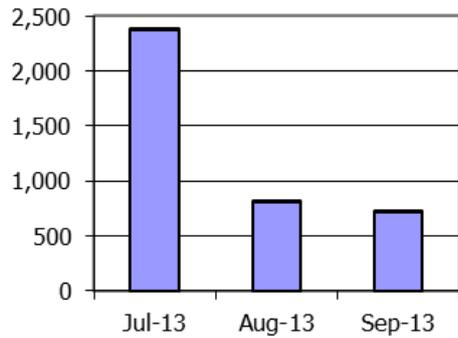
Handled within the service target



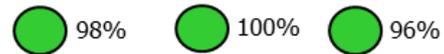
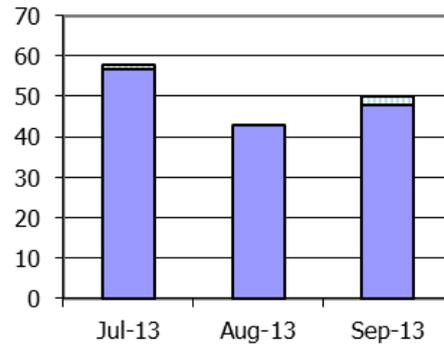
Handled outside the service target

To respond to 95% of applications within five working days

To complete 95% of CESR and CEGPR applications within 3 months



**Commentary:** Service target achieved.

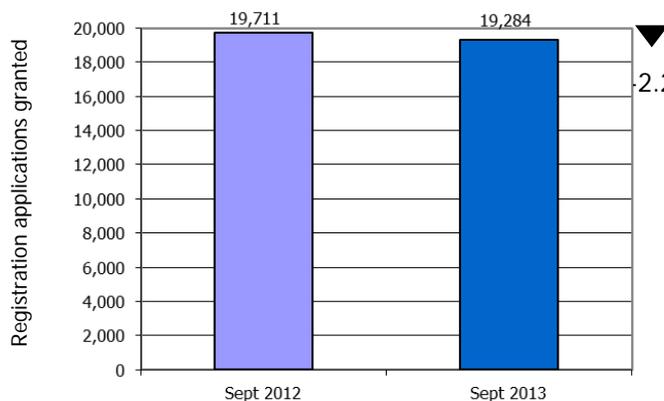


**Commentary:** Service target achieved.

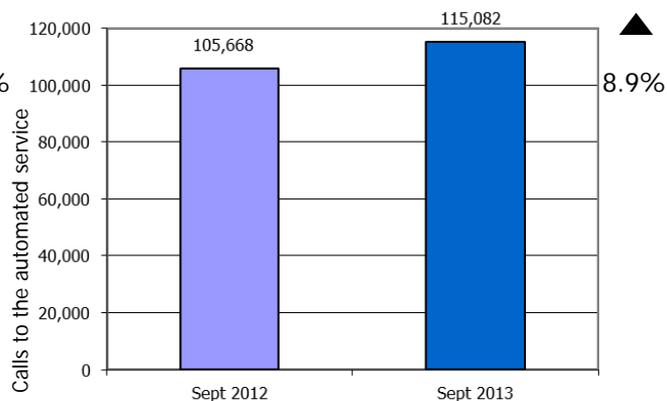
# Registration, PLAB and certification

## Activity levels

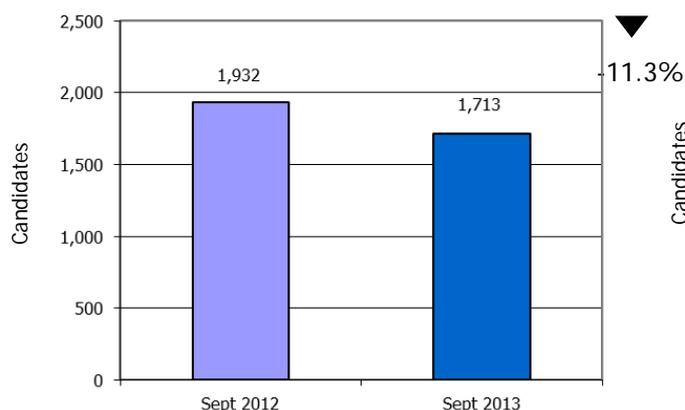
Registration applications granted (excl. specialist registrations, incl. restorations): accumulated to Sept 2012 and Sept 2013



