

UNAPPROVED

**HEALTH PROFESSIONS COUNCIL
FINANCE AND RESOURCES COMMITTEE**

DRAFT MINUTES

**of the 7th Meeting of the Finance and Resources Committee held at Park House, 184
Kennington Park Road, London, SE11 4BU on Thursday 13th February 2003**

PRESENT

Mr Colin Lea, Chairman
Dr Sandy Yule, Vice-Chairman
Professor Norma Brook
Mr Robert Clegg
Professor John Harper
Mr William Munro
Mr Keith M Ross
Mrs Jackie Stark
Mrs Barbara Stuart

Mr Daniel Ross (co-opted)

Mr Marc Seale (Chief Executive and Registrar)
Mr Paul Baker FCA (Secretary)

1 APOLOGIES FOR ABSENCE

1.1 Apologies had been received from Mr Michael Barham and Mr Neil Willis.

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 26 NOVEMBER
2002**

3.1 It was AGREED that 2.14 in the Appendix to the Minutes "Standing Financial Instructions" be expanded to clarify the role of external auditors.

3.2 The paragraph was subsequently amended to read as follows:

An external auditor, whose primary role is to form an opinion as to whether the annual financial statements give a true and fair view of the Council's affairs at the end of each financial year and are properly prepared in accordance with the Health Professions Order 2001, shall be appointed by and paid for by the Council. The Audit Committee must ensure a cost efficient service. Should there appear to be a problem then this should be raised with the external auditor and referred to the Council if the issue cannot be resolved.

- 3.3 It was AGREED that the word “by” be omitted from 3.14 (a) line 1 in the Appendix to the Minutes “Standing Financial Instructions”.
- 3.4 It was AGREED that, subject to the amendments noted above, the minutes of the sixth meeting of the Health Professions Council Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

4 MATTERS ARISING

- 4.1 Under 5.3 it was stated that the Finance & Resources Committee would monitor and evaluate the performance of individual executive directors (and other senior employees). It was AGREED that when the Committee meets as a Remuneration Committee, it would be advised by the Human Resources Director as appropriate.
- 4.2 Audit Committee (Standing Financial Instructions): The Standing Orders are to be prepared for the next meeting of the Finance & Resources Committee.
- 4.3 There were no further matters arising that were not otherwise covered in the agenda.

5 INVESTMENT FUND

- 5.1 James Minett of brokers Carr Sheppards Crosthwaite made a presentation to the Committee. The current value of the portfolio was £1,390,039. Since December, when the value was £1,727,347, £250,000 had been withdrawn in cash. This meant that the portfolio had fallen a further £87,208.
- 5.2 With the withdrawal of cash, the asset allocation had resulted in 23% of the fund held in fixed interest securities, 69% in UK equities and only 3% in cash. The mix will subsequently depend on cash requirements.
- 5.3 Over the last 3 years the fund had fallen by 17.1% as opposed to 23.3% (constrained) and 28.9% (unconstrained) in world markets.
- 5.4 It was noted that there had been recent corporate activity in the market, which might boost equity values.
- 5.5 It was noted that HPC’s cash requirements, which would be influenced by the availability of Department of Health grants in the immediate future, would need up to £500,000 in March and April 2003 to be withdrawn from the Fund.
- 5.6 It was noted that no loans should be sought (or likely to be available) from the Department of Health.

6 PENSION FUND

- 6.1 Steve Jones of FPS Financial Services Limited made a presentation to the Committee. He indicated that an actuarial review was almost complete. The actuarial review was being done a year early because of concerns in the stock market. Pension funds were invested in equities to ensure long-term growth. The Flexiplan Scheme was not a formal final salary scheme but a money purchase scheme, which looked to provide a final salary-based pension if possible. The Scheme had been set up in the mid 1960’s and most members worked in the health professions or healthcare sectors.

- 6.2 He indicated that, subject to final checks being made, there remained a good level of surplus, although reduced. The figures “looked good” and there did not appear to be a risk that the Scheme could not currently provide pensions linked to final salaries on a 60ths basis.
- 6.3 Sandy Yule expressed that he was pleased with the Scheme, although it was acknowledged that it was expensive for HPC.
- 6.4 The Committee NOTED that a formal announcement of the results of the actuarial review should be expected within the next few weeks and that a presentation to staff be made in April. A further presentation from FPS should be made before Christmas 2003.

7 CHEQUE SIGNING

- 7.1 It was AGREED that Anne Barnes should replace Giercia Malcolm on the list of signatories. All other signatories and limits should remain as at present.

8 RISK ASSESSMENT

- 8.1 Marc Seale explained that he had to provide a report on Risk to the Privy Council, which would identify risks to the organisation, their likelihood and mitigation.
- 8.2 It was AGREED that such a report should be approved by the Finance & Resources Committee at its next meeting.

9 MANAGEMENT ACCOUNTS FOR 9 MONTHS ENDED 31ST DECEMBER 2002

- 9.1 The Management Accounts, which showed an operating surplus of £242,952 against a budgeted deficit of £352,930, were NOTED.
- 9.2 It was further NOTED that the Provision for Unrealised Losses of £392,780 reduced the result to a deficit of £635,732.

10 ANY OTHER BUSINESS

- 10.1 There was no Any Other Business

11 DATE AND TIME OF NEXT MEETING AND SUBSEQUENT MEETINGS

- 11.1 The next meeting was confirmed as Wednesday 19th March 2003 at 11 a.m. at Park House. It was noted that the time of the meeting would possibly be changed, as there was another meeting on that date where a number of committee members might attend.

The Committee resolved that the next section of the meeting should be held in private because publicity would be prejudicial to the public interest, by reason of the confidential nature of the business transacted.

Signed (Chairman)

Date