

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.

Recommendations

2. Council is asked to:
 - a. Consider the Chief Operating Officer's report.
 - b. Agree to amend the Governance Handbook and Schedule of Authority to provide that the Chief Executive be authorised to affix the corporate seal to deeds relating to the staff pension schemes.

Section one — significant issues potentially affecting performance

3. Case intake and the volume of new fitness to practise complaints triaged this year, is slightly lower than at this point in 2012. However, the volume of new Stream 1 cases, and referrals to MPTS panels, both increased. Using the number of new cases in the last two months, and a relatively quiet end to 2012, we expect 2013 triage and Stream 1 figures will be higher than 2012 by the end of the year.

4. As of 6 August, we have revalidated 14,554 doctors and expect to process approximately 25,000 revalidation recommendations by year end. The number of recommendations we expect to receive will increase significantly in 2014 (approximately 80,000) and we have recruited and are training additional staff to deal with the impact. We have also started further work to help manage doctors without prescribed connections to designated bodies and Responsible Officers over the next 12-18 months. We will be contacting all these doctors between now and the end of October to outline their options.

5. We continue to see an increase in the number of open concerns on educational quality with a knock on effect for the amount of resource required to deal with them. The number has risen steadily over the past year from 37 a year ago to 70 in July.

6. The GMC has been asked to give evidence to the House of Lords Committee on the Mental Capacity Act in October. Paul Buckley, our Director of Education and Standards will take this forward.

Section two — Progress in delivering our operational plan

7. In July 2013, we published a review of training in seven emergency medicine departments, entitled *Medical education's front line*.

8. The first meeting of our Credentialing Working Group, chaired by Professor Stuart Macpherson, was in July. It will explore our role in developing a regulatory framework for credentialing, which was agreed in principle by Council in July 2012. It will build on themes raised at January's workshop with key stakeholders. Credentialing will help to provide formal assurance about a defined area of a doctor's practice where it is not covered by an existing Certificate of Completion of Training, or which crosses specialty boundaries.

9. We have published guidance for medical schools, *Supporting medical students with mental health conditions*, which we developed in partnership with the Medical Schools Council.

10. We are now beginning to contact those regions that we intend to visit both in 2014 and 2015 as part of our five year plan for regional reviews which was agreed at the Performance and Resources Board on 9 September.

11. The first meeting of an Expert Advisory Group for a fundamental review of our education standards and resulting outcomes was held in July.

12. On 5 September we organised a seminar for members on the type of Risk Management Framework that could best support Council in considering risk. We expect to bring the output of this work to Council in December 2013.

13. We will be taking a proactive approach to engaging with our key interests at the three main party conferences, and hosting a joint fringe event with the Royal College of Physicians and the British Medical Association. We are also hosting dinners with key parliamentarians at each of the conferences.

Performance and Resources Board

14. The Performance and Resources Board has met twice since the last Council meeting, on 26 June and 9 September 2013.

15. At its meeting on 26 June, the Board:

a. Agreed to move our current 15 month target for fitness to practise cases to 12 months.

b. Agreed an approach to publishing information concerning validated education quality concerns.

c. Agreed proposals on the arrangements for supporting whole practice medical appraisal for Associates with no prescribed connection.

d. Received a half-yearly Human Resources report. It asked for data on staff absence where stress was suggested as a factor, along with benchmarking information, to be circulated to Directors; and agreed that further work should be undertaken to analyse trends in the staff recruitment process, including the percentage of BME applicants and appointments. The annual Human Resources report would be considered by Council in early 2014.

e. Noted the forecast efficiency gains in 2013 and approved the programme of new efficiency projects scheduled to start in the second half of the year.

f. Received an update on the Quality Assurance programme which is nearing the end of its work and noted it would receive a report at its September meeting.

16. At its meeting on 9 September, the Board:

a. Considered an update on the approach to developing the 2014 Business Plan and Budget.

b. Considered proposals for developing our approach to Quality Assurance and Continuous Improvement and approved the recruitment of a *Head of*

Quality Assurance and Continuous Improvement reporting to the Director of Resources and Quality Assurance.

- c. Considered an update on the review of our investment policy, which was requested by Council at its meeting on 22 May 2013, and the proposed next steps for taking that review forward.
- d. Considered proposals for an education quality assurance regional visit programme for 2014-2018 and agreed the proposed five year schedule of regional visits.
- e. Received an update on actuarial advice received on assumptions used in the Defined Benefit Pension Scheme draft valuation results, and agreed to share advice with Trustees of the Scheme.
- f. Approved the acquisition of new office accommodation for our Wales office at 2 Caspian Point, Cardiff Bay, on a proposed lease term of ten years with a tenant only break option at five years. This extra space provides the facility to host larger meetings such as the UK Advisory Forum.

Establishment of a Trust for death in service benefits

17. At its meeting on 9 September, the Performance and Resources Board agreed to the establishment of a Trust to handle death in service benefits in relation to the Aviva Group Personal Pension Scheme, and to authorise the Chief Executive and/or Chief Operating Officer to exercise the function of the GMC in relation to such Trusts. Establishment requires that the Trust deed is executed under corporate seal. The Governance Handbook and Schedule of Authority require that the Chair of Council and the Chief Executive, or any other Council member to whom Council has delegated authority can affix the seal where it has so directed or under its authority. It would facilitate a more streamlined and efficient process if Council were to delegate the application of the corporate seal to deeds relating to the staff pension schemes to the Chief Executive. We therefore seek Council's approval to amend the Governance Handbook and Schedule of Authority to make these changes.