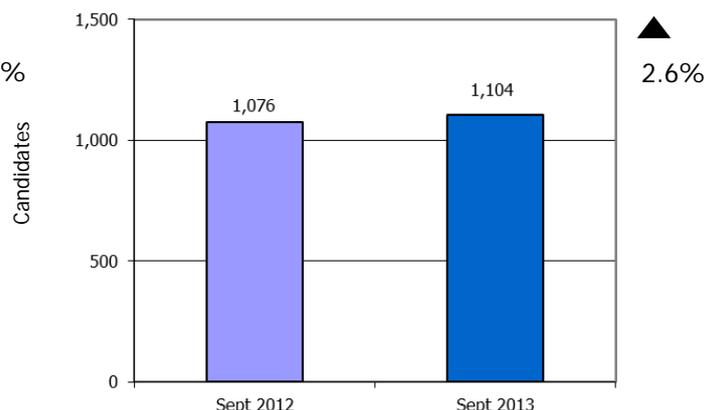
Calls to the automated service confirming a doctor's registration status: accumulated to Sept 2012 and Sept 2013



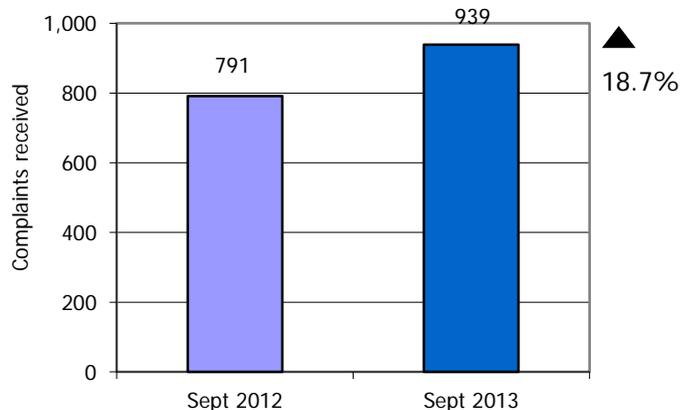
Candidates taking Part 1 of the PLAB test: accumulated to Sept 2012 and Sept 2013



Candidates taking Part 2 of the PLAB test: accumulated to Sept 2012 and Sept 2013



Complaints received by the Registration and Revalidation Directorate: accumulated to Sept 2012 and Sept 2013

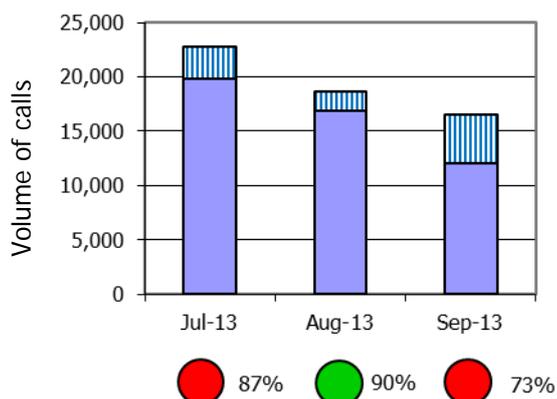


## Contact centre and reception services

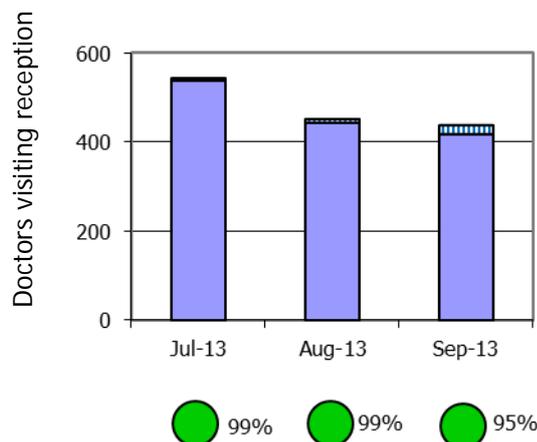
### Service targets



To answer 90% of calls within 15 seconds



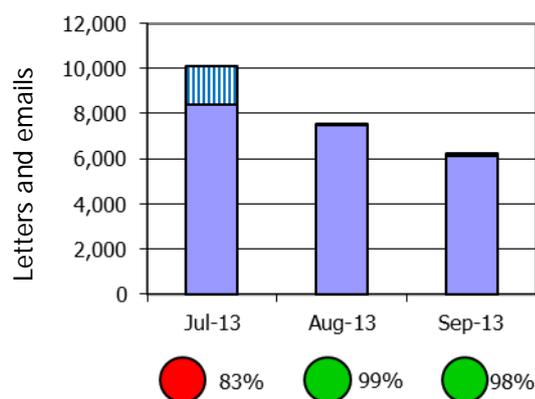
To see 95% of doctors visiting reception within 10 minutes of their arrival



