

Chair's Speech

AGM: 2019

11th September 2020

INTRODUCTION

Good morning and I am pleased to welcome everyone to the fortieth Annual General Meeting of GPDF Limited. My name is Dougy Moederle-Lumb and I am Chair of the GPDF, and Nominee for North Yorkshire LMC.

Before we begin the formal business of the AGM, let me introduce my fellow Directors and particularly Jane Tozer and Bill Butler our recently appointed Independent Directors, as well as Joel Griffin our new Independent Chair of the GPDF Remuneration Committee.

The other members of the Board are Julia Densem, our third Independent Director; Colin Kelman, Gurmit Mahay, Keith McIntyre, Bob Morley, Ashok Rayani, and Paul Roblin. And the members of our management team in addition to myself are, John Canning, Director of Operations and Hugh Christie, our Company Secretary.

Also present is Alex Fox from our lawyers Penningtons Manches Cooper; Paul Durrance and Louise Casey of Mitchell Charlesworth our auditors; and Jim Law our insight and communications advisor. Behind the scenes are Matthew Moth from Madano and Stuart Whittaker of UK Engage who are key to organising this AGM.

MEETING AGENDA & LOGISTICS EXPLANATION

I should now like to take a moment to explain how today's AGM will operate before moving to the formal business of the meeting.

As you will appreciate, we meet for today's AGM in the most unusual of circumstances.

Given the necessary practical steps taken to mitigate the risks associated with Covid, the board has resolved to conduct the AGM digitally. Substantial efforts have been made to consider and encourage nominee "participation" in the AGM and to effectively manage an orderly meeting with opportunities for members to ask questions of the Board.

The board's responsibilities have been considered in the context of all of its legal requirements including the GPDF's duty of care to AGM participants and to mitigate the risks relating to technology failing for some participants during the AGM. When encouraging AGM participation, particular focus has been placed on adhering to the company's Articles of Association together with the effect of the temporary Covid related law changes to the conduct of AGMs.

So, to continue to have an effective AGM, we have moved to this online setting. Steps taken to facilitate today have included:

Appropriate notice of the proposed digital AGM has been provided to nominees.

Encouraging the use of proxies to allow for effective voting and ideally stimulate questions in advance of today.

The board to be ready to respond to thematic questions or comments received before the AGM, and during, via the dedicated email link available to all nominees.

Nominees are not precluded from contacting each other on their own device during the AGM (but this is not a service provided at the AGM in order to keep the technology as stable as possible and any questions expressed through me as Chair); and

While professional advice has been sought by the board and a “dry run” has been conducted, if there are lessons to be learnt for future General Meetings (or feedback that can be applied) then this can be addressed.

It will not be the same as a face to face meeting and for that I am sorry.

We will open the meeting for questions at two points:

- Before the resolution to receive the Annual Report and Financial Statements for the year ended 31st December 2019, we will welcome any questions on the report and accounts
- And towards the end of the meeting after my ‘Update on Activity’, we will again respond to your questions

In response to our request, we received several questions in advance, and you can now pose further written questions, using the Q&A box on Zoom. Please send them through as soon as you are ready.

Our aim will be to answer as many questions as we can within the 90 minutes, we have available to us. If there are any questions that we cannot get to, we will certainly answer them after the meeting and will publish, both the questions and answers on the GPDF website. I will of course try not to, but if I make any mistakes, this will also be rectified. My usual approach to transparency and accountability will be followed and this update will also be posted to the website.

Our voting processes are being managed independently by UK Engage. If you didn’t vote using the online proxy site prior to the meeting, or wish to change your vote, we have set aside a period during this meeting to allow you to do so.

You will be asked to vote on all the resolutions at one time, including the election of GPDF Directors, rather than after each resolution as we would usually do.

Please bear in mind that to vote, you must use the individual voting code sent to you by UK Engage.

FORMAL BUSINESS OF THE MEETING

So, to move to the formal business of the Annual General Meeting.

Thank you all for joining. It would be an understatement to say that a lot has happened since our last AGM, and while the focus of this meeting will be on our activity during 2019, it is only appropriate that I make some reference to the impact of the global pandemic which has changed so much in our lives in the last 6 months, and has had far reaching consequences not only across the Health sector and the health of the nation, but also across the global economy and financial markets.

I am grateful to all of you for your support to change the name from the General Practitioners Defence Fund to simply the GPDF and the adoption of the new Articles of Association.

The initial part of today’s Meeting will address the formal business set out in the Notice calling the Meeting, and later I shall provide an update on activity to date in 2020.

