

Council Members' Expenses and Accommodation

Purpose of paper	This paper sets out the review of Council Members' expenses and accommodation for 2020.
Status	Public
Action	For decision
Corporate Strategy 2016-19	Performance Objective 2: To improve our management of resources so that we become a more efficient regulator.
Business Plan 2018	Not applicable
Decision Trail	<p>This paper was reviewed and considered by the Remuneration Committee at their September 2019 meeting where additional information was requested.</p> <p>Following the provision of additional information, the Remuneration Committee reconsidered this paper by circulation in November 2019.</p>
Next stage	Not applicable
Recommendations	<p>The Council is asked to:</p> <ul style="list-style-type: none"> • Consider the contents of this paper; • Approve the purchase of a Corporate Membership with the RSM for 2020 (11-20 Members) with the stipulations set out in the paper.
Authorship of paper and further information	<p>Samantha Bache, Head of Finance and Procurement sbache@gdc-uk.org 0121 752 0049</p> <p>Gurvinder Soomal, Executive Director of Registration & Corporate Resources gsoomal@gdc-uk.org 020 7167 6333</p>
Appendices	Appendix 1 – Reciprocal club brochure

1. Executive Summary

- 1.1. This paper sets out the results of the review of Council members expenses and accommodation, as phase one of the wider review of expenses policy for employees, Council members and Associates.
- 1.2. There will be an increased requirement for meetings and venues in 2020 for a number of events to be planned. In completing the Council member expenses and accommodation review we have considered this changing requirement and the benefits that could be provided by acquiring a Royal School of Medicine (RSM) corporate membership. As part of this exercise, RemCo has undertaken its annual value for money scrutiny of the Chair's existing personal membership of the RSM.
- 1.3. The benefits around free or heavily discounted venue hire, at a location within walking distance of our GDC London office, are additional to the other benefits membership would provide to overnight accommodation. These includes stronger collaboration and networking from having Council members co-located when staying overnight in Central London within accommodation with adequate facilities. The accommodation available at the RSM would be bookable in advance at a fixed rate cost, less than our 'maximum cost' set by our expenses policy.
- 1.4. Section 3 includes the results of the financial review of our current agreement to fund the Chair's personal membership to the RSM. This concludes that for 2018-19, an additional financial cost of £408.20 was borne by GDC in respect of our agreement to this arrangement.
- 1.5. Four options for 2020 were considered in respect of Council members expenses and accommodation, reflecting on our meeting room requirements in 2020, the potential changing shape of Council meetings structure and wider equality issues.
- 1.6. For each option, the paper details the advantages, disadvantages and financial assessment of each option. The other options considered, and relevant benchmarking information is also included in this paper.
- 1.7. This option appraisal has led us to recommend the purchase of a corporate membership with the RSM for 2020, with the following stipulations to be applied:
 - the RSM is used by the Chair and Council members in preference to any other London accommodation.
 - The accommodation to be booked should, wherever possible, be a double room, single occupancy at the Domus Medica. Rooms charge above the 'maximum cost' set out in our expenses policy (2019 - £180 per night), should not be booked.
 - The 'free' to book private dining spaces at the RSM Wimpole Street premises should be used in preference to any other London site.
 - The unallocated 'nominated staff' slots in the RSM membership should be allocated to 'frequent users' employees, kept regularly under review for usage and transferred between staff members as travel patterns change.
 - the use of the RSM is monitored and reviewed and reported to Remuneration Committee (Remco) in good time before the GDC renews any arrangement for 2021. (This review will be included on their annual work programme.)
- 1.8. The Council is asked to consider the contents of this paper and approve the purchase of corporate membership (11-20 members) for the RSM for 2020.

