

HEALTH PROFESSIONS COUNCIL
FINANCE AND RESOURCES COMMITTEE
MINUTES OF THE MEETING HELD ON
TUESDAY 30 APRIL 2002

COUNCIL RATIFICATION REQUIRED

PENSION FUND

- 8.1 Appointment of Colin Lea and Marc Seale as Trustees of the Scottish Life Pension Scheme, which is being wound up. (In succession to Mr D K Wilson and Mr M D Hall)
- 8.2 The provision of life cover (1 x salary) be increased to that of the National Health Service. The factor and cost is being researched and will be notified to the meeting.

TELEPHONE SYSTEM

- 12.1 The acquisition of a replacement telephone system at a cost of £112,000.

HEALTH PROFESSIONS COUNCIL
FINANCE AND RESOURCES COMMITTEE

DRAFT MINUTES

**of the 1st Meeting of the Finance and Resources Committee held at Park House, 184
Kennington Park Road, London, SE11 4BU on Tuesday 30th April 2002**

PRESENT

Mr Colin Lea (ex officio), Chairman
Mr Michael W Barham
Mr William A Munro
Mr Keith M Ross
Mrs Barbara A Stuart
Mr Neil Willis
Dr Sandy Yule
Mr Daniel Ross (co-opted)

Mr Marc Seale (Chief Executive designate)
Mr Paul Baker FCA (Secretary)

1 APOLOGIES FOR ABSENCE

1.1 Apologies had been received from Mr Robert Clegg, Professor John Harper, Mrs Jackie Stark and Professor Norma Brook.

2 APPROVAL OF AGENDA

2.1 The Draft Agenda was adopted as the Agenda for the Meeting.

3 APPROVAL OF MINUTES OF THE MEETING HELD ON 19 MARCH 2002

3.1 It was agreed that the minutes of the third meeting of the Shadow Health Professions Council Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

4 MATTERS ARISING

4.1 A paper indicating progress on various matters was NOTED as follows.

4.2 Appointment of insurers

To be decided by management and brought to the Committee for ratification.

ACTION: PKHB

- 4.3 **Standing Orders**
No further work is to be done on this item until the format of the Council's Standing Orders is confirmed.

ACTION: PKHB

- 4.3 **Standing Financial Instructions**
Still being prepared. Will possibly be finished by the end of June

ACTION: PKHB/BDO Stoy Hayward

- 4.5 **Stoy Hayward System Review**
Report yet to be studied in detail

ACTION: PKHB/BDO Stoy Hayward

- 4.6 **Training for Council Members and Finance & Resources Committee**
This would be conducted by BDO Stoy Hayward in London later in the year.

ACTION: PKHB/BDO Stoy Hayward

- 4.7 **Budget 2002/3**
A revised budget, taking note of the final figures for 2001/2, would now be produced and brought to the Committee at its next meeting. This would also embody the grant and matching expenditure receivable from the Department of Health.

ACTION: PKHB/M Seale

- 4.8 **Appointment of Consultants**
It was agreed that the contracts of appointment of Bircham Dyson Bell and Ormerods be reviewed annually. Concerning Kingsley Napley, it was agreed that a review would take place mid-way through 2003/4.

- 4.9 **Audit Committee**
It was agreed that an additional member of the committee be sought who was not a member of the Finance and Resources Committee. It was noted that the Audit Committee would concern itself with financial matters and would not include governance of Council.

- 4.10 **Human Resources Manager**
It was noted that a Human Resources Manager had been appointed and would commence work shortly.

5. UNAUDITED ACCOUNTS (CPSM)

- 5.1 The Committee noted the unaudited accounts of CPSM, which showed a deficit of £71,000. This result was after "extraordinary items" such as a write-down of the property value of £198,000, a write-down of the investments of £72,000 and the payment to the former Registrar. No material adjustments are expected from the auditors.

6 REPORT FROM INVESTMENT MANAGERS

- 6.1.1 Mr James Minett of Carr Sheppards Crosthwaite attended the meeting and made a presentation of the current state of affairs of the portfolio. It was agreed that a draft investment strategy be prepared by Paul Baker and Marc Seale and that the Committee, through a sub-group of Colin Lea, Daniel Ross, Michael Barham and Paul Baker, should then instruct the investment managers as to the investment parameters for the future. It was also agreed that a benchmarking company be approached against which the performance of our brokers could be measured in the future. Daniel Ross recommended the WM Company and it was noted that the approximate annual cost of this service would be in the region of £5,000 per annum. A decision to change advisors was deferred until the existing broker's performance could be measured by the benchmarking company.