Operational Issues

18. Council has requested a review of the investment policy, but in the meantime we continue to work within the constraints of the existing policy which stipulates a maximum deposit of £50 million with any one bank. Our Q1 cash flow forecast showed that this limit was likely to be breached because of the peak registration income received over the summer months, and in June 2013 the Performance and Resources Board approved the opening of accounts with Barclays and HSBC. These accounts took longer to set up than expected, with the result that we held £55.8 million with RBS as at 29 August 2013. We subsequently transferred £10 million to Barclays Bank, which brings us back in line with the policy limit. The cash is held on short-term deposit and does not restrict Council's ability to change the investment policy.

19. Our income and expenditure can be found in Annex C of this report.
20. We met with Eoin Parker from the Department for Business, Innovation and Skills for preliminary discussion of the BIS Traineeship programme, which started in August aiming to help young people, including those with learning difficulties secure the skills needed to gain employment or apprenticeship. We are meeting the National Apprenticeships Service in October to discuss a GMC Traineeship programme.
21. The Defined Benefit pension scheme was closed to new entrants on 1 July 2013, replaced by our new Defined Contribution Scheme. From 1 November 2013 employees who are members of neither will be auto-enrolled in the DC scheme.
22. Over the past few months I have spent a significant amount of time speaking to staff and hearing how they feel about working at the GMC through joining team meetings and cross directorate meetings. The views I have heard are obviously very important in our planning for the future and in continuing to motivate a now sizable staff group. Many of the issues raised will feed into our Human Resources Annual Report to Council, which will be presented in early 2014.
23. Four work streams were set up to look at areas from the 2012 staff survey that staff felt most strongly about: career development, how we communicate with and involve staff, leadership and the importance of wellbeing at work. Final reports for these are now complete. Staff will be updated shortly on outcomes and initiatives we can take forward.
24. Council has expressed an interest in ensuring that all staff receive a wage that at least reaches the Living Wage. We have previously provided assurances that this is the case and are in the process of obtaining accreditation as a Living Wage Employer by the Centre for Civil Society.
25. Staff absence rates are stable at just below 2% compared to the national average of around 3.5%. Annualised staff turnover has declined over the past year from 16% to around 10%. Our total headcount of permanent and temporary staff is 1,014 with permanent headcount decreasing by 3 to 883 in July 2013.
26. Historically our approach to Quality Assurance and Continuous Improvement has been led from within the main operational directorates. We now intend to appoint a Head of QA&CI to coordinate and standardise our approach with a view to ensuring that best practice is widely adopted, that resources are allocated to the greatest opportunities and to encourage wider participation in our programme of continuous improvement.

PSA audit of the initial stages of our fitness to practise procedures

27. The Professional Standards Authority has conducted a routine audit of the initial stages of our fitness to practise procedures. We expect the report to be published later in the autumn.

Achievement of service targets

28. Annex A contains an analysis of our key indicators. Since May, we have achieved all our service targets except for the following:

- a. In May, we were able to conclude or refer 88% rather than 90% of cases at our Fitness to Practise investigation stage within six months. We were able to conclude or refer 94% of cases within 12 months against our target of 95%. Both targets were achieved in both June and July.
- b. One of two hearings of our Fitness to Practise Investigation Committee in July was postponed due to the shortage of available GMC panellists. This caused us to miss the target of 100% with a level of 50%.
- c. Within our Contact Centre, we narrowly missed our target to answer 90% of calls within 15 seconds in both June (89%) and in July (87%). July is a peak month and we received 6,000 more calls than in June. Average wait time remains at eight seconds. We have also seen an increase in written queries contributing to us missing the target to answer 95% of emails and letters within five working days in May (93%), June (32%) and July (83%). Our average number of working days taken to reply remains at five days.
- d. A combination of factors including the complexity of some of the requests led to us slipping just below our Freedom of Information target, achieving 84.7% rather than 87.5%.

Substantive changes following review of our Corporate Risk Register

29. A new risk has been added to our Register as part of our continuing implementation of revalidation. As I stated earlier, we have started further work to manage those doctors without prescribed connections and this will provide mitigation (*Risk number 2.6*).

30. The Board agreed a reduction from significant to low risk, after mitigation, for our preparations for the outcome of the Home Office review of the Notifiable Occupations Scheme. In response to our concerns, the Home Office advised they may consider sharing information with us if we meet certain criteria. The outcome of the review is expected shortly (*Risk number 2.3*).

31. The Board agreed to change our mitigation for our risk, '*Responding to the strategic and political environment*'. We have included our joint Operational Protocol with the CQC as mitigation (*Risk SP1*).

Supporting information

- GMC guidance on supporting medical students with mental health conditions:

<http://www.gmc-uk.org/education/undergraduate/23289.asp>

- GMC review of training in seven emergency medicine departments:

http://www.gmc-uk.org/Medical_Education_s_Frontline_A_review_of_training_in_seven_emergency_medicine_departments.pdf_52637479.pdf

If you have any questions about this paper please contact: Paul Philip, Chief Operating Officer, pphilip@gmc-uk.org, 020 7189 5124.

