
Reserves Policy

Executive Summary

In November 2019 the Audit Committee considered some of the working capital and implied financial strategy components of the Reserves Policy. Based on this discussion further work has been undertaken to review the Reserves Policy.

The new proposal for the Reserves Policy is:

The reserves policy of the Health and Care Professions Council (HCPC) has been based on the HCPC's objectives. Its main aim is to achieve a margin of working capital sufficient to enable all aspects of the HCPC's work to be conducted in an orderly and efficient manner.

As HCPC receives registrant fees in advance, there will normally be significant liquid assets to pay any current debts as and when they fall due. Any major changes to the Register with the resultant impact on registrant fees, such as with the transfer of Social Workers to Social Work England, are likely to have a lead time similar to that experienced with that transfer.

HCPC has made prudent use of pre-paid registrants' fees to acquire property, therefore reducing rent costs and providing value for money. This property could be disposed of in an orderly fashion and the full value realised, or mortgaged, within the likely timeframe associated with a major change to the register.

Therefore, for the purposes of the Reserves Policy, if the Net Tangible Assets are positive and registrant fees continue to be paid in advance, HCPC will have liquid assets to conduct its work in an orderly and efficient manner.

The reserves policy of the HCPC is reviewed on an annual basis by the Council in line with the development plans.

This reserves policy ensures that HCPC continues to have sufficient working capital to conduct its work in an orderly manner in the short-term as well as have options for medium term adjustments, if circumstances change.

Previous consideration	In November 2019 the Audit Committee considered the key components to the Reserves Policy.
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Decision	The Audit Committee is asked to discuss the updated Reserves Policy and; <ul style="list-style-type: none">• Recommend the Reserves Policy to Council for approval; or• Provide direction for further updates.
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Next steps	If recommended the reserves policy will be presented to Council for approval on 25 March 2020.
Strategic priority	Strategic priority 3: Ensure the organisation is fit for the future and is agile in anticipating and adapting to changes in the external environment.
Risk	Risk 5. Failure of leadership, governance or culture
Financial and resource implications	Nil
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