ACTION: PKHB/M Seale

7 REPORT FROM IT CONSULTANTS

- 6.1 Mr Peter Black and others from Digital Steps Limited attended and appraised the Committee of the progress to date of their review of the operational systems. It was noted that the next step in the process was to produce a specification of a potential new system and offer it for tender by at least three service providers. It was agreed that the process should continue.

8 COUNCIL AND COMMITTEE EXPENSES

- 8.3 The Committee noted that certain amendments had been sought by Council and it was agreed that these be put through the Expenses Policy document. These included the withdrawal of the requirement for vouchers for items below £5, that attendance allowance should also be paid for "other approved Council business", the inclusion of Business Class airfares (rather than Club Class) and a revision of mileage allowances following the Chancellor's budget. A revised Expenses Policy document is appended to these Minutes. (Appendix 1)
- 8.4 The provision of assistance for childcare and other carer cost reimbursement was discussed but it was agreed to defer a decision until more research had been undertaken, perhaps with the Department of Health.
- 8.5 The provision of credit cards for Council members was discussed and rejected. Wherever possible the HPC travel agent should be used. Should individual members feel that their expenditure is high enough to warrant such a card, they should apply to HPC as a special case.
- 8.6 An advisor from BDO Stoy Hayward will be attending the next meeting of the Committee to advise on tax implications. However it had been ascertained that a P11D dispensation was likely to be granted by the Inland Revenue. BDO Stoy Hayward was in the process of securing this.
- 8.7 An Expenses Policy for Non-Council Members and Staff was being formulated and would be brought to the next meeting of the Committee.

ACTION: PKHB

9 LEGAL EXPENSES INSURANCE

- 9.1 The Consultants had called for further information before they could quote and it was agreed to defer this item until the next meeting.

10 CHEQUE SIGNATORIES

- 10.1 Although a suggestion that cheques below £1,000 were to be signed by only one signatory had been put forward, it was agreed to defer this decision until the views of the auditors had been sought.

ACTION: PKHB

- 10.2 It was agreed that the mandate for credit card payments be signed in accordance with the existing NatWest mandate. This will enable the project to be implemented during the coming month.

11 PENSION FUND

- 11.1 It was agreed that Colin Lea and Marc Seale be appointed Trustees of the Scottish Life Scheme, which was currently in the course of winding up. These appointments replaced two former CPSM Council Members no longer involved.

COUNCIL RATIFICATION REQUIRED

- 11.2 It was agreed, subject to ratification that, the provision for life cover be brought into line with that used in the National Health Service. If the multiple of salary was, for example, 3 x salary, the approximate additional annual cost was in the region of £5,000.

COUNCIL RATIFICATION REQUIRED

12 TELEPHONE SYSTEM

- 12.1 Giercia Malcolm spoke to her paper concerning the immediate requirement for a new telephone system. The maintenance of the existing system could only be done by our own staff as support had been withdrawn by the suppliers shortly after purchase. Concerns were expressed by the Committee that the acquisition of such a system now might conflict with the potential new computer system being investigated by Digital Steps. Faxed assurances were received from Digital Steps and Maple Communications and are shown below: The assurances are shown below:

From Peter Black, Digital Steps:

In undertaking our initial strategic IT review we had identified some concerns in respect of the procurement process for the new telephone system, and expressed the view that it should be suspended until alignment with the goals of the new IT system were established. A key part of this was to ensure that it was possible to integrate the telephone system as a key component of the new software architecture, and to ensure that the needs of the new HPC were fully addressed in the buying decision. It did not imply that the procurement process in itself had been flawed, or that the system selected was likely to be inferior or inadequate.

However, notwithstanding the above recommendation, we were advised that the current system is increasingly unreliable, to the point at which the operation of the HPC itself is likely to be impacted. In this circumstance we have no option but to agree with the HPC team that the replacement of the system cannot be delayed, and that potential future value cannot supplant current operational need. In this circumstance, strategic and technology arguments must be secondary to the current needs of the organisation, and this buying decision must be predicated purely on the immediate need to maintain operational efficiency.

From John Taylor, Maple Communications:

The telephone system proposed is a Mitel 3300 Voice over Internet Protocol System, capable of running over your Local Area Network.

VoIP systems are the most modern in the UK at the present time.

The telephone switching is provided from a voice server and gateway, which is accessed by telephone users over the LAN. The software on this switch is proprietary to Mitel, in just the same way that every fully featured system in the UK is operated on software under license from the manufacturer.

We held a meeting to check out proposals for the telephone system and how it would perform with the network, which your computer consultant attended. If newfound concerns have just arisen then perhaps I could be advised of these so that I may address them.

In the light of these assurances the Committee AGREED to authorise the acquisition of the new system at a cost of £112,000, subject to ratification by Council.