**Commentary:** Service target missed in July and September<sup>7</sup>. July was our peak time for volume of enquiries. While the target recovered for August, our capacity to meet the service target in September was impacted by our campaign to contact doctors who had not yet responded to our requests for information to support their revalidation.

**Commentary:** Service target achieved.

To answer 90% of calls within 15 seconds



**Commentary:** Service target achieved except for in July, which was our peak time for enquiries.

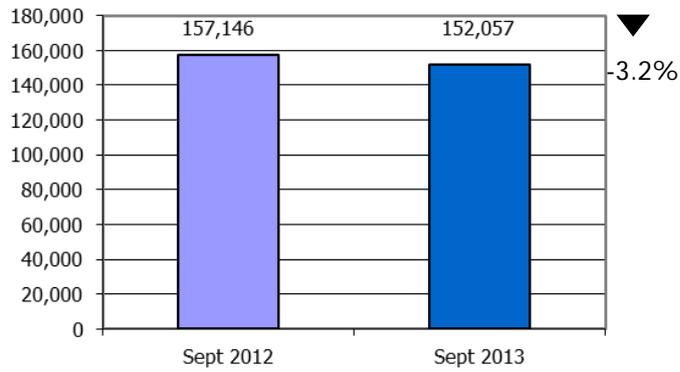
<sup>7</sup> Excludes lost calls. This is consistent with the industry standard.

<sup>8</sup> Only providing a substantive response is counted as having met the target.

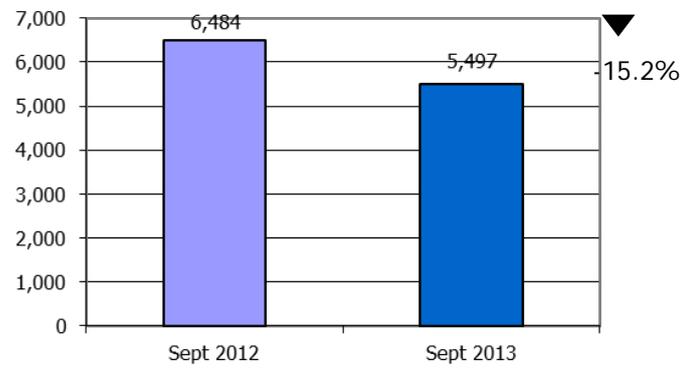
## Contact centre and reception services

### Activity levels

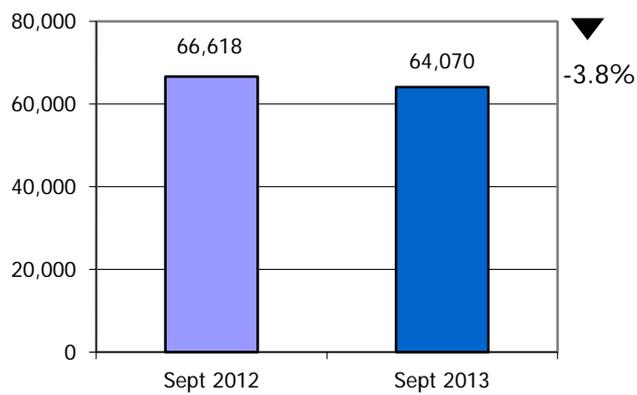
Call volume to Contact Centre:  
accumulated to Sept 2012 and Sept 2013



Doctors visiting reception: accumulated to  
Sept 2012 and Sept 2013



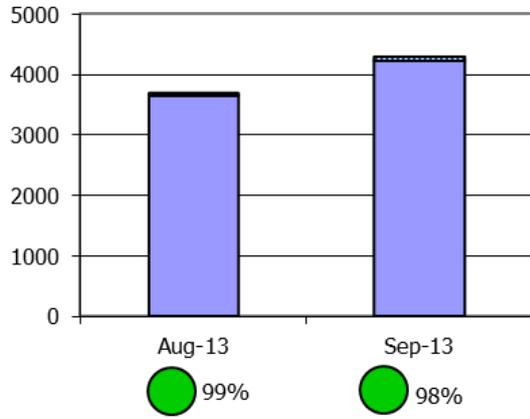
Fax, letter and email enquiries:  
accumulated to Sept 2012 and Sept 2013



