

Agenda item:	4
Report title:	Chief Operating Officer's Report
Report by:	Susan Goldsmith , Chief Operating Officer sgoldsmith@gmc-uk.org , 020 7189 5124
Action:	To consider

Executive summary

This report provides an update on our operational performance including:

- Project Management Methodology.
- Human Resources Update – equality benchmarking.
- Data Strategy Phase Two.
- Review of MPTS Operational Framework.
- Welsh Language Standards.

Recommendations

Council is asked to:

- Consider the report (and [Annex A](#), [Annex B](#) and [Annex C](#)).
- Agree to appoint Crowe Clark Whitehill as the GMC's external auditor.

Issue

- 1 This report provides an update on our operational performance.

Operational KPIs

- 2 All operational key performance indicators (included at [Annex A](#)) were met between April and July 2015 other than the exceptions set out below.
- 3 In July 2015, we were 5% below the target of responding to 90% of ethical/standards enquiries within 21 working days. This was due to the team operating under capacity and resources were re-prioritised to focus on the confidentiality review project. To mitigate this in future, the team have expanded the pool of staff available to draft responses.
- 4 Between April and July 2015 our budgeted deficit varied from -29.55% to -59.87%. This is an improvement in our financial position but outside of our budgeted range, hence the red rating. This was due to our headcount costs being lower than budgeted because of delays in recruitment, and the volume of MPTS hearing days was lower than expected. We are reviewing the forecasting of financial performance for the coming months in the light of this change, and the metric as it is currently reported.
- 5 We have included two additional KPIs in this report. The first focuses on the monthly media score, which is calculated from a daily evaluation of press cuttings. Further to the discussion at the Council awayday on 1-2 July 2015, we are aiming for a number of peaks across the year; rather than a pattern of consistently high scores. We are reviewing the way we evaluate our media profile including benchmarking against comparative organisations.
- 6 The second KPI focuses on the impact on practice that doctors report from having attended a GMC Liaison Advisor event (delivered by the Regional Liaison Service or Devolved Offices). Once we have a full data set from 2015, we will take a proposed baseline target to the Performance and Resources Board for approval.

Council Priorities

- 7 All Council priorities are on track and reported as green.
- 8 The following projects have been successfully delivered and will be closed from monitoring:
 - c Standards for training – Promoting Excellence (*Education & Standards*).
 - d Consider a national licensing exam (*Education & Standards*). This activity will be replaced by the next phase of development, which is delivering a consultation on the UK Medical Licensing Assessment.

- e Explore alternative to IELTS as English language evidence (*Registration & Revalidation*).
 - f Rollout of patient meetings (*Fitness to Practise*).
 - g Response to report on the independent review of suicides (*Fitness to Practise*). This project will be replaced by the subsequent activity, which will focus on addressing the recommendations in the report.
 - h Doctor support service (*Fitness to Practise*).
 - i People Strategy (*Resources & Quality Assurance*).
 - j Centralisation of Continuous Improvement (CI) and Quality Assurance (QA) (*Resources & Quality Assurance*).
- 9 A summary of the position can be found at [Annex A](#).

Project Management Methodology

- 10 We are continuing to implement an organisation-wide project management methodology, supported by a project and portfolio management (PPM) software system. At its meeting on 18 June 2015, the Performance and Resources Board agreed to a phased approach to ensure both areas are implemented simultaneously in January 2016. Following a competitive tendering process, the contract for the PPM system was awarded to [Planview](#).
- 11 To date we have developed a unifying project methodology for the organisation based on industry best-practice; developed the Corporate Business Planning team into a central Project Management Office to provide ownership and assurance; and are in the process of configuring the system ready for use. The system will be used to manage the Change Programme.

Human Resources update – equality benchmarking

- 12 We have completed one of the two equality benchmarking exercises for 2015 and achieved a Silver Award in the Employers Network on Equality and Inclusion; previously we secured a bronze award. The second benchmarking exercise will be the Stonewall Equality Index where we will aim to be a 'Top 250' employer, which will take place later this year.

Data Strategy Phase Two

- 13 At its meeting on 18 June 2015 the Performance and Resources Board agreed to progress the Phase Two priorities for our Data Strategy. These include developing dashboards to support the work of the Patient Safety Intelligence Forum and our

regional teams, supporting the development of our intelligence model and completing the UK Medical Education Database (UKMED) pilot programme. The Board also agreed to develop a Central Analytics Team to improve analytical capabilities across the organisation.

Welsh Language Standards

- 14** I will be meeting the Welsh Language Commissioner on 8 October 2015 to discuss the proposed Welsh Language Standards.

Update on the Medical Practitioners Tribunal Service

- 15** In light of the Section 60 Order changes to the Medical Act, which establishes the Medical Practitioners Tribunal Service (MPTS) as a statutory committee, we have completed a light-touch annual review of the MPTS Operational Framework which sets out how the MPTS interacts with other parts of the GMC. The GMC/MPTS Liaison Group has agreed the proposed amendments, which include a reference to the new overarching objective and to the revised Sanctions Guidance (both of which came into force on 3 August 2015) and minor changes to current working practices.
- 16** Operational interactions and working arrangements between the MPTS and GMC continue to work well. A further more substantive review will take place later in the year to coincide with the implementation of changes arising from the Section 60 Order.

