

## Council 2009-2013 Business Handover Report for the new Council

<b>Purpose of paper</b>	To provide a business handover report to the new Council which takes office on 1 October 2013
<b>Action</b>	For discussion and noting
<b>Public/Private</b>	Public
<b>Corporate Strategy 2013-2015</b>	Strategic Objective 5.0: Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection.  5.3 Implement new governance structures effectively, including a reduction in the size of the Council  <i>Outcome: New structures, systems and processes are designed and implemented that facilitate the work of a smaller and more board-like Council, which will be carefully managed</i>
<b>Business Plan 2013</b>	Governance 1: Manage the recruitment and induction of the new Council  Timescale: October 2013
<b>Decision Trail</b>	n/a
<b>Recommendations</b>	The Council is invited to:  a) Note this report  b) Approve the business handover reports at appendices 2 - 5
<b>Authorship of paper and further information</b>	Frances Low, Director of Governance Siobhan McLoughlin, Senior Governance Manager T: 020 7887 3859 E: <a href="mailto:smcloughlin@gdc-uk.org">smcloughlin@gdc-uk.org</a>
<b>Appendices</b>	Appendix 1: Overview of 2009-2013 Appendix 2: Policy Advisory Committee Business Handover Report (draft) Appendix 3: Financial and Business Planning Advisory Committee Business Handover Report (draft) Appendix 4: Remuneration Committee Business Handover Report Appendix 5: Audit Committee Business Handover Report

	<p>Appendix 6: Council membership 2009-2013</p> <p>Appendix 7: Committees and Groups 2009-2013</p> <p>Appendix 8: Key policy decisions 2009-2013 (excluding FtP)</p> <p>Appendix 9: Key data about the GDC 2009-2013</p> <p>Appendix 10: Key financial data about the GDC 2009-2013</p> <p>Appendix 11: Results of closing review of Council members (available on Council extranet only)</p>
--	---

## Executive Summary

1. This paper provides a summary of the major live issues for the new Council which takes office on 1 October 2013. A report on the context of the outgoing Council's work and achievements during its term from 2009 -2013 is included at **Appendix 1**. As are comprehensive business handover reports from the Committees (Finance and Business Planning, Policy Advisory, Audit and Remuneration) at **Appendices 2 – 5**.
2. This report identifies the major, immediate issues for the new Council.

## Finance and Corporate Services

3. **Budget:** The Council on 26 September will be asked to approve the 2014 budget, with a £3.0m deficit (based on no increase in ARF for 2014). A deficit of this size is manageable for one year only. The key budget assumption is that the number of Fitness to Practise complaints in 2014 will equal that in 2013, following average growth in 2011/2012 of 38% and estimated growth in 2013 of 31%. If growth in complaints continues in 2014, we will need to respond with additional resources which can only come from reserves.<sup>1</sup>
4. **ARF (Annual Retention Fee):** Given the need to replenish reserves and assuming further growth in fitness to practise complaints in 2015 and 2016, it will be necessary to increase the ARF from 2015. This will be a key issue for consideration by the new Council which will also need to agree a revised ARF policy, once the review currently underway is completed.
5. **Wimpole Street:** The redevelopment of the Wimpole Street office costing £7.4m is a significant project, the financial and operational rationale for which is strong. The challenge will be to complete the project on time and within budget avoiding undue disruption to the GDC's activities. The project begins in September 2013 and is due to complete in January 2015.
6. The following matters will be the subject of periodic reports to the Council in the ordinary course of business:
  - a. Implementation of a CRM (Customer Relationship Management) system: the GDC's two core functions, fitness to practise and registration have been migrated to the new CRM system. Other areas of the business will be migrated in phases in 2014 and 2015
  - b. Corporate strategy 2013 to 2015: this guides the GDC's business plans in each year. The new Council will need to consider any revisions that may be necessary over the planning cycle.
  - c. Risk register: A Strategic Risk Register (SRR) and operational risk registers are in place, monitored by the Audit Committee and the Council. There is continual development and refinement, overseen by the Audit Committee.
  - d. Performance reporting: Quarterly reports on performance across the range of the GDC's functions will be made to the Council. A separate report on financial performance is also made quarterly.

---

<sup>1</sup> General Reserves at 31 December 2012 stood at £15.9m being equivalent to six months of operating expenditure for 2012. Council policy on reserves states an aim that general reserves (excluding any pension reserve or unrealised gains on investment reserve, as defined in the Annual Report & Accounts) be maintained within a range of four to six months of annual operating expenditure

- e. Annual Report & Accounts: this is an annual requirement, involving reviews by the Remuneration and Audit Committees.

## **Policy and Communications**

### *Implementing the Francis Report Action Plan*

7. The approved action plan will need to be updated once the government has responded to the Francis Report in the autumn. The key themes are:
  - Standards of care and putting the patient first
  - Openness, Transparency and Candour
  - Ensuring that the regulation and oversight of Education and Training protects patients
  - Proactive regulation
  - Data and information sharing and joint working between regulators including
    - Development of information sharing with the Care Quality Commission and other systems regulators (see paragraph 24)
    - Building relationships with NHS England and Higher Education England (HEE)
  - Hearing the patient voice

### *Implementation of the new Standards*

8. The new standards for dental professionals are to be launched in September 2013 and will be widely communicated to dental professionals as well as the public. A key challenge will be to promote the standards effectively in order to influence professional behaviour.

### *Law Commission Report*

9. We will need to prepare for the Bill to be introduced into Parliament in 2014, and its subsequent enactment, by
  - a. Using our influence to shape the Act
  - b. Being ready to implement the provisions as soon as possible.

### *EU Recognition of Qualifications Directive*

10. We will need to prepare for the changes arising from revision of the EU professional qualifications Directive. This will involve monitoring the transposition of the new Directive into UK law and implications for GDC.

### *Transition to Independent Practice*

11. The GDC's preliminary review concluded that current evidence available did not identify clear risks to patient safety arising from treatment by newly qualified dentists and dental care professionals (DCPs) and therefore regulatory change (for example requiring a period of pre-registration training) was not indicated. However, the review group was unable to state categorically that such risks do not exist and therefore proposed that the GDC work with other partners to improve sharing of information and actively to monitor information about risks.

### *Indicative sanctions*

12. Revised Indicative Sanctions Guidance for Fitness to Practise Panellists will enable the GDC to be clearer with registrants and the public about why particular sanctions

are used and will also indicate clearly to Practice Committee members the framework within which they take decisions.

#### *Policy on the Annual Retention Fee*

13. See paragraph 4 above. The next stage of this work will look at developing a cost model which would enable the GDC to set fees more accurately for each registrant group related to the cost of regulation as well as how to apportion fee increases between different groups. A second option – which looks at the possibility of introducing a ‘low income discount’ – will also be assessed for its feasibility. The aim is for any revisions to the policy to come into effect in 2014 for the 2015 ARF.

#### *New Quality Assurance process for Education and Training*

14. The Council introduced new standards for education and a new QA inspection process in September 2012. An initial evaluation has already taken place following the first inspections. A full review will take place at the end of the 2012/13 academic year with a report in early 2014.

#### *Review of Specialisms*

15. The GDC has 13 specialist lists (lists of registered dentists who meet certain conditions and are entitled to use a specialist title). A review will ask whether the specialist lists protect patients and the public.

#### *QA of Specialty training*

16. The GDC will develop a Quality Assurance system for the training of dental specialists for implementation in 2014.

#### *The Development of Statutory Rules for Enhanced Continuing Professional Development*

17. Such rules are necessary to ensure that the GDC has the legal powers to introduce the model of “Enhanced CPD” which was agreed following the GDC consultation which closed in January 2013. It is anticipated that this scheme will come into effect in autumn 2014.

#### *Working towards a 3 stage model of Revalidation of dental professionals*

18. The 3 stage model of revalidation is: Compliance; Remediation; and In-depth assessment. This model will be subject to refinement, building on the scheme of Enhanced CPD which is about to be introduced.

### **Communications**

#### *Greater Engagement with patients*

19. There is a need to develop greater contact with patient groups and to engage with them as a key stakeholder group, including the development of an online patient forum.
20. We are also looking to:
  - Build stronger links with political opinion formers.
  - Communicate the GDC’s action plan in response to the Francis report and monitor progress of this with respect to stakeholder expectation and requirements.
  - Promote the new Standards to registrants and stakeholders, ahead of and after the 30 September 2013 launch.
  - Use social media to update stakeholders of Council news and profession requirement updates.

## Regulation

### *Volume of complaints*

21. The trend in FtP complaints is rising:
  - a. In both 2009 and 2010, the GDC received just over 1400 complaints about registrants' fitness to practise (FTP).
  - b. In 2011, there was a 13% rise in in-coming complaints (to 1578).
  - c. In 2012, a further 44% increase resulted in just under 2300 complaints.
  - d. Current projections show a further increase to around 3000 complaints in 2013 (approximately 35% up on 2012).
22. Over the last two years, we have steadily improved performance against our key performance indicators (KPIs) in FTP (**Appendix 9**), despite the unprecedented increases in volume of complaints. This has partly been achieved with increased staffing but we have also become significantly more efficient in our business processes resulting changes in the way we deal with complaints (more detail is given in **Appendix 1**). Whilst we are confident that the 2014 budget (assuming it is agreed by Council in September) will allow us the resource to deal with around 3000 complaints next year, given that we are not yet resourced to that level, performance against the KPIs for the remainder of 2013 cannot be guaranteed to remain at current levels.

### *In-house legal team*

23. In FTP, the vast majority of expenditure (c. £13.5m out of a total FTP spend of c. £20m for 2014) goes on preparation of cases for FTP hearings and the running of those hearings. The unit cost of preparing a case for a hearing has been significantly reduced in the 2014 budget (as against 2013) due to the introduction of our new in-house legal team (IHLT). This team will handle a proportion of cases, a task which has previously been wholly outsourced to external legal firms. The IHLT will take on 25% of prosecutions in the first half of 2014, rising to 50% in the second half of the year. The team is new and although recruitment is complete, not all those appointed have yet joined. The Council will be kept informed about the savings generated and about the possibility of the IHLT taking on a greater proportion of the work after (or during) 2014.

### *Changes to the statutory framework*

24. As set out in **Appendix 1**, the GDC has been keen to amend the Dentists Act and Rules to allow more efficient, modern and effective procedures to be introduced within FTP, prior to the introduction of the new healthcare regulatory Bill drafted by the Law Commission. The Department of Health has ruled out a Section 60 Order (legal instrument necessary to effect legislative change) in advance of the introduction of the new Act. This means a delay of up to three years before we can have the desired changes. In the light of this, we are considering contingency arrangements – within the current framework – to bring about some of the benefits originally envisaged through statutory change. The Council will be kept fully informed and will need to take a view on any identified risks associated with this strategy.

### *Communication with other Regulatory bodies*

25. We are in the process of refreshing and agreeing arrangements for information sharing with other bodies involved in the regulation of dentists (including the CQC and equivalent bodies in the Wales, Northern Ireland and Scotland). The Council will be asked to approve the level of disclosure of FTP information to other organisations as those agreements are developed and implemented.

### *Security of routes to Registration*

26. We are in the process of reviewing the security of our registration procedures in order to minimise the risk of fraudulent entry onto the register.

### **Governance**

27. The Council has a governance structure and supporting documentation to enable the incoming Council to function and make decisions with no loss of efficiency or continuity. However, the Council will need to consider:
  - a. The sufficiency of its scheme of delegation - what it reserves to itself for decision and what it entrusts to committees and the executive
  - b. What committees it requires and how members are to be selected
  - c. The sufficiency of arrangements for holding the Executive to account for execution of the GDC's functions.
28. These matters will be the subject of a paper to the Council at its first meeting in October 2013.
29. The Council will also need to address how it will measure its own effectiveness. The Council must decide whether to retain or adapt the following mechanisms instituted by the present Council:
  - a. The annual survey for the Council to review its own effectiveness.
  - b. The performance review mechanism undertaken after each Council and Committee meeting to capture timely feedback.
  - c. The appraisal system for members and the Chair of the Council.
30. The Appointments Committee is one provided for by statute which carries out the GDC's functions regarding the appointment, removal, appraisal and training of members of the statutory committees<sup>2</sup>. The Council has approved the extension of the terms of office of the current Appointments Committee members to the end of 2014. In order for arrangements to be in place for the appointment of a new Committee on 1 January 2015 the Council needs to have completed a review of the Appointments Committee arrangements by the spring of 2014. A paper on the proposed review will be presented to the new Council at its first meeting in October.
31. Risk is now taken into account in all the GDC's decision making processes and is increasingly integrated with strategic, business, operational and project planning.
32. The GDC's risk maturity has risen from risk naïve in 2009 to risk aware, as reported in internal audit reports in June 2010 and July 2012. The Risk Management Policy was approved in September 2012 and is due for review by the new Council.
33. Work is also underway to develop and implement a system for Risk Assurance Mapping to assist risk management in the GDC.

### **Risk implications**

34. It is critical that measures are in place to mitigate the risks of an imperfect transition to a new governance structure. A specific risk register related to the transition project is in place and is reviewed by the executive on a regular basis.

---

<sup>2</sup> The people who sit on the Investigating Committee, Interim Orders Committee, Registration Appeals, Professional Conduct, Health and Professional Performance Committees.

### **Public protection implications**

35. A successful transition to the new governance structure will safeguard the GDC's key purpose of public protection.

### **Equality and diversity implications**

36. The proposals on the transition of work from the existing committees, along with proposals for a transitional committee structure, will be subject to an EIA.

### **Policy and Communications implications**

37. A communication strategy is in place to communicate the new council and the transition of work between the two councils.

### **Legal implications**

38. Transitional standing orders have been approved by the Council in August.

### **Resource implications**

39. The Council has approved a budget for this programme of work.

### **Recommendations**

40. The Council is invited to
  - a. Note this report
  - b. Approve the business handover reports at Appendices 2 - 5

## APPENDIX 1: OVERVIEW OF 2009 – 2013

1. This paper provides a summary of the key achievements of the Council which served during the period 2009-13 and provides a handover report to the incoming Council.
2. The existing Council of 24 members took up office in October 2009. With the exception of the Chair, who was elected, all members of the Council were appointed, marking a change from the past where a proportion of members were elected. The change came about following the publication of the Government's 2007 White Paper, "Trust, assurance and safety; the regulation of health professionals in the 21st century", which set new expectation for the future of healthcare regulation in the UK.
3. Members were appointed for a term of four years to serve until 30 September 2013. During this time the understanding of the reasons for, and challenges facing, the regulation of healthcare professionals has changed significantly.
4. The GDC as an organisation also changed significantly. In 2009 total income and expenditure was just under £24million, in 2013 this has increased to £33.5 million income and £35million (forecast) expenditure. Staff numbers have also increased significantly from 176 at the end of 2009 to 256 (forecast) for the end of 2013 [see **Appendices 9 and 10**]
5. This paper sets out the current Council's key achievements during its term in office, the lessons it has learnt, and its opinion on the key challenges and opportunities facing the regulation of dental professionals. It signposts a number of key documents for the new Council to review to assist it in its work in continuing the programme of improvement which has been adopted by the GDC, and informing the development of its policy programme.

### Governance

6. In 2009 the Council inherited an organisation which needed significant updating in many of its operational and governance practices. Almost immediately, the Council began to experience a significant upward trend in Fitness to Practise (FtP) complaints and had outdated systems and insufficient resources to deal with these. Management information provided to the Council was limited making it difficult for the Council to be fully aware of the challenges facing the organisation. These problems were exacerbated by a period of instability following the departure of its Chief Executive (December 2009) and a significant delay before a permanent replacement was installed in October 2010.
7. Over the first year and a half the Council had to manage the election of two Chairs and one temporary Chair, the resignation of one Chair, and the institution of an inquiry by the CHRE (now PSA). These issues are fully covered in the PSA's Investigation into Concerns Raised by the Former Chair (February 2013)<sup>1</sup>. The PSA found that the GDC had not failed to undertake its statutory functions through the period covered by the investigation.
8. The key policy decisions taken by the Council during this period are set out in **[Appendix 8]**
9. The Council spent a number of its first meetings focused on constitutional and internal issues such as the election process for the Chair and committees, reviewing its standing orders and considering a framework for an interim committee framework. Arising from this experience, the Council and the Executive have aimed to ensure that transitional standing orders and a transitional committee structure are in place from 1 October 2013 to ensure the new Council's efficient functioning from the first meeting.

---

1

10. The Council's committee structure in 2009 was complex, consisting of four separate policy committees (Standards, Registration, Fitness to Practise and Education) and a finance (Finance and HR) committee and audit committee. Members were elected to these bodies. The process for election was complicated and members had to make decisions on membership before they had an opportunity to know one another's skills and experience.
11. During its tenure, the Council took a number of significant steps to improve its governance.
  - a. It established an Audit Committee. Previously the responsibility for risk oversight had been undertaken by the Finance and HR Committee.
  - b. In 2009 it initiated a review of the committee structure although it was not completed until 2011 due to staff changes. The outcome was the establishment in May 2011 of a simplified committee structure with members appointed through an appointments process. The new committee structure comprised a Policy Advisory Committee (PAC) (replacing the previous four separate policy committees: Standards, Education, Fitness to Practise Policy and Registration Committees); a Financial and Business Planning Advisory Committee (replacing the Finance and HR committee); a Remuneration Committee and an Audit Committee. [see Committee business handover reports at Appendices 2 – 5]
  - c. The Council approved a clear statement of the matters reserved to the Council, those it delegated to the Registrar and those which were delegated to the Committees.
  - d. It approved the establishment of ad hoc working groups to assist with policy development. A prioritised policy work programme (overseen by the PAC) was also agreed and regularly monitored by the Council [see PAC business handover report at Appendix 2]
  - e. In December 2011 it dis-established the Education Committee and delegated authority to undertake quality assurance of new and existing education programmes and qualifications to the Chief Executive (the General Dental Council (Delegation of Functions) Rules 2011). The Chief Executive reports to each Council meeting on decisions she has taken under her delegated authority.

#### *Task and Finish Groups*

12. Further to the outcome of the review of the Council's committee structure in May 2011 the Council formalised arrangements for the establishment of task and finish groups. Task and finish groups, with a defined life and remit, became the normal method of working, replacing working and advisory groups.
13. The Council approved parameters for the operation of task and finish groups, which could only be established subject to Council approval and must report to Council in line with their approved project plans. Under the new structure, the task and finish groups established to oversee specific pieces of policy work normally reported directly into the Policy Advisory Group first before making their reports to Council.
14. These included those groups which had been established prior to May 2011 i.e.:
  - The Revalidation Working Group; and
  - The Standards Review Group and the Scope of Practice Review Groups

#### *Conduct of Council meetings*

15. The order of business was refined during the Council's term in office

- a. There is a closed meeting at the start of the day to deal with any confidential issues before the public meeting
  - b. Standard items include: a CEO's report; performance indicators report and a financial report. The Council then considers policy ,governance issues and any ad hoc matters
  - c. Papers for noting are at the end of the agenda.
16. In 2010 the Council debated the merits of the previous practice of holding one of its meetings annually in one of the four countries. The Council felt that there were other, more effective ways of engaging with stakeholders across the UK and the Council's resources would be better used for targeted events as part of the wider stakeholder engagement strategy. There will be an option to webcast public sessions of the Council in the future as the new board room for the Council (under the redevelopment of Wimpole Street) will have the necessary technology.
  17. In 2012 the Council increased its number of annual meetings due to the volume of its work programme. When the Council first took office in 2009 it held four annual meetings plus an away day but in time this proved to be inadequate and the Council increased its meetings to 6 in 2012 and 7 in 2013.

#### *Governance Manual*

18. In September 2010 the Council approved the Governance Manual, which included a revised Code of Conduct and Managing Interests policy. The Manual is updated as necessary and is reviewed annually by the Audit Committee.
19. In February and August 2013 the Council approved amendments to the Managing Interests Policy for Council Members in preparation for the recruitment of a new Council and Fitness to Practise Panel members.
20. The main change of substance concerned concurrent membership of two professional healthcare regulatory bodies. The Council, following guidance produced by the PSA, agreed that on balance, concurrent membership should not be allowed as it carried a risk of conflicts of interest.
21. In September 2011 the Council approved a procedure for dealing with complaints against Council Members under the Code of Conduct.
22. In June 2013 the Council approved 'GDC Council guidance on what happens if a registrant Council member faces Fitness to Practise proceedings'.
23. In August 2013 the Council considered and approved revisions to policies and documents in the Governance Manual as part of their annual review. This review was also to ensure that the new Governance Manual would be fit for purpose for the new Council taking office on 1<sup>st</sup> October 2013.

#### *Assessing effectiveness*

24. The Council approved an annual survey to enable it to review its own effectiveness. This survey was run in 2010, 2011 and 2012. The results are available on the Council extranet and the results of a close out survey ran in 2013 are appended to this report (**Appendix 11**, again available on the extranet). The Remuneration Committee recommends that the new Council runs the survey again (with some further refinements) but that the results of the survey should be facilitated by an external expert. This should be the pre-runner to launching an independent review of the Council's effectiveness, in line with good governance practice. The Remuneration Committee recommends that the new Council should consider the principle of an independent evaluation of Council effectiveness [**Appendix 4**].

25. The Council approved a simple performance review mechanism to be undertaken after every Council and Committee meeting to capture timely feedback.
26. The Council also approved the introduction of an appraisal system for members and the Chair of the Council. The Remuneration Committee reports how it undertook a review of the existing system (**Appendix 4**).
27. The Council in March 2013 agreed that the appraisal process be retained for a further cycle and that it be recommended to the new Council, subject to appropriate modifications to the guidance document and forms. The Remuneration Committee also recommends that the appraisal system should be run annually.

#### *PSA Inquiry – Actions and Learning Points*

28. In March 2013 the Council noted a paper from the Audit Committee which reported on the actions and learning points arising from and related to the PSA Inquiry.
29. The Audit Committee provided assurance that all of the recommendations had been reviewed and that an action plan was in place with many of the actions completed.

#### **Risk Management**

30. The Council sets the Risk Management Policy for the organisation and is responsible, with the Executive, for the identification and management of the GDC's strategic risks. The Strategic Risk Register is discussed at every Audit and Council meeting (in private) and on a regular basis by the Executive.
31. The Audit Committee is responsible for:
  - a. overseeing risk management on behalf of the Council
  - b. providing assurance to the Council on the adequacy and effectiveness of risk management processes
  - c. obtaining assurance on risk management arrangements from internal auditors and
  - d. reviewing the status and trends of all risks in the strategic risk register.
32. Operational risk registers are held for all areas of the business and a network of Risk Managers is coordinated by the Head of Strategic Planning. These registers are monitored by the Executive and risks are escalated to the Strategic Risk Register when necessary.
33. Risk is now taken into account in all the GDC's decision making processes and is integrated with strategic, business, operational and project planning.
34. The GDC's risk maturity has risen from risk naïve in 2009 to risk aware, as reported in internal audit reports in June 2010 and July 2012. The Risk Management Policy was approved in September 2012 and is due for review by the new Council.
35. Work is also underway to develop and implement a system for Risk Assurance Mapping to assist risk management in the GDC.

#### **Strategic Planning**

36. In July 2010 the Council developed its first corporate strategy for the period 2010-2014. The strategy was integral to the development of an Accountability and Performance Framework and the development of success indicators. This led to the development of quarterly performance and financial reports to the Council.
37. In September 2012 the Council approved a new three-year Corporate Strategy for the GDC for the period 2013-2015. The new Corporate Strategy was developed to

ensure that this more accurately reflected the GDC's statutory purpose and took into account the impact of changes in the external environment of healthcare regulation.

### **Fitness to Practise changes**

38. In September 2011 the Council approved a number of changes to Fitness to Practise (FtP) processes aimed at streamlining operations and addressing identified weaknesses in the current processes, as well as the need to bear down on the escalating costs of handling Fitness to Practise complaints.
39. The key areas of change were as follows:
  - Triage – all complaints would be subject to a triage process within a week of receipt. As a result of the triage process, serious cases would be expedited and cases with no substance filtered out more quickly.
  - Early expert input – The input from an expert in cases involving a complaint about clinical treatment. Previously clinical input did not feature until the case was considered by the investigating committee– some 6 months or more after the complaint was received. The GDC has a contract with NCAS to provide early expert input.
40. A number of legislative changes were also mooted, and it was recognised that in order to effect these changes, it would be necessary for the Department of Health to publish a Section 60 order. The main legislative changes included:
  - The introduction of Case Examiners with a range of significant powers including the power to conclude a case with no further action, issue a warning, refer a case to a fitness to practise panel or agree undertakings
  - Power for the Registrar to re-open closed cases and to add new cases to a case already proceeding to a practice committee
41. However, despite sustained campaigning by the GDC to obtain this Section 60 order the Council was advised in August 2013 that the Department of Health had ruled out the publication of a S60 order that would enable the GDC to achieve a key change to its fitness to practise processes in advance of the new legislation to be published by the Law Commission in 2014.
42. In 2012 the Council considered the results of a consultation on the proposed FtP changes and a new appeals mechanism. The consultation was undertaken from 6 February until the end of April 2012. The consultation asked for views on the introduction of case examiners with powers to deal with cases in a ways described above. There was general support for the proposals.
43. The Council has continued to monitor the performance of the FTP function. An area of key concern has been the increased number of complaints received. In 2012, the number of new cases rose by 44%. In March 2013 the Council approved additional resources to deal with the significant increase in new cases.
44. In June 2013 the Council was advised of the range of changes being considered by the Executive to improve efficiencies in Fitness to Practise within the constraints of the existing legislative framework. Examples include the use of in-house advocates; the production of written evidence for hearings to allow panels to undertake pre-reading to cut down on the number of actual hearing days; the introduction of selective charging and asking panels to approve outcomes agreed in advance between the GDC and the registrant's representatives. The new Council will be asked in due course to consider a range of such changes and the associated risks
45. The Council noted the importance of understanding the reasons behind the escalation in complaints and the PAC was asked to consider this area. The Council

also sought and received assurance that the new CRM would in due course produce a fuller range of management information to help manage the caseload.

## Finance

### *Annual Report and Accounts*

46. 2010 was the first year the GDC was required to lay its accounts before Parliament including a certificate from the Comptroller and Auditor General which was based on the recommendations of the National Audit Office (NAO). The Privy Council confirmed that the accounts should be prepared with reference to the Government Financial Reporting Manual (FrM); that the Chief Executive should be the Accounting Officer of the GDC. Importantly, it was confirmed that the GDC is not a non-departmental government body.

### *Overview of financial performance (see Key Financial Data **Appendix 10**)*

47. In 2011, the annual retention fee (ARF) was increased for both dentists and DCPs. This was the first increase since 2007 and was to fund resources necessary to deal with a surge in the volume of FTP cases, whilst maintaining a prudent level of reserves (within a range of 4 to 6 months of annual operating expenditure).
48. In 2011 the GDC embarked on a series of initiatives that continued through 2012 and 2013 to generate efficiency savings. Savings of £0.8m and £2.6m were achieved in 2011 and 2012 respectively. These savings are being used to fund the programme of improvement in the FTP function. In 2013 there is a target to generate a further £0.3 m of savings.
49. In 2012, the GDC concluded negotiations with HMRC regarding the taxation status of committee members, panellists and inspectors. They agreed that most should be treated as self-employed for the purposes of tax and National Insurance Contributions on their fees and expenses, the GDC saved £0.4m in 2012, the first year of the new agreement. A claim for reimbursement for prior year payments has been made to HMRC and a decision is pending.
50. In 2012 the GDC appointed Smith and Williamson to invest £12m from available cash balances in a mix of equities and fixed interest securities. Listed securities and unit trusts previously held by the GDC and valued at £0.6m were also transferred to their management.
51. The business case to redevelop Wimpole Street was approved in 2012. The cost of the project is £7.4m and will be funded from cash balances (see **Appendix 3** [F&BPAC handover report]).

