

To note

Report of the Performance and Resources Board 2013

Issue

- 1 A summary of the work undertaken by the Performance and Resources Board since January 2013.

Recommendation

- 2 Council is asked to note the report on the work of the Performance and Resources Board in 2013.

Report of the Performance and Resources Board 2013

Issue

- 3 The purpose of the Performance and Resources Board is to provide an advisory forum that brings together a range of management information to support decision-making and reporting to Council by the Chief Operating Officer. The remit of the Board covers all elements of organisational performance and resource management. Since January 2013, when it was first established in shadow form and agreed its working arrangements and work programme for 2013, the Board has met five times.
- 4 Over the period of this report the Performance and Resources Board has undertaken a comprehensive programme of work which fulfils its full range of duties and responsibilities, as set out in the Board's Statement of Purpose (Annex A). Council has received regular updates on the Board's work through the Chief Operating Officer's reports to Council.

Key matters considered by the Performance and Resources Board in 2013

Performance review

- 5 The Board has considered high level reports of our performance and information on corporate risks at each of its meetings. The reports focused on the significant issues that may affect us; operational milestones we have achieved; and updates on important external developments that might impact on our operational performance. At each of its meetings the Board has noted that we are well on track to meet the majority of our operational plan targets for the year. Council has been updated throughout the year, by exception, on significant issues potentially affecting operational performance and delivery of our operational plan through the Chief Operating Officer's report.

Risk Management Framework

- 6 The Board considered a draft revised Risk Management Framework as requested by Council at its meeting on 7 February 2013. The Framework was discussed by the Audit and Risk Committee at its meeting on 6 November 2013, and will be considered for approval by Council at its meeting on 25 February 2014.

Quality Assurance Programme

- 7 The Board has considered proposals for developing our approach to Quality Assurance and Continuous Improvement.
- 8 To help us improve the quality, timeliness and cost effectiveness of our operations the Board approved the recruitment of a Head of Quality Assurance and Continuous Improvement, reporting to the Director of Resources and

Quality Assurance. This role will develop and co-ordinate the programme of work across the organisation.

The Efficiency Programme

- 9** The Board received updates on the 2013 Efficiency Programme and approved the programme of new efficiency projects which were scheduled to start in the second half of 2013. The Board noted that to date we had delivered total efficiency gains of £30 million over the period 2010 to 2012, and that the efficiency target for 2013 was £2.9 million to £4.8 million, based on our total expenditure budget of £96.5 million. The Board noted that we were expected to meet that target.

GMC Defined Benefit Pension Scheme Triennial Valuation

- 10** The Board has overseen work arising from the staff Pension Scheme Triennial Valuation process covering the valuation assumptions, initial results, and the Trustee review of the Employer Covenant. At its meeting on 9 September 2013 the Board agreed to share the actuarial advice which we had received on the assumptions used to produce the draft Triennial Valuation results with the Trustees of the GMC Staff Superannuation Scheme Board. The Scheme's Trustees agreed the proposed amendments to the valuation assumptions, requested by the Performance and Resources Board, at its meeting on 19 September 2013. Council received an update on the valuation process at its meeting on 25 September 2013, and will consider further options for the reform of the Scheme following the final valuation in early 2014.

The Aviva Group Personal Pension Scheme

- 11** The Board agreed proposals for the selection of the provider and governance arrangements for the new Defined Contribution Pension Scheme, following closure of the Defined Benefit Scheme to new staff, at its meeting on 25 April 2013. This included arrangements for the Scheme (known as the Aviva Group Personal Pension Scheme) to be overseen by a Management Committee, as approved by Council at its meeting on 22 May 2013. The Management Committee held its first meeting on 30 September 2013, and will report to the Board on its work. We have met our statutory obligation to commence auto-enrolment on 1 November 2013.