2. Introduction and background

- 2.1. Until 2013, the GDC paid for annual subscriptions to the RSM for Council members who were eligible for membership. However, this practice was ceased as part of the review of the Council member's expenses policy on the basis that it was discriminatory and did not provide a clear financial benefit.
- 2.2. A cost benefit review was completed by Finance in relation to whether to continue to provide RSM membership to the Chair of the Council, based on potential annual savings that might be achieved by the Chair being able to use the facilities at the RSM. That review concluded that annual savings in excess of £1,000 per annum were likely to be achieved.
- 2.3. As there was a clear financial benefit, an exception to the general Council members expenses policy was agreed by members of the Remco on condition that:
 - the RSM is used by the Chair in preference to any other London accommodation
 - the use of the RSM is monitored and the 'savings on the Chairs accommodation are ascertained and reported to Remco before the GDC pays or is committed to pay next year's membership fee.
- 2.4. Other Council members either book local hotel accommodation directly, and then recover the cost of that accommodation through expense claim submissions or use our contractual booking service.
- 2.5. In Remco's review in September 2018, of the savings achieved for 2016-17, concern was raised over the diminishing financial benefit of the provision of this membership and whether this offers value for money (£207 saving implied for 2016-17). Given the timing of the renewal for the Chair's RSM 2018-19 membership, and the wider consideration of the provision of RSM membership to all Council members, it was agreed to support the renewal of the Chair's membership for 2018-19.
- 2.6. It was also agreed to initiate a review of the GDC accommodation and expenses policy for Council members and Associates. This work has been split into two phases:
 - Phase 1 – review of Council member expenses and accommodation, as they comprise a small, discrete group for which the GDC has distinctive attendance requirements. This review incorporates the changing shape of the format of Council meetings going forward following recent discussions which suggest that workshop sessions should be alternated with a Council only dinner around each meeting. This format was applied in July 2019, which the Chair believed was very successful.
 - Phase 2 – wider review of expenses policies for all employees, Council members and Associates to ensure that the policies fit the needs of the evolving business, recognising the changing shape of requirement as a result of the Estates Strategy.

3. Review of members expenses – 1 September 2018 to 31 August 2019

- 3.1. A review has been completed for expenses covering the period 1 September 2018 to 31 August 2019. This review looked at the number of accommodation nights in Central London claimed by Council Members, and the corresponding cost and average costs per night. It is assumed that all costs analysed cover the cost of bed and breakfast.

Review of Chair's RSM membership 2018-19

- 3.2. The total cost for the period 1 September to 31 August 2019, are detailed in **table 1**. Total costs include the provision of continental breakfast and VAT.

Table 1: Chairman expenses

Council Member	Nights Stay	Cost £	Average cost per stay £
William Moyes	21	3,646.20	173.63

- 3.3. For 2018-19, the provision of RSM membership did not provide any actual monetary saving to the GDC. This is calculated on the basis that the 'maximum cost' in line with our expenses policy (£180 per night) is £3,780, total expenditure with the RSM on accommodation totalled £3,646.20 and the cost of provision of annual membership £542. The total implied additional charge to the GDC is £408.20.
- 3.4. While there is no implied saving for 2018-19, there have been other benefits to the GDC of the Chair staying overnight at the RSM. The RSM is based at 1 Wimpole Street, so the Chair incurs no additional expenses for travelling between his accommodation and the GDC's office. Similarly, the time that the Chair might spend travelling between his accommodation and the GDC's office is also saved allowing the GDC to make the best use of the time that the Chair is in London. We have also benefited from access to the private dining facilities which are available free of charge for members of the RSM. In July 2019, a Council only meeting was successfully held using these facilities.

Other council member expenses 2018-19

- 3.5. The total cost for the period 1 September to 31 August 2019 for other council members are set out in **table 2** and are assumed to all cover the cost of bed, breakfast and VAT.

Table 2: Other council member expenses

Council Member	Nights Stay	Total cost £	Average cost per stay £
Anne Heal	-	-	-
Crispin Passmore	1	161.99	161.99
Geraldine Campbell	8	1,317.05	164.63
Shelia Kumar	-	-	-
Terry Babbs	-	-	-
Caroline Logan	6	993.60	165.60
Catherine Brady*	2	50.00	25.00
Jeyanthi John	4	650.00	162.50
Kristie Moons	5	756.00	151.20

Margaret Kellett	3	457.00	152.33
Simon Morrow	8	1,195.08	149.39
TOTAL	37	5,580.72	150.83