Appointment of external auditor

- 17** The current contract for external audit services expires at the end of 2015. Responsibility for appointing the external auditor rests with Council, based on advice from the Audit and Risk Committee.
- 18** The Audit and Risk Committee has carried out a full tender process and recommends the reappointment of Crowe Clark Whitehill for a term of three years, with the option to extend for a further year.

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Operational KPIs

Working with doctors Working for patients

#	Area	BAU Operational KPIs [monthly]	Apr	May	Jun	Jul	RAG for next period	Commentary	
1	R&R	Decision on 95% of all registration applications within 3 months	99	100	100	99	G	On track	
2	R&R	Decision on 95% of all revalidation recommendations within 5 days	97	98	98	98	G	On track	
3	R&R	90% of calls answered within 15 seconds	95	92	94	96	G	On track	
4	E&S	Respond to 90% of ethical/standards enquiries within 21 working days	91	90	90	85	G	Team operating under capacity and resources were re-prioritised to focus on the confidentiality review project.	
5	E&S	80% of enhanced monitoring concerns where action plan is being adhered to	92	92	92	92	G	On track	
6	E&S	90% of visits completed in within agreed timescales	100	100	100	100	G	On track	
7	FtP	Conclude 90% of fitness to practise cases within 12 months	93	94	92	92	G	On track	
8	FtP	Conclude or refer 90% of cases at investigation stage within 6 months	91	92	90	90	G	On track	
9	FtP	Conclude or refer 95% of cases at the investigation stage within 12 months	95	96	96	95	G	On track	
10	FtP	Commence 100% of IC hearings within two months of referral	100	100	100	100	G	On track	
11	MPTS	Commence 90% of panel hearings within nine months of referral	100	100	100	100	G	On track	
12	MPTS	Commence 100% of IOP hearings within 3 weeks of referral	100	100	100	100	G	On track	
13	R&QA	Rolling twelve month staff turnover within 8-15%	10.54	9.95	10.74	10.69	G	On track	
14	R&QA	2015 Deficit within budget [% variance]	-29.55	-42.25	-58.22	-59.87	R	This is an improvement in our financial position but outside of our budgeted range, hence the red rating. This was due to headcount costs being lower than budgeted because of delays in recruitment, and the volume of MPTS hearing days was lower than expected. We are reviewing forecasting of financial performance for the coming months in the light of this change, and the metric as it is currently reported.	
15	R&QA	IS system availability [%]	99.9	100	99.9	100	G	On track	
16	S&C	Monthly media score	113	136	1523	227	N/A	Peak in June due to significant print and broadcast coverage of cosmetic practice consultation.	
17	S&C	Doctors and medical students surveyed who said they would change their practice as a result of attending a Liaison Adviser event [%]	Q2: 76%						Initial development of KPI. Monthly data will be available in 2016 and baseline target will be set.
18	OCCE	Respond to x% of corporate complaints within 10 working days	63	85	53.5	48	NA	KPI being refined as part of ISO project (due to complete Feb 2016).	

Business As Usual – Operational KPIs (annual / biennial)

#	Area	BAU Operational KPI [Annual]	Previous period	Current period	Commentary
19	S&C	Annual engagement score / feedback with our top 50 UK and European public affairs and policy influencers ¹	NA	TBC	In development – will be ready for December Council
20	S&C	Level of confidence in the GMC’s regulation of doctors (from biennial tracking survey)	NA	79% ²	
21	R&QA	Staff engagement score ³	NA	78%	
22	S&C	Award in Employers Network on Equality and Inclusion (annual)	Bronze Award	Silver Award	
23	S&C	Inclusion in Stonewall Equality Index as ‘Top 250 Employer’ (annual)	N/A		Decision expected in January 2016.

¹ Not currently measured – a survey will be circulated to key interests and policy influencers in October

² 79% of patients/public who had heard of the GMC are confident in its regulation of doctors

³ Staff engagement will be reported once per year as and when staff survey results are analysed