2013 Staff pay award

- 12** The Board agreed proposals relating to the 2013 staff pay award, including a non-consolidated loyalty payment to staff with a year's service earning £25,000 or less as at 31 March; a pay matrix based on a 1% basic award and performance related progression of 1% for a successful employee in the middle zone; and to increase the base of the lower zone of all pay bands in line with the 'standard award' or £500, whichever was the greater. The Board noted that senior executive pay would be determined by the Remuneration Committee.

Benefits Review

- 13** The Board considered a number of options and agreed three new proposed benefits for staff: buying and selling up to three days' annual leave; career development loans to cover course fees up to a maximum of £2,500 in a given tax year; and the introduction of 'Affinity' benefits, consisting of a range of discounts that suit individual lifestyle.
- 14** The Board noted that our approach to our staff benefits was linked to our attractiveness as a potential employer and to our staff retention policy. The Board also noted that after pay and pensions, private medical insurance was among the most important benefits which we offered to staff. Any decision regarding the future of private medical insurance was one which Council would need to consider in the future.

Staff Survey

- 15** The Board considered an update on the four staff survey work streams which had been set up following the 2012 staff survey to take forward work in four areas: how we support career development; how we manage change; the way we work; and our management policies and employment arrangements.
- 16** The Board agreed to implement the initiatives identified by the four staff survey work stream groups, and to develop an overview of the proposed timescales for the main initiatives along with a designated owner who will be responsible for moving the work forward. It was also agreed that the groups should review progress before the end of 2013 and be involved further where appropriate. The Board agreed that the next staff survey should be launched in 2014.

Equality and Diversity progress report: 2013 action plans

- 17** The Board received bi-annual updates on the implementation of the equality and diversity (E&D) strategy as evidenced by the directorate action plans for 2013, and agreed to approve the main activities identified for 2013 for the directorate E&D action plans. It noted that while Directorates were on track to deliver the majority of activities in their plans some activities have been deferred until 2014 due to reprioritisation of business plan activities, staffing changes, and other developments. The Board also noted that the Directorate plans showed that E&D was being thought about at an early stage in the development of project initiation documents, as well as throughout the project to implementation.

Fitness to Practise 2012 Annual Statistics and Analysis

- 18** The Board agreed to ask Council to approve for publication the Fitness to Practise 2012 Annual Statistics, factsheets and analysis, which provided a summary of the key volumetric trends within the Fitness to Practise directorate during 2012.

Plans for moving to a 12 month service target within Fitness to Practise

- 19** At its meeting on 26 June 2013 the Board agreed plans to move to a 12 month service target within Fitness to Practise. It noted that we were already currently meeting the 12 month service target in 90% of cases. Of the remaining cases, 5% were being dealt with within 15 months, while everything beyond 15 months was monitored on an individual basis.
- 20** The Board agreed that we would keep the 15 month target as a performance measure alongside the 12 month target, but would begin to report against a new 12 month target. The Board also agreed that a further review of the service targets in the Fitness to Practise Directorate would be carried out to ensure that additional adverse information which was received during the course of an investigation was appropriately taken into account.

Publication of Fitness to Practise data

- 21** The Board agreed proposals to establish a formal project team to review the feasibility of publishing fitness to practise sanctions data from between 1994-2005.

Post Implementation Review and Evaluation of the Employer Liaison Service

- 22** The Board considered the post implementation review and evaluation of the Employer Liaison Service (ELS), and noted that the ELS has worked efficiently and effectively since implementation, meeting the aims identified by Council, delivering planned and unplanned activity within budget while meeting its service level agreements.

Plans to publish all validated Education Quality Assurance concerns

- 23** At its meeting on 26 June 2013, the Board considered and agreed an approach to publishing information about validated Education Quality Assurance Concerns. This included adding a page to our web site to list all open and current validated serious concerns, ensuring that up-to-date information about action planning and improvement was provided alongside.
- 24** The Board noted that the key audience for this new published content would be organisations and individuals responsible for the management and delivery of medical education and training. Patients and the public would also be able to access it, but it was intended to inform local processes and hold organisations (including our own) to account. We are working towards publication of concerns early in the spring of 2014.