4. RSM membership

4.1. The annual cost of membership to the RSM for 2020 is set out in **table 3** below:

Table 3: RSM membership fees

Membership type	Annual cost: £
Fellow – for those with a medical qualification	542
Associate – for those working in the healthcare sector	245
Corporate Membership – ‘named’ membership (inc. VAT):	
1 – 5 nominated staff	£2,340
6 – 10 nominated staff	£3,384
11 – 20 nominated staff	£5,184

4.2. Those who are members of the RSM (either under personal membership, or as ‘nominated staff’ under a corporate membership), can book overnight accommodation at the Domus Medica members only hotel (Wimpole Street) or Chandos House (Queen Ann Street). The available accommodation at each location is set out in **table 4**.

4.3. Both properties are within immediate walking distance of our London office, offer an acceptable range of amenities and provide accommodation within the ‘maximum cost’ set in our expenses policy of £180 per night and are less sensitive to London events meaning less seasonal variation compared with other local hotels.

Table 4: RSM accommodation

Location	Amenities	Room Type	Price (includes continental breakfast and VAT) £
Domus Medica (47 rooms)	<ul style="list-style-type: none"> • Parking • Free Wi-Fi • Bar • Restaurant • Continental breakfast • En-suite bathroom • Climate control air conditioning • Flat screen TVs • Tea and coffee making facilities • Room safe • Laundry service • 24-hour reception • Luggage storage 	Double Room (single occupancy)	£158
		Double Room (double occupancy)	£177
		Executive Double Room	£192
		Suite	£235

	<ul style="list-style-type: none"> • Family rooms • Hypoallergenic pillows and duvets • Hairdryer • Interconnecting rooms • Sofa beds 		
Chandos House (17 rooms)	<ul style="list-style-type: none"> • Free Wi-Fi • En-suite bathroom • Flat screen TVs • Tea and coffee making facilities • Room safe • Laundry service • 24-hour reception • Luggage storage • Family rooms • Hypoallergenic pillows • Hairdryer • Interconnecting rooms • Noble Isle toiletries • Bottled water 	Double Room	£165
		Superior double	£265

4.4. Personal and corporate membership offers access to private dining rooms, and to RSM's members only restaurant and lounge bar:

- Private dining rooms – RSM members can book a dining room free of hire charge, on a first come, first served basis. There are two dining rooms available for hire: the Wimpole Room (6-24 guests) and the Hewitt Room (6-14 guests). Both rooms are away from the main restaurant and offer a one-to-one planning service through the RSM planning team. RSM members are welcome to invite guests (non-members).
- RSM's restaurant and lounge Bar - Exclusive to RSM members, both spaces offer a less formal place to have some food and drink, including coffee, afternoon tea, breakfast, lunch and dinner. RSM members are welcome to bring guests (non-members).

4.5. A corporate membership would also offer 15% discount off venue and meeting room hire at its Wimpole Street venue.

4.6. Personal RSM membership also provides access to a number of other benefits for the individual, which should the GDC agree to cover the cost of the membership, would result in the provision of a taxable benefit in kind.

5. Options considered for Council members expenses and accommodation 2020

5.1 Continue contribution to Chair RSM Membership

The past rationale for funding personal membership was that any potential personal benefits to the Chair were ancillary and the primary benefit to the GDC was a cost saving. This was true at the historic usage rates but the provision of a contribution to the Chair's personal membership has been diminishing in financial benefit to the organisation, and for 2018-19 resulted in a small additional cost to the GDC. Although there are a number of non-financial benefits to the GDC it is concluded that they do not offset the financial and potential reputational impacts of continuing this arrangement.

5.2 Contribute to individual RSM membership for Council Members

Advantages	Disadvantages
Accommodation with an adequate standard of facilities are available, within the constraints of the GDC expenses “maximum” limits.	Possibility of being fully booked, unless bookings made in advance.
Short walk from GDC London Office.	Dining room and planning would need to be arranged and paid for directly by the Chair or other Council members.
Rooms can be booked in advance due to fixed dates of meetings for the year ahead.	Other Council members would still need to make payment upfront and be reimbursed.
Accommodation booked by the Chair are paid for on his GDC credit card.	Council members will need to become familiar with a new process.
Access to private dining and RSM members only restaurant and bar for Council dinners.	Provides a personal taxable benefit in kind to the Chair and other Council members.
Council members can stay at one location, allowing ease to network and collaborate outside formal meetings.	
Financial assessment	
To deliver a financial benefit to the GDC, a member would be required to have a minimum of 23 stays (at £158 double room rate) to deliver an implied saving, over the contribution we would make to RSM membership (£542).	