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Council Priority Report

Working with doctors Working for patients

Council Priorities			↑ Delivery risk greater this period	Previous Period	Current period	Delivery Risk Trend	Next period
			→ Delivery risk the same this period	↓ Delivery risk less this period			
1	Shape of Training	<ul style="list-style-type: none"> All projects on track: Generic Professional Capabilities; Credentialing; CPD App. The following project is now complete: Standards for training – A new single set of standards promoting excellence and patient safety covering undergraduate and postgraduate medical education were launched in July 2015. This project has been delivered and will be closed from monitoring. 		G	G	→	G
2	National licensing exam, moving the point of registration, and policy links to PLAB test	<ul style="list-style-type: none"> All projects on track: Implement PLAB review; Established assessments advisory board. The following projects are complete: Consider a national licensing exam - In June 2015, Council agreed the business case for the UK Medical Licensing Assessment. Phase 1 of the project has been completed and we are now planning Phase 2 (development and delivery of UKMLA). Monitoring will now focus on Phase 2. Explore alternative to IELTS as English language evidence -Strategy and Policy Board agreed not to extend our list of tests beyond IELTS. This project will be closed from monitoring. 		G	G	→	G
3	Develop the Register and deliver Data Strategy Phase 2	<ul style="list-style-type: none"> All projects on track: Data Strategy; Review of LRMP. 		R	G	↓	G
4	Revalidation	<ul style="list-style-type: none"> All projects on track: Revalidation operations; Skills & competency testing for doctors without a prescribed connection; Evaluation of Revalidation. 		G	G	→	G
5a	Fitness to practise and the Law Commission reform programme	<ul style="list-style-type: none"> All projects on track: Law Commission; Section 60 and rules. 		G	G	→	G
5b	Changes to fitness to practise procedures and responding to the increase in workload	<ul style="list-style-type: none"> All projects on track: FTP operations; Sanctions Guidance; Pilot of assurance assessments; Changes to publication & disclosure policy; Develop use of provisional enquiries; Work with systems regulators. 		G	G	→	G
5c	Supporting those involved in our investigations	<ul style="list-style-type: none"> Project on track: Roll out of meetings with doctors. The following projects are complete: Rollout of patient meetings - Successfully rolled out patient meetings to the devolved countries, Northern England, Midlands, South West England and East of England. This project will be closed from monitoring. Response to report on the independent review of suicides - We have responded to the report and an action plan will be rolled out for 2016. This project will be closed from monitoring as it is now complete. Monitoring will now focus on responding to the report recommendations. Doctor support service - Successfully rolled out doctor support service. This project will be closed from monitoring. 		G	G	→	G
6	Broader aspiration for reform and taking forward the legislative programme arising from the Law Commission report	<ul style="list-style-type: none"> Project on track: Support policy development to ensure fitness for purpose of the Law Commission Bill 		G	G	→	G
7	Communications strategy and engagement with key interests	<ul style="list-style-type: none"> All projects on track: Develop communications and engagement strategy; Develop digital media strategy. 		G	G	→	G
8	Fairness and disproportionality in our regulatory activities	<ul style="list-style-type: none"> All projects on track: Differential attainment; Understanding the overrepresentation in our fitness to practise procedures. 		G	G	→	G
9	Chief Operating Officer's Review, ambition for efficiencies across the organisation and future strategy	<ul style="list-style-type: none"> This Council Priority will be revised once the details of the transformation programme have been confirmed. All projects on track: Champion the GMC's corporate efficiency programme; Transformation programme. Following projects are complete: People Strategy - Agreed by Council, and launched in parallel with staff survey response. This project will be closed from monitoring. Centralisation of Continuous Improvement (CI) and Quality Assurance (QA) - CI and QA resources across GMC identified and revised organisation structure agreed. This project will be closed from monitoring. 		G	G	→	G
10	Understand the context in which doctors practise	<ul style="list-style-type: none"> Projects on track: Promoting Professionalism activities; confidentiality project; Cosmetic Practice Project. Relationship management (including MOUs and partnerships) is delayed due to resourcing issues, requirements and clarification on the priority of MOUs. 		R	G	↓	G

General Medical Council

Detailed Appendix

Working with doctors Working for patients

1) Shape of Training (1 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- **Strategic aim 2: Help raise standards in medical education and practice**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Vicky Osgood								→				→				→				→	
Generic Professional Capabilities	✓	✓	✓	✓				→				→				→				→	

- Public consultation on proposed capabilities: July-October; Sign-off of final framework: December; Framework launch: March 2016

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Vicky Osgood								→				→				→				→	
Credentialing	✓	✓	✓	✓				→				→				→				→	

- Public consultation on proposals: launched in July and due to close in October.

1) Shape of Training (2 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		➡	

Linked Strategic Aim(s)

• **Strategic aim 2: Help raise standards in medical education and practice**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Paul Buckley/Vicky Osgood	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
CPD App	✓	✓	✓	✓				➡				➡				➡				➡	

- CPD app phased roll out: May; continuous evaluation until December.