The Notice calling the meeting was sent to all Members of record on 14th August; the Company's Annual Report & Financial Statements for the year ended 31st December 2019 were mailed on 3rd August 2020.

Because of the challenge of holding this meeting remotely, I shall take the Notice as read.

The first item of business is to receive the Directors' Report and Financial Statements for the year ended 31 December 2019.

The independent Auditor's report, set out on pages 10 and 11 of the Annual report, gives a "clean" opinion with respect to the financial statements.

The Income and Expenditure Account and Balance Sheet are set out on pages 12 and 13.

In 2019, we had an operating deficit of just under £514,000 before gains on investments, compared to a deficit of £74,000 in 2018, which reflects our decision to reduce both the level of quota payment, and the rebate of almost £1,000,000 in order to further support LMC activity.

Realised and unrealised gains on investments for the year were substantial at £2,786,000 of which unrealised gains namely the change in market value from 2018 to 2019 totalled almost £2,300,000 – however it would be remiss of me not to caveat this statement by drawing attention to the impact of the global pandemic on stock markets and investments generally.

More detail of this is provided in Note 13 to the Financial Statements and in the 'Investment Review' section of the Annual Report on page 24. I am, however, pleased to report that the most recent valuation at the end of August indicates that compared to May 2020, the portfolio had recovered almost £1 million to £17.2 million.

You will have seen that Directors' and staff costs reduced during the year from £904,000 in 2018 to just over £427,000; also, honoraria shrank from £909,000 to £zero, as a result of the changes in our structure over the last 2 years.

Some activity saw increased expenditure in 2019 which included several one-off investments such as our visual identity, our website and the legal costs associated with restructuring, including the ongoing negotiations with the BMA.

In relation to the BMA, the grant of £1,385,000 relates to expenditure in our financial year to December 2019. On the other hand, the agreement with the BMA runs on the BMA's medico-political year from July to June and therefore the commitment made in 2019 of £1,375,000 ran until June 2020.

At this point, let me turn to the questions which relate specifically to the Directors' Report and the Financial Statements. We received several questions ahead of the meeting and I want to provide you with the opportunity to pose any further questions now. As I said already, the advance questions and answers are comprehensive, and I have tried to anticipate some questions.

So, if you have not already submitted your questions on the Annual Report you may do so now by using the Q&A facility on Zoom. I shall respond to questions either individually or by topic if several questions have a common theme.

Questions on any other topic, not related to the Directors' Report and the Financial Statements, will be addressed later in the meeting after the formal part of the meeting has concluded.

Thank you for your questions.

The second item of formal business relates to the reappointment of Mitchell Charlesworth LLP as the Company's auditor – and to authorise the Directors to fix the auditor's remuneration.

The third item of formal business is the elections to the Board. There are three vacancies related to existing members of the Board from England, Scotland and Wales, all of whom retire by rotation at the end of this meeting and all of whom are standing for re-election.

A director will be elected for each of the devolved administrations by members who are resident in those countries and will serve for three years.

SCOTLAND

Ordinarily, Members resident in Scotland – and only Scotland – would vote to elect a Director from amongst candidates standing. However, the only candidate for the position is Keith McIntyre and as proxy votes have been submitted in his favour, I am pleased to announce that he has been duly re-elected a Director.

WALES

Ordinarily, Members resident in Wales – and only Wales – would vote to elect a Director from amongst candidates standing. However, the only candidate for the position is Ashok Rayani and as proxy votes have been submitted in his favour, I am pleased to announce that he has been duly re-elected a Director.

ENGLAND

In England we have three candidates who are seeking election. The candidates, all medically qualified, are Miriam Ainsworth, Phillip Fielding and Paul Roblin.

VOTING PROCESS ON ALL FORMAL BUSINESS

It is now time for those members who have not yet voted or may wish to change their votes to cast their votes on the three items of formal business:

1. To receive the Directors' Report and Financial Statements for the year ended 31 December 2019.
2. To reappoint Mitchell Charlesworth LLP as the Company's auditor – and to authorise the Directors to fix the auditor's remuneration.
3. To elect a Director from amongst the three candidates for England.

Please note that in the event that two or more of these candidates are ranked equal in the number of votes cast I shall adjourn the election to a later date to enable members of the Company to vote again to indicate which is their preferred candidate for England.

Voting is now open. You may vote now if you have not already used the voting site or if you wish to change your vote. [instructions on how to vote have not been reproduced here]

I can now complete the three formal items of business:

To receive the Directors' Report and Financial Statements for the year ended 31 December 2019.

To reappoint Mitchell Charlesworth LLP as the Company's auditor – and to authorise the Directors to fix the auditor's remuneration.