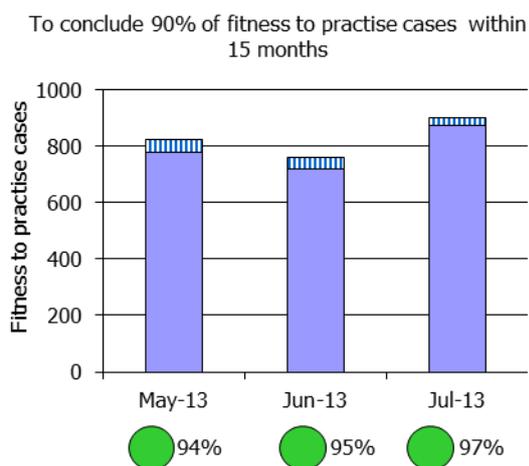
Annex A

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

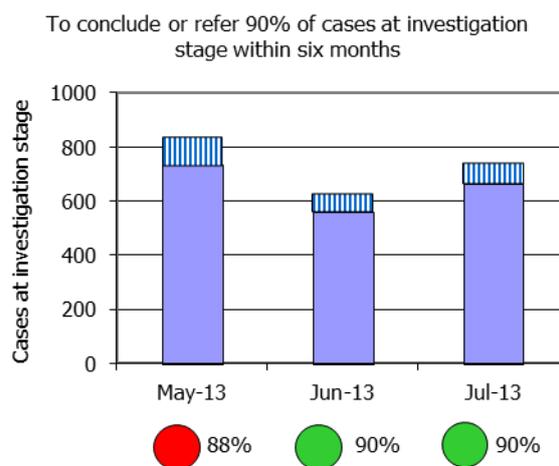
1. These graphs show our performance against our fitness to practise and registration service targets over the past three months, and the volume of activity we have handled. This includes the performance of our contact centre and reception services which support the whole organisation.
2. We also include 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



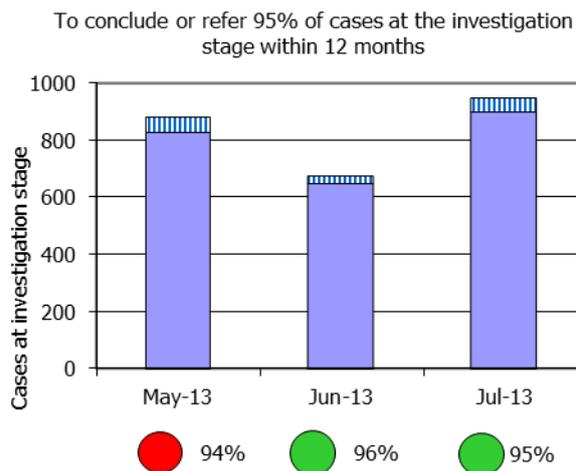
Commentary: Service target achieved¹.



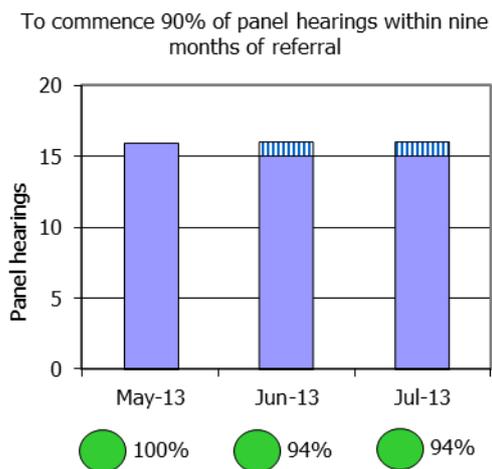
Commentary: Service target achieved².

¹ 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.

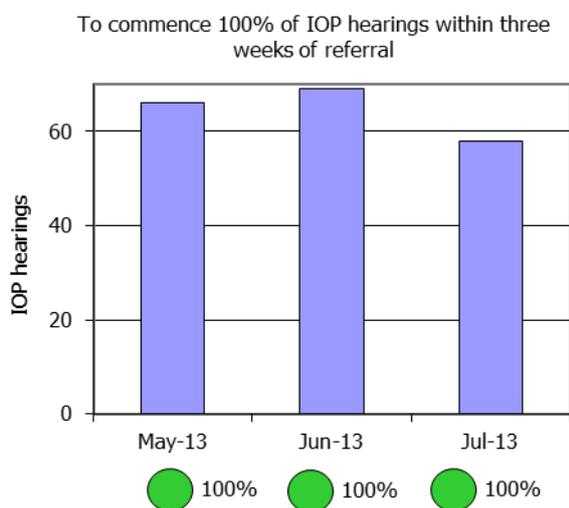
² This target measures all fitness to practise enquiries received by the GMC that result in a stream 1 investigation, stream 2 investigation or immediate closure including cases that require health assessments, performance assessments and those that are considered by the Investigation Committee. It excludes 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.



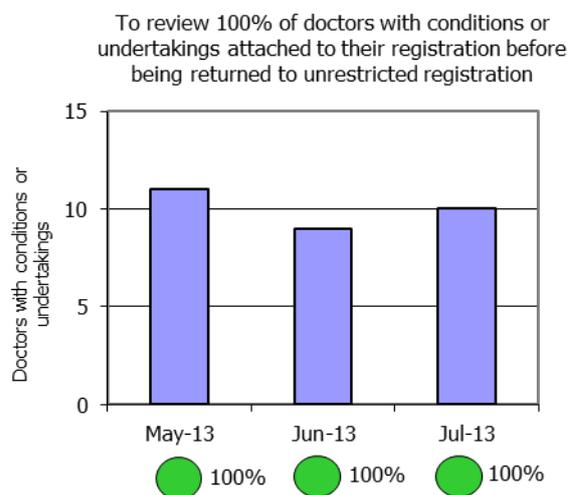
Commentary: Service target achieved³.