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Vicky Osgood	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Standards for training	✓	✓	✓	✓		PROJECT DELIVERED															

- Consultation: Jan – Mar – complete (178 submissions); SPB sign-off: April; Council sign-off: Jun; Publication of new standards: July.
- A new single set of standards promoting excellence and patient safety covering undergraduate and postgraduate medical education were launched in July 2015. This project has been delivered and will be closed from monitoring as it is now complete.*

2) National licensing exam, moving the point of registration, and policy links to PLAB test (1 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)	<ul style="list-style-type: none"> • Strategic aim 1: Make the best use of intelligence about doctors and the healthcare environment to ensure good standards and identify risks to patients
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Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend											
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period				
Owner: Vicky Osgood																									
Consider a national licensing exam		✓	✓	✓		PROJECT DELIVERED																			
<ul style="list-style-type: none"> ▪ Communications plan developed: March; Engagement with key interests: April; Council consider business case for exam: June ▪ <i>In June 2015, Council agreed the Business Case for the UK Medical Licensing Assessment. Phase 1 of the project has been completed and we are now planning phase 2. Monitoring will now focus on Phase 2.</i> 																									

	Project Delivery					Budget				People				Overall RAG Status & Trend								
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	
Owner: Una Lane																						
Implement PLAB review	✓	✓						↓					→				→				→	
<ul style="list-style-type: none"> ▪ Research into computer based testing with Royal Colleges, regulators and marketplace: July; Recruitment campaign for examiners completed: September; Commission psychometric analysis reports: November; Communications plan developed and approved: December 																						

2) National licensing exam, moving the point of registration, and policy links to PLAB test (2 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- **Strategic aim 1: Make the best use of intelligence about doctors and the healthcare environment to ensure good standards and identify risks to patients**

Delivery Activities

	Project Delivery									Budget				People				Overall RAG Status & Trend			
Owner: Una Lane	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Establish assessments advisory board	✓	✓	✓					↓				→				→				→	

- Appointment of members: June; Introductory meeting of the Assessments Advisory Board: July; Assessments Advisory Board meeting: October

	Project Delivery									Budget				People				Overall RAG Status & Trend			
Owner: Una Lane	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Explore alternative to IELTS as English language evidence	✓					PROJECT DELIVERED															

- Final research report expected: March; SPB to consider options: July
- *Strategy & Policy Board agreed not to extend our list of tests beyond IELTS. This project will be closed from monitoring as it is now complete.*

<h2 style="margin: 0;">3) Develop the Register and deliver Data Strategy Phase 2</h2>	<p>Overall Priority Status</p>	Previous Period	Current Period	Trend	Next period
				↓	

Linked Strategic Aim(s) • **Strategic aim 1: Make the best use of intelligence about doctors and the healthcare environment to ensure good standards and identify risks to patients**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Paul Buckley																					
Data Strategy	✓	✓	✓	✓				→				↓				→				↓	

- Data Strategy phase 1 is complete. Phase 2 milestones: Complete Phase 1 launch: May; Develop core data dashboard: October; Deliver Phase 1 UKMED: November; Complete preparation for eventual external launch: October; Complete transition for BAU: December.

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Paul Buckley																					
Review of LRMP	✓	✓	✓					→		N/A	N/A		N/A			→				→	

- Review implications from research and stakeholder projects: February; commission necessary further reviews of options: September; Development of discussion paper on longer term policy: November; implement any quick and immediate improvements to LRMP: December

4) Revalidation (1 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- Strategic aim 2: Help raise standards in medical education and practice

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Una Lane								→				→				→				→	
Revalidation operations					✓			→				→				→				→	

- SLA: to process 95% of revalidation recommendations within five working days
- *July performance against SLA: 98%.*

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Una Lane								↑				→				→				→	
Skills & competency testing for doctors without a prescribed connection	✓	✓	✓	✓				↑				→				→				→	

- Testing scheduled to begin in 2016. Knowledge test procurement arrangements confirmed: April; System requirements defined: April; Policy agreed on when test will be required and acceptable alternatives: May; Prototype test developed and piloted: Aug; Operational guidance & training complete: November; Systems development complete: December; First Notices to go out to doctors to book the assessment: Feb 2016
- *Project delivery delay - UCL have formerly confirmed the quote we have received and we are working through the final stages of the procurement process to finalise the contract. Procurement have confirmed that we should expect everything to be finalised around the contract in September.*

4) Revalidation (2 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- Strategic aim 2: Help raise standards in medical education and practice

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Una Lane								→				→				→				→	
Evaluation of Revalidation	✓	✓	✓					→				→				→					
<ul style="list-style-type: none"> ▪ Interim report received: March; mailing campaign – all doctors survey opt out communication: April 																					

5a) Fitness to practise and the Law Commission reform programme

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s) • **Strategic Aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety.**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: A.Omo	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Law Commission						N/A	N/A	N/A	N/A			→				→				→	

▪ Key outstanding issues are: wording of powers at triage; a right of appeal against interim orders; a power to consensually dispose of suspension cases; and arrangements to agree new rules

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Howard Matthews/Anthony Omo	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Section 60 and rules	✓	✓	✓					→				→				→				→	

▪ Lay before Parliament: January; Legislative approval: March; GMC/MPTS Rules consultation: March-May; system requirements defined: August; implementation: December

5b) Changes to fitness to practise procedures and responding to the increase in workload (1 of 3)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- **Strategic Aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety.**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Anthony Omo								→				→				→				→	
FTP operations					✓			→				→				→				→	

