

**Report to the Council from the Finance & Performance Committee (FPC)
Meeting 28 February 2019**

Purpose of paper	To report on the key items considered by the Finance & Performance Committee at their meeting on 28 February 2019
Action	To note
Corporate Strategy 2016-19	<u>Objective 1</u> : To improve our performance across all our functions so that we are highly effective as a regulator.
Business Plan 2018	N/A
Decision Trail	In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2018, the FPC is required to report to the Council meeting following each meeting.
Next stage	N/A
Recommendations	Council is asked to: <ul style="list-style-type: none"> • Note the report of the FPC meeting on 28 February 2019
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Appendices	None

1. Executive summary

- 1.1. This paper reports on the key issues considered by the Finance and Performance Committee (FPC) at their meeting on 28 February 2019.
- 1.2. The Council is asked to **note** the report from the FPC.

2. Introduction and background

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

3. Finance and operational performance

- 3.1. The Committee discussed the Quarter 4 2018 Balanced scorecard which summarised successes and issues across the organisation. The Committee was notified that from January 2019 the report had been restructured to reflect the addition of the Legal and Governance directorate. Further details on the balanced scorecard can be found in a separate paper on the Council agenda.
- 3.2. On Fitness to Practise performance reporting, the Committee discussed the update which evaluated the impact of FtP improvement activities in 2018, and briefly outlined further actions planned to sustain and improve performance in 2019.
- 3.3. For the Q4 finance review and forecast, the final outturn report showed an operating surplus of £5.5 which was £2.3m higher than budgeted. This was largely due to the reported increase in income throughout the year with more dentists, DCP registrations, income from investments and sale of assets.
- 3.4. Whilst expenditure was only £0.1m higher than budgeted, this was a result of additional expenditure in year offsetting savings. The GDC had experienced £139K of 'recurring' savings, 560K as a 'one-off' overspends and £293K were savings related to timing differences in the budget profile.
- 3.5. The Committee discussed the underspend on savings and recurring savings and how they were presented within the paper. The Committee noted there were some expenses that did not appear be re-occurring savings. It was agreed to reflect on the feedback provided and address the categorisation of the variances for subsequent reporting.
- 3.6. The Committee discussed the Q4 2018 financial review paper 19 and recommended to the Audit & Risk Committee that the December 2018 management accounts were a suitable basis from which to prepare the 2018 Annual Report and accounts and the proposed efficiency savings disclosures were appropriate.
- 3.7. The Committee discussed the Q4 2018 resource bridging paper which presented summary between department resource, KPI performance and associated risk. Across the organisation,

performance against balance scorecard performance indicators and progress of business plan projects were largely within target and on track during Q4.

- 3.8. The Committee discussed the Q4 Business Plan and Operational Plan update. The Committee discussed project management allocations, capacity and the reporting of significant delivered programmes.

4. Fees Strategy

- 4.1. The Committee received scenario analysis and discussed principles for consideration by SLT. It was confirmed the proposals would be presented at the next meeting and discussed at Council in July.

5. 2018 Annual Procurement Review

- 5.1. The Committee discussed the report which provided an update on GDC procurement and contract management activity during the 9-month period 1 April 2018 to 31 December 2018. The paper covered a shorter 9-month period than previous years as agreed by the Committee, in order for future reporting to be co-terminus with the financial year. The Committee would subsequently receive the report once a year for noting.

6. In-depth review- contract and procurement management

- 6.1. The in-depth review focused on contract and procurement management. The session focused on describing the procurement and contract management operational journey, the background, potential different procurement models and planned next steps. It was confirmed Mazars had been appointed to undertake an audit review of contract management that was due to start shortly.

7. Forward Planning

- 7.1. The Committee received an update on the progress of the Estates Strategy. It was confirmed that phase 4 of strand 1 was now complete, with further strand 2 consultations due to take place shortly.
- 7.2. The Committee discussed the next steps in the development of the reserves policy. The Committee made observations and based on the agreed changes, agreed to recommend to Council for approval.

8. Items for noting

- 8.1 The Committee noted the updates to the matters arising and the estates strategy.

9. Any other business

- 9.1. The Committee thanked the outgoing Head of Finance and Procurement.

10. Recommendations

- 10.1 The Council is asked to **note** the report of the Finance and Performance Committee meeting on 28 February 2019.