### *Annual Retention Fee (ARF)*

52. The ARF policy was agreed by the Council in September 2010. This was agreed at the same time as a decision was taken to increase the ARF. Since then there have been a number of drivers prompting the need for a comprehensive review of the ARF policy. These included:
  - A call by the Department of Health to all healthcare regulators to review their cost effectiveness and the level of fee charged to registrants.
  - Repeated calls by dental nurses for lower fees based on lower salaries
  - Calls by some dental professionals for differential fees based on e.g. part-time work, fitness to practise trends.
  - A need to ensure that the ARF policy does not indirectly discriminate against a group with protected characteristic status under equality legislation

- A heightened requirement for accountability by all public bodies expressed in terms of how monies are raised and spent. In order to address these concerns and ensure that the ARF policy is fit for purpose the GDC has committed in the 2011-12 business plan to carry out a policy review.
53. In November 2012 the Council approved a proposed approach to reviewing the ARF policy. In August 2013, following Stage 1 of the ARF Policy Review, it approved the further work which needs to be undertaken in Stage 2 of the ARF Policy Review. The Council expressed its overall support for the concept of relating the ARF more closely to the cost of regulation for each registrant group but it also recommended that the new Council might consider the principle of a low income discount.

#### *Investment Strategy and Principles*

54. In December 2011 the Council approved a new investment strategy and principles. This adopts a low to medium risk profile aimed at achieving returns broadly in line with inflation. This involves a modest proportion of investments held in equities. The Council will be considering the investment principles in September 2013.

#### *Reserves Policy Review*

55. In December 2011 the Council approved a reserves policy. This is designed to ensure that the GDC has sufficient funds to maintain its functions and processes. The reserves policy provides for a range of four to six months of operating expenditure. The new policy also defines reserves as the general reserve only and does not include any pension reserve or unrealised gains on investment reserves. The Council will be reviewing the GDC's financial reserves policy in September 2013.

#### *Review of Financial Policies and Procedures*

56. In December 2012 the Council approved the financial policies and procedures 2012. These are reviewed annually to ensure that they reflect the latest requirements, arrangements and controls and include correct terminology. They are next due to be approved by the Council in September 2013.

#### *Pensions*

57. The Remuneration Committee keeps pension arrangements under review and any necessary or desirable changes are referred to the Council e.g. the recent requirements in respect of auto-enrolment.
58. In December 2012 the Council approved new governance arrangements for the GDC Pension Scheme. Previously the GDC Pension Scheme had one employer-nominated trustee, and two employee-nominated trustees. The Council approved that two additional trustees should be appointed bringing the employer nominated trustees to three including the chair.
59. Traditionally the chair of the trustees was a Council member. However, the Council recognised that there were some advantages to having an independent person in this role. The appointment process was delegated to the Remuneration Committee, and the new chair has been appointed (Giles Payne of HR Trustees Limited).

#### **Communications and transparency**

60. In 2010 an initial communications and engagement strategy was developed.
61. In December 2012 the Council approved a new Communications and Engagement Strategy for the GDC. This aims to promote the core work of the GDC and the achievement of the objectives and priorities set out in the GDC's Corporate Strategy. The key purpose is to promote public confidence in dental regulation.
62. The Council now receives quarterly reports on Stakeholder Engagement.

## Monitoring and accountability

### *Performance reporting*

63. Performance Reporting was implemented, for the first time in 2010. Since then the Council has received a performance report at every meeting and the report has developed on the basis of detailed feedback from the Council. In February 2013, the internal audit report 'Review of Management Information', provided the GDC with a rating of 'substantial assurance', stating that the quality and quantity of management information at the GDC had improved significantly over the last two years.
64. In August 2013, the Council received the project plan for the further development of GDC reporting capabilities within the new CRM (Customer Relationship Management) system.
65. It was noted that the Council would continue to receive performance reports in the interim period. In June the Council agreed that equality and diversity data would be captured to enable analysis of the profile of complainants. The data would include the three key characteristics under the Equality Act: age, disability and race.
66. Further information about the GDC's performance for the period 2009-2013 is set out at **Appendix 9**.

### *Implementation of the Equality Act 2010*

67. In September 2011 the Council received a report which outlined the GDC's duties under the Equality Act 2010 and an action plan aimed at ensuring the GDC complies fully with its duties under the Equality Act 2010.
68. The Council agreed the following equality objectives:
  - a. Promoting equality through governance, strategy, planning, procurement, facilities and communications
  - b. Improving our evidence base
  - c. Fair regulation of the dental team
  - d. Protecting all patients
  - e. Being a fair and enabling employer.
69. The Council has received regular reports on this action plan at its meetings Work is currently underway to produce an updated action plan following a review of the GDC's Equality and Diversity policy.

## Physical Infrastructure

### *37 Wimpole Street redevelopment*

70. In 2009 a planning application was made in respect of 37 Wimpole Street. More detailed information about this is included in the report from the Financial and Business Planning Advisory Committee (see **Appendix 3**)
71. In May 2012 the Council approved a proposed strategy for the redevelopment and in September 2012 the Council considered and approved the business case for redevelopment of the GDC's premises at 37 Wimpole Street and the adjoining Wimpole Street Mews.

### *Business Information Systems Programme*

72. A major initiative introduced in 2012 was the Business Information System (BIS) programme. A major feature of the programme, which was aimed at streamlining the GDC's functions, was the implementation of a new CRM (Customer Relationship Management) database, replacing existing outdated systems and crucially, providing

a fit for purpose case management system to support the Fitness to Practise function.

73. In April 2012 the first phase of the BIS programme went live with the introduction of a case management system for the Fitness to Practise function. This was followed in May 2013 with the migration of the Registration function to the CRM. The remainder of the GDC's functions will be migrated to the CRM system in phases throughout 2014 and 2015.

#### **Law Commission consultation**

74. In 2012 the Law Commissions<sup>2</sup> conducted a consultation on health and social care regulation. The consultation sought views on a range of options to simplify and modernise healthcare regulation. In February 2012 the Council appointed a task and finish group (comprised of 5 Council members, including the Chair) to assist it with the development of a response to the consultation.
75. The Law Commission (LC) consultation on new legislation to govern healthcare regulators closed on 31 May 2012. A key feature of the new legislation is to confer much greater autonomy on regulators to change the way they regulate in response to changes in the sector. The GDC made a full response which is available on the GDC website.<sup>3</sup>

#### **Appointment of the new Council and planning for the transition**

76. The Council appointed the Governance Reforms Task and Finish group to assist first with the GDC's response to the government's consultation in 2012 regarding new constitutional arrangements and then with the arrangements for the transition to the new Council including its appointment.
77. In February 2013 the Council approved the arrangements for selecting a Chair and Council to take up office in October 2013. The Council also approved a proposal that one third of the Council should be appointed for a term of three years, and the remainder should be appointed for a term of four years, in order to stagger the appointments cycle.
78. In June 2013 the Council approved a transitional committee structure for the new Council, to be in place from 1 October 2013. Any decisions regarding the supporting committee structure of the Council from 1 October 2013 onwards will be a matter for the new Council but the current Council was keen to ensure there was a transitional structure in place and an effective handover of business so as to maintain continuity and momentum.
79. A transitional committee structure, comprising an Audit Committee and a Remuneration Committee was approved. The Council took the view that these committees should be in place (as a minimum) to avoid the risks of hiatus at the start of the new Council's term. The Council also recommends that the new Council consider whether or not it requires a Finance Committee and/or a Policy Committee at one of its first meetings.
80. In August 2013 the Council approved amendments to the Standing Orders and Council Resolution in preparation for transition to the new Council. A separate set of Standing Orders to govern the operation of the Appointments Committee was also approved.

---

<sup>2</sup> Law Commissions of England and Wales, Scotland and Northern Ireland

<sup>3</sup> <http://www.gdc-uk.org/Newsandpublications/Documents/Law%20Commission%20final%20response.pdf>

### *The Appointments Committee*

81. The function of the Appointments Committee is to help maintain the appropriate independence of the Council from disciplinary issues. The Committee has responsibility for appointing and removing statutory committee members<sup>4</sup>, and overseeing their appraisal and training arrangements. Correspondingly, the Council must have mechanisms to satisfy itself that the Appointments Committee is performing its functions satisfactorily.
82. In September 2011 the Council agreed that:
  - The Executive should formally liaise with the Committee, at least annually, on its requirements for the statutory committees so that the Committee is kept abreast of the required competencies for these positions. This activity would be reported to the Council in the Committee's annual report.
  - That the Chair of the Council should sign off the annual objectives of the Committee and ensure there is a discussion at the end of the year with relevant stakeholders whereby formal feedback can be given on how well the Committee has met its objectives.
  - That the minutes of the Appointments Committee should be published on the Extranet for Council members
83. In September 2012 the Council received a paper for decision which proposed the extension of the terms of office of the current Appointments Committee members to the end of 2014. The Council approved this extension and agreed that it would be good practice to review the operation of the Committee and its requirements for its replacement.
84. In order for arrangements to be in place for the appointment of a new Committee on 1 January 2015 the Council must complete its review by the spring of 2014. A paper on the proposed review of the Appointments Committee will be presented to the new Council at its first meeting in October 2013.

### **Dental Complaints Service**

85. The current DCS Advisory Board is due to continue until December 2013. The new Council will then be required to take a decision on the governance arrangements for the Advisory Board (which currently includes 5 Council members, two professional representatives and two patient representatives).
86. As part of the legacy work of the Committee Structure Working Group the Council had agreed that there should be a review of the governance arrangements of the DCS. The Chief Executive proposed that the governance review might be wrapped up with a wider review of the DCS's potential, including an examination of how the successful dispute resolution techniques used by the DCS might be applied to fitness to practise cases. This review did not happen and the Council will need to consider a recommendation regarding the proposed governance arrangements of the DCS advisory board at one of its first meetings.

---

<sup>4</sup> The people who sit on the Investigating Committee, Interim Orders Committee, Registration Appeals, Professional Conduct, Health and Professional Performance Committees.

**Policy Advisory Committee  
Business Handover Report (draft)**

<b>Purpose of paper</b>	To propose a draft report on the work of the outgoing Policy Advisory Committee as a handover document to the new Council
<b>Action</b>	For consideration and decision
<b>Corporate Strategy 2013-2015</b>	5. Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection.
<b>Decision Trail</b>	Each current Committee of the Council will provide a business handover report to the September 2013 meeting of the current Council.  A new Council will start its term of office on 1 October 2013.
<b>Recommendations</b>	The Council is invited to note the handover report from the Policy Advisory Committee
<b>Authorship of paper and further information</b>	Siobhan McLoughlin, Senior Governance Manager  David Rowland, Head of Corporate Policy Amanda Little, Policy Manager QA E: <a href="mailto:smcloughlin@gdc-uk.org">smcloughlin@gdc-uk.org</a> T: 020 7887 3859
<b>Appendices</b>	Annex A: PAC Terms of Reference Annex B: Policy Work Programme Annex C: An update on the work Reviewing Statutory Regulation of the Specialties

## Executive Summary

1. The paper reports on the work of the Policy Advisory Committee in preparation for the handover to the new Council which takes office on 1 October 2013.

## Introduction and Background

2. In May 2011 the Council approved a new Committee structure in which the Standards, Education, Fitness to Practise Policy and Registration Committees were replaced by a single Policy Advisory Committee.
3. The Committee comprised ten Council members: David Smith (Chair), Grace Alderson, Elizabeth Davenport, Anthony Kilcoyne, Derek Prentice, Mabel Slater, Neil Stevenson, Linda Stone, Anne Marie Telford and Carol Varlaam.
4. The key purpose of the Committee was:  
To assist the Council in the development of regulatory policy for standards, fitness to practise, education and registration and the Dental Complaints Service by ensuring that policy is developed efficiently and effectively and is evidenced based.
5. The terms of reference of the Committee are set out at Annex A.
6. In June 2013 the Council considered proposals to recommend to the new Council a transitional Committee structure from 1 October 2013 which would include an Audit Committee and a Remuneration Committee. The Council recommended that the new Council considers as early as possible whether it requires a Finance Committee and/or a Policy Committee.

## The Policy Work Programme

7. When the Committee was first established it inherited the work programmes from the existing policy committees (i.e. the Standards, Education, Fitness to Practise Policy and Registration Committees). It was asked by the Council to review these and develop a prioritised policy programme which met the following criteria:
  - a. Achieved our statutory obligations
  - b. Addressed policy legacy issues
  - c. Identified key issues in the strategic environment on which the GDC needs to develop policy
  - d. Addressed risks outlined in the strategic risk register
  - e. Focused effort on issues which contribute to the delivery of the GDC's corporate strategy
8. In order to do this, the Committee agreed clear criteria against which to accept or reject issues in the programme. These criteria were:
  - a. Statutory requirement for policy change
  - b. PSA requirement for policy change
  - c. A policy position may be required in order to influence the regulatory environment for the public interest
  - d. Existing policy may be inconsistent with our own policies or those of other regulators
  - e. There may be more efficient ways of regulating without any detriment to patient protection
  - f. A policy may simply be scheduled for review or post implementation review.

9. In August 2012 the Committee approved a new version of the annual policy programme which divided the policy work into three separate work-streams. This was designed to help address increasing policy demands within the available resources:
- Section A: current work activities
- Section B: on-going development work; and
- Section C: policy issues which are under consideration to review for possible further development work
10. The work programme now:
- Identifies clearly the status of pieces of work
  - Identifies interdependencies between different areas of policy development
  - Identifies further policy issues which have arisen where work is being planned
  - Identifies when the Committee will receive papers and updates in relation to each of the planned pieces of work
11. The work programme was reviewed at each meeting of the Committee and was reported to the Council as part of its regular Committee reports made to the Council after each of its meetings. All reports are available on the GDC website.
12. The latest version of the work programme is set out at Annex B to this paper. This sets out each area of policy work, aligned to the Corporate Strategy and Business Plan, the interdependencies with other policy areas, the anticipated status of work at September 2013 and what is planned for the remainder of 2013.
13. Annex C to this report sets out an update on the work Reviewing Statutory Regulation of the Specialties. Other specific policy reports are on the September Council agenda in regard to:
- Scope of Practice
- Transition to Independent Practice Handover report
- Revalidation Working Group Handover report
- QA of Training Leading to Inclusion on a Specialist List

### **Task and Finish Groups**

14. In line with Council's decision in May 2011 regarding the parameters for the operation of task and finish groups, the task and finish groups established to oversee specific pieces of policy work, reported directly into the Policy Advisory Group first before making their reports to Council.
15. Those areas of policy which were developed under the oversight of a task and finish group are reflected in the policy work programme at Annex B.
16. All policy working groups/task and finish groups have now been wound up until such time as the new Council has decided on its preferred method for overseeing policy development and bringing in relevant expertise.

### **Key Lessons from the Policy Advisory Committee**

17. The Policy Advisory Committee has provided the following reflections on its work:

- The Policy Advisory Committee has been a very useful mechanism for effectively managing a large amount of policy work in a way that the Council could not easily do given the fact that it only met six times per year and predominantly in public.
- The Committee was successful in structuring policy development and ensuring that high quality policy papers were presented to the Council. An important benefit of having a central policy committee was to ensure that interdependencies of policies were identified and managed appropriately. Many policy items which had been in development for several years are now in progress or have been completed under the supervision of the Policy Advisory Committee. The Committee is keen to see how these functions for developing and managing a policy programme can be delivered under a new governance structure.
- The Committee recognises that with a smaller Council of 12, it may be difficult to establish a separate policy committee which would comprise two-thirds of the Council. It will be for the new Council to determine its preferred model for developing policy in a credible and strategic manner.
- The new Council will need to ensure it has arrangements in place to ensure adequate scrutiny of policy and an effective mechanism for bringing in appropriate expertise in the development of policies.
- The fact that the Policy Advisory Committee met in private was of benefit as it allowed for open discussion and refinement of papers prior to these being debated in a public forum. The Committee suggests that the Council consider having alternate meetings where it meets as a policy advisory board and then meets as the Council, or meets in private for the first half of the day for these types of discussions and then resumes in public in the afternoon for the formal meeting. This would need to be carefully managed so there was clarity regarding the status of the meetings, ensuring that the Council did not slip into decision-making mode inappropriately.

### **Risk implications**

18. The Committee has considered the risks relating to each policy. Any risks which were identified were referred to the Audit Committee for consideration as to whether they should be added to the strategic or operational risk registers.

### **Public protection implications**

19. A key principle of effective policy making is to ensure that all policy coheres to achieve the key purpose of public protection.
20. The policy programme is designed to achieve the GDC's key purpose of public protection.

### **Equality and diversity implications**

21. A key principle of effective policy making is to be inclusive and take account of the impact on the needs of all those directly or indirectly affected by our policies, taking particular care that minority groups are not adversely affected.
22. Equality Impact Assessments are developed alongside all policy projects in order to integrate the consideration of equality and diversity issues with policy development.

### **Policy and Communications implications**

23. Delivery of a single policy programme was intended to result in a more co-ordinated approach to policy. Clear milestones for policy projects allowed for more effective communication and engagement on policy issues.

### **Legal implications**

24. None immediately arising from this paper.

### **Resource implications**

25. The Council approved a budget for the work of the Policy Advisory Committee in 2013.
26. The costs of the Committee since its inception in September 2011 to July 2013 have been just under £76,000.

### **Recommendations**

27. The Council is invited to note the handover report from the Policy Advisory Committee

## **Annex A**

Terms of Reference: **Policy Advisory Committee**

### **Key purpose**

To assist the Council in the development of regulatory policy for standards, fitness to practise, education and registration and the Dental Complaints Service by ensuring that policy is developed efficiently and effectively and is evidence based.

### **Delegated Powers**

Approve public consultation documents regarding matters which will have minimal impact on the public and registrants or to effect legislative change .

Approve minimal changes to regulatory policy which will have a minor impact on the public and registrants or to effect legislative change or compliance.

### **Functions and Duties**

Assist the Council to devise an annual policy development programme, with due regard to the priorities set out in the strategy, corporate plan and business plan and identifying key interdependencies.

Provide in-depth scrutiny and guidance to the Executive in the development of frameworks and policy for standards, education, registration and fitness to practise and the Dental Complaints Service prior to Council approval.

Ensure that a full regulatory impact assessment and a full equality and diversity assessment are provided with all policy proposals.

Consider and advise Council on the approval of public consultations and consultation strategies which will have a major impact on the public and registrants or to effect legislative change of compliance.

Advise the Council on the approval, and oversee the implementation and the evaluation of major changes to regulatory procedures to ensure efficient and effective regulation.

Review trends analysis and recommendations from statutory and regulatory bodies which have implications on GDC Policy development.

**Approved by the Council 20 May 2011**

**Revised by the Council 6 December 2012**

**Revised by the Council 28 March 2013**

## Annex B

ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG					
SECTION A Current work activities					
Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
<p><b><u>1. Standards Review</u></b></p> <p><b>The aim of this work is to review the current standards guidance and accompanying guidance, with the intention of producing new standards which are fit for purpose</b></p>	<p>Janet Collins, Head of Standards</p> <p>The development of the new Standards was overseen by the Standards Review Working Group</p>	<p><b>Business Plan 2013: Policy</b></p> <p><b>1. Complete the Standards Review</b></p> <p>The new Standards for the Dental Team have been approved and hard copies have been sent to all registrants at the end of August 2013. The additional guidance documents which support Standards for the Dental Team were considered by Council at its meeting in August and some final amendments were made. These will be made available as PDFs on the website at the end of August. All the new standards and guidance will come into force on 30 September 2013. Training has been provided to operational teams affected by the new standards and training is scheduled for the Investigating Committee and FtP panellists. The team has worked with the FtP Managers to align the categories in the case management system to the new standards. The redevelopment of the standards pages of the website to include more interactive content is also underway and the launch of the new pages will also be 30 September 2013. There is a clear communications strategy in place for promoting the new standards.</p>	<p>Direct Access; Scope of Practice, FTP review (Indicative Sanctions Guidance)</p>	<p>All the standards and guidance will be in place by September 30 2013 and the team will be focusing on dealing with queries and developing the content for the webpages.</p>	<p>Update for Council (for information)</p>

<sup>1</sup> All policy working groups/task and finish groups have now been wound up until such time as the new Council has decided on its preferred method for overseeing policy development and bringing in relevant expertise. Please refer to Appendix 7 of the Council handover report for further details on the composition, remit and output of each of the policy task and finish groups.

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
<p><b><u>2.Policy on the new Quality Assurance process for Education and Training</u></b></p> <p><b>The purpose of this work was to develop a new inspection process for the delivery of primary dental qualifications. New ‘Standards for Education’ have been developed and Learning Outcomes have also been developed (Preparing for Practice). These replace the previous outcomes guidance documents ‘The First Five Years’ and ‘Developing the Dental Team.’ A new inspection process was introduced in November 2012 and is being used for the Bachelor of Dental Surgery (BDS) inspections. The new educational standards and learning outcomes (The First Five Years) are currently being used in these inspections as an interim measure. For DCP training ‘Preparing for Practice’ and the Standards for Education are currently being used.</b></p>	<p>Ross Scales, Operations Manager QA/ A QA Advisory Group was also established to bring in the necessary expertise in the production of the Standards for Education</p>	<p><b>Business Plan 2011/12: Education/QA/Revalidation Objectives 1&amp;2</b></p> <p>The Standards for Education were approved by the Council at its meeting in September 2012. Regular updates on QA activity have been provided to Council and the committees of Council.</p>	<p>QA of Specialty Training; Scope of Practice</p>	<p>The Standards for Education and the revised QA Process have been implemented for the majority of inspections since November 2012 and will be in place for all inspections from Summer 2013. Initial feedback on the standards and process has been generally very positive from inspectors and providers. An initial review of learning has taken place following the first inspections and a full review will take place at the end of the 2012/13 academic year. A review report will be produced in early 2014. Any major changes to QA process or the</p>	<p>Council to consider plans for initiating review of Standards in Quarter 1 of 2014.</p> <p>Report on the latest round of DCS Inspections will be provided to the Council in December 2013</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
				Standards for Education will come into effect in the 2014/15 academic year.	
<p><b><u>3.Direct access</u></b></p> <p>The purpose of this work was to look at whether the requirement for patients to see a dentist before seeing another member of the dental team such as a dental hygienist should be lifted.</p>	<p>Janet Collins, Head of Standards</p> <p>The development of the policy on Direct Access was overseen by the Direct Access Task and Finish Group</p>	<p><b>Business Plan 2013: Policy</b></p> <p><b>2. Complete the Direct Access project</b></p> <p>At the March Council meeting the Task and Finish Group which had been overseeing this work made its recommendations to Council. These were approved and a decision was taken to implement the recommendations from the 1 May 2013. As a result the restrictions contained within the GDC guidance were revised so that there are now no requirements for patients to first see a dentist before seeing a dental hygienists and dental therapists and patients can also see dental nurses and orthodontic therapists directly in certain circumstances Guidance has been developed for registrants on this issue and advice has been developed for patients.</p>	Standards Review; Scope of Practice	Complete and in implementation.	As this work has been completed no further work is scheduled for the new Council. A review is scheduled to take place in 2014.
<p><b><u>4. Indicative Sanctions Guidance for the Professional Conduct Committee</u></b></p> <p>The purpose of this work is to produce revised Indicative Sanctions Guidance to ensure</p>	<p>David Rowland, Head of Corporate Policy /Janet Collins, Head</p>	<p><b>Business Plan 2013: Policy</b></p> <p><b>4. Undertake a programme of policy work to improve regulation.</b></p> <p>The PAC reviewed a draft of the revised guidance at its</p>	Francis report Action plan; Standards review and guidance; Guidance for Investigating	A working draft will be developed taking into account the Francis report action plan and the government's	It is intended that a draft will be ready for consultation by October and it is intended that a report

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
<p><b>that the GDC is clear about when particular sanctions are appropriate. This will allow the GDC to be clearer with registrants and the public about why particular sanctions are used and will also allow the GDC to be clear to Committee members about the framework in which they take decisions</b></p>	<p>of Standards</p>	<p>meeting in August 2012. It was agreed following advice from corporate legal that the guidance will be subject to public consultation. Discussions have taken place within PAC about the extent to which the guidance should set out a tariff based approach to issuing sanctions. An update was provided to PAC at the July 2013 meeting describing the high level approach which Officers were taking. This was to be clear that sanctions ought to be used to mitigate the risk of harm identified following a finding of impairment and that the guidance would use examples of where sanctions had been used appropriately in other GDC FTP cases.</p> <p>The Indicative Sanctions Guidance will also take into account the action in the Francis Report Action plan which involves making it clear that breaches by registrants of the requirements relating to ‘candour’ and/or a breach of the essential standards would normally be treated with extreme seriousness by the Committee</p>	<p>Committee</p>	<p>response to the Francis report, in particular the recommendations in the report dealing with essential standards and the duty of candour</p>	<p>on this will go to Council in October</p>
<p><b><u>5. The Development of Statutory Rules for Enhanced Continuing Professional Development</u></b></p> <p><b>The purpose of this work is to ensure that the GDC has the legal powers to introduce the model of “Enhanced CPD” which was agreed following the Consultation which closed in January 2013. This model for all registrants</b></p>	<p>Claire Herbert, Head of Revalidation</p> <p>Development of this work has been overseen by the Revalidation Working</p>	<p><b>Business Plan 2013: Revalidation</b></p> <p><b>1. Develop a scheme based on a 3 stage model of revalidation</b></p> <p><b>2. Undertake the CPD review and contribute to preparation for introduction of revalidation</b></p> <p>The Revalidation Working Group considered the draft CPD rules at their May and July 2013 meetings. The rules will continue to be prepared when the new Council take up office. The GDC is currently responding to DH</p>	<p>Standards; Scope of Practice, Learning Outcomes, Professional Qualifications Directive, Transition to Independent Practice, Law Commission Review.</p>	<p>Draft rules in development with expert legislative drafter, Corporate Legal and Department of Health. Due to be considered by Council for approval for public consultation by</p>	<p>Approval for public consultation – Oct or Dec 2013</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
<p><b>consists of:</b></p> <p><b>-Mandatory annual CPD declarations; Mandatory personal development plans; linking the CPD outcomes to the GDC's Standards; Requiring verifiable CPD only.</b></p> <p><b>It is anticipated that this scheme will come into effect no earlier than August 2014</b></p>	<p>Group</p> <p>Development of this work has been overseen by the Revalidation Working Group</p>	<p>comments. An assessment of costs and impact of enhanced CPD is currently being commissioned.</p>		<p>end 2013</p>	
<p><b><u>6. Current CPD Policy</u></b></p> <p><b>The purpose of this piece of work is to ensure that the current CPD requirements and the guidance around this are consistent with the changes to the GDC's Standards and other guidance.</b></p>	<p>Claire Herbert, Head of Revalidation</p> <p>Development of this work has been overseen by the Revalidation Working Group</p>	<p><b>Business Plan 2013: Policy</b></p> <p><b>4. Undertake a programme of policy work to improve regulation</b></p> <p><b>Business Plan 2013: Revalidation</b></p> <p><b>1. Develop a scheme based on a 3 stage model of revalidation</b></p> <p><b>2. Undertake the CPD review and contribute to preparation for introduction of revalidation</b></p> <p>The CPD guidance has been revised to reflect Standards for the Dental Team and the CPD rules. The associated webpages require similar revision and refinement to remove inconsistencies, lack of clarity and duplication. The Registration Operations Team working with Head of Revalidation to prepare revised web content. All new content and guidance will go live on 30 September 2013. An appropriate communications plan has been developed. As part of</p>	<p>Standards; Scope of Practice, Learning Outcomes, Professional Qualifications Directive, Transition to Independent Practice, Law Commission Review,</p>	<p>Revised guidance produced and approved by the Revalidation Working Group.</p>	<p>The Council will be informed about the revised information on the GDC website once this is live.</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
		understanding the CPD market in dentistry, that provides much of the CPD activity undertaken by registrants, officers are currently commissioning a “rapid industry assessment”.			
<p><b><u>7. Working towards a 3 stage model Revalidation</u></b></p> <p>The purpose of this work is to prepare the basis for the introduction over the longer term of a model of revalidation for Dentists. This consists of a 3 stage model of revalidation:</p> <p><b>-Compliance; Remediation; In-depth assessment.</b></p> <p><b>This model will be subject to refinement</b></p> <p><b>This will build on the scheme of Enhanced CPD which is set to be introduced. Preparation for the introduction of revalidation includes undertaking research to identify risks, scoping the</b></p>	<p>Claire Herbert, Head of Revalidation</p> <p>Development of this work has been overseen by the Revalidation Working Group</p>	<p><b>Business Plan 2013: Revalidation</b></p> <p><b>1. Develop a scheme based on a 3 stage model of revalidation</b></p> <p><b>2. Undertake the CPD review and contribute to preparation for introduction of revalidation</b></p> <p>The Picker Institute conducted research in 2012 evaluating potential documentary evidence types for revalidation for dentists. A 2013-14 programme plan is in place incorporating relevant policy projects. Currently Frontline Consultants Ltd are undertaking an Evaluation of Risk in Dentistry. Later in the autumn officers will commence scoping of pilot activity during 2014. The Plan is to implement the scheme incrementally in due course after the launch of enhanced CPD and introduction of the Law Commission’s Bill ie post 2015.</p>	<p>Standards; Scope of Practice, Learning Outcomes, Professional Qualifications Directive, Transition to Independent Practice, Law Commission Review,</p>	<p>Work on the research into risk in dentistry will continue during this period</p>	<p>Potential Council discussion of the risk research in December 2013.</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
possibility of introducing pilots and identifying costs and benefits.					
<p><b><u>8. Development of a revised MOU with CQC/GMC/NHS Commissioning Board. Disclosure policy and Addresses on the register</u></b></p> <p><b>The purpose of this work is to ensure that the GDC has in place a disclosure policy which is fit for purpose and that information is shared with a range of other regulatory bodies including the CQC, and the systems regulators the GMC and NHS bodies in the 4 countries. In order to ensure that we have the correct information to share it is also necessary to review what information the GDC collects.</b></p>	<p>David Rowland, Head of Corporate Policy</p>	<p><b>Corporate Strategy 2013-2015</b></p> <p><b>4.0 Build partnerships with other bodies and influence the regulation of dentistry to protect patients.</b></p> <p>As this work involves disclosure of information with other bodies it has been considered necessary to review the GDC's disclosure policy and included in this work is a review of the addresses on the register. Registrants must supply a contact address to the GDC and this address is published in the register. Many registrants supply their home address and some are concerned that this constitutes a risk to personal security. Some registrants are not able to give any other address.</p> <p>This work is very closely linked to the Francis Report Action plan. Updates have been provided to the Policy Advisory Committee on information sharing arrangements and the general approach.</p> <p>A memorandum of Understanding has been signed with the Care Quality Commission in January 2013 and we</p>	<p>Standards Review, Scope of Practice Guidance, Indicative Sanctions Guidance, Francis Report Action plan.</p>	<p>It is anticipated that this work will be on-going in September 2013 with regular reporting to the new Council</p>	<p>Reports will be provided to Council on information sharing</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
		<p>are aiming to have an Information sharing agreement in place by the end of October 2013. Once this approach is agreed this will be used as the basis for developing agreements with the regulatory bodies in Scotland, Northern Ireland and Wales.</p> <p>Discussions are also underway with NHS England to develop a Memorandum of Understanding and information sharing protocol in relation to the National Performers List</p> <p>A draft information sharing agreement is being discussed with the GMC in relation to the dual registration of Oral and Maxillofacial Surgeons i.e. those who are registered with both the GDC and GMC.</p> <p>It is proposed in the Francis Report Action plan that there will be regular reports to Council on the nature of information exchange between the GDC and other bodies.</p>			