- Analysis of volumes; forecast SLA performance
- *All SLAs were met in July*

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Anthony Omo								→				→				→				→	
Sanctions Guidance	✓	✓	✓	✓				→				→				→				→	

- Phase 1: complete; Phase 2: December; Phase 3 will begin in January 2016

5b) Changes to fitness to practise procedures and responding to the increase in workload (2 of 3)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

• **Strategic Aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety.**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend								
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	
Owner: Anthony Omo																						
Pilot of assurance assessments	✓	✓	✓	✓				↓				→				→				→		
<ul style="list-style-type: none"> Complete pilot: December 																						

	Project Delivery					Budget				People				Overall RAG Status & Trend								
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	
Owner: Anthony Omo																						
Changes to publication & disclosure policy	✓	✓	✓					→				→				→				→		
<ul style="list-style-type: none"> Consultation: June to September 2015 																						

5b) Changes to fitness to practise procedures and responding to the increase in workload (3 of 3)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- **Strategic Aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety.**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Anthony Omo	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Develop use of provisional enquiries	✓	✓	✓	✓				↓				→				→				→	

- Pilot completed: May; scope for wider use completed: June; Go-live: September

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Anthony Omo	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Work with systems regulators	✓	✓	✓	✓				↑				→				→				→	

- System releases/changes: Jan; advanced training completed: Feb; high level information sharing protocols agreed: Feb; expand sharing of system concerns to more organisations: Mar
- *Project delivery delay - Care Quality Commission information sharing protocols completed and launched - now caters for all directorates; NHS Trust Development Authority - in process of developing protocol (due September). Monitor - ongoing discussions (due December)*

<h1 style="margin: 0;">5c) Supporting those involved in our investigations (1 of 2)</h1>	Overall Priority Status	Previous Period	Current Period	Trend	Next period

Linked Strategic Aim(s)	<ul style="list-style-type: none"> • Strategic Aim 2: Help raise standards in medical education and practice • Strategic Aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety. • Strategic Aim 5: Work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions
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Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period

Owner: Anthony Omo	✓	✓	✓	✓	✓	PROJECT DELIVERED															
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- Roll out to devolved countries: January; roll out to Northern England: September
- *Successfully rolled out to the devolved countries, Northern England, Midlands, South West England and East of England. This project will be closed from monitoring as it is now complete.*

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period

Owner: Anthony Omo	✓	✓	✓			PROJECT DELIVERED															
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Response to report on the independent review of suicides	✓	✓	✓			PROJECT DELIVERED															
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- PID and milestones developed and agreed at May programme board.
- *We have responded to the report and an action plan will be rolled out for 2016. Monitoring will now focus on responding to the report recommendations.*

5c) Supporting those involved in our investigations (2 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)	<ul style="list-style-type: none"> • Strategic Aim 2: Help raise standards in medical education and practice • Strategic Aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety. • Strategic Aim 5: Work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions
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Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Anthony Omo								→				→				→				→	
Roll out of meetings with doctors	✓	✓	✓	✓				→				→				→				→	

- Board/Council decision: April; Go-live: October

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Anthony Omo						PROJECT DELIVERED															
Doctor support service	✓	✓	✓	✓	✓	PROJECT DELIVERED															

- Review potential costs of service: March; Go-live: May
- *Successfully rolled out Doctor support service. This project will be closed from monitoring as it is now complete.*

6) Broader aspiration for reform and taking forward the legislative programme arising from the Law Commission report

Overall Priority Status	Previous Period	Current Period	Trend	Next period
			→	

Linked Strategic Aim(s)

- **Strategic aim 3: Improve the level of engagement and efficiency in the handling of complaints and concerns about patient safety.**
- **Strategic aim 5: Work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend								
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	
Owner: Paul Buckley																						
Support policy development to ensure fitness for purpose of the Law Commission Bill	✓	✓	✓					→				→				→					→	

- Agree scope and budget from consultancy pot: March; Promote Law Commission Bill as preferred approach to professional regulation in UK within proposed Scotland Bill: December
Engagement and discussion ongoing with DH to keep focus around the Bill and keep under review the need for legislative change through other means.

7) Communications strategy and engagement with key interests

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s) • Strategic aim 4: Work more closely with doctors, medical students and patients on the frontline of care

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Paul Buckley	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Develop communications and engagement strategy	✓	✓	✓					→		NA	NA	NA	NA			→				→	

- Strategic recommendations and questions ready for SMT review: July; Recommendations and questions discussed with Council: July; Update to Council (including Customer Service Strategy): December

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Paul Buckley	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Develop digital media strategy	✓	✓	✓					→				→				→				→	

- Delivery of Strategy: May; Develop roadmap for short, medium and long term actions: May; Consult on updated social media policy: May; publish refreshed social media policy: December.
- Project delivery – delay due to gaining internal feedback for development of the social media guidance, end publication date remains unchanged.*

8) Fairness and disproportionality in our regulatory activities

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)

- **Cross-cutting organisational value: Fairness – we treat everyone fairly**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Vicky Osgood								→				→				→				→	
Differential attainment	✓	✓	✓	✓	✓			→				→				→				→	