Commentary: Service target achieved⁴.



Commentary: Service target achieved⁵.



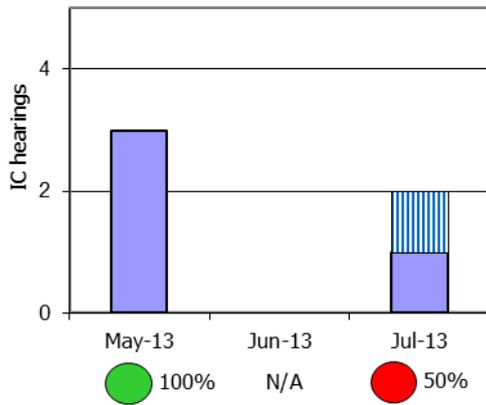
Commentary: Service target achieved.

³ 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.

⁴ 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.

⁵ 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



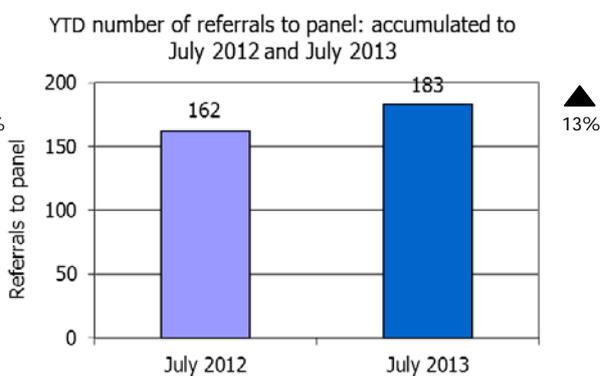
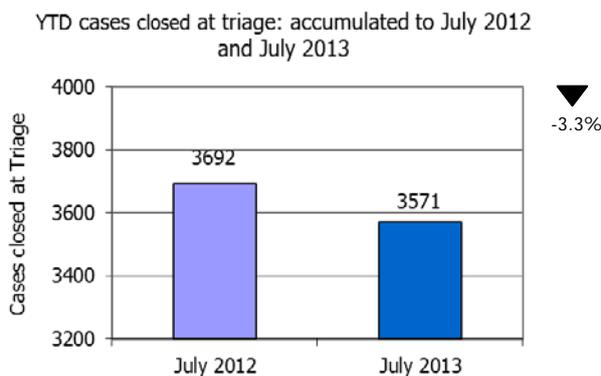
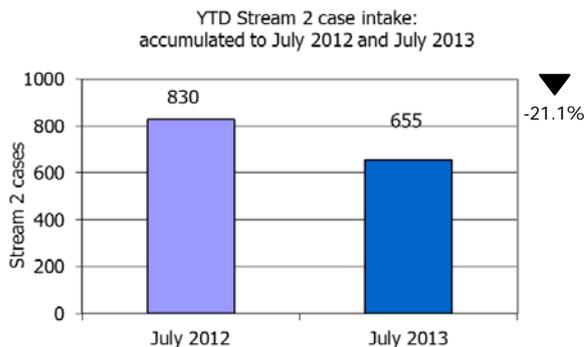
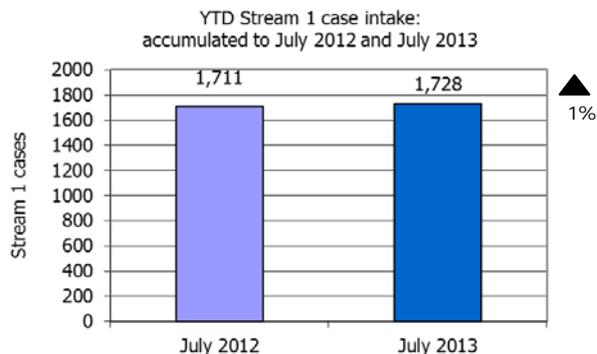
Commentary: Service target missed. There were two hearings due in July and one was cancelled due to shortage of GMC panellists.⁶

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

Fitness to practise

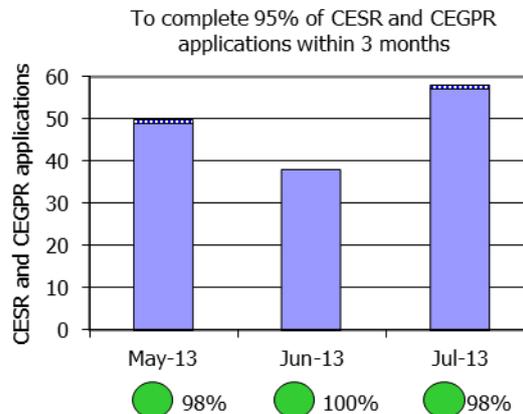
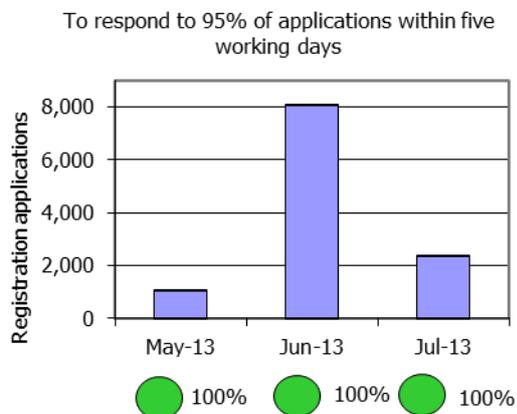
Case intake