COUNCIL RATIFICATION REQUIRED

13 ANY OTHER BUSINESS

13.1 There was no other business

14 DATE AND TIME OF NEXT MEETING

14.1 Thursday 30th May 2002 at 11.00 a.m.

Signed (Chairman)

Date

HEALTH PROFESSIONS COUNCIL

EXPENSES POLICY FOR COUNCIL MEMBERS FOR THEIR ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS (Revised April 2002)

1 INTRODUCTION

1.1 This policy comes into effect with effect from the inception of the Health Professions Council (HPC) on 1st April 2002.

1.2 The rates quoted in this policy document will change from time to time but changes will be sanctioned by the Finance and Resources Committee and notified to Council Members.

1.3 Attending members are asked to submit their expenses to the Council or Committee Secretary at the conclusion of the meeting in question or if this is not practicable, expenses should be submitted within two calendar weeks of the meeting to the Finance Department of HPC. Late submission may result in late settlement.

1.4 From time to time those other than Council Members may be co-opted onto Committees. These rates only apply to co-opted committee members with the written authority of the President or Chief Executive/Registrar.

1.5 All payments will be made into the bank accounts of Council Members. No payments will be made by cheque. HPC will endeavour to make such payments on the Friday following the receipt of an authorised claim by its Finance Department.

1.6 Receipts are required to substantiate claims, which should be made on the form provided. Vouchers for items below £5 are not required.

2 GENERAL CONDITIONS

2.1 Payments of Allowances and Expenses should only be made where expenses notified in the claim were actually and necessarily incurred.

2.2 Alternates or deputies may make claims as if they were the actual member for whom they were alternating or deputising, providing that two separate claims are not received.

2.3 Full details must be made on the claim form provided for the purpose.

3 ATTENDANCE ALLOWANCE

3.1 A daily rate of a maximum of £260 is payable for attendance at Council, Statutory Committee or formal Non-Statutory Committee Meetings and any other specific business approved by Council. It is not payable for casual attendance at HPC premises. It should be noted that when this sum is payable to Council Members as opposed to their employers (e.g. NHS Trusts), UK taxation will be deducted at source. The position of Council Member is considered an "Office" under

Income Tax legislation and payments are subject to PAYE legislation. The payment may also be subject to National Insurance.

3.2 Sums payable to the employers of Council Members should be billed by their employers on a monthly basis and should refer to the date(s) of the meeting(s) for which re-imburement is sought. If the appropriate dates are not billed or do not match the known dates of meetings, there will be a delay in settlement.

3.3 Self-employed persons may claim the lower of their daily charge-out rate or £260. A certificate of their daily charge-out rate must be lodged with the HPC Finance Department. This certificate is required from their accountant or, if no accountant is employed, self-certification is permitted.

4 TRAVELLING AND SUBSISTENCE

4.1 Reasonable rates are payable for travelling and subsistence costs to reimburse the out-of-pocket expenses of Council members. Expenses will only be reimbursed if actual expenses are incurred, i.e. no round sum payments will be made, just because a member has attended.

4.2 The following expenses will normally be paid:

Travel:

Rail Fares: 1st Class rail fares at the cheapest available rates using the HPC nominated travel agent wherever practical.

Air Fares: Business Class airfares will be reimbursed at the discretion of the Council/Committee Secretary.

Tube, Coach and Bus Fares:

will be reimbursed as incurred.

Mileage Allowances:

Mileage allowance is payable for the use of the Council Members' own cars. These are in accordance with Inland Revenue rates, which are subject to annual change.

The rates in force with effect from 1 May 2002 until any notification of change is made are as follows:

Cylinder capacity	1 st 10,000 miles	Additional Miles
Any rating	40p	25p

Rates for lease cars, motor cycles and pedal cycles are available upon request.

Taxi Fares: will be reimbursed where a taxi journey is considered quicker or more economical than using public transport.

Other Travelling Expenses:

Expenses incurred in respect of tolls, parking and ferries may be claimed.

Subsistence:**Hotel Accommodation and Meals:**

Bed and breakfast arrangements up to a daily maximum of £120 will be reimbursed. An evening meal up to a maximum of £30 will be reimbursed. Lunches will not normally be reimbursed if lunch is provided by HPC.

Members staying with friends or relatives may claim £30 towards subsistence.

Meals taken during travel will be similarly reimbursed if within the spirit of the clause above.

5 CONCLUSION

5.1 Council and Committee Members are expected to act honourably and sensibly within the spirit of this policy. Further advice and guidance is available from the Finance Department of HPC and individual Committee Secretaries.

5.2 The Expense Claim Form which follows forms part of this Appendix.