- Progression data reports published: March; Workshop at the GMC Conference: March; Research on identifying areas for development in GP training published: April; Literature review on the causes published: May; Fair training pathways research: February 2016

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: A. Omo								→				→				→				→	
Understanding the overrepresentation in our fitness to practise procedures	✓	✓						→				→				→				→	

- *Review of decision making at the investigation stage published March 2015*
- *We are in the initial stages of research to explore the nature of referrals from employers*

9) Chief Operating Officer's Review, ambition for efficiencies across the organisation and future strategy (1 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)	<ul style="list-style-type: none"> • Strategic aim 5: Work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.
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Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Neil Roberts	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Champion the GMC's corporate efficiency programme	✓	✓	✓	✓	✓			→				→				→				→	

- Monitored through monthly reports, savings of £2.3m identified of which £0.5m realised to date against a full year target of £2.6m.

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Neil Roberts	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
People Strategy	✓	✓	✓	✓		PROJECT DELIVERED															

- Council approved People Strategy in February
- *Agreed by Council, Launch in parallel with staff survey response. This project will be closed from monitoring as it is now complete.*

9) Chief Operating Officer's Review, ambition for efficiencies across the organisation and future strategy (2 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		→	

Linked Strategic Aim(s)	<ul style="list-style-type: none"> • Strategic aim 5: Work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.
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Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Neil Roberts	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Transformation programme								→				→				→				→	

- Working on scenarios and planning for Council away day in July 2015.
- *Develop further detail for options discussed at Council away day: to be discussed at November rather than September Council meeting, to allow time to conduct further analysis on certain aspects of the recommendations presented to Council*

	Project Delivery					Budget				People				Overall RAG Status & Trend							
Owner: Neil Roberts	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Centralisation of Continuous Improvement and Quality Assurance	✓	✓	✓	✓		PROJECT DELIVERED															

- QA and CI resources across GMC identified and revised organisation structure agreed.
- *This project will be closed from monitoring as it is now complete.*

10) Understand the context in which doctors practise (1 of 2)

Overall Priority Status	Previous Period	Current Period	Trend	Next period
			↓	

Linked Strategic Aim(s)

- Strategic aim 1: Make the best use of intelligence about doctors and the healthcare environment to ensure good standards and identify risks to patients

Delivery Activities

Owner: Paul Buckley	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Relationship management – include MOUs and partnerships	✓	✓	✓	✓				↑		N/A	N/A	N/A	N/A			→				→	

- Complete Memorandum Of Understanding (MOU) with Monitor: March; operational documents to support MOUs: Sept; Devolved Office annual review meetings (Regulation and Quality Improvement Authority (RQIA), Healthcare Improvement Scotland (HIS) Healthcare Inspectorate Wales (HIW): Dec
- Resources and priorities under review and paper due to Directors in September for consideration of future options.

Owner: Paul Buckley	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Promoting professionalism activities	✓	✓	✓	✓	✓			↓				→				→				→	

- Go-live of new Regional Liaison Advisers and Liaison Advisers in Wales, Scotland and Northern Ireland: Sep; Promoting Professionalism event programme: April 2016; UKAF meetings: Dec

10) Understand the context in which doctors practise (2 of 2)

Overall Priority Status

Previous Period	Current Period	Trend	Next period
		↓	

Linked Strategic Aim(s)

• **Strategic aim 1: Make the best use of intelligence about doctors and the healthcare environment to ensure good standards and identify risks to patients**

Delivery Activities

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU Start	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Vicky Osgood								↓				→				→				↓	
Confidentiality Project	✓	✓	✓					↓				→				→				↓	
<ul style="list-style-type: none"> SPB sign-off: May; Council consideration: Jun; Consultation: Nov-Feb 2016; analysis of consultation responses: March 2016; final review of guidance: May 2016. 																					

	Project Delivery					Budget				People				Overall RAG Status & Trend							
	Business Case	Project Initiation	Project Planning	Project Delivery	BAU Start	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period	Previous Period	Current Period	Trend	Next period
Owner: Vicky Osgood								↓				→				→				↓	
Cosmetic Practice Project	✓	✓	✓					↓				→				→				↓	
<ul style="list-style-type: none"> SPB approval of draft guidance: May; Consultation on draft guidance launched: July; Meeting to consider analysis and recommendations: Oct; Revised draft to SPB for Approval: Dec; Start preparation of supporting materials for Guidance Launch: Jan / Feb; Launch of Final Guidance: Mar 2016 																					

4 – Chief Operating Officer’s Report

M4 – Annex B

Summary Information on Appeals and Judicial Reviews

1 The table below provides a summary of appeals and judicial reviews as at 31 July 2015:

	Open cases carried forward since last report	New cases	Concluded cases	Outstanding cases
Appeals	10	10	7	13
Judicial Reviews	10	4	8	6
IOP Challenges	2	2	4	0

Explanation of concluded cases

2 Appeals:

- a 4 appeals dismissed.
- b 2 withdrawn.
- c 1 successful.