Education Quality Assurance Regional Visit programme 2014-2018

- 25** At its meeting on 9 September 2013 the Board agreed proposals for an education quality assurance regional visit programme for 2014-2018. It was noted that we had heard from our key interests (medical schools, deaneries and Local Education and Training Boards) that a forward schedule for regional visits would be welcomed. Check visits and the use of our Response to Concerns Assessment team will be used to respond to specific emerging risks.
- 26** The Board noted that we were already engaged in working with several regions to help resolve their existing education quality issues. Where that was the case those regions did not appear on the proposed five year schedule of visits as we were already aware of their issues and measures which had been put in place to resolve them.

Associate engagement and appraisal

- 27** At its meeting on 25 April 2013 the Board received an update on Associate engagement and appraisal, and noted that we currently engage with 1200 medical and lay Associates. While the majority of our medical Associates have a prescribed connection and a route to revalidation, there were 145 medical Associates with no prescribed connection (NPC). The Board agreed that all Associates should receive structured feedback from us on their work. It commissioned further work on the options for supporting whole practice medical appraisal for Associates with NPC, and agreed to a review of engagement arrangements for all Associate groups.
- 28** At its meeting on 26 June 2013 the Board considered proposals for supporting whole practice medical appraisal for associates with NPC. It agreed to assess the viability and cost effectiveness on an individual basis of supporting whole practice medical appraisal and revalidation for NPC associates. A fundamental review of the proposed appraisal model, overseen by a steering group, has been launched. An equality impact assessment of the model has been scheduled into the review programme. The Board noted that as part of our associate recruitment process we were now making it clear that we would expect applicants to associate positions to have a suitable path to, and prospect of, revalidation.

Outline business plan and budget

- 29** The Board considered updates on our approach to developing the 2014 Business Plan and Budget, and noted that it was broadly similar to the budget setting process undertaken last year. The Board noted that as an organisation we were currently financially sound with healthy reserves. With the exception of non-responders to the revalidation process, particularly doctors approaching retirement age, we also now had a greater degree of certainty about the number of doctors who might be expected to relinquish their licences because

of revalidation. Over time it was predicted we would retain a broadly flat level of income. An update was provided to Council on 25 September 2013.

Investment Policy

- 30** At its meeting on 9 September 2013 the Board agreed an approach to the development of our investment policy for consideration by Council. Professional advice should be sought to help formulate a new investment policy for consideration in early 2014.

Draft Trustees Annual Report and Accounts 2012

- 31** The Board reviewed the draft Trustees' Annual Report and Accounts 2012 which were also considered by the Audit and Risk Committee at its meeting on 30 April 2013, before final approval by Council at its meeting on 22 May 2013.

Revised Financial Regulations

- 32** The Board agreed revised Financial Regulations which had been updated to reflect the new governance arrangements. Council approved the recommended changes at its meeting on 23 April 2013.

IAMRA 2014 conference proposal

- 33** The Board considered an update on planning for the 2014 International Association of Medical Regulatory Authorities (IAMRA) conference in 2014, which would take place on 9-12 September 2014 at the London Film Museum. The Board agreed that the proposed resources and budget contribution to the 2014 IAMRA conference should be authorised. It noted that among our objectives in running a successful conference were: increasing participation by 40% from 2012, particularly from areas currently under-represented within IAMRA, like Europe and South America; securing high-profile speakers; and to run the event in a financially and organisationally sustainable way for future hosts of the IAMRA conferences.

Cardiff Office Accommodation

- 34** The Board 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.

General

- 35** The Board has also received routine updates in 2013 on a number of other issues as listed in Annex B.

Supporting information

How this issue relates to the corporate strategy and business plan

36 The remit of the Performance and Resources Board covers all elements of organisational performance and resource management and as such relates to each of the strategic aims outlined in the Corporate Strategy. The Board's responsibilities particularly relate to Strategic Aim 7: to continue to use our resources effectively and efficiently.

