

**Report to the Council from the Finance & Performance Committee (FPC)  
meeting on 2 April 2019 and 21 May 2019**

<b>Purpose of paper</b>	To report on the key items considered by the Finance & Performance Committee at their meeting on 2 April and 21 May
<b>Status</b>	Public session
<b>Action</b>	For noting
<b>Corporate Strategy 2016-19</b>	<u>Objective 1</u> : To improve our performance across all our functions so that we are highly effective as a regulator.
<b>Business Plan 2018</b>	N/A
<b>Decision Trail</b>	In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2018, the FPC will report to the next Council meeting following its meeting.
<b>Next stage</b>	N/A
<b>Recommendations</b>	Council is asked to: <ul style="list-style-type: none"> <li>• Note the report of the additional FPC meeting on 2 April</li> <li>• Note the report of the FPC meeting on 21 May</li> </ul>
<b>Authorship of paper and further information</b>	Polly Button <a href="mailto:pbutton@gdc-uk.org">pbutton@gdc-uk.org</a> 020 7167 6331
<b>Appendices</b>	None

## **1. Executive summary**

- 1.1. This paper reports on the key issues considered by the Finance and Performance Committee (FPC) at their meeting on 2 April and 21 May 2019.
- 1.2. The Council is asked to note the report from the FPC.

## **2. Introduction and background**

- 2.1. The key purposes of the FPC are:
  - 2.1.1. To challenge and monitor the Executive on financial and other performance, work with the Executive to develop an appropriate and proportionate data set to enable the Council to carry out its functions, and to provide guidance to the Executive on major operational matters such as property strategy, investment and technology development.
  - 2.1.2. To work with the Executive in developing the GDC's financial strategy, including assisting the Executive in developing the Business Plan (which includes the annual budget), and the Corporate Plan (the rolling three-year Business Plan) and to assist the Council in reaching its decision on the Business Plan and the Corporate Plan.
- 2.2. In accordance with the General Dental Council Standing Orders for the Non-Statutory Committees of Council 2018, the Committee is required to report to the Council meeting following each meeting.

## **3. Additional FPC meeting held on 2 April**

- 3.1. The purpose of the additional meeting was to:
  - 3.1.1. Seek assurance of figures used in the draft Corporate Strategy consultation document and of the underlying assumptions and methodologies.
  - 3.1.2. Consider the brief for the external validation exercise and amend as appropriate.
  - 3.1.3. Make recommendations to the GDC Chair on these matters to inform finalisation of the consultation document.
  - 3.1.4. To serve as a brief for the Chair of Council and Chief Executive
  - 3.1.5. To make a record of the conversation and points of challenge from the Committee.

## **4. GDC Corporate Strategy**

- 4.1. The Committee discussed the consultation approval, which included the fees policy, the methodologies and the Mazars audit brief.
- 4.2. There were no major problems with the underlying methodologies for apportioning and assigning the costs. The external validation would then aid that process. The next stage to consider was how would these factors be portrayed in the consultation document.
- 4.3. The Committee expressed some concern around external factors and some of the assumptions that, if they crystallise, could have adverse implications for income and expenditure.
- 4.4. Overall, subject to challenge and suggested changes, the Committee were happy with the papers. The additional meeting successfully made a record of the conversation and points of challenge from the Committee and the outcomes were sufficient to pass onto the Chair of Council.

4.5. The Chair thanked those attending and the staff for their hard work on this piece of work.

### **FPC Meeting on 21 May 2019**

## **5. Finance and operational performance**

- 5.1. The Committee discussed the Quarter 1 2019 Balanced scorecard which summarised successes and issues across the organisation. The Committee were updated that there were no serious data security breaches in Q1 and adherence to the Purchase Order Policy was well within compliance. Further details on the balanced scorecard can be found in a separate paper on the Council agenda.
- 5.2. On Fitness to Practise performance reporting it was noted that Interim Orders indicators were green and this was a good achievement for the team. The Committee discussed how the GDC can better support witness evidence gathering and submissions. It was agreed that a progress report would be provided at the next meeting.
- 5.3. The Committee received FTP End to End review update which was an item leading to an in-depth review at the next meeting. The Committee welcomed the new Head of FtP case progression who was leading on building the team in Birmingham. In order to ensure that the new Birmingham teams were recruited, inducted, trained, coached and supported appropriately up to 8 people from London at any one time were dedicated to these tasks. The management were continuously scrutinising 'BAU' performance to ensure it was not adversely affected. The team were also working towards achieving green performance indicators; this would be further supported through embedding the End to End review.
- 5.4. For the Q1 finance review and forecast, the final outturn report showed an operating surplus was £1.5m higher than budgeted due to more dentists and specialists renewing their registration than budget and income from GDC investments. It was confirmed the DCP Annual Renewal timetable was due to start imminently with the deadlines for payment by 31 July.
- 5.5. Expenditure was £1.2m lower than budgeted, of which £0.5m was profiling differences where it was expected to incur the expenditure later in the year. Of the remainder of the underspend, substantially this had been caused by lower than expected staffing costs where vacancies were held, or when the organisation had successfully recruited Birmingham roles below the market rate.
- 5.6. The Committee discussed the staff costs, vacant posts and recruiting below the market rate. The Executive Director, Registration and Corporate Resources confirmed the organisation was due to scope an activity which would state that reaching market rate was not a 6-month journey, but a 12-month activity. It was confirmed that work was underway on the market rate policy to allow flexibility and transparency. The Committee were content but noted their remit in relation to surplus and reserves. The Chief Executive responded that the work on access of reserves would be coming to Council, as part of the normal course of business.
- 5.7. The Committee discussed the Q1 2019 resource bridging paper which presented summary between department resource, KPI performance and associated risk. Across the organisation, performance against balance scorecard performance indicators and progress of business plan projects were largely within target and on track during Q1.
- 5.8. The Committee discussed the Q1 Business Plan and Operational Plan update. The Committee discussed project management allocations, capacity and the reporting of significant delivered programmes. The Committee gave a special thanks to the outgoing Business Planning and PMO Manager.

## **6. Strategic planning framework Corporate Strategy, CCP and Budget 2020-2022 planning and delivery**

- 6.1. The Committee received the Strategic Planning Framework (SPF) which outlined the overall cascading process of the strategic and corporate planning layers including the budget assumptions.

- 6.2. The Committee received a presentation that formed part of the assurance around the collaborative team planning, assumptions and delivery of the Corporate strategy, the CCP, workforce planning and the budget.
- 6.3. It was confirmed the consultation would close on 30 July 2019 and the analysis would be prepared over August. The team were currently exploring the best mechanism to share the information and engage with Council before this date, to enable consideration of the consultation report in advance of setting the ARF.
- 6.4. On the fees policy, the Committee were updated that the fees implementation process was moving forward, and that work was underway to tailor a targeted communications plan.

## **7. Digital Audio Recording Technology and Storage for Hearings (DARTS)- business case**

- 7.1. The Committee received a business case and following a discussion endorsed the business case for recommendation to Council.

## **8. Estates update**

- 8.1. The Committee received an update on the progress of the Estates Strategy.

## **9. Items for noting**

- 8.1 The Committee noted the Corporate Strategy 2020-22 consultation which had been previously circulated to the Committee.

## **9. Any other business**

- 9.1. The Committee thanked the outgoing Executive Director, Organisation Development for her work on the Committee.

## **10. Recommendations**

- 10.1. The Council:
  - Note the report of the Finance and Performance Committee meeting on 2 April and 21 May 2019.