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



Registration, PLAB and certification

Service targets

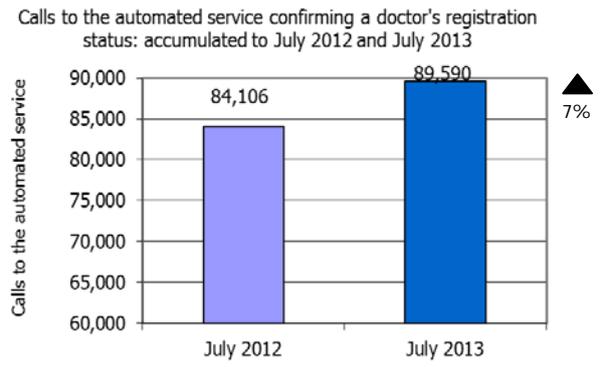
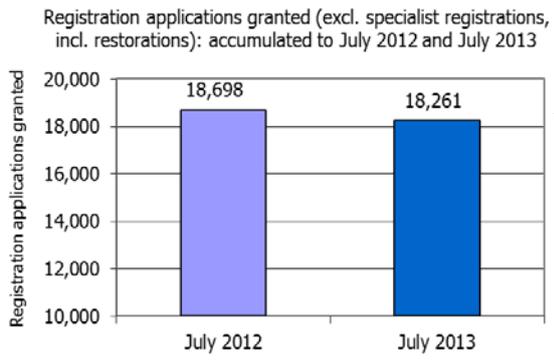


Commentary: Service target achieved.

Commentary: Service target achieved.

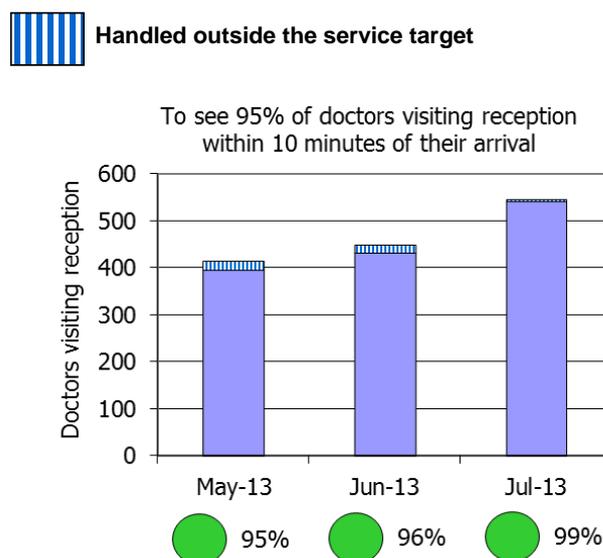
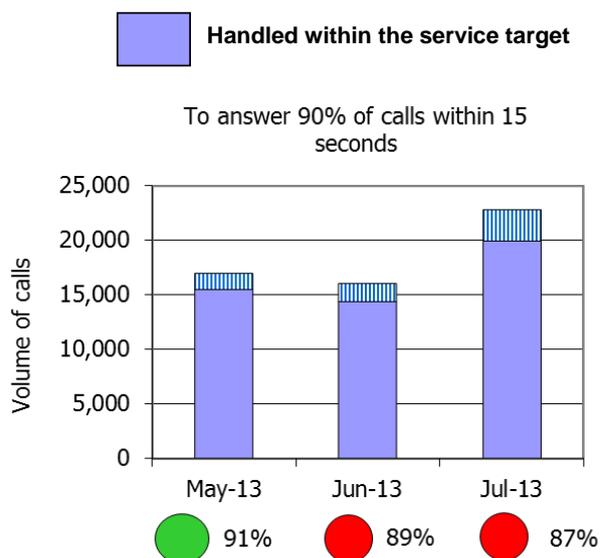
Registration, PLAB and certification

Activity levels



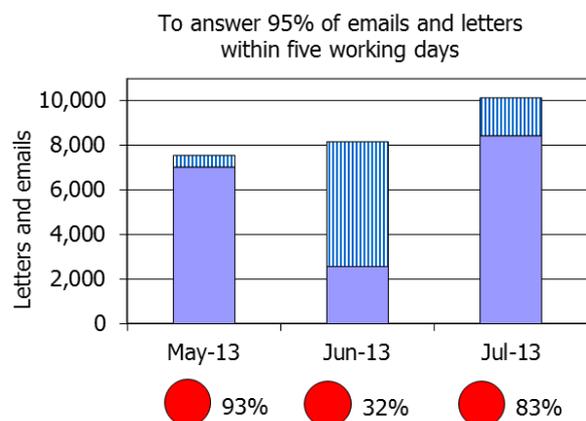
Contact centre and reception services

Service targets



Commentary: Service target missed. July is a peak month, and we received 6000 more calls than we experienced in June. This led to the call answer target being missed. However, the average wait time was maintained at eight seconds.⁷

Commentary: Service target achieved.