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

Annex A

Statement of Purpose of the Performance and Resources Board

Purpose

- 1 The purpose of the Performance and Resources Board is to provide a forum for reviewing operational performance and organisational capacity, as part of the GMC's formal executive governance arrangements.
- 2 The Performance and Resources Board is an advisory forum that brings together a range of management information to support decision-making and reporting to Council by the Chief Operating Officer.
- 3 The remit of the Board covers all elements of organisational performance and resource management.

Duties and activities

- 4 The Performance and Resources Board:
 - a Proposes and monitors business and operational plans, ensuring appropriate management reporting and review of performance against targets, forecasts and intended outcomes.
 - b Proposes and monitors all aspects of budget management (including budget setting; recommendations on fees for entry to, retention on and restoration to the Medical Register; proposing other fees and charges as delegated by Council; proposing financial policies, including those for reserves and investment).
 - c Ensures appropriate reporting and effective financial controls, advising and reviewing (for approval by Council) the financial regulations which set standards for, and provide guidance on, administration of the GMC's financial affairs.
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- d** Maintains, monitors and reports on risk management and related controls.
- e** Assesses capacity and resource efficiency, ensuring that the organisation is operationally fit for purpose and has effective quality assurance processes.
- f** Inputs to strategy development to maintain capacity (including finance, HR, IT, procurement and accommodation/estate management) ensuring that the GMC is adequately resourced to achieve its aims.
- g** Reviews and where necessary develops operational policies that support delivery of the GMC's aims (including finance, HR, IT, procurement and accommodation policies).
- h** Takes resource decisions in the execution of these strategies within the constraints of the annual business plan and budget.
- i** Ensures that equality and diversity is integrated into the GMC's core activities, monitoring action plans and compliance with the equality duty.
- j** Reports to Council via the COO report on Human Resources issues relating to the GMC's role as employer. This includes (but is not limited to) matters such as: workforce data (including data relating to equality and diversity issues), data relating to vacancies, turnover and recruitment (including data relating to equality and diversity issues), patterns in sickness absence, numbers of disciplinary and grievance cases, arrangements for staff training and development, staff benefits, health & safety matters, and any changes to HR policies and procedures.
- k** Assesses resource impact of in-year changes to planning assumptions (eg caused by unexpected events such as a public inquiry or higher than forecast increase in FtP cases).
- l** Takes decisions and oversees actions relating to remuneration, benefits and terms of service of staff (other than the CE, COO and Directors, and MPTS Chair and MPTS Committee members) where there are significant contractual, legal or resource implications; expenses policies for all staff; and contractual arrangements and expenses policy for associates. Also supports as necessary decisions by the Remuneration Committee on expenses policy for Council members
- m** Exercises any of the rights, powers, duties and discretion of the GMC under any staff pension scheme.
- n** Oversees delivery of large scale change programmes / projects and efficiency / effectiveness programmes.
- o** Monitors long-term performance and undertakes horizon scanning.

- p Oversees inputs to the GMC's annual performance review by the Professional Standards Authority.
- q Oversees the preparation of the trustees' annual report and accounts.