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
<p><b><u>9.Review of the Scope of Practice Guidance.</u></b></p> <p>The Scope of Practice guidance is being reviewed in light of related decisions on direct access and the new Standards, to make sure that it remains accurate and up to date. Scope of Practice guidance sets out the skills which each registrant group should have on qualification and further skills which they might go on to develop during their careers</p>	<p>Janet Collins, Head of Standards</p> <p>Development of this work was initially overseen by the Scope of Practice Working Group until this work was transferred into PAC in Dec 2011.</p>	<p><b>Corporate Strategy 2013-2015</b></p> <p><b>2.4 Review and implement scope of practice and direct access policies and guidance</b></p> <p>Officers have had discussions with the professional associations representing each of the groups and at the request of the Policy Advisory Committee we are now seeking expert input from trainers and educators. This will inform a revised draft which will be circulated to PAC and then to Council for approval in September 2013</p>	<p>Direct Access; Standards; Learning Outcomes</p>	<p>Due to be approved by the current Council in September</p>	<p>Policy work in this area should be complete. There will be some communications activity and staff will advise CAIT and FtP of relevant changes</p>
<p><b><u>10.Review of ARF (Annual Retention Fee)</u></b></p> <p>The purpose of this work is to ensure that the GDC's policy for setting fees is lawful, perceived to be fair, takes into account the circumstances of registrants and is administratively efficient.</p>	<p>David Rowland, Head of Corporate Policy</p> <p>Development of this work was overseen by the ARF Policy Task and Finish Group.</p>	<p><b>Business Plan 2013: Policy</b></p> <p><b>4. Undertake a programme of policy work to improve regulation</b></p> <p><b>- Carry out a review of the ARF policy</b></p> <p>It was agreed that this work should take place in two stages. The first stage was to collect evidence, review the policy, seek the initial views of stakeholders and identify viable options for further consideration.</p> <p>Council approved the outcomes of Stage 1 of the review at the August 2013. This proposed that Stage 2 should look at developing a cost model which would allow the GDC to set fees more accurately for each group according to the cost of regulation as well as how to apportion fee increases between different groups. A</p>		<p>Stage 1 of this work will be completed by September 2013.</p> <p>Phase 2 of the work will start under the new Council.</p>	<p>Stage 2 of the review will begin in September. A timetable for producing final recommendations to Council will be presented to Council before December 2013</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
		second option – which looks at the possibility of introducing a 'low income discount' – will also be assessed for its feasibility. The aim is for any revisions to the policy to come into effect in 2014.			
<p><b><u>11. Review of the concept of specialisms</u></b></p> <p>The purpose of this review is to ask whether the existence of the specialist lists protects patients and the public. The GDC has 13 specialist lists, The Specialist lists are lists of registered dentists who meet certain conditions and are entitled to use a specialist title. Registrant's don't have to join a Specialist List to practise any particular specialty, but a registrant can only use the title 'specialist' if they are on the list</p> <p>The question which is being asked by this work is should we continue to regulate the specialties or alter how we regulate them?</p>	Amanda Little, Policy Manager QA	<p><b>Business Plan 2013: Quality Assurance</b></p> <p><b>1. Develop and implement new integrated QA systems for regulation of the dental team</b></p> <p><b>- Undertake a review of the Specialist List</b></p> <p>The PAC approved the approach to the Review in April 2013.</p> <p>Officers have analysed the evidence and research which is available and have scoped out the issues. An indicative timeline has been developed and the component parts of the Review have been identified</p> <p>Further research (including an exercise with patients and the public) is planned to take place in the final quarter of 2013 and early 2014.</p> <p>A separate fuller update on this is provided at Appendix 3 to this report.</p>	<p>Law Commission Review</p> <p>QA of Specialty Training</p> <p>Recognition of Qualifications Directive</p> <p>Risk Evaluation in Dentistry</p> <p>Francis Report Action plan.</p>	The work on the Review will be in progress at September 2013 and reported to Council	Council to consider the progress on the review

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
<p><b><u>12. Indemnity</u></b></p> <p>The purpose of this work is to ensure that the GDC implements the legal requirements for GDC registrants to hold professional indemnity.</p>	<p>Janet Collins, Head of Standards</p>	<p><b>Business Plan 2013: Registration</b></p> <p><b>7. Enhance systems to ensure the register is current and accurate</b></p> <p>- implement indemnity validation checking</p> <p>Following extensive work with the Department of Health (England) and the other healthcare regulators, the requirement for registrants to hold professional indemnity will move from being an ethical one imposed by the GDC to a condition of registration as a result of a change in the law.</p> <p>The DH has published The Section 60 Order which will amend the primary legislation of the professional regulators in order to implement this change. Legislation is expected to be in place in October 2013 with a likely implementation date of October 2014.</p>	<p>Standards Review; CPD review</p>	<p>The Policy work is now complete and work is now taking place with the operational teams on implementation and with the main providers of indemnity cover on information sharing</p>	<p>No planned work activity for Council – update reports on any issues relating to the implementation of indemnity requirements will be provided throughout the first year</p>
<p><b><u>13. Transition to Independent Practice</u></b></p> <p>The purpose of this work is to review whether newly qualified Dentists and DCPs are suitable to undertake independent practice following the completion of primary dental qualifications. It is primarily focused on identifying if there are any risks associated with the current educational and regulatory arrangements for patients and</p>	<p>Sarah Crossfield, Policy Manager QA</p> <p>Development of this work was overseen by the Transition to Independent Practice Task and Finish Group.</p>	<p><b>Business Plan 2013: Quality Assurance</b></p> <p><b>3. Investigate and make recommendations on pre-registration training</b></p> <p>Stakeholders have been formally invited to submit evidence and views on the risks to patient safety during the transition period from graduation. This call for evidence closed on 3<sup>rd</sup> June and 29 responses were received.</p> <p>A stakeholder seminar and evidence gathering event planned for 10 July 2013 with 42 stakeholders in</p>	<p>Standards for Education; Learning Outcomes; QA policy more generally</p>	<p>A report on the outcome of the review will be presented to Council in September 2013 with a recommendation to the new council. Any new work will be undertaken under a new council</p>	<p>Council to consider recommendations for policy</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
the public.		attendance. •The work programme also includes an analysis of relevant data: - GDC FTP data - GDC registration data - GDC overseas qualified registrants data - Foundation trainees and - NHS performers lists covering country and year of first qualification • A literature review on the transition to fully unsupervised practice (including in dentistry, in other health professions and elsewhere in the world) will also be undertaken.			
<p><b><u>14. Law Commission Review</u></b></p> <p><b>The Law Commission has proposed a number of changes to health and social care regulation in the UK. This will involve the introduction of new primary legislation for the GDC and all the other professional regulators, with the intention that a Bill will be introduced into Parliament in 2013., These changes if enacted will affect GDC's core business</b></p>	<p>David Rowland, Head of Corporate Policy</p> <p>Development of this work was overseen by the Law Commission Task and Finish Group</p>	<p><b>Corporate Strategy 2013-2015</b></p> <p><b>4.0 Build partnerships with other bodies and influence the regulation of dentistry to protect patients.</b></p> <p>GDC has responded to the Law Commission's consultation and a Task and Finish Group was established for to oversee discussions with Law Commission/DoH/PSA and other regulators on this area. Officers including the Chief Executive have met with the Law Commission a number of times over the course of 2013 and officers answer queries on request from the Law Commission.</p>	<p>It is likely that this area of work will cross over into most other areas of policy development in one way or another due to the wide ranging nature of the proposals</p>	<p>It is planned that a renewed strategy of engagement with the Law Commission will be put in place in the autumn of 2013 to ensure that the GDC remains able to effectively influence the Law Commission and the DH's agenda.</p>	<p>An update will be provided to Council on any developments in this area at its away day in November.</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
		PAC has been kept informed of any developments.			
<p><b><u>15. QA of Specialty Training</u></b></p> <p><b>The purpose of this work is to review whether and how the GDC should develop a Quality Assurance system for the training of dental specialists.</b></p>	Patrick Kavanagh, Policy Manager	<p><b>Business Plan 2013: Quality Assurance</b></p> <p><b>1. Develop and implement new integrated QA systems for regulation of the dental team</b></p> <p>Consideration is being given to whether or not the GDC currently has the legal powers to introduce Quality Assurance (QA) of Specialty Training. In addition, consideration is being given to whether or not the GDC is complying with EU legal requirements in relation to the operation of the specialist lists.</p> <p>Agreed legal advice on this issue is critical to determine what work officers can take forward in the next stage of this work.</p> <p>An initial questionnaire has been developed to gain basic information from the deaneries in relation to this subject. The August meeting of the Specialist Dental Education Board (SDEB) will include a workshop session to consider how and whether the new approach to QA of undergraduate education might inform the approach to quality assurance of specialist training.</p> <p>Updates have been provided to PAC throughout 2013 as well as the Audit Committee. Council has asked for</p>	Policy on QA process; Standards for Education; Registration policy more generally; Review of Specialisms;	Council to be updated on progress. It is anticipated that this work will commence under the new council with implementation by the end of 2014. This will be subject to legal advice	Council will consider this in the context of the overall policy programme

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
		a further report in September 2013 in the light of legal advice on compliance with European Regulations			
<p><b><u>16.. The EU Recognition of Qualifications Directive</u></b></p> <p><b>The purpose of this work is to prepare the GDC for the changes to the way in which dental professionals from the EEA seek to register with the GDC as a result of the European Commission’s revision of the EU professional qualifications Directive.</b></p>	<p>Patrick Kavanagh, Policy Manager/  David Rowland, Head of Corporate Policy</p>	<p><b>Corporate Strategy 2013-2015</b></p> <p><b>4.0 Build partnerships with other bodies and influence the regulation of dentistry to protect patients.</b></p> <p><b>4.3 Respond to and influence European legislation that affects the regulation of dental professionals</b></p> <p>A paper was provided to PAC in October setting out an update on developments in the European Parliament.</p> <p>Officers continue to monitor developments with the Directive Review in the European Parliament and the European Commission and have met with the Department of Health, Department of Business Innovation and Skills and the NHS Confederation. A further meeting with the Department of Health is planned</p> <p>It is anticipated that revisions to the Directive will be agreed in Europe in autumn/winter 2013. The timetable for transposing these into UK law is still to be determined but it is estimated that this will take around 2 years.</p> <p>An EU issues working group has been established within the GDC to ensure that officers across the business are aware of the likely changes as a result of the Directive review and to enable planning to take</p>	<p>Cross cutting issue: likely to impact on CPD review; registration policy (including declarations) FTP policy; Compensation measures</p> <p>Quality Assurance policy (minimum training requirements)</p>	<p>Policy activity will be ongoing at this point, with discussions taking place with the Department of Health on the timetable for transposition of the new Directive into UK law.</p>	<p>An update will be provided to Council on the outcome of Directive Review and the plans for transposition into UK law.</p>

**ANNUAL POLICY PROGRAMME REPORT AND ISSUES LOG**

**SECTION A Current work activities**

Title and description	Policy lead/T&FG involvement <sup>1</sup>	Current status	Interdependencies with other policy areas	Anticipated status of work at September 2013	Planned Council work for Oct – Dec 2013
		place			
<p><b>17. Francis Report recommendations.</b></p> <p><b>The purpose of this work is to develop and implement action plan for the Francis report recommendations</b></p>	<p>David Rowland, Head of Corporate Policy</p>	<p>An action plan for implementing the recommendations of the Francis Report was agreed by Council at the August 2013 meeting.</p> <p>A timetable and project plan for delivering these recommendations will now be developed following Council approval.</p>	<p>Standards, CPD, QA policy, FTP policy, joining up and disclosure policy</p>	<p>A timetable for delivering the action plan will be in the process of being developed. This will need to incorporate the government's response to the Francis report. The action plan will be updated accordingly.</p>	<p>Council to review the implementation of the Action plan</p>

## Annex C

### Report to Council from the PAC on Reviewing Statutory Regulation of the Specialties

#### *Introduction*

1. The GDC began regulating the specialties between 1998 and 2000 with our first review of the lists reporting in 2005. Since this time, how we develop and make decisions on policy has evolved to reflect the GDC's primary purpose which is to protect patients. The regulatory environment in which the GDC works has also changed and so the potential impact of these external and internal changes needs to be considered in terms of how we regulate the specialties. Work on a further review of the Specialist Lists is included in the GDC's current business plan.
2. There is currently a moratorium on the creation of new lists pending the outcome of the Review and we have proposals for new lists awaiting decision. The Review will also provide an opportunity for us to look at our own processes to ensure that those on our specialist lists are competent to practise as specialists.
3. The Professional Standards Authority (PSA) will consider progress on this work as part of the next Performance Review.

#### *Scope of the Review*

4. In April of this year, the Policy Advisory Committee (the Committee) agreed that the scope of the Council's Review should be broad, questioning whether or not we should be regulating the specialties at all.
5. The Committee recommended that Council should first consider whether there are additional risks posed by those practising in particular areas of dentistry and then whether regulation by the GDC is an appropriate way of mitigating these risks. If the GDC has a role to play in regulating the specialties, the Council should consider whether its current regulatory policies and processes (including, for example, entry routes to the lists and methods of working with key external stakeholders) may need to change, to be more proportionate and effective.
6. The Committee has underlined the importance of establishing how regulation of the specialties benefits patients and the public rather than the profession. Earlier research findings indicate that a significant proportion of patients and the public consider both implant dentistry and cosmetic dentistry to be specialties when they are not. In the Review, we will explore further with patients and the public whether there is a need to establish lists in areas of dentistry they recognise as specialties. This would be linked to broader discussions on what patients expect to gain from the regulation of specialties and how they might shape the development of specialties in a meaningful way, in the future.
7. The Committee agreed that one of the key challenges of the Review is to ensure that the Council is able to make decisions on the specialties objectively and based on the benefits to patients and the public of holding lists rather than the opinions of interested parties.

8. Taking into account this further work with patients and the public, the Council will need to consider which of the lists remain and whether any new ones should be established.<sup>2</sup> In order to do this, we will need to agree upon clear criteria against which we assess the current and proposed lists.
9. The GDC will also consider: the work currently underway to quality assure specialists' training; the robustness of the process for assessing applications for specialist listing based on a portfolio of evidence rather than holding a recognised qualification; and the application of future policies and processes for assuring the continuing fitness to practise of our registrants.
10. In the Review, it will also be borne in mind that dentists not registered as specialists may still practise in any (element of a) specialty as long as it is within their competence and they do not identify themselves as specialists.

#### *Key external influences on the Review*

11. In April, the Committee considered how the Council would need to take into account the wider environment when reviewing the specialist lists. The Council will need to have regard to:

Regulatory lessons drawn from the findings of the Mid-Staffordshire inquiry and the Berwick review into patient safety – These provide a general context to the GDC's work by focusing the attention of regulators and registrants on patient safety and promoting the engagement of patients in their care.

Review of the Regulation of Cosmetic Interventions – This covered the regulation of cosmetic surgery being carried out by doctors and provides us with a useful starting point for any further consideration which may be given to the regulation of cosmetic dentistry.

European Directive 2005/36/EC on the recognition of professional qualifications - It is understood that – further to this evaluation exercise – the Commission may ask us to justify why the GDC regulates thirteen specialties; the existence of so many lists may be viewed as running counter to the ethos of the Directive to promote the free movement of workers within Europe.

The work of the Law Commission - In its consultation document in 2012, the Law Commission proposed that Government be given a regulation-making power to add, remove or alter the parts of a register and specialist lists. In order to retain control over adding or removing a specialist list, the GDC may need to prove that it does not currently impose unnecessary regulation on its registrants and holding lists can be justified in terms of patient and public protection.

'Enabling Excellence' - The Government's Command Paper published in 2011 aims to constrain the growth of the regulatory system and to simplify regulatory structures. In the paper, specific mention is made of 'advanced practice registers' (which could be interpreted to encompass the specialist lists) within the section entitled 'Reducing the Costs of Regulation'. The Government states it would only support a regulator in adding to registrants' costs if there is robust evidence of significant additional protection or benefit to the public.

Professional Standards Authority - Taking into account the PSA's approach to right-touch regulation and earlier guidance from them, we should first ask what risk we aim to regulate and then be proportionate and targeted in regulating that risk or consider whether there are ways other than regulation to protect patients.

---

<sup>2</sup> This would extend to a consideration of whether or not we should be holding specialists lists for categories of registrant other than dentists.

### *Interdependencies with other GDC policy work*

12. In April, the Committee noted that there are clear links between this piece of work and others currently being undertaken by the GDC. Key to the development of the Review will be the outcomes and progress of other projects, in particular in relation to the following: Study on Risk in Dentistry: an Evaluation; Development of a quality assurance process for dental specialty training.

### *Research undertaken to date*

13. Staff have analysed existing research carried out for the GDC in terms of its relevance to the Review. This includes both quantitative and qualitative research undertaken with patients and the public and registrants. The analysis was not limited to research questions focusing on the specialties, but also took into account the findings of research carried out in other policy areas, drawing out themes on the perspective of patients and the public.
14. Since April, staff have also undertaken desk-based research on: other countries' approach to regulating dental specialties (we looked at a selection of countries outside Europe, as well as obtaining data on all countries within Europe); the approach of other professions (including both healthcare and non-healthcare professions) to regulating specialties (or not) in their fields.
15. We have also extracted information from our database on those specialists who have entered various stages of our fitness to practise process. These cases will be looked at in more detail to establish their relevance and robustness to this piece of work.

### *Key components of the Review*

16. Staff have broken down the Review into six possible streams of work:

What risks (if any) are posed to patients and the public by advanced practice in distinct areas of dentistry?

Does the existence of specialist lists mitigate these risks?

What are the criteria for holding lists in distinct areas of dentistry?

Are the current lists still relevant and should any new lists be established?

How might the GDC's policies and processes be changed to ensure that the lists are fulfilling their purpose of patient and public protection?

What arrangements need to be in place internally to ensure the efficient and effective administration of the lists?

(NB: The implementation of the Review's outcomes would follow as a separate piece of work.)

### *Indicative time line*

This is subject to further development once the governance arrangements for the new Council have been agreed.

The future work will need to be reviewed by the new Council as part of reviewing the overall policy work programme of Council.

### Final quarter 2013 and early 2014

First evidence-gathering and research exercise covering:

Exploration of UK and European legal position and regulations (including those held by other authorities (NHS and DH))

Research with patients and the public; call for information on research questions; exploring with other regulators (in the UK and abroad) the rationale for holding lists in terms of patient and public / client protection); research into what work specialists are undertaking in practice; further analysis of the GDC's fitness to practise data and information from the Dental Complaints Service

Agreement and application of a stakeholder engagement strategy including the use of experts to help shape the work and consultation with key stakeholders

On-going monitoring of conclusions of GDC work in other policy areas (as outlined under 'Interdependencies' above)

#### Early 2014

On-going development of the Review will be reported to Council

Production of a report setting out the conclusions drawn from this first phase of work and providing recommended policy proposals

#### Spring 2014

Wide external consultation on proposals, likely to include criteria for holding lists

#### Mid-2014: Second evidence-gathering and research exercise

This exercise may focus on an assessment of the current lists and proposals for new ones against the agreed criteria and would include targeted consultation with key stakeholders

#### Third quarter 2014

Conclusions drawn from this second phase of work reported to Council

#### Third and fourth quarter 2014

Further consultation on proposals. This may include consultation on changes to Regulations

Discussion with key stakeholders on their respective roles and responsibilities in assuring the quality of specialists on our lists

(NB: The work looking at how the GDC's policies and processes might change to ensure that the lists are fulfilling their purpose will be on-going (for example, work has already started on developing a quality assurance process for specialty training).

As mentioned above, the implementation of the Review's outcomes would follow as a separate piece of work.)

**Financial and Business Planning Advisory Committee  
Business Handover Report (draft)**

<b>Purpose of paper</b>	To ensure there is an appropriate handover of the scrutiny and review of GDC finances under new governance arrangements.
<b>Action</b>	For consideration and decision
<b>Public / private</b>	Public
<b>Corporate Strategy 2013-15</b>	Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection
<b>Decision Trail</b>	<p>Each current Committee of the Council will provide a legacy report to the September 2013 meeting of the current Council.</p> <p>A new Council will start its term of office on 1 October 2013.</p> <p>The Committee on 22 July 2013 considered the draft report and considered a revised report in September 2013, following updates from the July 2013 meeting.</p>
<b>Recommendations</b>	The Council is asked to note the report.
<b>Authorship of paper and further information</b>	<p>Elizabeth John, Governance Manager</p> <p>E:ejohn@gdc-uk.org</p>
<b>Appendices</b>	<p>Annex A: Financial &amp; Business Planning Advisory Committee - Terms of Reference</p> <p>Annex B: Financial &amp; Business Planning Advisory Committee - Agenda items for meetings of the current Committee</p> <p>Annex C: Cycle of Council meetings with the Financial &amp; Business Planning Advisory Committee's work fitting into this cycle</p>

## Executive Summary

1. The paper sets out the work carried out by the Financial & Business Planning Advisory Committee (the Committee) and reviews the achievements of the Committee's objectives since the Committee came into effect in September 2011, linked to the GDC Corporate Strategy and Business Plan.
2. The paper prepares for the handover of the scrutiny and review of the GDC finances under new governance arrangements when a new Council takes office on 1 October 2013.

## Background

3. A Finance and Human Resources Committee was formed in October 2003. When the next Council was appointed in October 2009 the Finance and HR Committee provided a report handing over its work to a new Finance and HR Committee. The new Finance and HR Committee started its work on 15 December 2009.
4. In May 2011 the Council approved a new Committee structure in which the Finance and HR Committee was replaced by a new Financial & Business Planning Advisory Committee and a new Remuneration Committee. The Finance and HR Committee provided a legacy report for the handover of its work.
5. In June 2013 the Council considered proposals to recommend to the new Council a transitional Committee structure from 1 October 2013 which would include an Audit Committee and a Remuneration Committee. The Council recommended that the new Council considers as early as possible whether it requires a Finance Committee and/or a Policy Committee.

## Introduction

6. The establishment of the Financial & Business Planning Advisory Committee was approved by the Council in May 2011 as a standing Committee of the Council. The Chair and five members of the Committee - Denis Toppin (Chair), Mary Dodd, Robin Field-Smith, Janet Goodwin, David Murphy and Grahame Owen - were appointed in July and August 2011 and the Committee came into effect following the September 2011 Council meeting. Paul Averley joined the Committee in February 2012.
7. The Terms of Reference of the Committee are at Annex A.
8. The key purpose of the Committee was agreed to be:
  - To challenge the Executive on financial performance and to provide guidance to the Executive on major operational matters such as property strategy, investment and technology development
  - To assist 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.
9. The Committee reported to the next Council meeting following its meeting(s) and also presented an annual report on its work.
10. The Council approved the annual work programme and the Committee's key objectives for both years 2012 and 2013.

## The Committee's work programme and objectives for the years 2012 and 2013 (linked to the GDC Strategy and Corporate Plan)

11. The annual objectives for the Committee in 2012 and 2013 were approved by the Council as follows (amendments for 2013 are shown in italics):
- To review the Business Plan (which includes the Budget) and the Corporate Plan (the rolling three-year Business Plan) *including the review of a 3-year financial projection of the business plan and budget*, for approval at the Council; to review the Reserves policy
  - To review the Performance report for each quarter (based on the management accounts) including the review of Procurement activity
  - To review the statement of investment principles and the revised investment strategy for approval at the Council
  - To consider proposals for the accommodation strategy; to review the development of Wimpole Street for approval at the Council; *to monitor the oversight of the project to re-develop 37 Wimpole Street*
  - To review any major contracts and purchases (as appropriate) for approval at the Council
  - To review and approve any revisions to the GDC's banking procedures and arrangements
  - To review the financial policies and procedures for approval at the Council
  - *To consider financial aspects of the Pension Scheme (following work by the Remuneration Committee);*
  - *To consider financial work on the ARF;*
  - *To arrange for an orderly handover of the scrutiny and review of the GDC's finances to the Committee's successor body (under the new Constitution Order).*

The annual work programmes for 2012 and 2013 were aligned to the corporate strategy 2010-14, in particular the Value for Money objectives:

3. **Target our resources efficiently and effectively; and**
4. **Manage our resources in accordance with good governance; and**
5. **Deliver open and transparent decisions through effective governance mechanisms**

The work programme for 2013 was also aligned to the corporate strategy 2013 – 2015, in particular:

6. **Manage the GDC effectively and support its staff to achieve our objectives**

### Work carried out during 2012 and 2013 to achieve the above objectives

12. To review the Business Plan (which includes the Budget) and the Corporate Plan (the rolling three-year Business Plan) for approval at the Council
- 12.1 In July 2012 the Committee considered the outline business plan for work in 2013 and the draft budget for 2013. The draft budget envisaged a substantial deficit and

the Committee challenged the Executive to set realistic projections of costs and activities to be undertaken and to identify efficiencies. The Committee suggested that, rather than considering the budget and business plan on a separate one year basis, it would be helpful to be shown a 3-year plan which would set out the context and show the options available. The Committee acknowledged that 3 years would extend beyond the life of the present Council but considered that the Committee had a responsibility to inform the present Council of its views about the GDC's financial situation.