3 Judicial Reviews:

- a 2 permission refused.
- b 2 claims dismissed.
- c 2 withdrawn.

d 2 successful.

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

4 There have been two new applications to challenge to an IOP order since the last report.

5 The current position in relation to the two applications is:

a There are no outstanding applications as both the two new applications and the two previous applications have all now concluded. Two of the applications were dismissed and the other two were withdrawn.

New referrals by PSA to the High Court under Section 29 since the last report with explanation, and any applications outstanding

a There have been no new PSA referrals since the previous report.

Any other litigation of particular note

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

7 The table below provides a detailed breakdown of outstanding appeals as of 31 July 2015.

No	Case	Decision appealed	Current status
1	B	Appeal against Fitness to Practise Panel decision	Awaiting hearing date.
2	Be	Appeal against Fitness to Practise Panel decision	Awaiting hearing date.
3	D	Appeal against Fitness to Practise Panel decision	Hearing listed for 5-9 October 2015.
4	G	Appeal against Fitness to Practise Panel decision.	Awaiting judgement from the Court: judgment reserved following hearing on 22 July 2015.
5	J-O	Appeal against Fitness to Practise Panel decision.	Awaiting hearing date.
6	M	Appeal against Fitness to Practise Panel Determination and Sanction	Hearing listed for 17 November 2015.

No	Case	Decision appealed	Current status
7	P	Appeal against the Fitness to Practise Panel decision.	Hearing listed for 2-3 September 2015.
8	Pa	Appeal against Fitness to Practise determination.	The GMC have agreed that the appeal be stayed until the conclusion of the criminal investigation.
9	Py	Appeal against the Fitness to Practise Panel decision.	Awaiting hearing date.
10	Q	Appeal against Fitness to Practise decision.	Hearing listed for 22 October 2015.
11	S	Appeal against Fitness to Practise Panel decision.	Awaiting papers.
12	T	Appeal against Fitness to Practise Panel Sanction.	Hearing listed for 4-5 November 2015.
13	Y	Appeal against Fitness to Practise decision.	Hearing listed for 14 October 2015.

8 The table below provides a detailed breakdown of outstanding judicial reviews as 31 July 2015.

No	Case	Claim	Current status
1	A	Judicial Review claim to challenge the Rule 12 decision.	Hearing listed for 13-14 October 2015.
2	B	Judicial Review to challenge the submission of an Expert Report obtained by the GMC in Fitness to Practise proceedings.	Awaiting hearing date.
3	G	Judicial Review challenging decision to conduct a Rule 12 review of an Investigation Committee's decision to close the case with no action.	Permission granted and awaiting hearing date.
4	K	Judicial Review challenging Five Year Rule decision.	Awaiting decision on permission.

No	Case	Claim	Current status
5	L M L	Judicial Review against two decisions on the Fitness to Practise determinations.	Permission granted and waiting hearing date.
6	W	Judicial Review challenging advice of Case Examiner at Rule 8 stage.	Awaiting decision on permission/hearing date. Application for permission has been adjourned by order of the Court to an oral hearing; meanwhile, case stayed by order of Court pending conclusion of a related Rule 12 procedure which remains ongoing.

M4 – Chief Operating Officer's Report

M4 – Annex C

2015 Income and Expenditure

Revenue Budget

- 1 The income and revenue expenditure figures to the end of July 2015, and the latest forecast to the end of the year, are:

Financial Summary as at July 2015	Budget	Actual	Variance		Jan - Dec budget	Jan - Dec Q2 forecast	Variance	
	Jan - July	Jan - July	£000	%			£000	£000
	£000	£000	£000	%	£000	£000	£000	%
Income								
Annual retention fees	50,192	50,013	(179)	(0)%	89,400	89,363	(37)	(0)%
Registration fees	1,882	1,519	(363)	(19)%	4,264	3,569	(695)	(16)%
PLAB fees	705	842	137	19%	1,262	1,510	248	20%
Certification fees	2,205	2,400	195	9%	3,114	3,565	451	14%
Investment income	429	298	(131)	(31)%	1,400	535	(865)	(62)%
Other income	135	231	96	71%	200	438	238	119%
Total Income	55,548	55,303	(245)	(0)%	99,640	98,980	(660)	(1)%
Expenditure by cost type								
Direct staffing costs	31,238	30,506	732	2%	54,156	52,961	1,195	2%
Indirect staffing costs	1,973	1,490	483	24%	3,422	3,352	70	2%
Office costs	3,480	3,083	397	11%	6,238	5,896	342	5%
Accommodation costs	3,878	3,804	74	2%	6,694	6,639	55	1%
Legal costs	2,988	2,768	220	7%	5,443	5,391	52	1%
Professional fees	1,403	1,532	(129)	(9)%	2,591	2,749	(158)	(6)%
Council & members costs	236	241	(5)	(2)%	405	416	(11)	(3)%
Panel & assessment costs	9,804	8,995	809	8%	17,083	16,267	816	5%
Depreciation	3,903	3,842	61	2%	6,820	6,728	92	1%
New Initiatives Fund	34	25	9		250	219	31	12%
PSA Levy	0	0	0		600	333	267	45%
Unallocated efficiency savings	(263)	0	(263)	100%	(75)	(108)	33	(44)%
Consultancy	507	475	32	6%	1,000	865	135	14%
Total Expenditure	59,181	56,761	2,420	4%	104,627	101,708	2,919	3%
Surplus/deficit	(3,633)	(1,458)	2,175		(4,987)	(2,728)	2,259	