To elect a Director from amongst the three candidates for England. Paul Roblin for England joins Keith McIntyre for Scotland and Ashok Rayani for Wales.

This concludes the formal part of today's meeting.

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UPDATE ON ACTIVITY

Before I turn to general questions which you may wish to raise, let me remind everyone that on page 2 of the Annual Report we summarised the Highlights of 2019 and provided commentary on activities during the first half of 2020.

Also, I am conscious that having answered several questions already I have provided some further context to what we say in the Annual Report.

Of course, if time does not allow the Board to respond to all your questions, we shall provide a summarised response to them on the GPDF website.

As I explained previously:

Over the last two years, the GPDF has made substantial progress responding to the challenges demanded of us by LMCs, but our aim of supporting all of our colleagues in general practice remains constant. We listened carefully to the views and opinions of LMCs expressed during the year, both formally and informally and, at times, these views have been challenging, occasionally misinformed and often conflicting. That said, the Board and I have sought to act in line with the wishes of the majority of LMCs. Although our decisions or actions cannot please everyone all of the time, we strive to use our knowledge and experience such as to utilise the funds available as wisely and as appropriately as we can.

Operationally over the last two years, the per capita value for the annual quota has been significantly reduced so that by the Spring of 2020, in response to the pressures experienced by LMCs related to COVID-19, it stood at 3p, albeit temporarily. Forgive me if I repeat myself, but please also remember that we provided further help to LMCs by rebating almost £1,000,000 of the 2019 quota.

As you are aware, the Company's Articles of Association were completely updated in plain English and adopted in early 2020, but let me emphasise that the Board will continue to have a majority of members elected from and by LMC Nominees. Naturally, we recognise that LMCs wish reassurance that funds are managed and applied properly, which is one reason that we continue to invest in Corporate Governance. I have already introduced Bill Butler and Jane Tozer, our new Independent Directors, as well as Joel Griffin who has been appointed Chair of a refreshed Remuneration Committee, which will bring forward recommendations regarding the reward structure for Directors and Management.

The Board recently approved Joel's recommendation to appoint David Humphreys from Wigan LMC and Simon Barrett from Humberside Group of LMCs to join him on this committee. To underscore their independence none of the three is a Director of the GPDF or a nominee of an LMC.

As far as the composition of the Board is concerned, it is my wish, indeed of all the Directors, that our Board reflects the characteristics of general practice and is as inclusive as possible. Consequently, we encourage all LMCs to consider the individuals they appoint as Nominees, given that the majority of the Board are elected from the Nominees.

Continuing my update on corporate matters, we continue to build our brand identity and we have used it extensively to reinforce the fact that activities are funded by and with the support of LMCs. Similarly, I hope that you have found our website useful as well as the Newsletters that we now publish regularly. The website, which helps to clarify the role of the GPDF, also has a library of information which can be freely accessed.

I am pleased to report that the number of LMCs that have chosen not to contribute to GPDF activities has reduced and we continue to engage with the now very small number of LMCs that persistently fail to contribute their share of the quota.

While the GPDF remains willing to resolve their concerns and perceptions, the time has come when non-contributing LMCs must experience some reduction in the benefit they enjoy from being part of this club, especially as their share of the quota is paid for by all the other LMCs.

These non-contributing LMCs have been removed from BMA managed ListServers and from access to policy advice from the [GPC] secretariat. Their Nominee's membership of the Company is now at risk of suspension. Of course, it remains our aim to persuade all LMCs to contribute for the common good of general practice.

Finally, looking forward, I am pleased to report that an informal network of LMCs has identified a huge gap in the induction, training and development of LMC officers and senior staff when compared to colleagues working in CCGs, PCNs and Trusts. Following discussions with me and others in the GPDF we believe it appropriate to widen the scope of the project to include all three devolved administrations and I am delighted to confirm that this will be a topic for discussion when the Board meets at the beginning of October.

So ladies and gentlemen, as I said at the beginning, the last 2 years have been demanding for the Board and Management Team, but we have risen to the challenge of re-shaping the GPDF to be fully independent of the BMA and its GPCs, and accountable to LMCs.

Finally, I am grateful to all my GPDF and LMC colleagues as well as external partners who continue to support us.

GENERAL QUESTIONS

I'll now happily address any general questions which you may have, and which you can now pose by using the Q&A facility on Zoom. We shall respond to questions either individually or by topic, but I shan't take questions relating to the Annual Report and Financial Statements which were dealt with earlier.

That concludes the business of the 2019 AGM and again my thanks for your attendance today. I look forward to meeting up again in person as soon as circumstances allow.

Ends