Commentary: Service target missed. The July peak also meant an increase in written queries. This contributed to the correspondence target being missed, but the average number of working days taken to reply was maintained at five days.⁸

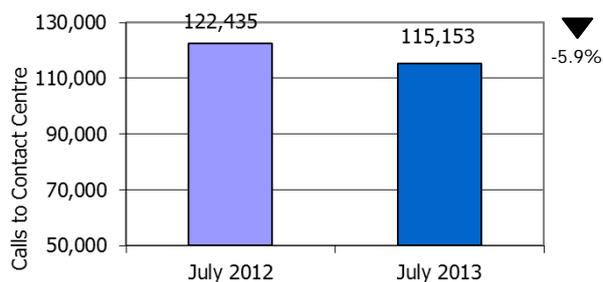
⁷ Excludes lost calls. This is consistent with the industry standard.

⁸ Only providing a substantive response is counted as having met the target.

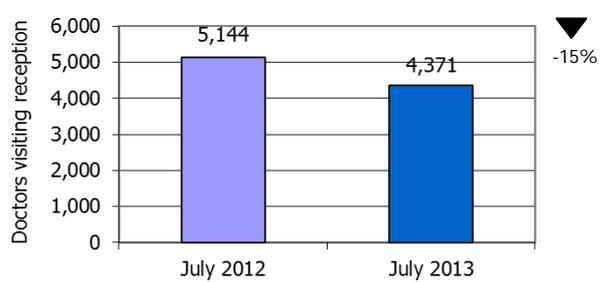
Contact centre and reception services

Activity levels

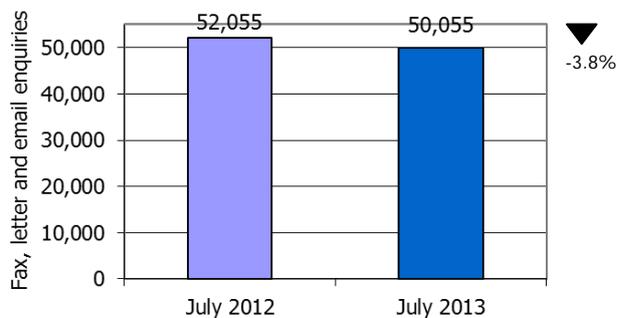
Call volume to Contact Centre: accumulated to July 2012 and July 2013



Doctors visiting reception: accumulated to July 2012 and July 2013

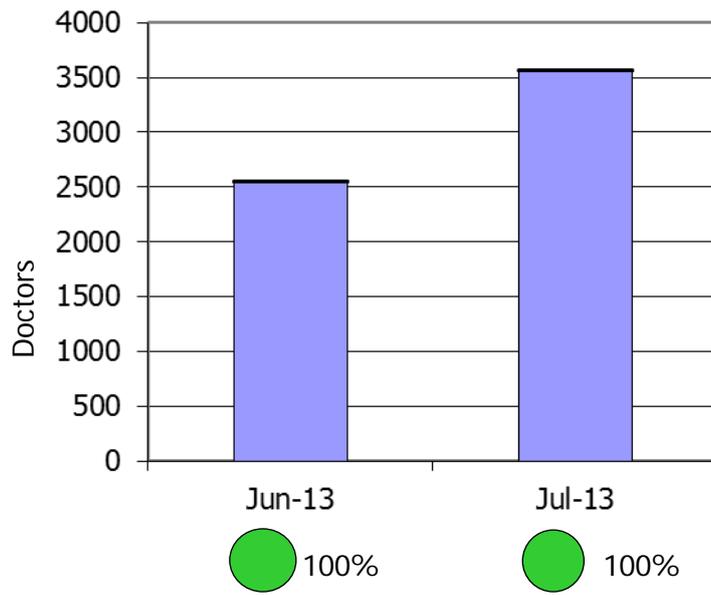


Fax, letter and email enquiries: accumulated to July 2012 and July 2013



Revalidation

Service target



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 1 September 2013:

	Open cases carried forward since last report	New cases	Concluded cases	Outstanding cases
Appeals	26	10	13	23
Judicial Reviews	21	11	8	24
IOP Challenges	16	2	7	11

Explanation of concluded cases

2. Appeals:
 - a. 5 appeals dismissed.
 - b. 4 withdrawn.
 - c. 3 appellant successful.
 - d. 1 Application rejected by court of sessions.
3. Judicial Reviews
 - a. 3 permission refused.
 - b. 2 withdrawn.

- c. 1 claim dismissed.
 - d. 1 claimant successful.
 - e. 1 concluded by consent.
4. Interim Order Panels:
- a. 1 claim dismissed.
 - b. 1 withdrawn.
 - c. 1 claim successful.
 - d. 2 applications refused.
 - e. 2 permission refused.

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 two new challenges to IOP orders since the last report.
6. The current positions in the 11 cases outstanding are:
- a. 2 hearing dates listed for September, October and November 2013.
 - b. 7 awaiting hearing dates.
 - c. 1 in process of being withdrawn.
 - d. 1 strike out application to be made.

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

7. None.

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 1 September 2013.