- 12.2 In September 2012 the Committee reviewed the updated Business Plan for work in 2013, the revised budget for 2013 which had been thoroughly re-worked since the Committee meeting of 12 July and an accompanying 3-year plan. The Committee agreed to recommend these for approval by the Council at its September 2012 meeting.
- 12.3 At the Council meeting in September 2012 the Council considered the proposed budget which assumed an income of £33.6m [2012 forecast £32.3m] and expenditure of £35.2m [2012 forecast £32.8m], giving a budgeted deficit of £1.6m. The latest forecast for 2012 indicated a deficit of £0.5m, compared with a 2012 budgeted deficit of £1.4m. The main assumptions and activities included in the business plan for 2013 were:
- That the Council would approve redevelopment of Wimpole Street
  - That the Council would approve the in-house legal project
  - That there would be no increase in the Annual Retention Fee (ARF)
  - That the CHRE levy would commence in April 2013  
[On 6 December 2012 the Council noted that the necessary legislation was not in place to allow the PSA (formerly the CHRE) to become funded by a levy on regulators. As a result it was anticipated that the levy would not be in place until at least April 2014.]
- 12.4 The budget included a three-year outlook covering 2014 and 2015. The outlook indicated that there would be a return to surplus by 2014, ensuring, in the medium term, that reserves remain within the agreed range of four to six months of operating expenditure.
- 12.5 In July 2013 the Committee reviewed the Draft of the 2014 Budget (the draft Business Plan was not included at this stage), together with the Reserves policy.
- 12.6 It was suggested that the Budget paper to the Committee in September 2013 should mention that the GDC was carrying the significant risk of its cash and reserves being reduced whilst the ARF was not being increased and also whilst there were possible future financial implications of the Francis Report.
- 12.7 It was acknowledged that the ARF policy was currently under review and that the plan was to develop an approach to deal with the ARF income in a structured way. However, a view was expressed that there was a body of opinion in the Council that the GDC should not use up cash resources and go below reserves levels before considering an increase in the ARF. There was also a view that there should be regular, gradual increases in the ARF, for example 1% per annum, rather than larger, less frequent increases. It was agreed that the report should address these opinions and set out the rationale for the proposed course of action.
- 12.8 The Committee acknowledged the large amount of work done for the preparation of the draft budget for 2014. The Committee asked that the next draft of the budget should emphasise the risk implications and also the key assumptions on which the

budget was planned. This was important to show the financial situation which was to be handed over to the new Council.

- 12.9 The Committee considered the impact of the Francis Report and its implications for the GDC. The Chief Executive explained that the GDC was actively liaising with the NHS Commissioning Board for England with a view to cementing new links with performance managers on the ground in each of the NHS areas. (The different systems in the other 3 UK countries did not have similar problems.) The budgetary implications were not easy to assess but it was likely that the joint working involved would not add to the budget for 2014.
- 12.10 In September 2013 the Committee reviewed the Business Plan and the revised 2014 Budget, together with a 3-year outlook covering 2015 and 2016. The draft budget assumed total income of £33.2m [2013 forecast £32.8m] and, based on projected activity, expenditure of £36.3m [2013 forecast £34.4m] giving a budgeted deficit of £3.0m. While the Committee accepted that the deficit budget envisaged was sustainable in 2014, it felt an index-linked increase in the ARF for 2014 was desirable to begin the process of reducing the projected deficit. The Committee noted that the GDC was in the process of revising its ARF policy and accepted that future increases in the ARF should be on the basis of a sound, revised policy. The Committee was also advised by the Executive of the desirability of a consultation process on any proposal to increase the ARF.
- 12.11 **Summary:** The Committee carried out its role to review in detail the proposed Business Plan and Budget, together with any proposed changes to the ARF and other fees and the Reserves policy. The Committee held thorough discussions, asked questions and offered suggestions and worked constructively with the Executive in addressing financial and performance issues. The Committee's work in preparation for the Business Plan and Budget gave the Council assurance that the proposals had been carefully reviewed and that the Committee's recommendations and advice were soundly based.

13. To review the Performance report for each quarter (based on the management accounts) including the review of Procurement activity

- 13.1 At its meetings the Committee considered the Finance Review and Forecast for the next quarter, based on the Management accounts and including the Procurement activity report. The Committee raised queries and concerns about the financial performance and considered the reasons for variances from the budget.
- 13.2 The Committee received the monthly management accounts by email and all comments/queries from the Committee members and management responses were sent to all Committee members and recorded in the annex to the Performance report considered by the Committee at its meetings.
- 13.3 At meetings in 2012 the Committee expressed its concern about the high level of lost and wasted hearing days and the effect on the financial performance. The Committee agreed that the Chair would speak to the Chair of the Audit Committee about this issue and its inclusion as a risk on the Strategic Risk Register.
- 13.4 There was also discussion by the Committee about the increase in staff recruitment costs and headcount and the steps to be taken to address these issues.
- 13.5 The Committee commended the quality of the financial information provided to them which assisted the Committee to develop its role in reporting its views to the Council and other Committees, and to challenge and assist the Executive.
- 13.6 In February 2013 the Committee noted that the review stated, in the section about expenditure in Regulation, that the continuing 'backlog' of Fitness to Practise (FtP)

cases had been compounded by a 44% increase in the number of new complaints received by the GDC in 2012.

- 13.7 The Committee had previously asked for more information about higher than budgeted staffing costs. The Committee received an explanation of the revised process for considering requests for additional staff, and the controls in place and a copy of this process.
- 13.8 The Committee considered that planning needed to be improved, for example the request for additional staff for FtP. It was hoped that the continuing implementation of Dynamics CRM in the business would soon provide more data to assist better planning. The Committee noted and welcomed that the management accounts would soon include a page of statistics showing the number of FtP complaints received, the number of staff required to deal with them and the timing of costs (legal fees, Investigating Committee costs etc). (This page of statistics was duly included in the May 2013 management accounts sent to the Committee.)
- 13.9 The Committee asked about the paper presented to the Council meeting on 28 March 2013 inviting the Council to approve additional staff resources for the FtP programme. The Committee was concerned that this had by-passed the Committee with the result that the Committee was unable to fulfil its function of advising and assisting the Council and the Executive on financial matters. It was agreed that the Committee's view would be reported to the Chair of the Council and the Executive Management Team. The Executive Management Team reported back to the Committee that they agreed that the Committee should have been consulted before the paper went to the Council.
- 13.10 In July 2013 the Committee noted that the Finance Review stated that the number of Fitness to Practise complaints continued to increase (by 34%, year on year, for the five months to May 2013).
- 13.11 **Summary:** The Committee reviewed the monthly management accounts and the Performance report for each quarter and kept in regular contact with management on developments in the financial performance at the GDC. The Committee asked questions and asked for more information and considered the reasons for variances from the Budget and kept the Council advised about the financial situation. The Committee has appreciated the quality of financial information provided to it and has welcomed the development of better data and statistics which will help the Executive to improve planning and will provide the Council with a clearer view of the GDC's performance and of how efficiencies can be made.

#### 14. To consider proposals for the accommodation strategy

- 14.1 At its meeting in April 2012 the Committee considered a proposal for the re-development of the GDC's premises at 37 Wimpole Street. The background to this proposal was that there was an urgent need for additional office space at the GDC to meet the requirements of the organisation. The number of employees was around 50 in 2003 and had risen to 205 staff at the end of 2011. In addition to Wimpole Street, the GDC had offices in Baker Street and Croydon. The current lease of 37 Wimpole Street was due to expire in 2057 and was currently held at a peppercorn rent of £5050 per annum therefore making the redevelopment of the premises the most cost-effective option for meeting the medium to long term accommodation needs of the GDC. Planning permission for the redevelopment had been received from Westminster City Council.
- 14.2 The Committee reviewed 7 options, their financial implications and their advantages and disadvantages. The Committee considered that 'Option C' was the most feasible – to redevelop 37 Wimpole Street but with a reduced number of hearing suites

(including the Council Chamber). The Committee agreed that further work should be done to prepare a paper for the Council to consider at its meeting in May 2012.

- 14.3 The paper to the Council set out the views of the Committee on the options and invited the Council to approve that detailed proposals be prepared on Option C and the Council approved this in May 2012.
- 14.4 At the Council meeting in September 2012 the Council considered and approved the business case and costed proposal recommended by the Committee and agreed Option C of the options. Option C would increase the usable working space within the building by 57%. This would enable the lease on 44 Baker Street to be discontinued (all staff moving to Wimpole Street), but there would be the need to rent up to four external hearing suites. The costs for the redevelopment would be £6.0m including VAT. Detailed planning would start immediately, with building works following from April 2013. In cash flow terms, £2.0m was budgeted to be spent in 2013, with the balance due to be incurred in 2014.
- 14.5 After the approval of the re-development project by the Council the Committee discussed its role of providing guidance to the Executive on property strategy and advising the Council. To fulfil these duties the Committee asked for a monthly report, sent by email, setting out: (i) a report of progress against schedule (ii) costs against budget (iii) a report of risks and issues emerging. The re-development project was on the agenda for discussion at each meeting of the Committee.
- 14.6 The Committee held an additional meeting on 12 June 2013 to consider the initial review of tenders for the building works for the redevelopment of 37 Wimpole Street. The Committee considered a draft paper to the Council with a proposed revised budget for the redevelopment. Since the Council approved the initial budget of £6.0m (including VAT) a GDC team of professional advisors had investigated the proposed project. Changes in specifications required were identified costing £0.3m and a further £0.9m of costs had arisen because of the complexity of the project as 37 Wimpole Street effectively consisted of 3 separate buildings. The outcome of these changes was a proposed revised budget of £7.1m plus a contingency of £0.3m for the redevelopment of 37 Wimpole Street. The Committee raised questions and made suggestions for revisions and additional information to be included in the paper to the Council. The Committee was assured that the project was still viable to handle the GDC's accommodation needs and was still the most cost-effective option for the Council.
- 14.7 The Council at its June 2013 meeting approved the revised budget of £7.1m plus £0.3m contingency.
- 14.8 **Summary:** The Committee has spent considerable time on its role of providing guidance to the Executive on property strategy and advising the Council. The Committee provided the Council with detailed reviews and analysis of the options available for the re-development. The Committee has monitored the oversight of the project to re-develop 37 Wimpole Street, receiving monthly reports and considering the situation at each Committee meeting, raising questions and assisting with advice. In June 2013 the Committee held additional discussions when a revised budget for the redevelopment was proposed. The Committee's recommendation, based on that detailed review of the proposal, assisted the Council in making its decision on the revised budget.

## 15. Reserves policy

- 15.1 The background to the Reserves policy was that the previous Council (before the current Council was appointed in October 2009) had initially held minimal reserves

and this lack of resources had restricted the Council's ability to develop new initiatives. The then Finance and HR Committee had set a strategy to build the Council reserves to a level which would enable the Council to plan for expansion of its essential patient protection activities and functions with confidence.

- 15.2 At their first meeting in November 2011 the Committee reviewed the proposed amended Reserves policy. The Committee considered the level of reserves which were appropriate and the definition of what was included in the reserves.
  - 15.3 The reserves policy was designed to ensure that the GDC had sufficient funds to maintain functions and processes for protecting patients and regulating the dental team. The recommended reserve was set to protect the GDC from a significant event or events which would have a substantial effect, such as a major loss of revenues or a sudden major increase in expenditure.
  - 15.4 The Committee agreed to advise the Council that, for the purposes of the Reserves policy, reserves should be defined as only the general reserve, excluding any pension reserve or unrealised gains in investment reserve (as defined in the Annual Report and Accounts). The reason for the advice that the pension reserve should be excluded was that it was not only unrealised but was also subject to annual revision, based on pension scheme asset and liability valuation assumptions.
  - 15.5 The Committee considered that the level of reserves in the current Reserves policy remained reasonable and that it would be better expressed as a range of four to six months' operating expenditure (as defined in the Annual Report and Accounts), rather than as a specified amount (as in the previous Reserves policy).
  - 15.6 The Committee recommended that the Council consider and approve the proposed Reserves policy and the Council approved the Reserves policy at its December 2011 meeting.
  - 15.7 The Committee reviewed the Reserves policy in September 2012 when it considered the proposed Business Plan and Budget. The 2013-15 outlook indicated that there would be a return to surplus by 2014 ensuring, in the medium term, that the reserves remained within the agreed range of 4 to 6 months of operating expenditure.
  - 15.8 The Committee reviewed the Reserves policy in July 2013 and considered that the current Reserves policy remained reasonable and in line with the current risk and expenditure profile. The Committee agreed to recommend to the Council (at its September 2013 meeting) that the current Reserves policy continue.
  - 15.9 **Summary:** The Committee carried out its role to review the Reserves policy and has advised on the appropriate level of reserves and the definition of what was included in the reserves. A consistent Reserves policy has been maintained and the Committee's recommendations have provided assurance to the Council for its decisions on the Reserves.
16. To review the statement of investment principles and the revised investment strategy for approval at the Council
- 16.1 The background was that the GDC normally had cash funds of between £17.0m and £34.0m, the variation being due to seasonal differences in income receipts and expenditure patterns. The Council had followed a cautious approach to its investment strategy during the financial market turbulence in 2008/09 and held its reserves in cash, in bank current accounts or short term bank deposits.

- 16.2 The Council at its meeting in September 2011 considered a proposed Investment Strategy and Principles, with up to £12.0m of available cash invested in instruments other than cash deposits. The Council agreed that the GDC should not keep all its cash in bank accounts because this resulted in the money losing value as the interest earned was below the current RPI. However, the Council considered the proposed investment strategy (which included equity investments with a median risk profile) was too high risk. The Council asked for a revised proposed investment strategy and principles to be presented.
- 16.3 The Committee in November 2011 considered a revised proposed Investment Strategy and Principles which aimed to achieve returns broadly equal to inflation. The Committee reviewed the proposed Investment Principles and the exclusion of alcohol, tobacco and healthcare sectors from investment by the GDC (as all have a specific impact on oral health, or in the case of healthcare, could be seen as a conflict of interest for the GDC). The Committee advised the Council to approve the proposed Investment Strategy and Principles and the Council gave its approval in December 2011.
- 16.4 The Committee in April 2012 ratified the implementation of the investment strategy: £12m was transferred to Smith & Williamson (the investment advisers/managers appointed by the GDC) in accordance with the agreed profile of investments.
- 16.5 At its meeting in February 2013 the Committee considered the review of the GDC's investments for the year to 31 December 2012 and the investment reports from Smith & Williamson.
- 16.6 The review set out that, as at 31 December 2012, the initial investment of £12m, plus the holding in five investment trusts, was valued at investments of £12.996m plus cash of £60,000, making £13.056m in total. The overall increase in value represented some 3.8% for the year.
- 16.7 The Committee reviewed the Investment Strategy at its meeting in July 2013 and agreed to recommend to the Council (at its September 2013 meeting) that the current Investment principles and strategy should continue.
- 16.8 **Summary:** The Committee has reviewed the Investment principles and advised on the Investment Strategy and recommended a revised Strategy to the Council. The Committee has kept the Investment Strategy under review and held useful discussions with the investment advisers/managers appointed by the GDC. To date the revised Investment Strategy has succeeded in maintaining the value of the funds held by the GDC whilst taking a cautious investment approach.

17.To review any major contracts and purchases (as appropriate) for approval at the Council; To review and approve any revisions to the GDC's banking procedures and arrangements; To review the financial policies and procedures

- 17.1 In November 2011 the Committee agreed to advise the Council that it had considered the Financial Policies and Procedures 2011 and that no significant changes had been made since the Council's last review. The Council approved them in December 2011.
- 17.2 In July 2012 the Committee considered the revised Procurement Policy which would be included in the updated Financial Policies and Procedures to be presented to the December 2012 Council meeting. The Committee noted that the Audit Committee received a regular report on any exceptions to the Procurement Policy.
- 17.3 In December 2012 the Committee carried out its Annual Review of the Financial Policies and Procedures to ensure they reflected the latest requirements and

controls. It was agreed to include a statement on the purpose of the Committee and its role in holding the Executive to account for its financial and operational performance and advising the Council on action necessary. In addition the Committee could bring issues to the attention of other standing Committees. The Committee recommended the updated Financial Policies and Procedures to the Council and the Council approved them in December 2012.

- 17.4 The Committee reviewed the Financial Policies and Procedures at its meeting in September 2013. The Committee asked that any references to the current Committee structure in the current Financial Policies and Procedures be amended to include reference to the new Council from 1 October 2013 or a Committee approved by the new Council. Subject to that amendment the Committee recommended that the updated Financial Policies and Procedures be approved by the Council at its September 2013 meeting.

#### 18. Council members and associates – Expenses policy and procedure

- 18.1 In February 2013 the Committee received a report setting out the proposed revised limits for expenses of Council members and associates and a revised expenses policy and procedure which the Remuneration Committee would recommend to the Council to take effect from 1 October 2013. The Committee was not invited to discuss the recommendations but to consider whether or not the potential increase in cost could be accommodated within the overall budget for 2013.
- 18.2 The Committee noted that the report stated that the effect of the revised expenses limits and policy would be an increase in cost to the GDC of up to £50,000 per annum or some £13,750 in 2013. The Committee agreed that this amount of increase could be accommodated within the overall budget for 2013.
- 18.3 At its March 2013 meeting the Council considered the proposed expense limits to come into effect from 1 October 2013 and approved the revised Expenses Policy and Procedure.

#### 19. Duty of the Committee to communicate to the Remuneration Committee any financial advice it receives in relation to the Pension Scheme, which may require a change to the GDC Pension Scheme; Duty to advise the Council on any Actuarial assumptions in regard to the Pension Scheme

- 19.1 In November 2012 the Committee considered the review of the triennial Actuarial Valuation of the GDC Pension Plan as at 1 April 2012. The Chair of the Pension Trustees attended the meeting for this agenda item. The Committee agreed to communicate to the Remuneration Committee and to the Council that it considered that the recommendations of the Actuary on a revised Statement of Funding Principles and Schedule of Contributions were acceptable.
- 19.2 In April 2013 the Committee considered a report which set out the key points of proposals considered by the Remuneration Committee in November 2012 to amend the current staff pension provision to make the GDC Pension Scheme 'auto-enrolment compliant' by April 2014. The proposals had been considered by the GDC's actuary, Lane Clark & Peacock, and the Committee reviewed their report, which indicated that the proposals would contain the cost of pension provision at current levels in the short term and potentially lower them in the medium term. The Committee noted that the GDC Pension Scheme trustees had considered the outline proposals at their meeting on 12 February 2013. The Committee referred to its Terms of Reference which included that the Committee (a) communicate to the Remuneration Committee any financial advice it receives in relation to the Pension Scheme, which may require a change to the Pension Scheme and (b) advise the Council on any actuarial assumptions in regard to the Pension Scheme. The Committee noted that the

financial questions about the affordability of the Pension Scheme (based on the advice received from the GDC's actuary, Lane, Clark & Peacock) had been taken by the Remuneration Committee, instead of by this Committee. The Committee considered that the actuarial assumptions in the Lane, Clark & Peacock report were reasonable.

## 20. Planning for the handover of the scrutiny and review of GDC finances under new governance arrangements

- 20.1. At its meeting on 22 February 2013 the Committee considered a proposed outline plan for the handover of scrutiny and review of GDC finances to the new Council which will take office in October 2013. The Committee was informed that the Governance Reforms Task & Finish Group would meet on 26 February 2013 and consider whether to recommend the proposed outline plan to the Council.
- 20.2 The proposed plan was that there would be no financial committee and instead the scrutiny and review of GDC finances would be managed by the Executive directly through to the new Council. The proposal included that the Executive work alongside a member of the new Council with financial expertise, particularly on strategic matters such as the business plan and budget and the reviewing of the monthly/quarterly management accounts. The Committee noted that any plan for scrutiny and review of finances from October 2013 would need the approval of the new Council.
- 20.3 The Committee was invited to provide the Governance Reforms Task & Finish Group with its views on the proposed outline plan.
- 20.4 The majority of the Committee members considered that a financial committee should continue into the new Council as it performed a valuable role in reviewing finances before consideration by the full Council. It was considered there was a risk that Councils which met frequently (as planned for the new Council) could in theory review/scrutinise the accounts and finances but in practice this did not happen, often because there was not enough time at the meetings. There was a view that the oversight role of the Committee could not be adequately replaced by a member of the new Council with financial expertise working alongside the Executive (on the business plan and budget and the review of management accounts); in addition there was a risk that none of the new Council members would have the appropriate financial expertise required for such a role. It was also considered that recent experience at the GDC and other regulators had shown the value of a financial committee.
- 20.5 The Committee provided its views to the Governance Reforms Task & Finish Group for consideration at the Group's meeting in February 2013. At the Council meeting in March 2013 there was a discussion about the role of the Committee. Some concern was expressed about the financial management of the Council if the Council did not have a Finance Committee in place and it was recognised that it would be important for this message to be relayed to the new Council so that it could take an informed decision about the committee structure it should have in place.
- 20.6 The Council at its meeting in June 2013 considered proposals to recommend to the new Council on a transitional Committee structure from 1 October 2013 which would include an Audit Committee and a Remuneration Committee. The Council recommended that the new Council considers as early as possible whether it requires a Finance Committee and/or a Policy Committee.
- 20.7 The Committee at its July 2013 meeting considered a draft business handover report for its work and considered a revised report at its 4 September 2013 meeting.

## Lessons learned

20.8 The Committee considered that its role was of help:

(1) in ensuring that short-notice changes (eg unplanned additional expenditure or unforeseen reductions in income ) should receive proper scrutiny and

(2) in its monitoring role as the Committee received monthly reports on the Redevelopment of 37 Wimpole Street and

(3) the Committee also regularly reviewed the management accounts.

### **Summary of the Committee's role and work:**

21. The Committee considered that it had carried out its role effectively and had added financial expertise and experience to the work and decisions of the Council. The Committee's view was that a Financial Committee provided the Council with detailed and regular scrutiny of the GDC finances and that there was great value in a Committee considering the finances, asking the Executive questions and obtaining more information, before the consideration of the finances by the full Council.

### **Risk implications**

22. The Committee's work has been planned to ensure that risks of failure of financial management controls are addressed. Risks which have been identified during the course of the Committee's work have been reported to the Council and to the Audit Committee for inclusion in the Strategic Risk Register.

### **Public protection implications**

23. Efficient and effective financial performance is required for the GDC to meet its statutory functions and thus to be a more effective regulator and protect the public.

### **Equality and diversity implications**

24. Equality and diversity are embedded in the GDC's policies, systems and processes (see Corporate Strategy 2013 – 2015).

### **Policy and Communications implications**

25. The Committee reported on its work to the Council following its meeting. These reports are published on the GDC website.

### **Legal implications**

26. None arising immediately from this paper.

### **Resource implications**

27. This work has been contained within the budget for 2013.

### **Recommendations**

28. The Council is asked to note the report.



Terms of Reference: **Financial & Business Planning Advisory Committee**

**Key purpose**

- F1. To challenge the Executive on financial performance and to provide guidance to the Executive on major operational matters such as property strategy, investment and technology development.
- F2. To assist 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.

**Delegated Powers**

- F3. Approval of assumptions and objectives to be used in the planning cycle.
- F4. Approval of the budgeting approach and annual targets for efficiency in accordance with the Council's strategy.
- F5. Approval of the GDC's banking procedures and arrangements.

**Functions and Duties**

- F6. Provide in-depth scrutiny of the Business Plan (which includes the annual budget) and the Corporate Plan (the rolling three-year Business Plan), to ensure that they are fit for purpose and in line with Corporate Strategy.
- F7. Assist the Council with the approval of the Business Plan (which includes the annual budget) and the Corporate Plan (the rolling three-year Business Plan); any changes to the Annual Retention Fee and any other fees<sup>1</sup>; and the Reserves policy.
- F8. Assist the Council with consideration of any amendments to the current year budget, including any virements between directorates, which exceed the agreed the limits.
- F9. Advise the Council on any calls on Reserves.
- F10. Review the Management Accounts and other Performance Reports which will enable the Committee to hold the Executive to account in terms of its financial and operational performance.
- F11. Advise the Council on the approval of any contracts or purchases which require Council approval.<sup>2</sup>
- F12. Advise the Council on the treasury and investment policies and oversee the adherence to these policies.
- F13. Advise the Council on any borrowing which it needs to undertake.
- F14. Advise the Council on an accommodation strategy.
- F15. Advise the Council on any changes to the Financial Procedures policy.
- F16. Advise the Council on the adequacy of its insurance arrangements.

---

<sup>1</sup> Examples include the ORE fee, initial registration fee and restoration fee etc.

<sup>2</sup> Purchase or lease of property and Major Building Works

- F17. Communicate to the Remuneration Committee any financial advice it receives in relation to the Pension Scheme, which may require a change to the GDC Pension Scheme.
- F18. Advise the Council on any Actuarial assumptions in regard to the Pension Scheme.
- F19. Perform such other functions as the Council may delegate to, or confer upon, the Committee.

*Approved by the Council of the GDC 20 May 2011*

Annex B		
<b>AGENDA ITEMS FOR EACH MEETING OF THE CURRENT COMMITTEE</b>	<b>Background</b>	<b>Reporting to the Council</b>
<b>Preliminary items</b>		
Apologies/Declarations of interest		
Minutes of previous meeting		
Matters arising and action points		
<b>Management Accounts and Forecast/Outturn</b>		
Finance Review and forecast for the quarter year (based on management accounts) including Procurement Activity report	<p>A key purpose of the Committee is to challenge the Executive on financial performance.</p> <p>A function and duty of the Committee is to review the management accounts and other performance reports which will enable the Committee to hold the Executive to account in terms of its financial and operational performance.</p> <p>The Committee receives by email the monthly management accounts. Any comments/queries are sent 'Reply all' to keep all Committee members informed. The comments, queries and management responses are then included in the next quarterly Finance Review sent to the Committee.</p>	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> <li>▪The Council receives a quarterly direct report on the financial performance of the GDC at Council meetings.</li> </ul>
<b>Re-development of 37 Wimpole Street</b>		
Monitoring oversight of re-development of 37 Wimpole Street	Following the approval of the Council in September 2012 of the proposed re-development of 37 Wimpole Street, the Committee discussed its role of providing guidance to the Executive on property strategy and advising the Council. To fulfil these duties the Committee asked for a monthly	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> <li>▪The Council receives direct reports on the</li> </ul>

	report, sent by email (in a similar way to the Committee's receipt of the monthly management accounts). The Executive agreed to include in this monthly report: (i) a report of progress against schedule (ii) costs against budget (iii) a report of risks and issues emerging.	re-development at key stages.
<b>Planning for handover</b>		
Planning for handover of the scrutiny and review of GDC finances to the Committee's successor body	This is one of the Committee's objectives for 2013 and the Committee agreed it should be a regular agenda item.	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> <li>▪The Council will receive a legacy report for each Committee in September 2013.</li> </ul>
<b>Final items</b> Any other business; Dates of next meetings		

<b>AGENDA ITEMS FOR SPECIFIC MEETINGS OF THE CURRENT COMMITTEE</b>	<b>Date of Committee meeting</b>	<b>Reporting to the Council</b>
<b>Business Plan (which includes the annual budget) and the Corporate Plan (the rolling three-year Business Plan); any changes to the ARF and any other fees; and the Reserves policy</b>		
First review of the business plan and budget; Reserves policy	July	By way of the Committee's report to the Council
Final review of the business plan and budget for approval at the Council	September	Business plan and budget recommended to the following Council meeting for approval

<b>Contracts and Purchases requiring Council approval</b>		
Review any major contracts and purchases (as appropriate)* for approval at the Council	a/a*	To the following Council meeting for approval
<b>Treasury and Investment policies</b>		
Review of the investment principles and strategy for approval at the Council	July	To the following Council meeting for approval
<b>Banking arrangements and borrowing</b>		
Review and approval of any revisions to the GDC's banking procedures and arrangements	a/a*	To the following Council meeting for approval
<b>Accommodation Strategy</b>		
Estates strategy report	a/a*	By way of the Committee's report to the Council
<b>Financial procedures</b>		
Review financial policy and procedure document for approval at September 2013 Council	September	To the following Council meeting for approval
<b>Insurance arrangements</b>		

Review and advise the Council on the adequacy of the insurance arrangements	a/a*	By way of the Committee's report to the Council
<b>Pension Scheme and Actuarial advice (a/a*)</b>		
To include: Considering financial aspects of the Pension Scheme (following work by the Remuneration Committee) a/a*	a/a*	By way of the Committee's report to the Council
<b>Other items</b>		
Considering implication of proposals and paper for PSA (formerly CHRE) cost efficiency review for approval at the Council (a/a*)	a/a*	To the following Council meeting for approval
Approve the Annual Report of the F&BPA Committee (setting out progress made on the objectives for the year) and consider work-programme and objectives for next year for recommendation to the Council	September	Annual Report of the Committee presented to the following Council meeting. Work-programme and objectives for next year presented to the Council for approval
Review of financial work on the ARF (a/a*)	a/a*	By way of the Committee's report to the Council

Annex C – Cycle of Council meetings with the Financial & Business Planning Advisory Committee’s work fitting into this cycle

<b>Date of Council meeting</b> (current dates, these are subject to change)	<b>Council agenda items relating to the work of the Financial &amp; Business Planning Advisory Committee</b>	<b>Input from the Committee</b>
December	<i>Public session:</i>	
	Financial Report for Quarter	At each Committee meeting the Committee reviews the management accounts and the quarterly Finance review and report on procurement activity. The Committee presents its report to the following Council meeting.
	Review of Financial Policies and Procedures	Following review by the Committee, the Financial Policies and Procedures are presented to the following Council meeting for discussion and approval
	Report from November Financial & Business Planning Advisory Committee meeting and recommendation of the Committee’s annual work-programme and objectives for the next year	The Committee presents its meeting report to the following Council meeting.  The Committee recommends the Council to approve its work-programme and objectives for the next year
	Annual Report of the Financial & Business Planning Advisory Committee	The Committee presents its annual report to the Council
March	<i>Public session:</i>	
	Financial Report for Quarter	At each Committee meeting the Committee reviews the management accounts and the

		quarterly Finance review and report on procurement activity. The Committee presents its report to the following Council meeting.
	Report from February Financial & Business Planning Advisory Committee meeting	The Committee presents its meeting report to the following Council meeting.
May	<i>Public session:</i>	
	Financial report for Quarter	At each Committee meeting the Committee reviews the management accounts and the quarterly Finance review and report on procurement activity. The Committee presents its report to the following Council meeting.
	Report from April Financial & Business Planning Advisory Committee meeting	The Committee presents its meeting report to the following Council meeting
September	<i>Public session:</i>	
	Financial report for Quarter	At each Committee meeting the Committee reviews the management accounts and the quarterly Finance review and report on procurement activity. The Committee presents its report to the following Council meeting.
	Business Plan and Budget	The Committee reviews the draft and the final Business Plan and Budget and makes a recommendation to the Council for approval

	Investment Principles and Strategy	The Committee reviews the investment principles and strategy and makes a recommendation to the Council for consideration
	Report from July Financial & Business Planning Advisory Committee meeting	The Committee presents its meeting report to the following Council meeting

**Remuneration Committee  
Business Handover Report (draft)**

<b>Purpose of paper</b>	To propose a report on the work of the outgoing Remuneration Committee as a handover document to the new Council
<b>Action</b>	For consideration and decision
<b>Public / Private</b>	Public
<b>Corporate Strategy 2013-2015</b>	5. Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection.
<b>Decision Trail</b>	Each current Committee of the Council will provide a business handover report to the September 2013 meeting of the current Council.  A new Council will start its term of office on 1 October 2013.
<b>Recommendations</b>	The Council is invited to note the report.
<b>Authorship of paper and further information</b>	Amanda Thompson, Governance Manager E:athompson@gdc-uk.org  Elizabeth John, Governance Manager E:ejohn@gdc-uk.org
<b>Appendices</b>	Annex A: Remuneration Committee Terms of Reference  Annex B: Work programme for meetings of the current Remuneration Committee

## Executive Summary

1. The paper sets out the work carried out by the Remuneration Committee (the Committee) and reviews the achievements of the Committee's objectives since the Committee came into effect in September 2011.
2. The paper prepares for the handover of the work of the Remuneration Committee under new governance arrangements when a new Council takes office on 1 October 2013.