- 2** The actual deficit at the end of July is £1,458k, compared to a budget deficit for the period of £3,633k. Income is broadly in line with budget and expenditure is 4% under budget.

Principal variances

- 3** Annual retention fees are broadly in line with budget, and expected to remain so to the end of the year.
- 4** Registration fee income is under budget as the number of EEA applications and IMG applications are lower than budgeted and 2014. This pattern is expected to continue for the remainder of the year.
- 5** PLAB fees are above budget as the pass rate for PLAB 1 is higher than anticipated leading to additional PLAB 2 tests. Certification fees are above budget as the volume of granted applications is higher than expected volumes. In both cases we expect income to remain above budget for the rest of the year.
- 6** The forecast for investment income is under budget as we have delayed placing money with fund managers while we review the investment policy.
- 7** Direct staffing costs are under budget due to vacancies. In some cases there have been delays in recruitment, and in some cases posts have been filled through internal promotions leaving backfill posts vacant. Recruitment is planned for the second half of the year but costs will inevitably remain under budget.
- 8** Indirect staffing costs are under budget on recruitment, due to the delay in some new posts being filled. Training costs are currently under budget due to a difference between the planned and actual timing of courses delivered to date. We expect costs to move closer to budget by the end of the year.
- 9** Office costs are currently under budget, but we expect costs to move closer to budget in the second half of the year. Postage and stationery costs, and project work are under budget, and savings have been generated on IS support contracts by reviewing the scope and coverage of our requirements.
- 10** Accommodation costs are marginally under budget, due to a small rebate on business rates at Hardman Street, and security costs for hearings has been lower than anticipated (this is dependent on specific case requirements).
- 11** Legal costs are lower than budget as more Rule 12 work is being handled in-house rather than by external legal advisers. Costs in the second half of the year are expected to move closer to budget.
- 12** Professional fees are over budget, mainly on pension management as the fees are linked to the value of the scheme assets which have grown significantly so far this year. This is partially offset by a small VAT refund on recruitment advertising costs and

research costs are currently under budget. Costs in the second half of the year are expected to be broadly in line with budget.

- 13 Council and member costs are marginally higher than budgeted, due to additional costs to support Council seminars and the new Investment Sub-Committee.
- 14 Panel and assessment costs are currently under budget due to fewer expert reports being commissioned than planned to date, lower volumes attending panel induction training, and fewer hearing days than planned. We expect the number of hearing days to be under original expectations at year end.
- 15 Depreciation is slightly under budget due a difference between the planned and actual completion of capital projects to date.

Capital expenditure

16 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.

17 Capital expenditure to the end of July 2015 is:

Capital Programme as at July 2015	Budget	Actual	Variance		Jan - Dec	Jan - Dec	Variance	
	Jan - July	Jan - July	£000	%	budget	Q2 forecast	£000	%
	£000	£000	£000		£000	£000	£000	
2015 Facilities Projects	794	427	367	46%	1,204	907	297	25%
2015 IS Projects	3,274	2,874	400	12%	5,455	5,191	264	5%
			0					
2015 - Data Strategy project	595	373	222	37%	896	651	245	27%
2015 - Website Design	25	0	25		50	50	0	0%
2015 - MPTS - Paperless Hearings	10	13	(3)	(30)%	120	120	0	0%
2015 - MPTS - Forecasting Software	0	0	0		10	0	10	100%
Total	4,698	3,687	1,010	21%	7,735	6,919	816	11%

- 18 Facilities capital projects are currently £367k under budget, due to delays to some office projects including the replacement of VC units, SJB air conditioning, and ad hoc office fit outs.
- 19 IS capital projects are £400k under budget as there has been reduced spend on Siebel releases/updates and some development work has been deferred.
- 20 The level of spend on the Data Strategy project has been lower than originally anticipated.

21 Overall, the rate of capital expenditure is expected to increase in the second half of the year, but we expect to remain under budget at year end.

Summary

22 Income is broadly in line with budget and expenditure is 4% under budget. We have just completed the Q2 forecast to the end of December which suggests that we will remain under budget at year end. Income is forecast to be 1% under budget and expenditure 3% under budget. The budget deficit was £4,987k and is now expected to be £2,728k. However, a significant proportion of our expenditure in the second half of the year is not yet committed and so the final position may vary by +/- £750k.