5.3 Corporate membership RSM

Advantages	Disadvantages
Accommodation with an adequate standard of facilities are available, within the constraints of the GDC expenses “maximum” limits.	Possibility of being fully booked, unless bookings made in advance.
Short walk from GDC London Office.	Increased administration for the GDC.
Rooms can be booked in advance due to fixed dates of meetings for the year ahead.	Council members will need to become familiar with a new process.
Accommodation could be booked by the GDC and paid for on account.	
Access to private dining and RSM members only restaurant and bar for Council dinners.	
Council members can stay at one location, allowing ease to network and collaborate outside formal meetings.	
Dining room and planning could be arranged by the GDC.	
Access to 15% off room hire, should meeting room space be required outside of the GDC London office during or following the redevelopment works.	
If a membership for 11-20 nominated staff would apply. Additional ‘nomination’ spaces could be made available for GDC frequent	

flyers (employees with highest levels of dual office working) to increase financial benefit.	
No personal taxable benefit in kind to the Chair or other Council members.	
Provides access to use of reciprocal clubs across the UK, including clubs in Edinburgh and Belfast. (Appendix 1).	
Reduction in administration burden and cost of processing of claims (average claim processing time is 10 minutes per claim) to a simplified monthly invoice processing.	
Financial assessment	
<p>Based on 2018-19 overnight stay data, and the use of the RSM corporate membership only for accommodation arrangements, this would result in an additional cost of between £2,108 (6-10 membership) and £3,908 (11-20 membership).</p> <p>Based on 4 Council only events suggested for 2020, which equates to an equivalent cost of £1,600 for hiring the Wimpole Room at the RSM. The free provision under the corporate membership would reduce the additional cost to between £580 (6-10 membership) and £2,308 (11-20 membership).</p> <p>Better financial benefit could be made of the 11-20 nominated membership should the spare slots be allocated to employee frequent users. (nb: membership is easily transferrable.) This would need to be managed very carefully by the GDC to ensure that maximum value for money is achieved. The GDC finance team are best placed to identify frequent travellers and if this option is chosen, we would recommend the Finance Team manage the administration of the membership.</p> <p>To achieve an implied saving, an additional 105 overnight stays need to be made per year, which is an average of 8.8 overnight stays a month. This would provide financial benefit if there were 8 GDC employees or associates staying regularly overnight in Central London, a minimum of 1-2 nights a month.</p>	

5.4 Provide no RSM membership

Advantages	Disadvantages
Individuals have an active choice about where they wish to stay.	Accommodation with an adequate standard of facilities, within the constraints of the GDC expenses "maximum" limits, may not be available.
Financially, cost of accommodation is the cheapest option.	Available accommodation of a suitable standard may not be in walking distance of the GDC London Office.
No personal taxable benefit in kind to the Chair or other Council members.	Difficulty in finding suitable venue for Council only dinners, within reasonable distance from the GDC's London office and would incur additional charges.
	Council members not being able to stay in one location for overnight stays will prompt informal collaboration and working time together.

	Council members would still need to make payment upfront and be reimbursed.
Financial assessment	
Based on 2018-19 overnight stay data, this is the option that delivers the best financial benefit to the organisation. However, a number of important non-financial benefits will be lost, such as collaboration of Council members, access to event venues such as informal dinners or off-site meetings and minimised travel time between accommodation and the GDC London office.	
Feedback received suggests that accommodation local to the GDC London office is often in excess of our maximum rate, and standards of accommodation locally within our rates can be poor due to high seasonal fluctuations in central London hotel accommodation.	