## Background

3. A Finance and Human Resources Committee was formed in October 2003. When the next Council was appointed in October 2009, the Finance and HR Committee provided a report handing over its work to a new Finance and HR Committee. The new Finance and HR Committee started its work on 15 December 2009.
4. In May 2011 the Council approved a new Committee structure in which the Finance and HR Committee was replaced by a new Remuneration Committee and a new Financial & Business Planning Advisory Committee. The Finance and HR Committee provided a legacy report for the handover of its work.
5. In June 2013 the Council considered proposals to recommend to the new Council a transitional Committee structure from 1 October 2013 which would include an Audit Committee and a Remuneration Committee.

## Introduction

6. The establishment of the Remuneration Committee was approved by the Council in May 2011 as a standing Committee of the Council. The Chair, Rosemary Carter and two members of the Committee, Grace Alderson and Wakkas Khan, were appointed in July and August 2011. The Chair of the Council, Kevin O'Brien, was also a member of the Committee for the first, transitional, year of the Committee. The Committee came into effect following the September 2011 Council meeting. An independent member, Lesley Pearson, an HR and Reward Consultant with over 30 years' comprehensive HR experience, of which the majority had been in reward management, was appointed to the Committee on 15 January 2012 for a term of office until 30 September 2013. On 20 June 2013 Lesley Pearson was re-appointed by the Council for a further term of office until 31 December 2014. There was a significant gap in the senior HR role at the GDC between the departure of the Head of HR in 2012 and the appointment of the new Director of HR in March 2013. This gap had an impact on the development and progress of the work of the Committee.
7. In October 2012 the Committee Chair agreed with the Chair of the Council that he should not continue to be a member of this Committee after its first year but should attend by invitation only when the Committee was considering issues which required his input. The Council in December 2012 approved an amendment to Resolution 5, Non-Statutory Committees of Council: Constitution, Terms of Reference and Quorum to remove the Chair of the Council from the membership of the Remuneration Committee.
8. The Terms of Reference of the Committee are at Annex A.
9. The key purpose of the Committee was agreed to be:
  - To establish a transparent procedure for the remuneration of the Chief Executive, Executive Management Team (EMT), Council Members (including the Chair) and other non-executive post holders; and
  - To ensure that there are appropriate incentives to encourage enhanced performance and that rewards are made in a fair and responsible manner and are linked to the

individual's contributions to the success of the GDC and the successful performance of the GDC in general.

10. The Committee reported to each Council meeting. The Committee also presented an annual report on its work which provided an opportunity for the Council to undertake a formal and rigorous evaluation of the Committee's annual performance.
11. The Council approved the Committee's annual work programme and the Committee's key objectives for the years 2012 and 2013.

### **The Committee's work programme and objectives for the years 2012 and 2013**

12. The annual objectives for the Committee in 2012 and 2013 were approved by the Council as follows (the objectives for 2013 are shown in italics):
  - To determine a suitable pay policy for the Chief Executive and EMT for approval by the Council
    - *Consider the principles and process for reviewing the pay of the Chief Executive and Registrar*
    - *Approve a remuneration review for the Chief Executive*
    - *Consider proposals for a remuneration review for members of the EMT*
  - To determine a suitable appraisal system for the Chief Executive
    - *Review the system for and oversee the annual appraisal of the Chief Executive*
    - *Review the Chief Executive's objectives (annual item)*
  - To advise the Chief Executive about proposed changes to the GDC pay policy for staff
    - *Proposed changes to the GDC pay policy (equalities review to be undertaken once new pay system developed) to take place within 3 months of new Head of HR joining*
  - To continue the work begun by the Employee Benefits Working Group to review the affordability and risks associated with the GDC pension scheme
    - *GDC Pension Scheme: Governance Arrangements*
    - *Work-based Pensions Reforms (Pension Auto Enrolment) and Employment Status for GDC Members*
    - *Auto Enrolment of GDC Associates*
  - To review the terms of service and remuneration of Council members and other non-executives
    - *Remuneration Review: Council and Associates*
    - *Evaluate the effectiveness of the process for the appraisal of Council members and the Chair*
    - *Consider proposed amendments to the appraisal process for Members of Council and Chair*
  - Other work areas
    - *Consider arrangements for succession planning of the Chief Executive and the Executive Management Team to provide adequate assurances to the Council*

- *Receive report of the 2013 staff survey and provide advice to the Chief Executive about any matter arising for staff pay and conditions*
- *Receive and review the Chief Executive's annual report on HR indicators before it is presented to the Council*
- *Handover to the New Council*
- *Planning for the Induction of the New Council*

13 The Committee's annual work programmes for 2012 and 2013 were aligned to the corporate strategy 2010 - 2014, in particular the Value for Money objectives:

3. *Target our resources efficiently and effectively; and*
5. *Deliver open and transparent decisions through effective governance mechanisms*

#### **Work carried out to achieve the objectives above**

14. **To determine a suitable pay policy for the Chief Executive and EMT for approval by the Council;**

*Consider a remuneration review for the Chief Executive and Registrar and for members of the EMT;*

- 14.1 In November 2011 the Committee agreed the principles and process for the pay policy for the Chief Executive. The aim of the policy was to create a framework within which the Council could delegate to the Committee the decision-making about the remuneration and benefits due to the Chief Executive. It was important to ensure adequate flexibility to respond to changes in the job market and/or to reward exceptional performance.
- 14.2 The Council approved the new remuneration policy for the Chief Executive at its February 2012 meeting and the policy for the EMT at its May 2012 meeting.
- 14.3 In May 2012 the Committee approved a policy for authorising claims for expenses from the Chief Executive and the Chair of the Council.

15. **To determine a suitable appraisal system for the Chief Executive**

*Review the system for and oversee the annual appraisal of the Chief Executive*

*Review the Chief Executive's objectives (annual item)*

- 15.1 In November 2011 the Committee agreed the draft principles for the Chief Executive's appraisal policy.
- 15.2 The Committee considered the link between the appraisal and pay processes, the need to incorporate the measurement of training and development, and the inclusion of a six month review.
- 15.3 The Committee agreed that the appraisal would be conducted annually by the Chair of the Council who would then present the draft objectives to the Remuneration Committee for discussion and agreement.
- 15.4 The Committee agreed the appraisal policy for the Chief Executive and Registrar.
- 15.5 In February 2012 the Committee agreed a revised role profile for the Chief Executive and considered a general framework for the review of objectives. The Committee also agreed certain aspects of a new contract of employment for the Chief Executive.

**16. To advise the Chief Executive about proposed changes to the GDC pay policy for staff**

*Proposed changes to the GDC pay policy (equalities review to be undertaken once new pay system developed) to take place following the new Director of HR joining*

- 16.1 In May 2012 the Committee considered a report on a plan to review the current GDC pay system and provided advice to the Executive.
- 16.2 The Committee agreed in October 2012 that a full review of the GDC's pay policy could not be undertaken until the new Head of Human Resources was in post in order that the process could be undertaken appropriately. The new Director of HR joined the GDC in March 2013. Work on the review of the pay policy was planned for 2014.
- 16.3 For the review of pay policy it was noted that the Chief Executive would seek the expertise of the Committee as appropriate to help the GDC fulfil the Equality Action plan (agreed by the Council in September 2011) regarding pay policy.

**17. To continue the work begun by the Employee Benefits Working Group to review the affordability and risks associated with the GDC pension scheme**

*GDC Pension Scheme: Governance Arrangements*

*Work-based Pensions Reforms (Pension Auto Enrolment) and Employment Status for GDC Members*

*Auto Enrolment of GDC Associates*

- 17.1 In October 2011 the Committee reviewed the work done to date on reviewing the Pension Scheme.
- 17.2 In May 2012, the Committee received a presentation from the pension scheme actuary intended to assist the GDC in reviewing the current state of the Plan and deciding what changes, if any, needed to be proposed for future pensionable service.
- 17.3 In July 2012 the Committee considered a report which formed the basis for a discussion on the development of a GDC pension strategy for 2012-2018, and included proposals to introduce a new money purchase auto enrolment scheme, to meet the new legislation requirements for auto-enrolment. The report also detailed some possible amendments to the existing final salary scheme, and identified the preparations that would be required in the light of any future decision to close the final salary scheme to future accrual.
- 17.4 At its meeting on 27 November 2012 the Committee considered both the process and guiding principles for the development of a GDC Pension Strategy, together with the detailed costings provided by the GDC's actuary.
- 17.5 The Committee agreed that a further report addressing the issues raised, together with a programme for consultation with the pension scheme trustees and the Financial and Business Planning Advisory Committee, be considered at the Remuneration Committee meeting in February 2013 prior to consideration by the Council.
- 17.6 The Council in December 2012 considered the Committee's recommendations and agreed:
- a) That training in pensions issues should be provided for new Council members;
  - b) That two additional trustees of the Pension Scheme should be appointed so that the employer nominated trustees were three including the chair;
  - c) To support transition, the new chair of the Pension Trustees, once selected, should be one of the two new employer-nominated trustees and should shadow the present chair until taking up the new role;

- d) Appropriate terms of office for the employer-nominated trustees (including the chair), taking into account the desirability of an element of continuity, would be staggered terms of four years with a maximum of two consecutive terms;
- e) That the chair should be selected by the Remuneration Committee and the current chair of the pension trustees, with assistance from an external agency, and the result reported to the Council;
- f) That the Executive should propose the other GDC nominated-trustees (who could be Council members or senior members of staff) and the Remuneration Committee would make recommendations to the Council.

17.7 At its meeting in February 2013 the Committee considered a report detailing the actions required to implement the first phase of the agreed pension strategy for the GDC, together with the proposed timetable.

17.8 At its meeting in March 2013, the Committee agreed:

- That the appointment of the professional chair of the Trustees of the Pension Scheme should proceed as soon as possible in order to ensure that there was a satisfactory handover period;
- That the appointment panel would comprise the Chair of the Remuneration Committee (to Chair the Panel), the Chair of the Trustees, the Director of Finance and Corporate Services, and the Director of Human Resources, assisted by a professional adviser;
- That the professional chair should initially be appointed as a trustee to enable him/her to attend trustee meetings until the retirement of the current Chair;
- That the Council should be recommended to appoint the Head of Finance as an employer nominated trustee with immediate effect, thus assisting with continuity and workload;
- That the new Council should appoint a Council member as a further employer nominated trustee in October 2013.

17.9 At its May 2013 meeting the Committee considered and made decisions on the appointment of a company as the independent chair of the pension scheme trustee board and the nominated person to represent the appointed company. The Committee agreed to:

- a. Approve that HR Trustees Limited be appointed as the independent trustee of the General Dental Council 1970 Pension and Life Assurance Plan trustees and subsequently be appointed as Chair of Trustees following the resignation of the current Chair, Derek Prentice, on 30 September 2013;
- b. Approve that Giles Payne be the nominated representative of HR Trustees Limited.

17.10 The Committee approved the risk register and timetable for the pension scheme changes, and also agreed to recommend to the Council that a new GDC pension scheme be established to meet the obligations of auto-enrolment.

17.11 In June 2013, the Council considered the recommendations of the Committee and approved that:

- a) A separate auto-enrolment Defined Contribution [DC] section should be created, within the current GDC's pension scheme trust for future GDC employees, from 1 April 2014;
- b) Future GDC employees should have access to the Defined Benefit [DB] scheme after one year of contributions to the DC scheme;

- c) Employee contributions to the DC scheme would be at 2% for 2014 and 2015 and 3% thereafter. Employer contributions would be 4% in 2014 and 2015 and 6% thereafter;
- d) The existing top up DC scheme that current employees can join alongside the DB scheme would be closed to future GDC employees;
- e) An auto-enrolment scheme would be established for those Associates defined as workers; and
- f) The GDC's contributions to the auto-enrolment scheme for workers would be at the minimum level as set out in statutory legislation.
- g)

18. **To review the terms of service and remuneration of Council members and other non-executives**

*Remuneration Review: Council and Associates*

*Evaluate the effectiveness of the process for the appraisal of Council members and the Chair*

*Consider proposed amendments to the appraisal process for Members of Council and Chair*

(a) Remuneration Review

18.1 The Committee in May 2012 considered the proposed scope for the review of the remuneration and terms of service for Council Members, including the Chair, and other non-executives. The Committee went through a detailed and comprehensive process of review which included external benchmarking.

18.2 After careful consideration of the data, the Committee recommended to Council that:

- a) The annual remuneration review for the Chair of the Council should be set at £55,000;
- b) An annual remuneration for Council members, rather than the current daily fee. The proposed remuneration scheme was annual remuneration, including allowance for preparation and travel time of £15,000 per annum and a supplement for Committee Chairs of £3,000 per annum;
- c) The rate for external members of Council committees would be a meeting attendance fee, including a preparation time allowance, of £400 per day.

The Council approved the proposed scheme of remuneration for Council members and external members of Council Committees as set out above, to be effective from 1 October 2013.

(b) Expenses

18.3 In February 2013 the Committee considered a report proposing a revised scheme of remuneration and revised limits for travel and hotel expenses for Council members and external members of Council committees, and a revised Expense Policy and Procedures. The proposals were approved by the Council in March 2013 to be effective from 1 October 2013.

(c) Appraisal process

- 18.4 In February 2013 the Committee noted a report detailing a compliance review which reported on Council members' participation in the appraisal process and performance review mechanism process in 2011/2012. It also included feedback on these processes as gathered from the Annual Review of Council Effectiveness.
- 18.5 The Council in March 2013 approved that the appraisal process be retained for a further cycle and be recommended to the new Council, subject to appropriate modifications to the guidance document and forms.
- 18.6 In May 2013 the Committee reviewed and agreed some minor changes to the Council member and performance review mechanisms guidance and forms, and also agreed to recommend to the new Council that there should be an annual appraisal process.
- 18.7 The Committee agreed to recommend that the new Council consider the principle of an independent board evaluation and seek a detailed paper on this to assist them in taking a decision on whether this was something which it would wish to adopt.
- 18.8 In addition, the Committee agreed to recommend to the new Council that there should be an annual review of the Council's effectiveness, including some element of external review.
19. ***Consider arrangements for succession planning of the Chief Executive and the Executive Management Team to provide adequate assurances to the Council***
- 19.1 In May 2012 the Committee considered a report on current initiatives in relation to succession planning for the EMT and other key posts within the organisation. The Committee noted that succession planning should be reviewed annually.
- 19.2 In July 2013 the Committee considered the future approach to succession planning for the Chief Executive and the Executive Management Team. The Committee received a further report at its September 2013 meeting which took into account the views of the incoming Chair of the Council. The Committee approved the report's approach to short term (defined as a period of six months) succession planning for the Chief Executive and the EMT.
20. ***Receive report of the 2013 staff survey and provide advice to the Chief Executive about any matter arising for staff pay and conditions***
- Receive and review the Chief Executive's annual report on HR indicators before it is presented to the Council***
- 20.1 At its meeting in July 2013 the Committee received the Chief Executive's annual report on HR indicators. This was presented to the Council at its August 2013 meeting. The key highlights of the recent staff survey undertaken in March 2013 were also included along with the areas for improvement on which the GDC would focus in the forthcoming year. The Committee noted that the intention in the future was to hold a staff survey every two years.

## 21. ***Handover to the New Council***

### ***Planning for the Induction of the New Council***

- 21.1 At its July 2013 meeting the Committee agreed to recommend that the successor Committee sets out a programme to review the existing policies on a regular basis.
- 21.2 The term of office of the independent member of the Committee continues until 31 December 2014 to enable the new Council to have sufficient time to consider the membership requirements of the Committee.
- 21.3 The Committee noted that its process for meetings had been to hold a half-hour meeting for Committee members only before staff members were asked to join the meeting and that the Committee had found this helpful.
- 21.4 The Committee recommended to the new Council that training in pensions issues should be provided for the new Council members.

### **Summary**

22. Since November 2011 the Committee's work has resulted in the following:

- The Council agreed the Remuneration Policy for the Chief Executive and EMT
- The Committee approved a policy for authorising claims for expenses from the Chief Executive and the Chair of the Council
- The Committee agreed the appraisal policy for the Chief Executive and agreed a revised role profile for the Chief Executive
- The Council approved the appointment of a company as the independent chair of the pension scheme trustees
- The Council approved the creation of an auto-enrolment section of the Pension Scheme and approved changes to the existing Pension Scheme
- The Council approved the annual remuneration for the Chair of the Council, Council members, and external members of Council committees with effect from 1 October 2013
- The Council approved a revised Expenses Policy and Procedure for Council members and external members of Council committees, due to take effect from 1 October 2013

### **Work-in-progress**

23. The Committee's work continues on the following in particular:

- GDC Pension Scheme;
- The review of the staff pay policy;
- Succession planning for the Chief Executive and EMT.

24. The Committee recommends that the successor Committee sets out a programme to review the existing policies on a regular basis.

### **Risk implications**

25. Risks which have been identified during the course of the Committee's work have been reported to the Council and to the Audit Committee for inclusion in the Strategic Risk Register.

### **Public protection implications**

26. The terms of reference of the Committee are designed to ensure the GDC attracts and retains high calibre staff to discharge the GDC's statutory responsibility of public protection.

### **Equality and diversity implications**

27. The Council approved an equality action plan in September 2011. A section of the plan dealt with the GDC's duty to be a fair and enabling employer. The desired outcomes of the plan are:
  - a. To enhance confidence among applicants and employees that GDC employment policies and processes are fair, transparent and non-discriminatory
  - b. Ensure the workforce profile reflects the employment markets and society within which the GDC operates
  - c. To improve equality monitoring data

The Director of HR has proposed establishing a new equality action plan in 2014.

28. The Chief Executive will seek the expertise of the Committee as appropriate to help the GDC fulfil the equality action plan for e.g. under the review of pay policy.
29. The Council has a responsibility to ensure that the GDC's pension scheme is compliant with equality legislation. The Committee will need to be mindful of this when it reviews the GDC pension scheme.

### **Policy and Communications implications**

30. The business handover report will be communicated to the new Council and the successor Remuneration Committee.

### **Legal implications**

31. None arising immediately from this paper.

### **Recommendations**

32. The Council is invited to note the report.

## Annex A

### Terms of Reference: **Remuneration Committee**

#### **Key purpose**

- R1. To establish a transparent procedure for the remuneration of the Chief Executive, Executive Management Team, Council Members (including the Chair) and other non-executive post holders.
- R2. To ensure that there are appropriate incentives to encourage enhanced performance and that rewards, are made in a fair and responsible manner, and are linked to the individual's contributions to the success of the GDC and the successful performance of the GDC in general.

#### **Delegated Powers**

- R3. Approve the appointment process for the Chief Executive.
- R4. Approve the remuneration, benefits and terms of service for the Chief Executive and the Executive Management Team annually, in line with the remuneration policy set by Council.
- R5. Approve the policy for authorising claims for expenses from the Chief Executive and the Chair.
- R6. Where necessary, the Committee is authorised by the Council to obtain external legal or other professional advice, but only within budgetary limits.

#### **Functions and Duties**

##### *Chief Executive and the Executive*

- R7. Oversee the appointment process for the appointment of the Chief Executive, in accordance with Council's agreed delegation.
- R8. Review and recommend to Council an appropriate remuneration policy for the Chief Executive and the Executive Management Team, consistent with the organisational objectives and within the overall budget agreed by Council.
- R9. Determine the terms of any special severance arrangements applying in the event of any required and unplanned early termination of employment of the Chief Executive or any member of the Executive Management Team, having regard to relevant guidance and codes of practice and their contracts of employment.
- R10. Develop a system for, and oversee the appraisal of, the Chief Executive.<sup>1</sup>
- R11. Review the arrangements for succession planning of the Chief Executive and the Executive Management Team so that adequate assurances can be provided to the Council.
- R12. Advise the Chief Executive and the Head of HR, as requested, on any significant changes to HR policy or changes to the employee benefits structure, including the pension scheme.<sup>2</sup>

---

<sup>1</sup> The appointment, performance review, disciplining and setting of terms and termination of contracts of staff are the sole responsibility of the Chief Executive.

<sup>2</sup> The Financial and Business Planning Advisory Committee will consider any financial implications of changes to the Pension Scheme

- R13. Advise the Council on any actions which it must, or is advised to, take as an Employer under pension fund arrangements.
- R14. Communicate to the Finance and Business Planning Advisory Committee any advice it receives, or action it would wish Council to take in regard to the GDC Pension Scheme, which has a financial implication for the GDC.
- R15. Receive the Chief Executive's annual report on HR indicators before it is presented to the Council.

*Council, the Chair and other non-executives*

- R16. Recommend to Council any changes to the remuneration and terms of service for Council Members, including the Chair, and any other non-executives.
- R17. Review the expenses policy for Council Members and other non-executives and recommend any changes for approval at Council.
- R18. Advise Council on the process for the appraisal of Council Members and the Chair.

Approved by the Council 20 May 2011

## Annex B

### 2013 Annual Work programme for the Remuneration Committee

	5 Feb 2013	9 May 2013	18 Jul 2013	5 Sep 2013	Nov/ Dec 2013
<b>Chief Executive and EMT</b>					
Oversee the annual appraisal and objective setting of the Chief Executive		✓			
Consider proposals for any remuneration review and performance bonus for the Chief Executive			✓		
Consider proposals for any remuneration review and performance bonus for the Executive Management Team			✓		
Consider arrangements for succession planning of the Chief Executive and the Executive Management Team to provide adequate assurances to the Council			✓		
<b>HR Policy and changes to the employee benefits structure, including the pension scheme</b>					
GDC Pension Scheme: Governance Arrangements				✓	
Pension reforms and changes	✓	✓	✓	✓	✓
Auto Enrolment of GDC Associates		✓			
Receive report of the 2013 staff survey and provide advice to the CE about any matter arising for staff pay and conditions			✓		
Receive and review the Chief Executive's annual report on HR indicators before it is presented to Council			✓		
<b>Council, the Chair and other non-executives</b>					
Remuneration Review: Council and Associates	✓				
Consider proposed amendments to the appraisal process for Members of Council and		✓			

	5 Feb 2013	9 May 2013	18 Jul 2013	5 Sep 2013	Nov/ Dec 2013
Chair					
Handover to New Council				✓	
<b>Other Items</b>					
Approve the Annual Report of the Remuneration Committee (for noting at the December Council)					✓
Undertake a review of the Committee's terms of reference				✓	
Consider the Committee's work programme for 2014				✓	
Approval of 2013/2014 Committee dates			✓		
<b>Standing Items</b>					
Approval of Minutes	✓	✓	✓	✓	✓
Matters arising and issues referred to the Council	✓	✓	✓	✓	✓
Remuneration Committee's Report to Council	✓	✓	✓	✓	✓
Any other business	✓	✓	✓	✓	✓
Date of next meeting	✓	✓	✓	✓	✓
Committee Meeting Review	✓	✓	✓	✓	✓

#### Future Items

- Proposed changes to the GDC pay policy (equalities review to be undertaken once new pay system developed): Q1/Q2 2014
- Approve a revised role profile for the Chief Executive: next review Q1/Q2 2014
- Review the contractual arrangements for the Chief Executive and approve a new proposed contract of employment: next review 2015 or when vacancy arises.

**Audit Committee  
Business Handover Report (draft)**

<b>Purpose of paper</b>	To propose a report on the work of the outgoing Audit Committee as a handover document to the new Council
<b>Action</b>	For consideration and decision
<b>Public / private</b>	Public
<b>Corporate Strategy 2013-2015</b>	5. Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection.
<b>Decision Trail</b>	<p>Each current Committee of the Council will provide a business handover report to the September 2013 meeting of the current Council.</p> <p>A new Council will start its term of office on 1 October 2013.</p> <p>The Committee on 15 May 2013 considered the papers at Annexes B and C and agreed that these be included in one handover report for the Committee.</p> <p>The Committee on 24 July 2013 considered the draft report and considered a revised report in September 2013, following updates from the July 2013 meeting and the Council meeting in August 2013.</p>
<b>Recommendations</b>	The Council is invited to note the report.
<b>Authorship of paper and further information</b>	Elizabeth John, Governance Manager E:ejohn@gdc-uk.org
<b>Appendices</b>	<p>Annex A: Audit Committee Terms of Reference</p> <p>Annex B: Agenda items for meetings of the current Audit Committee</p> <p>Annex C: Cycle of Council meetings with the Audit Committee's work fitting into this cycle</p>

## Executive Summary

1. The paper sets out the work carried out by the Audit Committee (the Committee) and reviews achievements against objectives since the newly-constituted Committee was established in September 2011.
2. The paper prepares for the handover of the work of the Audit Committee under new governance arrangements when a new Council takes office on 1 October 2013.

## Background

3. The Audit Committee was a standing Committee of the Council and was established in November 2009. It held its first meeting in December 2009.
4. In May 2011 the Council approved a new Committee structure with new Terms of Reference for the new Committees. A newly-constituted Audit Committee therefore took over the work of the previous Audit Committee and carried out the work under new Terms of Reference. The previous Audit Committee provided a legacy report for the handover of its work.
5. In June 2013 the Council considered proposals to recommend to the new Council a transitional Committee structure from 1 October 2013 which would include an Audit Committee and a Remuneration Committee.