## Revalidation

### *Service target*

To process 95% of revalidation recommendations within 5 working days



**Commentary:** Service target achieved.

## Annex B

## Summary Information on Appeals and Judicial Reviews

- 1 The table below provides a summary of appeals and judicial reviews as at 20 November 2013:

	Open cases carried forward since last report	New cases	Concluded cases	Outstanding cases
Appeals	23	5	10	18
Judicial Reviews	25	2	9	17
IOP Challenges	8	3	6	5

*Explanation of concluded cases*

## 2 Appeals:

- a 6 appeals dismissed.
- b 3 withdrawn.
- c 1 appeal successful.

## 3 Judicial Reviews

- a 4 permissions refused.
- b 2 withdrawn.
- c 3 claimants successful.

**4** Interim Order Panels:

- a** 4 claims dismissed.
- b** 2 withdrawn.

*Any new applications in the High Court challenging the imposition of interim orders since the last report with explanation; and total number of applications outstanding*

**5** There have been three new challenges to IOP orders since the last report.

**6** The current position in the 5 cases outstanding are:

- a** 3 awaiting papers.
- b** 1 awaiting hearing dates.
- c** 1 awaiting hearing at the end of November 2013.

*New referrals by the Professional Standards Authority (PSA) to the High Court under Section 29 since the last report with explanation, and any applications outstanding*

**7** We have received three new referrals by the PSA to the High Court:

- a** We have now received the PSA's skeleton argument and advice on the merits of the appeal from Counsel - we await instructions as to how to proceed.
- b** We have agreed to compromise it but haven't yet agreed terms.
- c** We received notification of this from the PSA on 21 November 2013, and await further communication.

*Any other litigation of particular note*

**8** We continue to deal with a range of other litigation, including cases before the Employment Tribunal and the Employment Appeals Tribunal.

**9** The table below provides a detailed breakdown of outstanding appeals as at 20 November 2013.

No	Case	Decision appealed	Current status
1	A R	Appeal in the Scottish Courts against the sanction of erasure.	Appeal part heard. New date for hearing of appeal to be fixed.

<b>No</b>	<b>Case</b>	<b>Decision appealed</b>	<b>Current status</b>
<b>2</b>	<b>B</b>	Permission to Appeal previous decision to dismiss s40 Appeal from September 2010.	Application received, awaiting permission decision from the Court.
<b>3</b>	<b>F</b>	Appeal against Fitness to Practise Panel determinations.	Hearing relisted 18 February 2014.
<b>4</b>	<b>G</b>	Appeal against Fitness to Practise Panel determinations.	Awaiting papers.
<b>5</b>	<b>G-O</b>	Appeal against Fitness to Practise Panel determinations.	Appeal dismissed. Awaiting permission hearing.
<b>6</b>	<b>H</b>	Appeal against Fitness to Practise Panel determinations.	Awaiting hearing date.
<b>7</b>	<b>Hu</b>	Appeal against Fitness to Practise Panel determinations.	Hearing concluded. Awaiting Judgment.
<b>8</b>	<b>I</b>	Appeal against the determination of impairment and sanction of erasure.	Awaiting hearing date.
<b>9</b>	<b>K</b>	Appeal again Fitness to Practise Panel determinations.	Awaiting papers.
<b>10</b>	<b>M</b>	Appeal against Fitness to Practise Panel determinations.	Hearing listed 26/27 February 2014.
<b>11</b>	<b>N-P</b>	Appeal against Fitness to Practise Panel determinations.	Awaiting relisted hearing date.
<b>12</b>	<b>O</b>	Appeal against Fitness to Practise Review Panel decision.	Hearing now listed for 28 January 2014.
<b>13</b>	<b>R</b>	Appeal against Fitness to Practise decision.	Awaiting papers.
<b>14</b>	<b>Ra</b>	Appeal against Fitness to Practise decision.	Awaiting papers.
<b>15</b>	<b>T</b>	Appeal against Fitness to Practise Panel determinations.	Awaiting papers.