6. RSM Membership size (6-10, 11-20 membership)

- 6.1. A Corporate RSM membership would provide access to several clubs across the UK that offer reciprocal access, as set out in appendix 1. This includes clubs in Edinburgh and Belfast.
- 6.2. To benefit from using reciprocal clubs in the nations for Council meeting would require all Council members to be named on our corporate membership. The RSM have however recently confirmed that their reciprocal club in Birmingham has closed, and they currently do not have a reciprocal club in Cardiff. This reduces the previously expected benefit of use of reciprocal arrangements for the GDC.
- 6.3. The period of corporate membership with the RSM would run from January to December 2020 and cover the appointment of 3 new Council Members in September. Whilst a smaller membership of 6-10 may be sufficient in the shorter term based on the current accommodation needs, we do not yet know who the new Council Members will be and what their accommodation requirements are. A larger corporate membership will future proof these arrangements for 2020 and will also enable maximum benefit from informal networking with all Council Members being able to stay in one single location.

7. Other options considered and benchmarking

- 7.1. We have previously considered the provision of a hotel corporate account with a reputable hotel chain. This option was discounted at an early stage due to our wider direction of sourcing a travel booking provider that would provide a competitive 'one stop shop' suitable for all travel and accommodation requirements for staff, Council Members and Associates.
- 7.2. To progress this option a fully competitive open procurement would have been required which presented the following risk/issues:
 - The necessity to tender the opportunity as a non-exclusive arrangement to prevent any tendering issues with procuring a travel booking provider for the organisation, and as a result disincentivise potential bidders due to commercial viability.
 - Procurement resources in the beginning of 2019 were limited against a large procurement pipeline which included a number of prioritised strategic contract re-tenders and there was not capacity to run this procurement.
- 7.3. The travel service provider project is now live, and we expect to have a supplier in place by Quarter 2 of 2020. As part of this project we are considering Council Member and associates requirements.
- 7.4. As part of considering whether the RSM offer for private dining provides value for money, a benchmarking exercise has been completed against other local establishments:

Venue	Location	Cost
RSM	One Wimpole Street	From £55 per person

Hutchison Room	Asia House, Marylebone	From £45 per person (minimum numbers of 18 people)
Pegasus Room,	Brasserie of Light, Selfridges, Oxford Street	From £60 per person
Les100 Taillevent	Cavendish Square	From £65 per person
The Ann Rylands Room	41 Portland Place	From £65 per person
Trishna	Blandford Street, Marylebone	From £80 per person (maximum number 12)
Tolli Room	Texture, Portman Street, Marylebone	From £100 per person

8. Risks and considerations

<p>Communications</p> <p>Any change in process would need to be communicated to Council members, and training and support provided to both Council members and any staff playing an administrative role.</p>
<p>Equality and Diversity</p> <p>Equality and Diversity issues have been considered as part of the options appraised.</p>
<p>Legal</p> <p>N/A</p>
<p>Policy</p> <p>The decision made as a result of this recommendation would need to be incorporated into the 2020 Council members and associate's expenses policy.</p>
<p>Resources</p> <p>Cost implications are set out in the option appraisals at section 5 of this paper.</p>
<p>National</p> <p>N/A</p>
<p>Risks on registers</p> <p>N/A</p>

9. Recommendation

9.1. The Committee is asked to consider the contents of this updated paper and endorse the recommendation to proceed with a corporate membership (11-20 members) for the RSM for 2020 with the following stipulations applied:

- the RSM is used by the Chair and Council members in preference to any other London accommodation.
- The accommodation to be booked should, wherever possible, be a double room, single occupancy at the Domus Medica. Rooms charge above the 'maximum cost' set out in our expenses policy (2019 - £180 per night), should not be booked.

- The 'free' to book private dining spaces or event spaces at the RSM Wimpole Street premises should be used in preference to any other London site.
- The unallocated 'nominated staff' slots in the RSM membership should be allocated to 'frequent user' employees, kept regularly under review for usage and transferred between staff members as travel patterns change.
- the use of the RSM is monitored and reviewed and reported to Remco in good time before the GDC renews any arrangement for 2021. (This review will be included on their annual work programme.)