## Introduction

5. The newly-constituted Audit Committee held its first meeting in November 2011. The Committee had five Council members – Alan MacDonald (Chair), Rosemary Carter, Peter Catchpole, Helen Falcon, Hazel Fraser – and one independent member, Jennifer Seeley, who had recent and relevant senior financial management and audit committee experience. (Jennifer Seeley was appointed on 1 July 2010 for a two-year term of office and on 17 May 2012 was re-appointed by the Council for a further term of office of three years.) The practice of the Committee was to hold first a Committee-only meeting, followed by a closed session with staff and then the session with staff and the professional advisers.
6. The Terms of Reference of the Committee are at Annex A.
7. The key purpose of the Committee was:
  - To monitor the integrity of the financial statements, to review the GDC's governance, internal control and risk management systems and review the internal and external audit services.
8. The Committee reported to each Council meeting. The Committee also presented an annual report on its work which was an opportunity for the Council to undertake a formal and rigorous evaluation of the Committee's annual performance.
9. The Council approved the Committee's annual work programme and the Committee's key objectives for the years 2012 and 2013.

## **The Committee's work programme and objectives for the years 2012 and 2013 (linked to the GDC Strategy and Corporate Plan)**

10. The annual objectives for the Committee in 2012 and 2013 were approved by the Council as follows (amendments in 2013 are shown in italics):
  - Review and approve Statement of Internal Control - *Governance Statement*
  - Review and approve annual report and accounts for recommendation to the Council
  - Review governance policies

- Review the Strategic Risk Register
- Review the Fitness to Practise action plan
- *Review Education Quality Assurance*
- *Consider the report on the Annual Testing of the Business Continuity Manual and crisis rehearsal*
- *Approve the Internal Auditor's fee and terms of engagement, the Internal Audit strategy and plan*
- *Review the Internal Audit progress against plan*
- *Review the Internal Audit annual report*
- Consider the Internal Audit reports and monitor management's responses to major Internal Audit recommendations
- Monitor and review the effectiveness and quality of the Internal Audit function
- Consider the outcome of the 2012 external audit tender exercise and make recommendations to the Council
- *Review the External Audit Planning report for the year*
- *Approve the External Auditor's fee and terms of engagement*
- Consider the External Audit report and management letter
- Consider the National Audit Office's audit report
- *Review the effectiveness of the External Auditor's performance*
- *Arrange for an orderly handover of the work of the Committee to the Committee's successor body (under the new Constitution Order)*

11. The Committee's annual work programmes for 2012 and 2013 were aligned to the corporate strategy 2010 - 2014, in particular the Value for Money objectives:

2. **Account for our spending decisions;**
3. **Target our resources efficiently and effectively; and**
4. **Manage our resources in accordance with good governance; and**
5. **Deliver open and transparent decisions through effective governance mechanisms**

The work programme for 2013 was also aligned to the corporate strategy 2013 – 2015, in particular:

1. **Analyse and respond effectively to patient needs and public expectations to maintain public confidence in dental regulation**
5. **Deliver cost effective regulation, ensuring maximum efficiency without loss of patient protection**

#### **Work carried out during the year to achieve the above objectives**

12. Review and approve Statement of Internal Control; (2013: Governance Statement);  
Review and approve annual report and accounts for recommendation to the Council;  
Consider the External Audit report and management letter;  
Consider the National Audit Office's audit report

12.1 When the Audit Committee was formed in November 2009 it agreed that its role would be to review the GDC's annual report and accounts to ensure they were a true and fair reflection of the GDC's financial performance. The Committee would recommend the annual report and accounts to the Council for approval.

12.2 The Privy Council confirmed in November 2010 that the role of the Chief Executive and Registrar of the GDC carries with it the responsibility of Accounting Officer. The Accounting Officer is required to keep and produce accounts in such form as the Privy Council may determine. The Audit Committee recognised the value of this appointment of an individual who is personally responsible for signing the accounts and the overall stewardship of resources.

12.3 The Committee's process for its review of the Annual Report and Accounts started at the November Committee meeting when the Executive proposed, for the Committee's approval, a format and timetable for the production of the Annual Report and Accounts. The Committee received the External Auditors' audit planning report for its approval and the National Audit Office audit planning report.

12.4 In November 2011 the Committee noted the National Audit Office recommendation that the GDC should replace the Statement of Internal Control with a Governance Statement in line with developing practice. A Governance Statement was included in the Annual Report and Accounts for the year ending 31 December 2012.

12.5 In the March meeting the Committee reviewed the first draft of the Annual Report and Accounts. The Committee considered the key questions for the financial sections of the Annual Report and Accounts, as set out in a paper from the Executive. The Committee also considered comments on the draft Finance Review and Statements for the Annual Accounts, which the Financial and Business Planning Advisory Committee was invited to review, because of its role in advising on financial and operational performance. The Committee reviewed the text in the Annual Report and offered advice and amendments to ensure the report conveyed a true and balanced account of the GDC's operations and performance over the year.

12.6 In the May meeting the Committee received a final draft of the Annual Report and Accounts and reviewed the key considerations for the financial section and made any remaining changes required for the text of the Annual Report. The Committee discussed the Governance Statement with the Chief Executive as Accounting Officer and the Committee received helpful advice from a Director of the National Audit Office who attended this meeting.

12.7 The Committee received from the External Auditors the draft 'Independent Auditor's Report to the Members of the GDC' and the draft 'Audit Findings Report' for the year, together with the draft letter of representation from the Council to the External Auditors. At the meetings in each of May 2012 and May 2013 the Committee was pleased to note that the External Auditors' report stated that, on satisfactory completion of the outstanding matters, the External Auditors expected to issue an unmodified audit opinion on the truth and fairness of the financial statements.

12.8 At the May meeting the National Audit Office presented its Audit Completion Report. For each of the 2011 and 2012 Accounts the Committee noted that the National Audit Office Proposed Audit Certificate gave an unqualified opinion on the financial statements. The Committee noted the actions set on in the National Audit Office report for those charged with governance at the GDC.

12.9 In each of the May 2012 and May 2013 meetings the Committee agreed to recommend the GDC Annual Report and Accounts to the Council for approval at the following Council meeting and signed on the Council's behalf. The Committee also recommended that the letters of representation to the External Auditors and to the National

Audit Office be approved by the Council and signed on its behalf.

**Next steps:**

12.10 In July 2013 the Committee offered its successor body a suggestion that, as a matter of routine, it would be good practice for the Committee to review annually the effectiveness of the performance of the auditors (including quality, expertise, effectiveness and reporting) – the Committee suggested that the review of the internal auditors could be at the Committee's March meeting and the review of the external auditors could be at the Committee's May/June meeting as that would follow the auditors' report to the Committee on the accounts and before re-appointment in September.

12.11 At its planned meeting in November 2013 the Committee would review and approve the format and timetable for the production of the Annual Report and Accounts for the year ended 31 December 2013.

13. Review governance policies

13.1 At the Audit Committee's first meeting in December 2009 it noted a number of shortcomings in governance arrangements then in place within the GDC, such as the absence of a scheme of delegation for the Council and the Chief Executive. The Committee planned to review a number of key governance procedures and report to the Council on these as soon as practicable.

13.2 The Scheme of Delegation setting out the Matters reserved to the Council and Matters delegated to the Chief Executive was approved by the Council in May 2011.

13.3 In 2011 the newly-constituted Audit Committee continued this work on governance policies and procedures and policies. The aim was to build a clear and comprehensive collection of policies which set out the standards established for GDC Council members and Associates. This was an important part of governance for the GDC as a regulator which set standards for the conduct, performance and ethics of the dental team.

13.4 The existing Code of Conduct for Council members and Associates and the Managing Interests Policy were revised and amended as discussed with the Committee. The Committee considered draft Procedures for dealing with complaints against Council members and Associates under the Code of Conduct; the aim was to set out a clear process so that all parties were aware in advance of the process to be followed. The Committee also considered an Anti-fraud and Anti-Bribery Policy (including addressing issues in the Bribery Act 2010), a revised Whistleblowing Policy for Council members and Associates and a revised policy on Gifts and Hospitality.

13.5 After the Committee's discussion and suggestions for revision the Committee recommended all these policies to the Council which approved them. In May 2012 the policies were incorporated into a Governance Manual – one for Council members, one for Associates and one for Statutory Committee members – so that it was clear which policies applied to which roles.

13.6 The Committee received annually a report on the operation of whistleblowing policies at the GDC which includes whistleblowing by staff and outsiders.

13.7 A report on data breaches and Freedom of Information processing was considered by the Committee to ensure that the GDC had an appropriate plan to mitigate its risks on this subject.

13.8 In 2013 the Committee considered proposed amendments to the Managing Interests Policy and made a recommendation which the Council approved. The Committee also

considered draft guidance for Council members setting out the steps to be taken if a registrant Council member faces Fitness to Practise processes. The aim was that all Council members would be aware of the procedure and would have agreed in advance to the process to be followed. The Council at its June 2013 meeting agreed to adopt the guidance which is included in the Governance Manual.

13.9 The Committee at its July 2013 meeting carried out the annual review of policies in the Governance Manual (including the delegated authorities) and agreed to recommend the proposed revisions to the Council. The Council approved the revisions to the policies in the Governance Manual at its meeting in August 2013.

13.10 The Committee noted that it would include in its handover report to its successor body a recommendation that the new Council review the delegated authorities within a suitable time.

#### 14. Review the Strategic Risk Register

14.1 The view of the Committee in December 2009 was that there was considerable room for improvement in risk management within the GDC. The Committee endorsed the development of a risk register including all the relevant risks and a risk strategy – these would need to be approved by the Council.

14.2 In March 2010 the Committee received a first draft of the Strategic Risk Register ('SRR'). The Committee in July 2010 agreed a risk management action plan to improve the GDC's risk status from 'risk naïve' to 'risk aware' (these descriptions were based on the Institute of Internal Auditors' scale of risk maturity). Over the next months the SRR was developed by the Executive Management Team and was reviewed at Committee meetings. The draft SRR was presented to the Council in May 2011 and the Council agreed that it should not be published in the public domain.

14.3 The Committee decided that the SRR would be a standing item for its meeting agenda. Work continued on the SRR and in April 2012 the Committee Chair welcomed that the SRR had developed into a meaningful document for the Committee.

14.4 In 2012 the Committee considered the Executive's work on a draft Risk Management Policy for the GDC, which the Executive had discussed with the Audit Manager of the National Audit Office. The Committee noted the Executive's explanation that the Policy was not a handbook to enable the GDC to manage risk but instead was a description of the roles and responsibilities assigned by the GDC to manage risk. The Policy was therefore work-in-progress and might require revision in due course. The Executive's work on the Risk Management Policy also included advice from the internal auditors who had carried out a review of the GDC's risk management. As part of the internal auditors' recommendations the SRR was to be amended to align it with the strategic objectives of the GDC. The Committee recommended the Risk Management Policy to the Council and the Council noted it in August 2012.

14.5 At the July 2012 meeting the Committee considered the Internal Audit report on the GDC's risk management (which was a follow-up to the risk management report in 2010). The Committee noted the internal auditors' conclusion that the overall risk maturity of the GDC, which in June 2010 had been 'risk naïve', was now in July 2012, following a great deal of work at the GDC, at the 'risk aware' stage (defined as 'an approach to risk management but incomplete and inconsistent in application'). The internal auditors' view was that risk management at the GDC was well placed to develop arrangements effectively and to refine the reporting at Committee and Council level.

14.6 It was clarified with the internal auditors that the Council was entitled to rely on the Audit Committee to discuss some aspects of the SRR and it was not expected that the Council would discuss the SRR for the sake of doing so, the important point was that the

Council engaged with the risks in the Risk Register. Whilst the report showed significant progress in the management of risk at the GDC it also made clear that there was a great deal of work still to be done and only offered 'limited' assurance with 4 'high risk' and 3 'medium risk' recommendations. Key to these was the Council discussing and identifying to the Executive the level of risk the Council would tolerate for given policies.

14.7 The Committee received a presentation from the internal auditors on 'Risk Management: the Council Member's role'. The presentation aimed to enable Council Members to understand (1) the basic principles of risk management and (2) the risk management process and (3) Council Members' role in that process.

14.8 The Committee held a most useful discussion and agreed to propose that there should be a risk workshop training session for Council Members. The Committee agreed to recommend to the present Council that this risk training should be progressed and not postponed to the new Council. The internal auditors had criticised the Council's lack of engagement with the SRR and it was hoped this would be addressed by the risk workshop training. The Committee agreed that the November 2012 Council Awayday would be a good opportunity to hold the risk workshop training sessions.

14.9 At the Committee's next meeting in November 2012 the Committee considered a report on the results of the Council Awayday session and proposed an assessment of risk tolerance linked to the GDC's statutory functions. The Committee then considered a new format for the SRR which included sections for the main areas of the work of the GDC and the risks relating to each of these, an indication of the risk tolerance and the net risk after mitigation. The SRR was also cross-referenced to the Corporate Strategy 2013-15. The Committee noted that cross-referencing to the Operational Risk Registers, programmes and projects would be detailed in the next SRR.

14.10 The Committee noted the plan for improving risk management for 2013 and was particularly keen to see a clear path to increase further the GDC's risk awareness.

14.11 The Committee recommended to the Council the new format of the SRR and the plan for improving risk management for 2013 and the Council approved these in March 2013.

14.12 The Committee Chair reported at the May 2013 meeting that the Chair of the Council had indicated that more time would be given at the Council meetings for consideration of the SRR. This was welcomed by the Committee which recommended that the new Council continue this practice.

14.13 It was also planned that the Committee, following discussion with the internal auditors and the Executive, would include information in the business handover report about the GDC's current progress on risk maturity and a timescale to reach the next level of risk maturity.

14.14 Following the May 2013 Committee meeting the Chief Executive and the Committee Chair met the new Internal Audit partner to discuss possible Risk and Assurance Mapping for the GDC.

14.15 At its July 2013 meeting the Committee considered the Internal Audit proposal to scope and deliver the next stage of work to assist risk management at the GDC.

14.16 The Committee noted the Internal Auditor's explanation of the key benefits of undertaking risk and assurance mapping which included

- that it provided visibility of the overall key risks and assurance picture, including those risks that had previously been significant (in terms of net risk scores) but had moved off the Strategic Risk Register as they were considered appropriately mitigated. The risk and assurance map enabled visibility of how controls over such areas were working in practice;

- identifying key risk areas where the GDC had inadequate assurances or conversely risk areas where assurance activity was being duplicated;
- over time, a critical view on the quality of range of assurance sources;
- a map which supported the evidence basis to support the annual Governance Statement.

The Committee agreed that a risk mapping exercise should be undertaken at a time when the GDC's risk management was more refined. It was also agreed that work should be done to consider refinements to the risk framework (particularly to capture, analyse and respond to more contextual strategic risks).

## 15. Business Continuity

15.1 Business Continuity Management aims to reduce the risk of prolonged business disruption which could undermine the GDC's ability to discharge its statutory duty to protect the public.

15.2 In March 2012 the Committee considered a new Business Continuity Plan for the GDC. The Committee also received a report on the IT Business Continuity/disaster recovery test undertaken in December 2011 and noted the Executive's confirmation that the testing had been satisfactory.

15.3 The new Business Continuity Plan was then tested and the Committee received a report that all the recommendations were addressed by the management and most of the high and medium priorities were completed soon after the report.

15.4 The Committee also reviewed a report on Olympics 2012 planning which summarised actions to minimise any disruption to GDC operations during the London Olympics 2012. These included the Committee and the Council holding their meetings in July 2012 in Birmingham.

15.5 In July 2013 the Committee considered a report on the Business Continuity Plan test carried out in May 2013, using a scenario developed by external consultants, which found no serious issues.

15.6 The Committee considered a report on IT Penetration testing at its September 2013 meeting.

## 16. Review the Fitness to Practise action plan

16.1 As the Fitness to Practise action plan was such an important risk area for the GDC the Committee asked in November 2011 that a written report be provided to each Committee meeting setting out planned steps and dates relating to the FtP improvement plan and including an action list showing progress made against dates.

16.2 At its March 2012 meeting the Committee received a report with performance data setting out operational changes implemented so far. It was reported to the Committee that the Fitness to Practise Review Board, which had been set up in April 2011, was closed in March 2012 because it had achieved its tasks. The first phase of the case management system for Casework, Fitness to practise Legal and Hearings function went live in April 2012.

16.3 In July 2012 the Committee received a report that Phase I of the FtP Review (which aimed to remedy deficiencies in the current FtP process) was largely completed by May 2012 and Phase 2 had begun.

16.4 Following approval by the Council, the GDC had contacted the Department of Health to start discussions about the GDC's priorities for inclusion in a section 60 order, including the plan to introduce case examiners. The Department of Health's response to the proposed legislative changes was awaited.

16.5 In November 2012 the report to the Committee set out that Phase 2 of the FtP Review was underway and the main focus was on the introduction of guidance to improve the quality of decision-making at various points of the FtP process. This included guidance on: indicative outcomes, casework assessments, allegations and indicative sanctions. There was also a pilot exercise for sending out papers electronically to the Investigating Committee, which could reduce costs significantly. As for legislative changes, the report stated that the most recent indication from the Department of Health was that a section 60 order would not be published until early 2013.

16.6 The Committee noted the report on the increased number of FtP complaints received and considered this increase to be one of the main risks in this area. They suggested that the Policy Advisory Committee ('PAC') could be asked to consider ways to address this situation, for example, by advice to registrants on how to improve their response when a patient first complained. The Audit Committee Chair discussed this with the Chair of PAC who agreed to include the increase of complaints on the PAC work programme.

16.7 The report to the Committee in March 2013 explained the steps being taken to deal with the increase (44% increase in 2012 as against 2011) in new FtP cases. Plans to increase staff in the case review team and the Investigating Committee (IC) team had been presented at the February 2013 Council meeting. Further staff increases in these teams were proposed.

16.8 As for legislative changes, it was reported that the Registrar had written to the Department of Health about the urgency for a section 60 order to effect key changes in the FtP process.

16.9 In May 2013 the report to the Committee set out that the upward trend in new complaints was continuing in 2013, with 691 new cases received in Q1 2013.

16.10 It was reported to the Committee that progress on Phase 2 of the programme of change for the FtP function included the completion of (i) Indicative Outcomes guidance for the Investigating Committee; (ii) the establishment of a Case Review Team and (iii) Illegal Practice guidance and standard operating procedures. Other Phase 2 work continued to be developed.

16.11 In July 2013 it was reported to the Committee that the upward trend in new complaints was continuing in 2013, with 1441 new cases received in Q1, Q2 2013. However, more cases had been closed at the early stages of the FtP process in the first half of 2013 compared with the first half of 2012 (the number of cases closed at triage had increased by 75% and those closed at assessment had increased by 21%).

16.12 Progress on Phase 2 of the programme of change for the FtP function included the completion of (i) guidance for people on how to report a dental professional to the GDC; (ii) the implementation of electronic dissemination of Investigating Committee bundles as a standard business process; (iii) new guidance for the drafting of allegations for casework staff which would be in practice in the FtP process from 1 August 2013.

16.13 Other Phase 2 work being developed included: (i) recruitment for a new in-house legal team; (ii) guidance for voluntary removals and Interim Orders Committee referrals; (iii) guidance for casework assessment decision-making; (iv) a project plan to develop the GDC collection of equality monitoring data-sets; (v) the review of pre-hearing case management process.

16.14 The report explained that the GDC continued to press the case for a Section 60 Order to effect the changes required to make long term improvements to the FtP process. However, the most recent indication from the Department of Health was to rule out a Section 60 Order in advance of the Law Commissions' review of the wider healthcare regulatory sector. In the meantime contingency plans were also being explored to effect a limited version of the proposed changes which might be possible within the existing framework.

17. Work of the Compliance team

17.1 A Compliance team was established in November 2011 to develop a quality assurance framework covering all parts of the Regulation directorate comprising Registration, Fitness to Practise and Hearings. The aim was to identify (through audit and its results) opportunities to improve operational processes, identify and develop best practice and ensure guidance and policy adequately support operational practices.

17.2 In July 2012 the Committee received a report from the Compliance team which set out the team's methodology for assessing and categorising risk levels and the programme of work for 2012. The Committee was particularly keen to see this work progress and asked to receive summary reports on the team's findings at all future meetings.

17.3 At the following meetings the Committee received reports on audits carried out and it was agreed that the Committee would receive a list of recommendations made in the audits together with the management responses.

17.4 The Committee asked the internal auditors for their view about the current reporting line of the Compliance team to the Director of Regulation (with its potential for conflict of interest). The internal auditors noted that their recommendation had been followed and senior management had fully reviewed the reporting lines. The internal auditors considered no further action was required except to review the reporting lines periodically to ensure future conflicts were not likely to arise.

17.5 In July 2013 the Committee recommended that its successor body review that the planned changes to the systems had shown real improvement.

18. End of CPD Cycle for Dental Care Professionals ('DCPs')

18.1 The Committee was regularly informed of the communications plan to alert DCPs and dentists about the end of the first 5-year CPD cycle for DCPs in July 2013. If a DCP did not make an adequate (in compliance with GDC rules) CPD submission by the August 2013 deadline then this would result in removal from the register.

18.2 The Committee agreed that the risk of the end of the CPD cycle for DCPs should be added to the Strategic Risk Register. The risk included a financial element (for example if a substantial number of DCPs did not re-register).

18.3 It was reported to the Committee in July 2013 that there was a positive trend in the number of registrants complying with their CPD requirements but at that date 18% of DCPs were yet to comply fully with CPD requirements. The communications campaign was continuing and professional associations were also involved in providing information to DCPs about the end of the CPD cycle.

18.4 The Committee was informed at its meeting in September 2013 that 95% of DCPs within the first 5-year CPD cycle had complied with their CPD requirements by the August 2013 deadline.

19. Review Education Quality Assurance

19.1 The internal auditors presented a report to the Committee in March 2012 on Education Quality Assurance and welcomed the management response to their report and the proposed timetable for action. The Committee considered the view of the Chief Executive and Registrar that, at least for the time being, Education Quality Assurance should receive a similar level of Committee scrutiny as did Fitness to Practise, and noted that a plan for a new Quality Assurance process would be brought to the July 2012 Committee meeting.

19.2 The Committee considered the plan which set out the identified risks and the mitigation plan relating to a round of inspections of Bachelor of Dental Surgery (BDS) programmes in 2012 – 2014.

19.3 It was reported to the Committee that the Specialist Dental Education Board (SDEB) had met in December 2012 following a hiatus and that 3 meetings were scheduled for 2013. The SDEB's role included making recommendations to the Chief Executive and Registrar on topics such as the approval of new or amended specialist curricula.

19.4 In May 2013 the Committee reviewed and noted a report on the work done preparatory to the development of a quality assurance regime of training leading to inclusion on a specialist list.

19.5 The Committee received a further report in July 2013 which set out the planned timetable for the development of a system of quality assurance of specialist training in the second half of 2014. It was noted that the Policy Advisory Committee was dealing with this issue but the Audit Committee was considering associated risks. It was agreed that the attention of the Council should be drawn to the current situation.

19.6 The Council in August 2013 agreed that a report with the timetable would be presented at its September 2013 meeting.

20. Consider the Internal Audit reports and monitor management's response to major Internal Audit recommendations:

Monitor and review the effectiveness and quality of the Internal Audit function

20.1 The Committee noted at its meeting in December 2009 that the internal audit function of the GDC had been outsourced to a professional audit body, PKF (UK) LLP, which had been appointed in February 2008. The internal audit reports to date had been considered by the Finance and HR Committee. The Committee agreed to receive all internal audit reports in the future and to review at each Committee meeting the rolling list of follow-up actions required by those reports.

20.2 New internal auditors, Grant Thornton, were appointed in 2011 and their proposed 2012 Internal Audit plan was approved in November 2011. It was agreed that an Internal Audit Progress Report would be presented at every Committee meeting (except the April meeting, when the Annual Report and Accounts were considered).

20.3 In March 2012 the Committee reviewed the Annual Internal Audit Report for 2011 and considered the conclusion of the PKF internal auditor that 2011 had been a year of improvement for the GDC and that overall internal control at 31 December 2011 was 'adequate in most respects' for the purposes of the GDC. The Committee noted the Internal Audit advice that there were significant areas to continue to develop including: completing the work on establishing risk management; strengthening financial and operational performance monitoring and the flow of information to the Executive Management Team and the Council; ensuring progress of the Fitness to Practise function; improving Education Quality Assurance; addressing identified control weaknesses through the agreed actions.

20.4 The Committee considered a report from the new internal auditors, Grant Thornton, on the findings of a 'follow-up' review of previous Internal Audit reports which concluded that 87% of the high and medium rated recommendations had been fully implemented. Of the 13% of remaining recommendations, some of these were in progress and the internal auditors reported that there were good reasons why others had not yet been implemented and these would be kept under review.

20.5 The Internal Audit reports carried out under the 2012 plan included:  
*Governance:* Corporate Governance; Risk Management; Management Information;

*HR:* Performance Management;

*Fitness to Practise:* Quality Assurance Function; Supplier Management – legal services;

*IT:* Governance and Strategy; On-line Services.

In addition, Internal Audit carried out advisory reviews of: Revalidation; CRM implementation.

20.6 In March 2013 the Committee considered the revised Internal Audit Annual Report for 2012 which was circulated at the meeting. The Committee noted that the conclusion of the revised Report had been amended since the previous version of the Report included in the meeting papers. The previous version had included an overall opinion that the Internal Auditors provided 'substantial' assurance that the GDC had a sound and effective internal control framework in place. In the revised Report this opinion had been amended to include a 'limited' assurance regarding corporate governance and risk management. The Committee discussed this change and the Internal Auditor agreed to consider this point and to report back to the Committee.

20.7 In July 2013 the Internal Audit Director explained that he acknowledged the Committee's comments made at its March 2013 meeting and had looked afresh at the Annual Report. He assured the Committee that accepted practice was that internal auditors were required to provide opinions on 3 areas: corporate governance; risk management; internal control framework. (The opinions regarding corporate governance and risk management were usually merged.) He explained that the opinion of the Internal Auditors was drawn from the specific reviews undertaken during the year. Each review was rated according to the level of assurance provided and linked with the aspect of governance, risk and control opinion they informed. This was the reason why, for 2012, there was no 'overall' opinion of assurance but instead a 'split' opinion.

20.8 The Committee approved the Internal Audit plan for 2013 which included reports on:

*Corporate-wide:* Corporate Complaints;

*Governance:* Business and Strategic Planning; Records Management;

*HR:* Equality and Diversity;

*Fitness to Practise:* Section 10; Triage;

*Registration:* (Scope to be agreed);

*Policy and Communications;* Dental Complaints Service;

*Finance:* Budgetary Control;

*IT:* Business Continuity Planning; Application Effectiveness.

20.8 In July 2013 the Committee held its annual meeting with the Internal Auditors without the management present. No issues of concern were raised.

21. Consider the outcome of the 2012 external audit tender exercise and make recommendations to the Council  
Approve the External Auditor's fee and terms of engagement

21.1 The Committee considered and made recommendations to the Council on the appointment, re-appointment and removal of the external auditors.

21.2 The Committee agreed in February 2011 that the external audit function would be put out to tender. The initial timetable for this was subsequently revised in the light of other tendering exercises, not least for the internal audit contract. It was agreed by the Committee, on advice from the Executive, that it would be prudent to delay the tender for the external audit contract until the conclusion of the audit of the 2011 Annual Report and accounts. This was approved by the Council in September 2011.

21.3 The external audit contract was put out to tender in 2012 as agreed by the Committee in April 2012. The Invitations to tender were sent to a short list of suitable audit firms which included the incumbent. The tenders received were reviewed by an evaluation panel. The outcome was considered by the Committee which decided to recommend to the Council that haysmacintyre be appointed as external auditors. The initial contract was for 3 years, subject to satisfactory performance. The Council approved the appointment of haysmacintyre for the audit of the GDC's financial accounts for 2012.

21.4 In May 2013 the Committee held its annual meeting with the external auditors, without the management present. No issues of concern were raised.

21.5 At its July 2013 meeting the Committee agreed to recommend to the Council that haysmacintyre be re-appointed as external auditors, for the audit of the GDC's financial accounts for the year ending 31 December 2013. (It was noted that this would be considered by the Council at its September 2013 meeting.) The Committee agreed the fee of £16,000 and the terms of engagement of the external auditors.