No	Case	Decision appealed	Current status
16	Th	Appeal against Fitness to Practise Panel determinations.	Awaiting hearing date.
17	V	Appeal against Fitness to Practise Panel determinations.	Appeal unsuccessful. Awaiting decision from court of appeal on Dr's permission appeal.
18	W	Appeal against Fitness to Practise Panel determinations.	Appeal against determination of erasure dated 26/07/2013. Hearing listed 11 & 12 March 2014.

10 The table below provides a detailed breakdown of outstanding judicial reviews as at 20 November 2013.

No	Case	Claim	Current status
1	AM	Judicial Review to challenge GMC guidance of assisted suicide case	Application issued on a protective basis.
2	B	Judicial Review issued in relation to RCGP exams	Judicial review will take place over 3 days commencing Tuesday 8 April 2014.
3	Bu	Judicial Review issued by Defendant in criminal matter. GMC listed as interested party.	Once all papers received, GMC solicitor will send to Triage team for investigation.
4	C	Judicial Review of decision to decline to review decision under Rule 12	Permission refused on papers. Notice of Appeal received in relation to this judgment. Awaiting decision.
5	G-S	Judicial Review against Fitness to Practise Panel decision.	Awaiting hearing date.
6	G	Judicial Review of decision to waive five year Rule.	Proposals being made to settle the claim.
7	H	Judicial Review claim regarding GMC's decision not to allow complainant further time to provide evidence in support of allegations.	Permission refused. Claimant to appeal decision. Awaiting decision from Court.

<b>No</b>	<b>Case</b>	<b>Claim</b>	<b>Current status</b>
<b>8</b>	<b>M</b>	Judicial Review decision of Fitness to Practise Panel.	Awaiting papers.
<b>9</b>	<b>Ma</b>	Judicial Review of five year Rule.	Settlement negotiations ongoing.
<b>10</b>	<b>Mo</b>	Judicial Review of decision to issue a warning rather than refer a complaint to panel.	Application for permission adjourned. New investigation ongoing.
<b>11</b>	<b>Mu</b>	Judicial Review of decision to fail the doctor's attempt to pass PLAB.	Doctor has applied to renew application for renewal.
<b>12</b>	<b>O</b>	Judicial Review to challenge GMC's Rule 4 referral.	Bundle of disclosure served. Awaiting response.
<b>13</b>	<b>Oy</b>	Judicial Review challenging imposition of condition set at IOP.	Hearing listed 28 November 2013
<b>14</b>	<b>S</b>	Judicial Review issued against Rule 12 closure of complaint.	Awaiting decision on permission from Judge.
<b>15</b>	<b>Sh</b>	Judicial Review challenging Fitness to Practise Panel decision to refuse submission of no case to answer.	Claim dismissed. Cost matters ongoing.
<b>16</b>	<b>W</b>	Judicial Review issued in respect of investigation not progressing timeously.	Acknowledgement of service filed.
<b>17</b>	<b>Wi</b>	Judicial Review issued to have Undertakings on registration revoked.	Hearing listed for 24 January 2014 for renewed application for permission.

## Annex C

### 2013 Income and Expenditure

## Revenue and budget

- 1 The income and revenue expenditure figures to the end of October 2013, and the Q3 forecast, are:

Financial Summary as at 31 October 2013	Budget to date	Actual to date	Variance		Full year budget	Full year forecast	Variance	
	£000	£000	£000	%			£000	£000
<b>Income</b>								
Annual retention fees	71,820	71,062	(758)	(1)%	86,600	85,773	(827)	(1)%
Registration fees	3,801	3,732	(69)	(3)%	4,100	4,040	(60)	(1)%
PLAB income	820	890	70	9%	1,200	1,193	(7)	(1)%
Certification income	2,648	2,847	199	8%	3,000	3,150	150	5%
Investment income	417	682	265	65%	500	863	363	73%
Other income	167	359	192	114%	200	375	175	88%
<b>Total Income</b>	<b>79,673</b>	<b>79,572</b>	<b>(101)</b>	<b>(0)%</b>	<b>95,600</b>	<b>95,394</b>	<b>(206)</b>	<b>(0)%</b>
<b>Expenditure by cost type</b>								
Direct Staffing Costs	36,512	35,120	1,392	4%	44,136	42,665	1,471	3%
Indirect Staffing Costs	2,851	2,685	166	5%	3,556	3,247	309	9%
Office Costs	5,313	5,176	137	3%	6,375	6,237	138	2%
Accommodation Costs	5,515	5,155	360	7%	6,623	6,324	299	4%
Legal Costs	4,826	5,138	(312)	(6)%	5,758	6,140	(382)	(7)%
Professional Fees	4,876	3,466	1,410	29%	6,636	4,692	1,944	29%
Council & Members Costs	401	323	78	19%	473	386	87	18%
Panel & Assessment Costs	13,459	11,867	1,592	12%	16,234	14,348	1,886	12%
Depreciation	5,079	4,750	329	7%	6,162	5,746	416	7%
New Initiatives Fund	151	142	9	5%	500	250	250	50%
<b>Total Expenditure</b>	<b>78,983</b>	<b>73,822</b>	<b>5,161</b>	<b>7%</b>	<b>96,453</b>	<b>90,035</b>	<b>6,418</b>	<b>7%</b>
<b>Surplus/(Deficit)</b>	<b>690</b>	<b>5,751</b>	<b>5,061</b>		<b>(853)</b>	<b>5,359</b>	<b>6,212</b>	