No	Case	Decision appealed	Current status
1	AR	Appeal in the Scottish Courts against the sanction of erasure.	Appeal part heard. New date for hearing of appeal to be fixed.
2	A	Appeal against Fitness to Practise Panel determinations.	Hearing listed 9 October 2013.
3	AI	Appeal against Fitness to Practise Panel determinations.	Awaiting advice from counsel re-Dr's request for expedited hearing.
4	B	Appeal against Fitness to Practise Panel determinations.	Hearing re-listed for 17/18 September 2013.
5	Ba	Permission to Appeal previous decision to dismiss s40 Appeal from September 2010.	Application received, awaiting permission decision from the Court.
6	F	Appeal against Fitness to Practise Panel determinations.	Hearing listed 25 October 2013.
7	G	Appeal against Fitness to Practise Panel determinations.	Awaiting papers.
8	GO	Appeal against Fitness to Practise Panel determinations.	Appeal dismissed. Recovery of costs ongoing.
9	H	Appeal against Fitness to Practise Panel determinations	Awaiting hearing date.
10	Ho	Appeal against Fitness to Practise Panel determinations.	Awaiting hearing date.
11	HF	Appeal against Fitness to Practise Panel determinations.	Hearing listed for 08/09 October 2013.
12	Hu	Appeal against Fitness to Practise Panel determinations.	Hearing listed 22 October 2013.

No	Case	Decision appealed	Current status
13	K	Appeal against Fitness to Practise Panel determinations.	Appeal heard, recovery of costs ongoing.
14	L	Appeal against Fitness to Practise Panel determinations.	Awaiting papers.
15	M	Appeal against Fitness to Practise Panel determinations.	Hearing listed 26/27 February 2014.
16	N	Appeal against Fitness to Practise Review Panel decision.	Appeal dismissed, recovery of costs ongoing.
17	NP	Appeal against Fitness to Practise Panel determinations.	Hearing listed 23 October 2013.
18	O	Appeal against Fitness to Practise Review Panel decision.	Appeal now in the warned list.
19	P	Appeal against Fitness to Practise Review Panel decision.	Hearing listed 03 October 2013.
20	T	Appeal against Fitness to Practise Panel determinations.	Awaiting hearing date.
21	Th	Appeal against Fitness to Practise Panel determinations.	Awaiting papers.
22	V	Appeal against Fitness to Practise Panel determinations.	Appeal unsuccessful. Awaiting decision from court of appeal on Dr's permission appeal.
23	W	Appeal against Fitness to Practise Panel determinations.	Appeal against determination of erasure dated 26/07/2013

10. The table below provides a detailed breakdown of outstanding judicial reviews as at 1 September 2013.

No	Case	Claim	Current status
1	AM	Judicial Review to challenge GMC guidance of assisted suicide case	Application issued on a protective basis.

No	Case	Claim	Current status
2	B	Judicial Review issued in relation to RCGP exams	Decision awaited. Renewed application for permission.
3	Bz	Judicial Review issued against a Rule 12 decision.	Awaiting decision on permission of paper.
4	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.
5	G	Judicial Review of decision to waive five year Rule.	Proposals being made to settle the claim.
6	H	Judicial Review of decision to waive five year Rule.	GMC requested court to quash original decision and order re-consideration. Decision awaited.
7	Hi	Judicial Review claim regarding GMC's decision not to allow complainant further time to provide evidence in support of allegations.	Permission refused. Claimant indicated intention to appeal decision.
8	I	Judicial Review challenging Fitness to Practise Panel decisions.	Permission refused. Oral Hearing due 05 November 2013.
9	J	Judicial Review of GMC's refusal to grant Voluntary Erasure.	JR succeeded. Decision quashed. Case remitted back to GMC for consideration.
10	L	Judicial Review of IOP conditions set and also to investigation doctor further.	Permission refused. Renewal application lodged.
11	M	Judicial Review of 5 year Rule.	Settlement negotiations ongoing.
12	Mo	Judicial Review of decision to issue a warning rather than refer a complaint to panel.	Application for permission adjourned. New investigation ongoing.
13	Mu	Judicial Review of decision to fail Dr to pass PLAB	GMC response submitted to court. Awaiting decision from Single Judge.
14	O	Judicial Review to challenge decision to refer Dr to Interim Orders Panel.	Hearing re-listed 28 October – 16 November 2013.

No	Case	Claim	Current status
15	Ow	Judicial Review to challenge GMC's Rule 4 referral.	Awaiting permission decision.
16	Oy	Judicial Review challenging imposition of condition set at IOP.	Hearing listed 28 November 2013
17	P	Appeal to Court of Appeal re: criteria for registration with an overseas qualification.	Appeal upheld, costs matters ongoing.
18	R	Judicial Review to challenge decision of refusal of Dr to retake PLAB test	Awaiting decision from court as to whether hearing will proceed.
19	S	Judicial Review issued against Rule 12 closure of complaint.	Awaiting decision on permission from Judge.
20	Sh	Judicial Review challenging Fitness to Practise Panel decision to refuse submission of no case to answer.	Order dated 23 July 2013- permission refused. Adjourned Fitness to Practise Panel hearing to resume 07 October 2013.
21	Sk	Judicial Review of decision to refer doctor to IOP.	In process of being withdrawn.
22	W	Judicial Review challenging refusal to postpone Fitness to Practise Panel hearing	Refusal of interim relief granted.
23	Wh	Judicial Review issued in respect of investigation not progressing timeously.	Acknowledgement of service filed.
24	Wi	Judicial Review issued to have Undertakings on his registration being revoked.	Awaiting permission decision.