22. Confidential items for the Committee's consideration

22.1 The Committee's role included considering specific risks which arose and which were confidential and the Committee advised the Council on these as appropriate.

22.2 Following the publication in February 2013 of the PSA Inquiry Report the Committee considered a report from the Executive on the actions and learning points from or related to the PSA Inquiry. The Committee approved that this report on the actions and learning points be presented to the Council for discussion in the public session at the March 2013 Council meeting.

### **Risk implications**

23. The Audit Committee's remit was aimed at ensuring that adequate and robust controls were in place to mitigate against any risks relating to its activities. A comprehensive business handover report is key to avoiding a hiatus in risk management.

### **Public protection implications**

24. A comprehensive business handover report is key to avoiding a hiatus in risk management which could compromise the GDC's ability to protect the public.

### **Equality and diversity implications**

25. None arising from this paper.

### **Policy and Communications implications**

26. The business handover report will be communicated to the new Council and the successor Audit Committee.

### **Legal implications**

27. None arising immediately from this paper.

### **Resource implications**

28. This work has been contained within the budget for 2013.

### **Recommendations**

29. The Council is invited to note the report.

## **Annex A**

### **Terms of Reference: Audit Committee**

#### **Key purpose**

A1. To monitor the integrity of the financial statements, to review the GDC's governance, internal control and risk management systems and review the internal and external audit services.

#### **Delegated Powers**

A2. Investigate any activity within its terms of reference. Any investigation will normally be initiated in consultation with the Chief Executive.

A3. Seek any information it may require from any member, employee or office-holder. All members, employees or office-holders are directed to co-operate with the Committee.

A4. Obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge.

A5. Approve the statements in the annual report and accounts relating to internal control and risk management.

A6. Appoint and remove the internal auditors and approve their fee and terms of engagement and the internal audit strategy and plan.

A7. Approve the fee and terms of engagement of the external auditor and the external audit strategy and plan.

#### **Functions and Duties**

##### *Financial reporting*

A8. Review the Annual Report and Financial Statements before submission to the Council for approval, focusing particularly on the wording in the Statement on Internal Control and other disclosures relevant to the Terms of Reference of the Committee including:

- i. changes in, and compliance with, accounting policies and practices;
- ii. unadjusted mis-statements in the financial statements;
- iii. major judgemental areas; and
- iv. significant adjustments resulting from the audit.

A9. Ensure that the systems for financial reporting to the Council, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Council.

##### *Governance, Risk Management and Internal Control*

A10. Monitor the integrity of the system of internal controls. In particular, to review management's and the internal auditors' reports on the effectiveness of the system of internal control, including, Health and Safety, Equality and Diversity and compliance with the Dentists Act.

A11. Assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor significant risks.

A12. At the request of the Council, advise it on matters of corporate governance (but without prejudice to the Committee's power to make recommendations to Council on corporate governance issues arising from the work of the auditors).

### *Internal Audit*

- A13. Review the internal audit programme and ensure that the function is adequately resourced and has appropriate standing within the organisation [see above delegated authority A5].
- A14. Consider and monitor management's responses to any major internal audit recommendations.
- A15. Meet with the internal auditors at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out.<sup>1</sup> The internal auditors should be given the right of direct access to the Chair of Council and the Committee.
- A16. Monitor and review the effectiveness and quality of the internal audit function to ensure it provides appropriate independent assurance to the Council and value for money.

### *External Audit*

- A17. Consider and make recommendations to Council on the appointment, reappointment and removal of the external auditors [see above delegated authority A7].
- A18. Review the findings of the audit with the external auditor considering any material issues which arose during the audit, any accounting and audit judgements and levels of errors identified during the audit.
- A19. Meet with the external auditors at least once year, without the management being present, to discuss their remit and any issues arising from the audit.<sup>2</sup>
- A20. Monitor and review the effectiveness and quality of the audit, assessing annually their independence and the relationship with the auditor as a whole, including the provision of any non-audit services, and value for money.

### *Whistle-blowing, fraud and investigations:*

- A21. Review the GDC's arrangements for employees, Council Members and non-executives to raise concerns about possible wrongdoing in financial reporting or other matters and ensure that they allow proportionate and independent investigation.
- A22. Review the anti-fraud policies and arrangements in place for special investigations.

*Approved by the Council of the GDC*

*20 May 2011*

---

<sup>1</sup> The Chair shall decide whether the Secretariat members should withdraw also; if so, the Chair should ensure that an adequate note of proceedings is kept to support the Committee's conclusion, rationale and actions. In order for completeness of records the note should be deposited with the Secretariat.

<sup>2</sup> Same process to be followed as in the footnote above

**ANNEX B Audit Committee – agenda items for meetings of the current Audit Committee**

AGENDA ITEMS FOR EACH MEETING	Background	Reporting to the Council
<b>Preliminary items</b>		
Apologies/Declarations of interest		
Minutes of previous meeting		
Matters arising and action points		
Chair's update/Regulatory update		
<b>Governance/Risk Management/Internal Control</b>		
Report on Fitness to Practise – Risk management	The Review of the FtP action plan is a Committee objective for 2013 and the Committee agreed to review the plan at each meeting.	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> <li>▪The Council receives a regular direct report on the FtP function at Council meetings.</li> </ul>
Report on the work of the Compliance team	The Compliance team was established in November 2011 to develop a quality assurance framework for the whole Regulation directorate. The Committee agreed in November 2012 to receive a summary report on the team's work at all future Committee meetings.	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> </ul>
Report on Education Quality Assurance	From July 2012 the Committee asked for a report on Education Quality Assurance at each meeting in light of the current risks.	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> <li>▪The Council receives a regular direct report on Education Quality Assurance at Council meetings.</li> </ul>

Review of the Strategic Risk Register (to include current status, changes since previous report, potential impacts and management activity)	The Review of the Strategic Risk Register is a Committee objective for 2013. The Committee agreed in November 2010 to consider the Strategic Risk Register at each meeting and to provide an update to the Council.	<ul style="list-style-type: none"> <li>▪Following amendments/comments by the Committee, the Strategic Risk Register is presented to the following Council meeting for discussion and noting.</li> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> </ul>
<b>Accounts and Audit items</b>		
Internal Audit Progress report against Plan	In November 2011 it was agreed that an Internal Audit Progress report against Plan would be presented at every meeting except the meeting which reviews the final draft Annual Report and Accounts (the May meeting).	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> </ul>
Internal Audit reports	Presented at each meeting except the meeting which reviews the final draft Annual Report and Accounts.	<ul style="list-style-type: none"> <li>▪The Committee reports on its review of the Internal Audit reports by way of the Committee Report to the Council, presented to the following Council meeting.</li> </ul>
Procurement Exception and Finance report	In July 2011 the Committee asked for a regular update on Finance and procurement.	<ul style="list-style-type: none"> <li>▪The Committee reports on its review by way of the Committee Report to the Council, presented to the following Council meeting.</li> <li>▪The Council receives a regular direct report on Finance at Council meetings.</li> </ul>
<b>Governance items</b>		
Planning for handover of work of the Committee under new governance arrangements	This is one of the Committee's objectives for 2013 and the Committee agreed it should be a regular agenda item.	
<b>Final items</b>		

Any other business; Dates of next meetings		
<b>Governance/Risk Management/Internal Control</b>		
Annual report on Whistle-blowing	November	By way of the Committee's report to the Council
Review suite of policies (Governance Manual)	July	Policies/amendments recommended to the following Council meeting for approval
Review Bribery Prevention Policy	July	Policies/amendments recommended to the following Council meeting for approval
Review anti-fraud policy and fraud risks	July	Policies/amendments recommended to the following Council meeting for approval
Report on Annual testing of the Business Continuity manual and crisis rehearsal	July	By way of the Committee's report to the Council
<b>Accounts and Audit items</b>		
<b><i>Annual Report and Accounts &amp; External Audit</i></b>		
Review and approve Annual Report and Accounts format and timetable	November	By way of the Committee's report to the Council
Consider accounting issues and policies	November	By way of the Committee's report to the Council
External Audit Planning Report for the year	November	By way of the Committee's report to the Council
Consider the National Audit Office's Audit Planning Report	November	By way of the Committee's report to the Council
Review the effectiveness of the External	November	

auditors' performance (including quality, expertise, effectiveness and reporting)		
Review draft Annual Report and Accounts	March	By way of the Committee's report to the Council
Review draft Governance Statement including a report on data security breaches	March	By way of the Committee's report to the Council
Consider accounting issues and policies	March	By way of the Committee's report to the Council
Review and approve final Annual Report and Accounts for recommendation to the Council	May	Annual Report and Accounts recommended to the following Council meeting for approval
Review and approve Governance Statement including report on data security breaches	May	To the following Council meeting for approval
Consider External Audit report and management letter	May	To the following Council meeting
Consider the National Audit Office's Audit Report	May	To the following Council meeting
Meet External Auditors without management present, to discuss their remit and any issues arising from the audits carried out	May	
Approve the External Auditors' fee and terms of engagement and make recommendation to the Council regarding appointment/reappointment/removal of External Auditors	July	Recommendation to the following Council meeting for approval
<b>Internal Audit</b>		

Approve the Internal Auditors' fee and terms of engagement, internal audit strategy and plan	November	By way of the Committee's report to the Council
Consider draft Internal Audit Plan	November	By way of the Committee's report to the Council
Review the Internal Auditors' performance (including quality, expertise, effectiveness and resourcing)	November	
Annual Report Internal Audit	March	By way of the Committee's report to the Council
Meet Internal Auditors without management present, to discuss their remit and any issues arising from the internal audits carried out	July	
<b>Committee Review</b>		
Approve the Annual Report of the Committee (setting out progress made on the objectives for the year) and consider work-programme and objectives for next year for recommendation to the Council	November	Annual Report of the Committee presented to the following Council meeting. Work-programme and objectives for next year presented to the Council for approval
Undertake a review of the Committee's Terms of Reference	March	By way of the Committee's report to the Council
Undertake a mid-year review of the Committee's objectives	July	By way of the Committee's report to the Council
Approve meeting dates for the following year and the next financial reporting cycle	July	By way of the Committee's report to the Council

## Annex C – Cycle of Council meetings with the Audit Committee’s work fitting into this cycle

<b>Date of Council meeting</b> (current dates, these are subject to change)	<b>Council agenda items relating to the Audit Committee’s work</b>	<b>Input from the Audit Committee</b>
December	<i>Closed session:</i> Strategic Risk Register	Following review by the Committee, the Strategic Risk Register is presented to the following Council meeting for discussion and noting
	<i>Public session:</i>	
	Update on Fitness to Practise Change Programme	The Ftp action plan is reviewed at each Committee meeting
	Quality Assurance of Education and Training	The Committee reviews a report on Education Quality Assurance at each meeting
	Financial Report for Quarter	The Committee reviews an update on Finance and procurement at each meeting
	Report from November Audit Committee meeting and recommendation of the Committee’s annual work-programme and objectives for the next year	The Committee presents its meeting report to the following Council meeting. The Committee recommends the Council to approve its work-programme and objectives for the next year
	Annual Report of the Audit Committee	The Committee presents its annual report to the Council
March	<i>Closed session:</i> Strategic Risk Register	Following review by the Committee, the Strategic Risk Register is presented to the following Council meeting for discussion and noting
	<i>Public session:</i>	

<b>Date of Council meeting</b> (current dates, these are subject to change)	<b>Council agenda items relating to the Audit Committee's work</b>	<b>Input from the Audit Committee</b>
	Update on Fitness to Practise Change Programme	The Ftp action plan is reviewed at each Committee meeting
	Quality Assurance of Education and Training	The Committee reviews a report on Education Quality Assurance at each meeting
	Financial Report for Quarter	The Committee reviews an update on Finance and procurement at each meeting
	Report from March Audit Committee meeting	The Committee presents its meeting report to the following Council meeting.
May	<i>Closed session:</i> Strategic Risk Register	Following review by the Committee, the Strategic Risk Register is presented to the following Council meeting for discussion and noting
	<i>Public session:</i>	
	Update on Fitness to Practise Change Programme	The Ftp action plan is reviewed at each Committee meeting
	Quality Assurance of Education and Training	The Committee reviews a report on Education Quality Assurance at each meeting
	Financial report for Quarter	The Committee reviews an update on Finance and procurement at each meeting
	Annual Report and Accounts for year ending 31 December  To approve; to authorise signing of the Annual Report and Accounts and letter of representation by the Chief Executive and the Chair of the Council	The Committee recommends the Annual Report and Accounts to the Council for approval

<b>Date of Council meeting</b> (current dates, these are subject to change)	<b>Council agenda items relating to the Audit Committee's work</b>	<b>Input from the Audit Committee</b>
	Report from May Audit Committee meeting	The Committee presents its meeting report to the following Council meeting
September	<i>Closed session:</i> Strategic Risk Register	Following review by the Committee, the Strategic Risk Register is presented to the following Council meeting for discussion and noting
	<i>Public session:</i>	
	Update on Fitness to Practise Change Programme	The Ftp action plan is reviewed at each Committee meeting
	Quality Assurance of Education and Training	The Committee reviews a report on Education Quality Assurance at each meeting
	Financial report for Quarter	The Committee reviews an update on Finance and procurement at each meeting
	Review of Governance Manual (and other policies)	The Committee recommends Policies (or amendments) to the Council for approval
	Appointment of External Auditors for audit of the Annual Report and Accounts for the year	The Committee makes a recommendation to the Council for approval
	Report from July Audit Committee meeting	The Committee presents its meeting report to the following Council meeting

## APPENDIX 6

### Council members 1 October 2009 – 30 September 2013

Registrant members	Lay members	Chief Dental Officers <sup>1</sup>
Paul Averley <sup>2</sup>	Grace Alderson	Barry Cockcroft (England)
Elizabeth Davenport	Rosemary Carter	Donncha O'Carolan (Northern Ireland) <sup>8</sup>
Mary Dodd	Peter Catchpole	Simon Reid (Acting - Northern Ireland) <sup>9</sup>
Helen Falcon	Suzanne Cosgrave <sup>5</sup>	Margie Taylor (Scotland)
Hazel Fraser	Robin Field-Smith	David Thomas (Wales) <sup>10</sup>
Janet Goodwin	Alan MacDonald	Paul Langmaid (Wales) <sup>11</sup>
Wakkas Khan	David Murphy <sup>6</sup>	
Alison Lockyer <sup>3</sup>	Grahame Owen	
Kevin O'Brien <sup>4</sup>	Derek Prentice <sup>7</sup>	
Mabel Slater	Neil Stevenson	
David Smith	Linda Stone	
Denis Toppin	Anne Marie Telford	
	Carol Varlaam	

<sup>1</sup> Chief Dental Officers are invited to attend Council meetings but are associate members and therefore do not have a vote or count in the quorum.

<sup>2</sup> Paul Averley was appointed to the Council on 1 February 2012.

<sup>3</sup> Alison Lockyer was elected as Chair from 1 January 2010. She resigned as the Chair and as a member of the Council on 5 May 2011.

<sup>4</sup> Kevin O'Brien was elected as Chair from 22 September 2011.

<sup>5</sup> Suzanne Cosgrave resigned as a member of the Council in March 2010.

<sup>6</sup> David Murphy was appointed to the Council in April 2010.

<sup>7</sup> Derek Prentice was elected as Deputy Chair and served from May 2011 until 21 September 2011.

<sup>8</sup> Donncha O'Carolan resigned as CDO for Northern Ireland in April 2013.

<sup>9</sup> Simon Reid was appointed as Acting CDO for Northern Ireland in April 2013.

<sup>10</sup> David Thomas was appointed as CDO for Wales in 2011.

<sup>11</sup> Paul Langmaid resigned as CDO for Wales in 2010.

## APPENDIX 7

### Committees, Task and Finish Groups and Working Groups in period 1 October 2009 – 30 September 2013

Name	Date group established or members elected appointed	Members	Date reported/wound up
Education Committee	November 2009	Kevin O'Brien (Chair), Helen Falcon, Mabel Slater, Neil Stevenson and Barry Cockcroft (CDO)	December 2011 – policy work transferred to the PAC and decisions related to the quality assurance of education and training programmes leading to registration were delegated to the Registrar.
Standards Committee	November 2009	David Smith (Chair), Anne Marie Telford, Anthony Kilcoyne, Peter Catchpole, Mary Dodd and Margie Taylor (CDO)	May 2011 – policy work transferred to the PAC.
Registration Committee	November 2009	Elizabeth Davenport (Chair), Grace Alderson, Janet Goodwin and Mary Dodd	May 2011 – policy work transferred to the PAC.
Fitness to Practise Policy Committee	November 2009	Carol Varlaam (Chair), Grahame Owen, Hazel Fraser, Linda Stone and Paul Langmaid (CDO)	May 2011 – policy work transferred to the PAC.
Audit Committee	November 2009	Members in 2009: Alan MacDonald (Chair), Denis Toppin, Rosemary Carter, Wakkas Khan and Jennifer Seeley (independent member)  Members in 2011: Alan MacDonald (Chair), Rosemary Carter, Peter Catchpole, Helen Falcon, Hazel Fraser and Jennifer Seeley (independent member)	n/a
Finance and HR Committee	November 2009	Derek Prentice (Chair), Mary Dodd, Robin Field-Smith and Paul Langmaid (CDO)	May 2011
Financial and Business Planning Advisory	May 2011	Denis Toppin (Chair), Mary Dodd, Robin Field-Smith, Janet Goodwin, David Murphy and	September 2013

Name	Date group established or members elected appointed	Members	Date reported/wound up
Committee		Grahame Owen	
Policy Advisory Committee	May 2011	David Smith (Chair), Grace Alderson, Elizabeth Davenport, Anthony Kilcoyne, Derek Prentice, Mabel Slater, Neil Stevenson, Linda Stone, Anne Marie Telford and Carol Varlaam.	September 2013
Remuneration Committee	May 2011	Rosemary Carter (Chair), Grace Alderson, Wakkas Khan and Lesley Pearson (independent member)	n/a
Revalidation Working Group	December 2010	Denis Toppin (Chair), Carol Varlaam, Alan MacDonald, Brian Grieveson (external member) and David Smith	The Revalidation Working Group was established to oversee the development of a system of revalidation and the CPD review. The Group is due to make its final report to the Council in September 2013.
Accountability, Performance and Reporting	November 2009	n/a	December 2009: work referred to the Audit Committee
Committee Structure Working Group	October 2009	Rosemary Carter (Chair), Hazel Fraser, Kevin O'Brien, Robin Field-Smith, Linda Stone and Denis Toppin	Reported back to the Council in May 2011. The Council approved all of the recommendations of the Group in regard to the creation of a new Committee structure.
Employee Benefit Review Working Group	November 2009	Robin Field-Smith (Chair); David Murphy; Mary Dodd; Derek Prentice; Jenny Watts (Staff Representative) and Paul Feeney (Staff Representative)	Reported back to the Council in September 2011. The Council agreed to refer the recommendations to the new Remuneration Committee.
DCPs In-Training Task	December	Helen Falcon (Chair), Mary Dodd, Janet Goodwin,	Transferred to PAC. Guidance for Employers and Education Course Providers Employing Student

Name	Date group established or members elected appointed	Members	Date reported/wound up
and Finish Group	2010	Mabel Slater and David Smith	Trainee Dental Nurses and Dental Technicians (previously known as 'DCPs In-Training Guidance') approved by Council in 2012.
Standards Review Working Group	February 2011	Janet Goodwin (Chair), Grace Alderson, David Smith, Anne Marie Telford and Denis Toppin.	The new Standards for the Dental Team were approved by the Council in June 2013. In August 2013 the Council approved the supporting additional guidance documents. The new Standards are due to be launched on 30 September 2013.
Scope of Practice Working Group	February 2011	Robin Field-Smith (Chair), plus representatives from each registrant group, nominated by their professional associations.	In December 2011 the Council agreed that the review of Scope of Practice should be referred to the Policy Advisory Committee. The revised Scope of Practice document will be considered by the Council at its meeting in September 2013.
Council Member Appraisal Task and Finish Group	February 2011	Grace Alderson (Chair), Hazel Fraser, Neil Stevenson and Janet Goodwin	In September 2011 the Council approved the recommendations of the Appraisal Task and Finish Group to introduce a new appraisal system for members and the Chair of the Council, and the review mechanisms for Council and its committees.
Direct Access Task and Finish Group	Dec 2011	Anne Marie Telford (Chair), Paul Averley , Hazel Fraser and Rosemary Carter	The purpose of this work was to look at whether the requirement for patients to see a dentist before seeing another member of the dental team such as a dental hygienist should be lifted. Proposal agreed for consultation Sept 2012. The Council approved the recommendations of the Direct Access Task and Finish Group in March 2013.

Name	Date group established or members elected appointed	Members	Date reported/wound up
Law Commission Task and Finish Group	February 2012	Kevin O'Brien (Chair), Rosemary Carter, Robin Field-Smith, Wakkas Khan, Alan MacDonald, Linda Stone and Neil Stevenson	The Law Commission (LC) consultation on new legislation to govern healthcare regulators closed on 31 May 2012. The GDC made a full response which available on the GDC website <a href="#">(insert link)</a> .
Governance Reforms T&FG	December 2011	Kevin O'Brien (Chair), Rosemary Carter, Janet Goodwin, Alan MacDonald, Linda Stone and Neil Stevenson	The Governance Reforms Task and Finish Group was established to assist first with the GDC's response to the government's consultation in 2012 regarding new constitutional arrangements and then with the arrangements for the transition to the new Council including its appointment.  It will be disbanded after the September 2013 Council meeting.
Pre-Registration Training Task and Finish Group (Transition to Independent Practice)	Sept 2012	Carol Varlaam (Chair), Elizabeth Davenport, Helen Falcon and Linda Stone	In December 2012 the Council received a report on initial findings of the Group. The Council approved that further work should be commissioned to investigate risks to patient safety in the transition from graduation to fully unsupervised practice and how to identify proportionate solutions. A handover report will be presented to Council in September 2013.
ARF Policy Review T&FG	Nov 2012	Robin Field Smith (Chair), Wakkas Khan, Derek Prentice and Hazel Fraser	ARF Policy Review T&FG was established to review the ARF policy. It made its final report to the Council in August 2013 on phase 1 of this work and has now been disbanded.

In August 2013 the Council approved; that the new Council should consider how the GDC should be represented on a number of external groups (Health Education Advisory Group; Welsh Dental Committee and Information Standards Board).

## APPENDIX 8

### Key policies approved

Policy	Date approved	Comments
Guidance on Student Fitness to Practise.	Dec 2009	A review of the Student FtP Guidance is on the current Council's policy programme (see <b>PAC report Appendix 2</b> ).
Continuation of a Revalidation Working Group	Dec 2009	A handover report is on the September 2013 Council agenda.
English Language Testing	2010	The Council agreed a public statement regarding proportionate and 'non standardised' testing for the protection of the public (include update where this is now on Council's policy work programme)
Additional Qualifications	2010	The Council approved that the practice of recognising additional qualifications on the Register should be discontinued and that there should be an amendment of the Act by s60 order to regularise the situation. (see Item 5.8 of May 2010 minutes for full decision]
Temporary Registration guidelines	2010	The Council approved temporary registration guidance to go out for public consultation
Revalidation	2010	A three stage approach was being considered at this time. The Council also took the decision to restore oversight of the continuing professional development (CPD) policy to the Revalidation Working Group (previously this work had been contained within the remit of the Registration Committee).
Standards for Dental Professionals	Feb 2011	Standards Review Working Group to review the Standards guidance <i>Standards for Dental Professionals</i> as published in May 2005. In June 2013 the Council approved new <i>Standards for the Dental Team</i> , for implementation on 30 September 2013.
Ethical Advertising Guidance	2011	In February 2011 the Council considered recommendations from the Standards Committee to amend the Ethical Advertising Guidance in accordance with the findings from the consultation which ended in October 2010, a separate patient research project which had taken place in November 2010 and earlier research undertaken in 2009. The Council considered the evidence and noted the strength of feeling from certain registrant groups in regard to amending the guidance regarding the use of the courtesy title 'Dr' for dentists. In December 2011 the Council approved the guidance on ethical advertising. New Guidance on advertising was approved by the Council in August 2013 as part of

<b>Policy</b>	<b>Date approved</b>	<b>Comments</b>
		the supplementary guidance for the new <i>Standards for the Dental Team</i> .
Remote Prescribing Statement	2011	The Council approved the publication of the statement on remote prescribing of non-surgical cosmetic procedures <sup>1</sup> . New guidance on prescribing drugs was approved by the Council in August 2013.
Learning Outcomes for Registration	2011	The Council approved the learning outcomes for registration with implementation beginning in the academic year 2012-13.
Entry to the Registers – Health references –	2011	The Council approved a consultation document on removal of third party health references as a condition of entry to the registers. Stakeholders would be asked to confirm their understanding of the policy change and to comment upon the degree of risk this may carry.
Revalidation	2011	The Council recognised that the position on revalidation had changed significantly since the launch of the consultation document. The Council approved the response to the Revalidation for Dentists consultation, subject to the inclusion of a statement explaining how the GDC would be responding to the changed context around revalidation.
Register Rules and Regulations	2011	The Council approved the draft Dentists Register Regulations and the draft Dental Care Professionals Register Rules for public consultation.
Online Register Project	2011	The Council approved amendments to the online register to give effect to recommendations by the Professional Standards Authority. <sup>1</sup> The changes included: The inclusion of individuals who had been erased on the online register for a period of five years following erasure; and Featuring Fitness to Practise information on the online website to make sure this information was readily accessible without further searching of the site.
Standards for the Dental Team	Sept 2012	The Council approved the draft revised GDC Standards of Conduct, Performance and Ethics (which became <i>Standards for the Dental Team</i> ) for consultation.
Standards for Education.	Sept 2012	The Council approved the Standards for Education and noted the supporting quality assurance process and guidance.
A moratorium on the establishment of new Specialist Lists	May 2012	The Council approved the recommendation of the Policy Advisory Committee that a moratorium on creating specialist lists be declared pending

<sup>1</sup> Then known as the CHRE

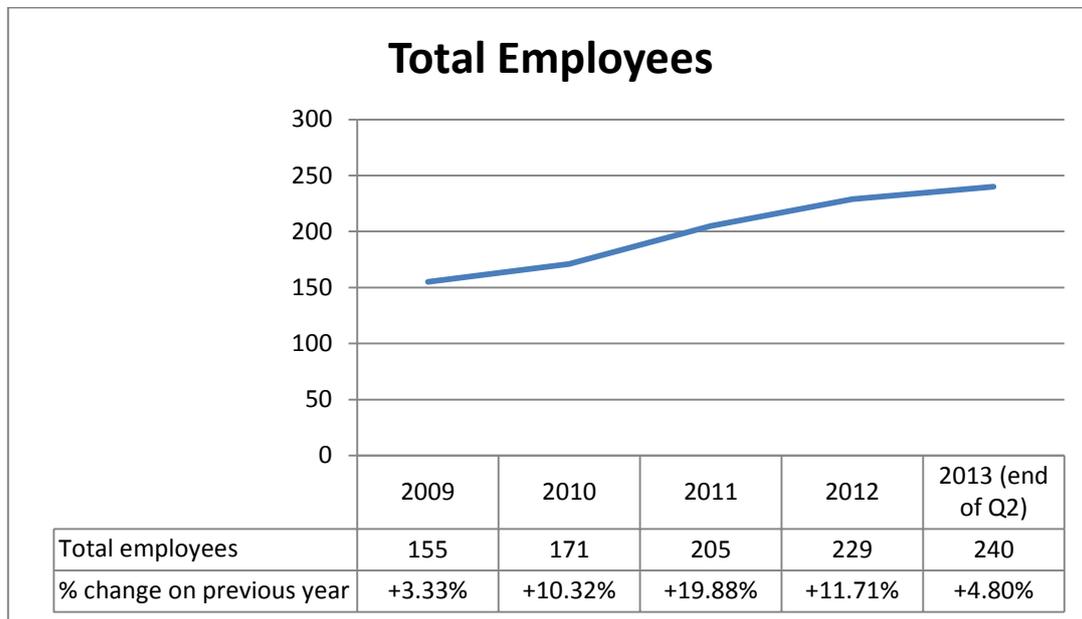
<b>Policy</b>	<b>Date approved</b>	<b>Comments</b>
		completion of a comprehensive review
Oral Cancer detection as a recommended CPD topic	May 2012	The Council approved the addition of oral cancer detection as a 'recommended' CPD topic, pending completion of the current CPD Review and implementation of any consequent changes
Gender Reassignment Policy	Aug 2012	The Council approved the Gender Reassignment Policy. The policy was required to enable the GDC to respond lawfully and effectively to individuals who wished to change their name and gender for registration purposes, but were unable to provide a Gender Recognition Certificate. The policy requested evidence which was consistent with the Gender Recognition Panel's current procedures
Revalidation	Aug 2012	The Council approved the introduction of an enhanced Continuous Professional Development (CPD) scheme which would be a precursor to the introduction of a revalidation scheme. It agreed the Revalidation Working Group should focus on its activity to October 2013 on scrutinising and steering the strategic policy development of an enhanced scheme of CPD; and approved the Group's revised terms of reference. The Council also approved a public consultation on enhanced CPD
Temporary Registration	Sept 2012	The Council approved Temporary Registration (TR) guidelines. These had been subject to public consultation in July 2011. In June 2012 the Policy Advisory Committee (PAC) considered the revised guidelines, and agreed they should be presented for approval by the Council
Pre-Registration Training for Dentists (now known as Transition to Independent Practice)	Sept 2012	The Council approved the creation of a task and finish group. In December 2012 the Council received a report on initial findings and approved that further work should be commissioned to investigate risks to patient safety in the transition from graduation to fully unsupervised practice and how to identify proportionate solutions.
Guidance for Employers and Education Course Providers Employing Student Trainee Dental Nurses and Dental Technicians	Sept 2012	The Council agreed guidance for employers and education course providers employing student trainee dental nurses and dental technicians. This guidance was previously known as the 'DCPs In-Training Guidance' and a Council Task and Finish Group was established by the Council in December 2010 to oversee the development of the policy. The Policy Advisory Committee (PAC) approved that the guidance should be the subject of a targeted consultation in March 2012 and then recommended the guidance to the Council for approval
Indicative Outcomes	Dec 2012	The Council approved Indicative Outcomes