- 2 The actual surplus at the end of October is £5,751k, compared to a budgeted surplus for the period of £690k. Income is currently in line with budget and expenditure is 7% under budget.

## Principal Variances

- 3 Total income is in line with budget. Individual variances reflect differences between the estimated and actual numbers of applications received in the

period. Treasury management income reflects improved returns on our cash balances.

- 4 Direct staffing costs are currently £1,392k under budget. The three main reasons are vacancies taking longer to fill than anticipated; vacancies filled through internal promotion (creating further vacancies); and variations in actual vs budgeted staff turnover. The full year forecast reflects managers' latest assessment of recruitment completed to date and planned for the remainder of the year.
- 5 Indirect staffing costs are £166k under budget. Travel costs are under budget, in part because of vacancies and in part because of greater use of video and telephone conferencing. Some events and training have been deferred until late 2013 or early 2014.
- 6 Office costs are currently £137k under budget. This is mainly due to the timing of work, principally on printing costs on Strategy and Communication and IT revenue projects.
- 7 Accommodation costs are £360k under budget, due to savings on rent and service charge at Centurion House and ad hoc building alterations.
- 8 Legal costs are £312k over budget due to work on fitness to practise investigations.
- 9 Professional fees are £1,410k under budget. Expenditure on projects and external consultancy is lower than budgeted.
- 10 Panel and assessment costs are currently £1,592k under budget, due to a reduction in hearing days (in both IOP and FTP hearings). Medical school visits and medical report costs are also under budget.
- 11 Depreciation is £329k under budget. This reflects the timing of capital expenditure in the year.
- 12 The New Initiatives Fund is currently £9k under budget. This central budget is available to provide funding for new projects and opportunities that may present themselves during the year. Costs to date relate to consultancy work on the registration process, additional HR support, and quality assurance arrangements across the organisation.

### **Capital programme**

- 13 In addition to our revenue expenditure on day to day operational business, the GMC incurs capital expenditure on major projects and assets that will generate benefits over a number of years. The standard accounting treatment is to spread capital costs over the lifetime of the asset, rather than accounting for

the whole cost in the year of acquisition. This is achieved through an annual depreciation charge to the revenue account.

**14** Capital expenditure to date, and the Q3 forecast, is:

Capital Programme as at 31 October 2013	Budget to date	Actual to date	Variance		Full year budget	Full year forecast	Variance	
	£000	£000	£000	%			£000	£000
IS projects	4,327	3,684	643	14.9%	5,045	5,016	29	0.6%
Facilities projects	1,909	1,607	302	15.8%	2,053	2,194	(141)	(6.9%)
Registration projects	83	49	34	40.5%	83	49	34	40.5%
New Initiatives Fund	35	35	0	0.0%	500	100	400	80.0%
	<b>6,319</b>	<b>5,375</b>	<b>944</b>	<b>15.4%</b>	<b>7,681</b>	<b>7,359</b>	<b>322</b>	<b>4.2%</b>

**15** Capital expenditure is currently under budget, as the start dates for a number of projects have been deferred to later in the year. Capital expenditure is forecast to move closer to budget by the year end.

**Conclusion**

**16** Income is currently in line with budget and costs are 7% under budget. We forecast that income will be broadly in line with budget at the end of the year and expenditure will remain around 7% under budget.