Annex C

2013 Income and Expenditure

Revenue budget

1. The income and revenue expenditure figures to the end of August 2013, and the Q2 forecast, are:

Financial Summary as at 31 August 2013	Budget to date	Actual to date	Variance		Full year budget	Full year forecast	Variance	
	£000	£000	£000	%			£000	%
Income								
Annual retention fees	57,041	56,665	(376)	(0)%	86,600	86,004	(596)	(1)%
Registration fees	3,455	3,386	(69)	(3)%	4,100	4,048	(52)	(1)%
PLAB Income	624	603	(21)	(3)%	1,200	1,184	(16)	(1)%
Certification income	2,282	2,425	143	6%	3,000	3,085	85	3%
Treasury management income	333	502	169	52%	500	906	406	81%
Other income	133	263	130	97%	200	250	50	25%
Total Income	63,868	63,844	(24)	(0)%	95,600	95,477	(123)	(0)%
Expenditure by cost type								
Direct Staffing Costs	29,104	27,682	1,422	5%	44,136	42,672	1,464	3%
Indirect Staffing Costs	2,209	2,026	183	7%	3,556	3,391	165	5%
Office Costs	4,283	4,132	151	4%	6,375	6,444	(69)	(1)%
Accommodation Costs	4,406	4,113	293	7%	6,623	6,212	411	6%
Legal Costs	3,894	3,938	(44)	(1)%	5,758	6,028	(270)	(5)%
Professional Fees	3,303	2,689	614	19%	6,636	5,269	1,367	21%
Council & Members Costs	324	251	73	23%	473	393	80	17%
Panel & Assessment Costs	10,446	9,200	1,246	12%	16,234	14,606	1,628	10%
Depreciation	3,993	3,688	305	9%	6,162	5,618	544	9%
New Initiatives Fund	146	126	20	13%	500	250	250	50%
Total Expenditure	62,108	57,845	4,263	7%	96,453	90,883	5,570	6%
Surplus/deficit	1,760	5,999	4,239		(853)	4,594	5,447	

2. The actual surplus at the end of August is £5,999k, compared to a budgeted surplus for the period of £1,760k. 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 £1,442k 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 £183k 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 later in the year, with costs in the remainder of the year forecast to be in line with the budget.

6. Office costs are currently £151k under budget. This is mainly due to the timing of work, principally on IT revenue projects. Costs are forecast to be above budget at year end due to increased activity levels.

7. Accommodation costs are £293k under budget, due to savings on rent and service charge at Centurion House and ad hoc building alterations. The savings are forecast to continue to the end of the year.

8. Legal costs are over budget due to work on fitness to practise investigations.

9. Professional fees are £614k under budget. The number of projects and external consultancy work is lower than planned.

10. Panel and assessment costs are currently £1,246k under budget, due to a reduction in hearing days (particularly IOP hearings). Medical school visits and medical report costs are also under budget.

11. Depreciation is £305k under budget. This reflects the timing of capital expenditure in the year.

12. The New Initiatives Fund is currently £20k 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, 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 Q2 forecast, is:

Capital Programme as at 31 August 2013	Budget to date	Actual to date	Variance		Full year budget	Full year forecast	Variance	
	£000	£000	£000	%			£000	%
IS projects	3,665	2,878	787	21%	5,045	5,170	(125)	(2)%
Facilities projects	1,677	1,116	561	0	2,053	2,252	(199)	(10)%
Registration projects	40	38	2	5%	83	68	15	18%
New Initiatives Fund	0	0	0		500	500	0	0%
	5,382	4,032	1,350	25%	7,681	7,990	(309)	(4)%

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 be over budget at year end due to increased activity levels and some costs budgeted in 2012 were deferred to 2013.

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 be around 6% under budget.

Proposed amendment to the Governance Handbook

Governance Handbook - changes related to the Corporate Seal

Extract from the Governance Handbook – Schedule of Authority [Chapter 9](#) (Governance Functions section)

Function	Description of Function	Function assigned to?	Function delegated to?
GOVERNANCE FUNCTIONS			
Affixing the Corporate Seal	Affixing the Corporate Seal to instruments, documents and deeds as required.	Council	<p>a. The Chief Executive is authorised to affix the Corporate Seal to <u>Deeds and other documents that require the seal to be affixed in connection with:</u></p> <ul style="list-style-type: none"> <u>i. Investments by the GMC</u> <u>ii. The acquisition or disposal of land and any dealings with or transactions involving land</u> <u>iii. Pension and life assurance schemes and arrangements for current and former employees and officers of the GMC</u> <p>as set out in Annex A2.</p> <p>b. The Chair of Council and the Chief Executive, or any other Council member to whom Council has delegated authority in relation to witnessing and affixing the Corporate Seal to any other instruments, documents and deeds.</p>

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Annex A2: Corporate seal

1. The corporate seal is kept in the secure custody of the Chief Executive, or another employee designated on his/her behalf.
2. The Registrar/Chief Executive is authorised to affix the corporate seal to Deeds and, as appropriate, other documents that require the corporate seal to be affixed in connection with:
 - a. Investments by the GMC
 - b. the acquisition or disposal of land and any dealings with or transactions involving land (including without limitation the transfer of land, the grant to or by the GMC of leases or licences relating to land and the grant or release of interests relating to land)
 - a. pension and life assurance schemes and arrangements for current and former employees and officers of the GMC.
3. Except as provided in paragraph 2 above, the seal may be affixed only as directed by order, or under the authority, of Council. The seal must be affixed in the presence of, and witnessed by, the Chief Executive and the Council member to whom Council has delegated authority.
4. Any order for affixing the seal states why it is being used, and is recorded in the minutes of Council.
5. The Council Secretariat shall keep a record of the affixing of the Corporate Seal.

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Deleted: relating to the acquisition or disposal of premises.