Policy	Date approved	Comments
Guidance for the Investigating Committee		Guidance (IOG) to provide specific guidance to the Investigating Committee (IC) on the benchmarks and thresholds against which certain types of cases should be measured. This followed a targeted consultation ran in the autumn of 2012. It was recognised that this type of guidance would allow the Council to hold the IC to account for the decisions it was taking.
Direct Access Proposal	March 2013	<p>Consultation agreed September 2012.</p> <p>March 2013 the Council approved the recommendations of the Direct Access Task and Finish Group that direct access should be extended to:</p> <ul style="list-style-type: none"> <li>- dental hygienists and dental therapists for their full scope of practice;</li> <li>- dental nurses undertaking public health initiatives; and</li> <li>- orthodontic therapists carrying out IOTN screening (IOTN is the Index of Orthodontic Treatment Need – a method of assessing patients to establish their need and eligibility for orthodontic treatment based on a dental health component and an aesthetic component).</li> </ul> <p>The Council approved that direct access should not be extended to dental technicians or widened for clinical dental technicians.</p> <p>The Council also approved an implementation date of 1<sup>st</sup> May 2013</p>
Revalidation/CPD	March 2013	The Council approved a draft GDC statement in response to the recent Continuous Professional Development (CPD) consultation
Standards	June 2013	<p>Sept 2012 – agreed for consultation</p> <p>June 2013 the Council approved new <i>Standards for the Dental Team</i> and agreed an implementation date of 30 September 2013.</p> <p>In August 2013 the Council approved a number of guidance documents to support the implementation of the Standards</p>
Francis Inquiry Report into Mid Staffordshire NHS Hospital Trust	March and August 2013	The Council received an initial assessment of the implications of the 'Report into the Mid Staffordshire NHS Foundation Trust' (the Francis Report) for the GDC. A further action plan was presented to the Council in August

## Appendix 9

### Key Data about the GDC 2009 - 2013

#### HR



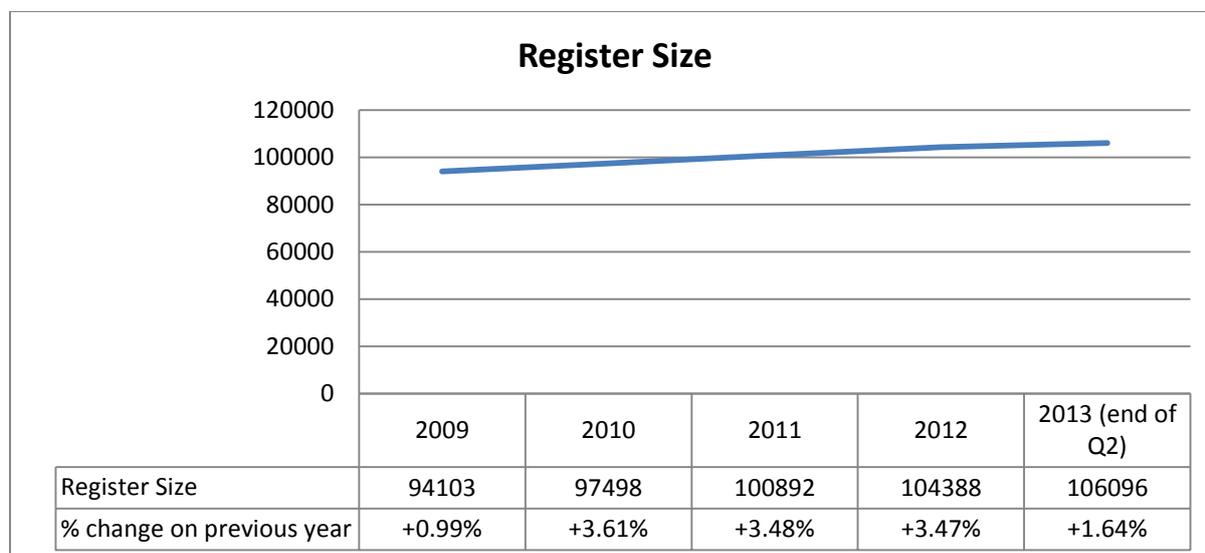
The above graph displays the total number of staff employed at the GDC at the end of each year.

Some notable changes to staffing arrangements to respond to the changes in regulation over this period include:

- An increase in the size of the registration department to deal with the greater volume of registration applications processed following the mandatory registration of Dental Care Professionals commencing in 2008
- Increase in the headcount of Fitness to Practise department casework headcount to assist to deal with the significant rise in the number of complaints about dental professionals received over this period
- The introduction of a team including legally qualified personnel to assist to manage the throughput of cases to the Investigating Committee and to provide guidance to the committee
- The recent in-sourcing of 25% of externally managed FTP prosecution cases and the establishment of a new structure to help manage this.
- The establishment of an Operational Excellence team, including project management and audit functions in order to carry out internal improvement activity

## Registration

### Overall register size



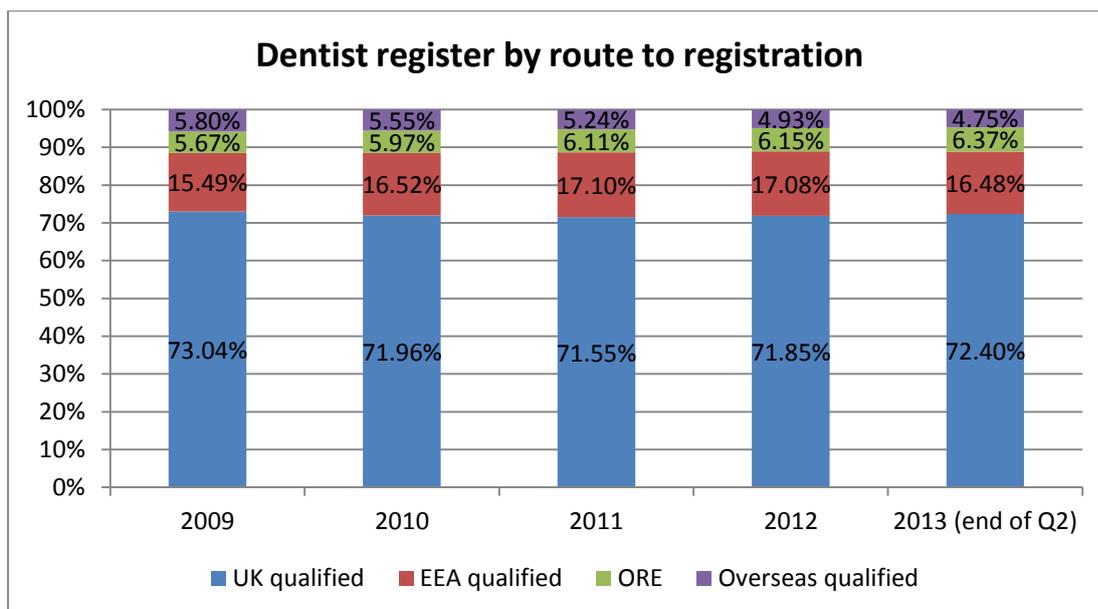
The above graph demonstrates the total register size inclusive of both dentists and DCPs.

### Register breakdown:

Registrant Type	2009	2010	2011	2012	2013 (end of Q2)
Dentist	37051	38380	39304	39897	39223
Clinical Dental Technician	121	135	229	231	233
Dental Hygienist	5551	5801	5996	6215	6306
Dental Nurse	42772	44496	46600	49110	51192
Dental Technician	7125	6932	6730	6626	6714
Dental Therapist	1397	1620	1821	2034	2122
Orthodontic Therapist	86	134	212	275	306
<b>Total</b>	<b>94103</b>	<b>97498</b>	<b>100892</b>	<b>104388</b>	<b>106096</b>

The above table provides a breakdown of the number of each registrant type on the register as of the end of each year.

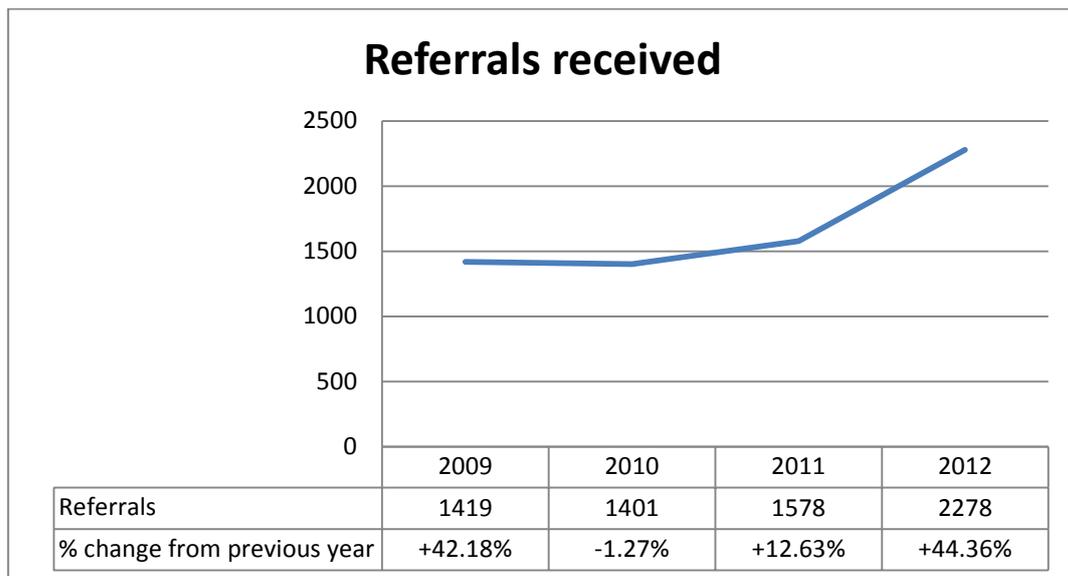
### Percentage breakdown of dentist register by route to registration:



- There has been a steady increase in the size of the register each year since 2009.
- Over this period, dental nurses have become established as significantly the highest group on the register. It was initially expected that the growth in the number of dental nurses would have stabilised following the introduction of mandatory registration for DCP's in 2008, however, numbers of applications from dental nurses have continued to be received consistently since this point.
- The volume of dentists has grown more steadily over this period. Volumes of applications received from dentists have increased slightly from year to year, but activity has remained relatively stable throughout with international applications received throughout the year, and with approximately 1000 applications received each year from UK graduates during the summer period.
- The register has remained very stable throughout this period in terms of the routes that registrants have qualified through.
- It is anticipated that current registration trends will continue in 2014, with 1871 dentists expected to be registered for the first time and 4099 DCP titles expected to be added to the register.

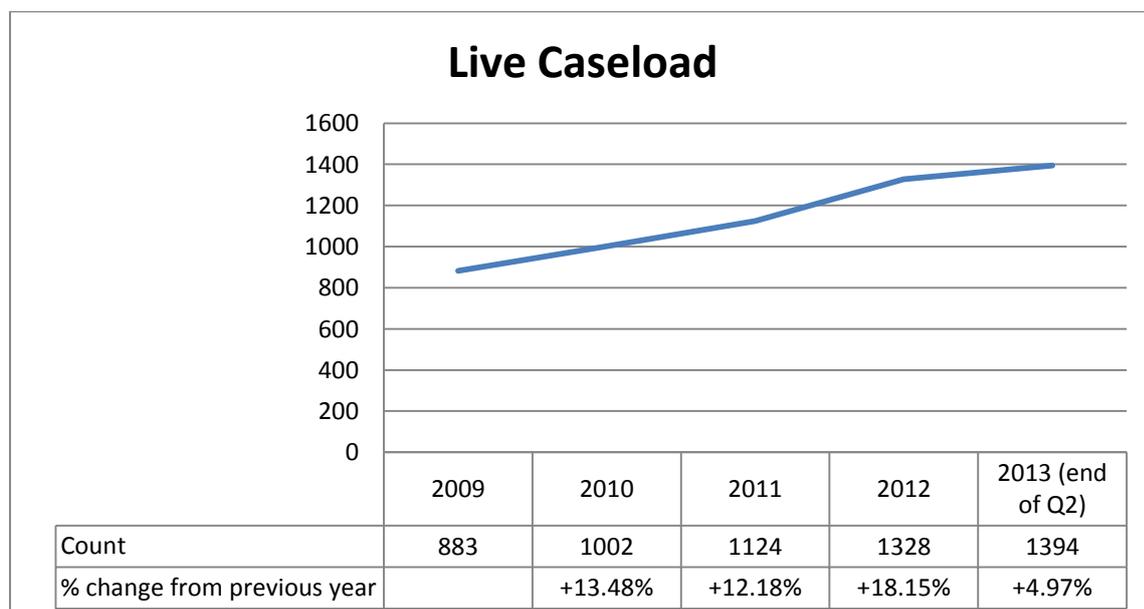
Further information about the registration department can be found in the Registration Process briefing note for new Council members on the extranet (induction).

## FTP



The above graph demonstrates the total number of referrals received each year. As of the end of Q2 2013, there have been 1441 referrals received.

- The projected total of referrals for 2013 is 3002, based on an assumption of continuity of current referral rates.
- Volumes of cases received have increased significantly since 2009, with a particularly sharp rise in evidence since 2011.
- The increase in the number of cases continues to pose a significant challenge for the department which the FTP Review Programme is seeking to address.
- The programme has comprised a number of improvement projects which seek to improve the timeliness, efficiency and quality assurance of the Fitness to Practise process. Further information about the programme can be found in the FTP Fitness to Practise at the GDC and the Improvement Programme briefing note for new Council members on the extranet (induction).



The above graph shows the live caseload as of the end of each year.

- Live case load has grown since 2009, however, measures introduced over the past two years have prevented a vast rise in live caseload taking place over the past year. The steep rise in referrals would have led to an equivalent rise in live case load without the introduction of measures which have allowed cases to be managed more effectively, and where appropriate closed down at the triage stage following adequate scrutiny.
- The below table shows yearly totals of cases considered at each stage of FTP procedures. The Triage stage was introduced at the start of 2012, and has helped to prevent a growth in the number of cases reaching further stages in the FTP process.

Stage	2009	2010	2011	2012	2013 (up to end of Q2)
Triage				2341	1543
Assessment	1444	1328	1374	1042	626
Investigating Committee	821	782	604	481	271
Practice Committee	178	224	230	189	101

#### FTP Performance measures

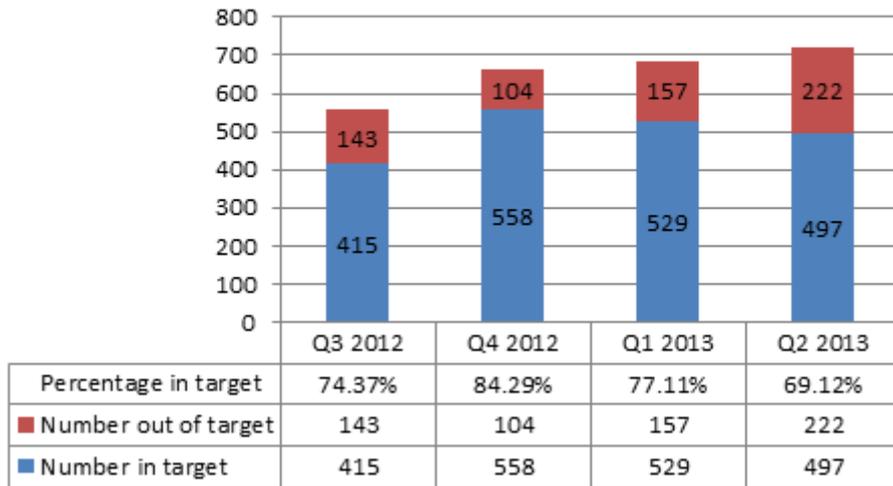
Current FTP performance measures were revised in early 2012. As a result, a like for like comparison of FTP performance over the entire period of the Council is not possible. The graphics below demonstrate the revised performance measures since the point that they were reviewed. Analysis of recent performance statistics from Q2 2013 demonstrate that measures aimed at improving the process over the past two years are being embedded and are starting to significantly improve our ability to respond to the volume of cases that are being received. Some notable examples of improvement:

Measures to reduce the number of cases which are referred too far through the process – In the first half of 2013, 43% of cases received (615 out of 1441) were closed down at the triage stage. Prior to the introduction of this stage in Q1 2012, these cases would otherwise have been referred to the assessment stage or further.

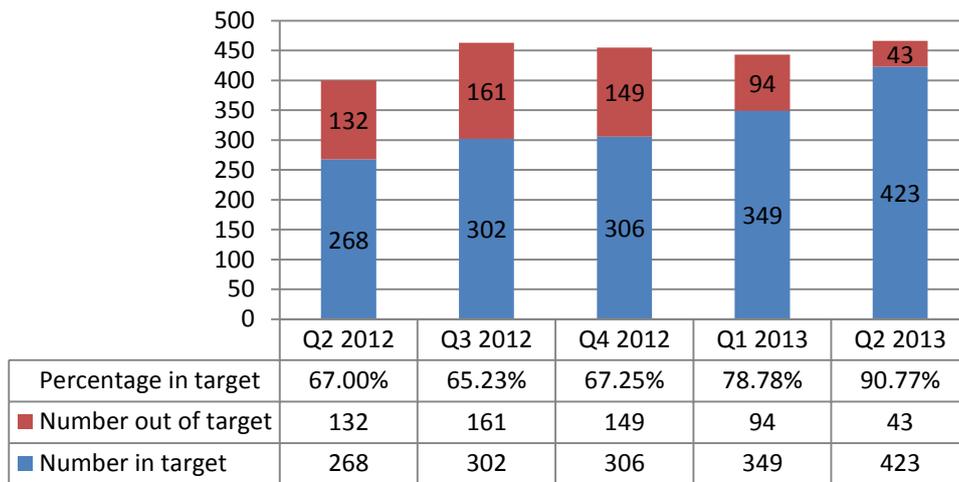
Measures to improve the timeliness of case processing - Of the cases received in Q4 2012, 90.77% (423) were completed within the six month target in the investigation stage (at any point up to the Investigating Committee). This has increased over the past year from 65.25% (302) in Q3 2012.

Measures to increase hearings capacity to reduce the volume of cases that are waiting to be heard - The volume of cases in the queue to reach a formal hearing for the first time has reduced by 19% over the past year from 152 in Q3 2012 to 123 in Q2 2013.

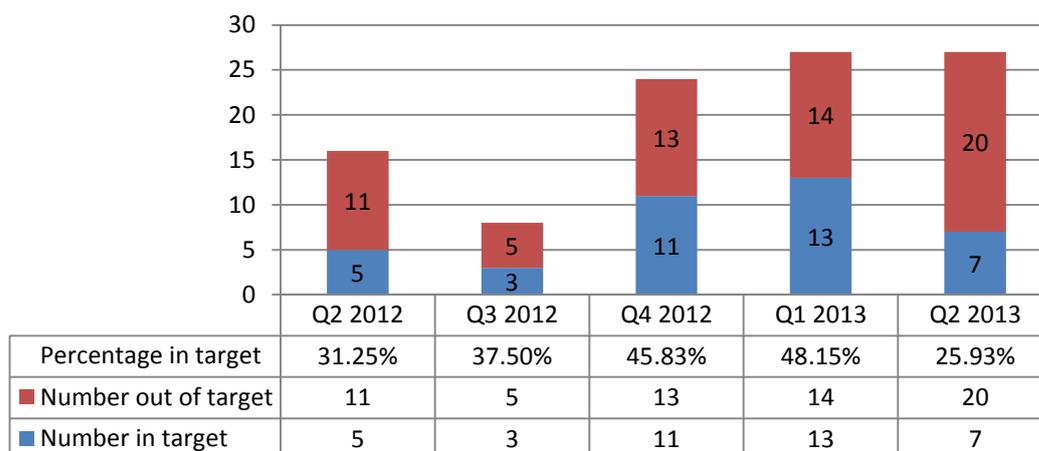
**Number of FTP Cases within target of Triage within 14 days**



**Number of FTP cases within target of 6 months to completion of investigation stage from date received**



### Number of cases within target of IC to hearing within 9 months



### Hearings

#### Number of Professional Conduct Committee (PCC) hearings heard

Registrant Type	2009	2010	2011	2012
Dentist	82	95	94	93
DCP	3	11	12	19

#### Number of Professional Performance Committee (PPC) hearings heard

Registrant Type	2009	2010	2011	2012
Dentist	0	1	1	3
DCP	0	0	0	0

For 2013 (January-June), there has so far been a total of 73 PCC and PPC hearings heard.

#### Number of Health Committee hearings heard

Registrant Type	2009	2010	2011	2012
Dentist	17	26	25	25
DCP	1	2	2	6

For 2013 (January-June), there has so far been a total of 16 Health hearings heard

#### Hearing days

Hearing days	2009	2010	2011	2012
Scheduled hearing days	531	582	766	1019
Average length of a hearing	3.5	3.0	4.0	4.2

For 2013 (January-June), there has so far been a total of 559 hearing days scheduled.

					Forecast	Budget
	2009	2010	2011	2012	2013	2013
<b>Income</b>						
Fees	21,997	22,425	29,841	30,531	30,483	31,449
Publications income	9	0	0	0	0	0
Investment income	258	138	235	363	408	190
Exam income	1,489	1,925	807	1,660	1,925	1,956
Miscellaneous income	98	12	47	8	2	0
<b>Total income</b>	<b>23,851</b>	<b>24,500</b>	<b>30,930</b>	<b>32,562</b>	<b>32,818</b>	<b>33,595</b>
<b>Expenditure</b>						
Meeting fees & expenses	4,121	4,694	5,497	5,141	6,479	6,714
Legal & professional fees	8,008	10,048	9,471	10,132	10,636	10,983
Staffing costs	7,520	8,386	9,493	10,902	12,123	12,188
Other staff costs	732	845	647	733	1,019	866
Publications & communications	704	404	655	777	927	927
IT costs	548	465	763	656	663	688
Office & premises costs	1,355	1,279	1,414	1,346	1,735	1,465
Finance costs	205	194	206	201	346	363
Depreciation costs	737	481	620	736	822	983
<b>Total expenditure</b>	<b>23,930</b>	<b>26,796</b>	<b>28,766</b>	<b>30,624</b>	<b>34,750</b>	<b>35,177</b>
Adjustment to tax & NI costs				413		
<b>Operating surplus/(deficit)</b>	<b>(79)</b>	<b>(2,296)</b>	<b>2,164</b>	<b>2,351</b>	<b>(1,932)</b>	<b>(1,582)</b>
<b>Expenditure by Regulatory activities &amp; Support activities</b>					Forecast	Budget
	2009	2010	2011	2012	2013	2013
<b>Regulatory activities</b>						
Fitness to Practise and Hearings	10,379	12,709	14,432	14,323	17,001	16,656
Registration	1,822	2,371	1,897	1,889	2,218	2,220
Overseas Registration Exam	1,368	1,936	796	1,991	2,210	2,302
Policy and Stakeholder Management	2,675	1,473	1,604	1,881	1,991	2,051
Governance	1,049	1,056	1,505	1,573	1,760	2,190
Operational excellence			593	1,076	1,225	1,350
Quality Assurance	891	668	760	828	968	1,135
Dental Complaints Service	368	319	546	537	586	604
	<b>18,552</b>	<b>20,532</b>	<b>22,133</b>	<b>24,098</b>	<b>27,959</b>	<b>28,508</b>
<b>Support activities</b>						
Finance, HR and CEO	2,647	2,918	2,732	2,588	2,630	2,700
Accommodation and Office Services	1,333	1,648	1,643	1,617	1,764	1,553
Information Technology	661	1,217	1,638	1,589	1,575	1,433
Depreciation and Amortisation	737	481	620	732	822	983
	<b>5,378</b>	<b>6,264</b>	<b>6,633</b>	<b>6,526</b>	<b>6,791</b>	<b>6,669</b>
<b>Total expenditure</b>	<b>23,930</b>	<b>26,796</b>	<b>28,766</b>	<b>30,624</b>	<b>34,750</b>	<b>35,177</b>
<b>Annual Retention Fee</b>					Forecast	Budget
	2009	2010	2011	2012	2013	2013
Dentist	£438	£438	£576	£576	£576	£576
DCP	£96	£96	£120	£120	£120	£120
<b>Headcount</b>					Forecast	Budget
<i>average number of full time equivalent permanent employees</i>	2009	2010	2011	2012	2013	2013
Fitness to Practise and Hearings	38	49	53	69	99	87
Registration	44	47	53	61	64	64
Policy and Stakeholder Management	29	25	17	15	18	18
Governance	10	12	12	13	12	14
Quality Assurance	7	7	8	10	11	11
Dental Complaints Service	9	10	9	9	9	9
Corporate services	39	35	45	43	42	39
	<b>176</b>	<b>185</b>	<b>197</b>	<b>220</b>	<b>256</b>	<b>241</b>

- In 2011, the annual retention fee was increased for both dentists and dental care professionals. This was the first increase since 2007 and was considered necessary to fund additional regulatory work arising from a surge in the volume of fitness to practise cases, whilst maintainign a prudent level of reserves (within a range of four to six months of annual operating expenditure).
- In 2011, the GDC embarked on a series of initiatives that continued through 2012 and 2013 to generate efficiency savings. Savings of £0.8m and £2.6m were achieved in 2011 and 2012, respectively. These savings are being used to fund the programme of improvement in the fitness to practise function. In 2013, there is a target to generate a further £3.0m of savings.
- The contract for provision of the Overseas Registration Exam (Part 2) expired in 2011, and a satisfactory conclusion to negotiations was not reached until 2012. Due to this, the number of sittings increased from 2 in 2011 to 6 in 2012, explaining the £0.9m increase in income.
- In 2012, the GDC concluded negotiations with HMRC regarding the taxation status of committee members, panellists and inspectors. Since they agreed that most should be treated as self-employed for the purposes of tax and National Insurance Contributions on their fees and expenses, the GDC saved £0.4m in 2012, the first year of the new agreement. A claim for reimbursement for prior year payments has been made to HMRC and a decision is pending.
- In 2012, the GDC appointed Smith & Williamson to invest £12.0m from available cash balances in a mix of equities and fixed interest securities. Listed securities and unit trusts previously held by the GDC and valued at £0.6m were also transferred to their management.
- The business case to redevelop the GDC's premises at 37 Wimpole Street was approved in 2012. The estimated cost of £7.4m (as at August 2013) is to be funded from cash balances.