Working arrangements

- 5 The Performance and Resources Board meets every other month (alternating with the Strategy and Policy Board), for two hours. The executive lead for the Performance and Resources Board is the Chief Operating Officer. The Chief Operating Officer agrees the agenda and papers are agreed by the sponsoring Director. Papers should follow the style of Council papers as far as possible, with the same principle of above or below the line review. Papers relating to a decision being made will be published (unless commercially sensitive). Papers in relation to issues in early stages of discussion will not be published.
- 6 The Board is chaired by the Chief Operating Officer and attended by all Directors, but not the Chief Executive (although conclusions are summarised for discussion between the Chief Operating Officer and Chief Executive, and any conclusions that lead to a recommendation to Council are considered for approval by the Chief Executive). Other attendees are invited as required for the discussion of agenda items. The responsibilities of some Assistant Directors mean that they are likely to be in regular attendance. All Assistant Directors are encouraged to attend the Board from time to time, to contribute to its activities and help facilitate cross-directorate working, corporate leadership and linkages.
- 7 Secretariat duties are undertaken by the Governance Team. The Board Secretary minutes each meeting and aims to circulate the minutes, as cleared by the Chief Operating Officer, to Directors for comments within two weeks of the meeting. The Board approves minutes at the next Board meeting. Minutes record the conclusions of the Board on the issues considered and will be cascaded to Assistant Directors. A record of decisions will be published (unless commercially sensitive).
- 8 As the Board meets bi-monthly, decisions may be taken between meetings on circulation of recommendations to the Chief Operating Officer as the Board's chair (and any subsequent consideration by the Chief Executive). Decisions made in this way will be brought to the Board at its next meeting and included in the record of decisions (with redaction for publication if commercially sensitive).
- 9 The Performance and Resources Board reports to Council via the Chief Operating Officer's report and submits an annual report to Council.

Annex B

Reports and updates considered by the Performance and Resources Board

Update following completion of the second Lean project in Fitness to Practise and the MPTS (Fitness to Practise Panel hearing process)

- 1** The Board received updates on the Lean Review in the Fitness to Practise Directorate and the Medical Practitioners Tribunal Service. The Board noted that:
 - a** The programme had three key deliverables: a comprehensive review of the fitness to practise (FtP) process; the delivery of a portfolio of improvement projects; and the development of a Continuous Improvement (CI) framework which complements our existing quality assurance and CI activities.
 - b** Since the launch of the review two directorate-wide improvement projects had been completed. The first focusing on the Triage process (the part of the FtP process where we make an initial assessment of incoming complaints/referrals) and the second examined the process by which Fitness to Practise Panel (FtPP) and FtP Review hearings are arranged and managed.
 - c** We have also launched the first phase of the FPD continuous improvement framework and established a network of CI advocates across FPD and the MPTS. The framework focuses on smaller scale improvement activities taken forward by individual teams within FPD. These local changes complement the existing programme of directorate-wide projects and enable a wider group of staff to become involved in CI activity.

Human Resources Report

- 2 The Board considered the half-yearly Human Resources report which provided an update and overview for the first half of 2013 of the main Human Resources trends and data relating to us as an employer. The Board:
 - a Agreed that further work would be undertaken to analyse the trends within the recruitment process, in particular the high percentage of applications received from BME (Black and Minority Ethnic) applicants and the lower percentage of BME applicants who were subsequently appointed.
 - b Noted that the Wellbeing at work staff survey work stream had noted that stress was a serious issue for staff and one which it would be useful to receive a fuller report on in the future.

Information Systems Project Update 2013

- 3 The Board considered updates on the progress made delivering the 2013 Information Systems project portfolio during the year, and noted that several major projects had been completed, with many others in progress. Several projects had been deferred to 2014 – ‘nice-to-haves’, no longer required in 2013 or de-prioritised, and that the overall project programme was progressing in line with plan. The Board noted that work was on-going in relation to the information system changes required to support implementation of our records retention policy.

Update from the Business Continuity Working Group

- 4 The Board received a report on the work of the Business Continuity Working Group and approved the updated Terms of Reference for the Group, an updated Business Continuity Policy, and an updated Business Continuity Policy Summary statement.

Update from the Information Security Working Group

- 5 The Board received a report on the work of the Information Security Working Group and approved the revised terms of reference of the Group.

Overview of scope and planned approach for the Siebel contact/organisation cleansing project

- 6 The Board noted the proposed approach to a cleansing project for our contact/organisation database, Siebel.

Transfer of activities to Manchester – Benefits Realisation

- 7 The Board received an update on the financial and non-financial benefits realised from the transfer of activities to Manchester.