

HEALTH PROFESSIONS COUNCIL
FINANCE AND RESOURCES COMMITTEE

NOTES OF THE MEETING HELD ON
12TH FEBRUARY 2004

COUNCIL RATIFICATION REQUIRED

FIN04/005 AUDIT COMMITTEE

5.2 Council is asked to approve the appointment of Mr Michael Barham as a Member of the Audit Committee, the Sub-Committee of the Finance & Resources Committee.

FIN04/007 BANK MANDATE

7.1 Council is asked to approve that Miss Niamh O'Sullivan be included on the Bank Mandate in place of Dr Peter Burley.

**HEALTH PROFESSIONS COUNCIL
FINANCE AND RESOURCES COMMITTEE**

NOTES

**of the 13th Meeting of the Finance and Resources Committee held in the
Council Chamber, Park House, 184 Kennington Park Road, London, SE11 4BU
on Thursday 12th February 2004 at 11 a.m.**

PRESENT

Mr Colin Lea, Chairman
Mr Michael Barham
Mr Keith Ross
Mrs Barbara Stuart

Mr Daniel Ross (co-opted)

Mr Marc Seale (Chief Executive and Registrar)
Mr Paul Baker (Finance Director and Committee Secretary)
Ms Denise Thompson (HR Director)
Mr Roy Dunn (Director – Information)
Mr Richard Ballard (Management Accountant)
Mr Robert Murdoch (Drivers Jonas, Chartered Surveyors)

The Chairman welcomed Mr Murdoch to the meeting.

AS THIS MEETING WAS INQUORATE, ONLY NOTES HAVE BEEN PRODUCED. MR WILLIAM MUNRO AND MRS JACKIE STARK LATER CONCURRED WITH THE DECISIONS OF THE MEETING AND THE RECOMMENDATIONS ARE THEREFORE PUT THROUGH TO COUNCIL FOR RATIFICATION.

FIN04/001 APOLOGIES FOR ABSENCE

1.1 Apologies had been received from Professor Norma Brook, Mr Robert Clegg, Professor John Harper, Mr William Munro, Mrs Jackie Stark, Mr Neil Willis and Dr Sandy Yule.

FIN04/002 APPROVAL OF AGENDA

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

FIN04/003 APPROVAL OF MINUTES OF THE MEETING HELD ON 20TH NOVEMBER 2003

3.1 It was agreed that the minutes of the 12th meeting of the Health Professions Council Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

FIN04/004 MATTERS ARISING

4.1 The Secretary reported that:

4.1.1 Budget (Version 5) for the year ending 31st March 2004

This had been ratified by Council.

4.1.2 Expenses Policy

This had been ratified by Council. It was noted that one legal assessor had resigned as the policy had not been adjusted to First Class travel.

4.1.3 Reduced fees for registrants

This had been ratified by Council

4.1.4 Human Resources – Employee Handbook

There being no further comments from individual committee members, the handbook has been issued to employees and training commenced.

4.1.5 Committee Meeting Dates for 2004/5

The dates suggested by the Committee were adopted by Council without change.

4.2 There were no further matters arising that were not included elsewhere in the agenda.

FIN04/005 APPOINTMENT OF NOMINEE TO AUDIT COMMITTEE

5.1 The Chairman drew the Committee's attention to the fact that there was currently a vacancy on the Audit Committee following the resignation of Ms Ann Foster.

5.2 Mr Michael Barham volunteered for this position. In the absence of any other volunteer, the Chairman proposed and Mr Keith Ross seconded him and the Committee unanimously recommended him for appointment by Council.

COUNCIL RATIFICATION REQUIRED

FIN04/006 IT STRATEGY

- 6.1 Mr Roy Dunn, Director of Information, presented his paper “IT Strategy 2004-2009 SIMPSONS Project”. He also drew the Committee’s attention to his schedule “HPC IT Software Budget 2004/5”.
- 6.2 The Committee noted the budgeted costs, totalling £433,600, for those items that were due to be implemented during 2004/5. These were as follows: BART (Bi-Application Registration Transactions) £110,000, ROD (Renewal on Demand) £43,000, NED (Non-UK Course Equivalence Database), £9,950, Operational Enhancements by function: On-line Applications (£24,000), On-line registrant contact details self maintenance, including web security model (£65,000), Pass List Schema (e-file format for HEIs) (£5,500), Amending Registrant Modalities (£3,500), AUDDIS/BACS online DD mandate submission and funds collection (£1,750), Batch process rationalisation (£13,000), Return to Practice (£25,000), Pass list upload of e-files from HEIs (£25,000), New profession upload OPDs (£12,000), New Graduate Fee structure (£8,900), Intelligent renewal forms re-coding (£3,500), Return mail flagging and chase (£7,500), Annual Report Preferences via web or Registration Officer (£4,000), DD reject automatic letters (£10,000), Bulk letter mail merge (£2,500), Renewal declaration pop up (£2,500), Intermediate lapsing (DD rejects and fees remain unpaid) (£6,000), International and Grandparenting assessor management (£7,500), Charge/Calculator translator – web and Registration Officers (£7,500) and On-line renewals for registrants (£16,000), MOE (Management Operational Extracts) £10,000 and Crystal Reports/Business Objects upgrade for Webstats £10,000.
- 6.3 It was noted that the sums involved were for the phases of the work that were to be completed in 2004/5. Fulfilment of these projects did not necessarily confirm that further funds would be voted in the following year(s) on those projects. Items marked ? on the schedule included with the copy of the presentation included with the agenda, were considered immediate requirements, i.e. to be completed during 2004/5. It was possible that some work would be undertaken in respect of later projects but the costs would be carried forward if the projects were not operational until the following year.
- 6.4 Mr Michael Barham was impressed with the new systems envisaged. New systems required good people to operate them. Mr Marc Seale indicated that the introduction of the new systems would enable new professions to be added with a disproportionate increase in staff. New staff were of a higher category than previously and staff could be trained to work on the registration system in a matter of hours rather than weeks. The systems envisaged would improve our service to registrants.
- 6.5 Questions were asked as to whether the HPC’s staff could absorb all these additional features in one year. Many of the items had been sought by the staff themselves who would respond well to their introduction as they would save against some of the manual processes still operating. Some projects affected different staff members. Many of the items would use data already held within LISA.
- 6.6 It was indicated that there will continue to be a body of registrants who would be uncomfortable with the increasing use of e-mail and the website. However, paper versions would continue to be available.

- 6.7 It was agreed that these items should go ahead during 2004/5 but subject to their authorisation within the budget.

FIN04/007 BANK MANDATE

- 7.1 It was agreed that Miss Niamh O’Sullivan be added to List B on the bank mandate in place of Dr P Burley. It was noted that each cheque signatory was required to re-sign the mandate.

SUBJECT TO COUNCIL RATIFICATION

- 7.2 It was further agreed that the Secretary, Mr Richard Ballard (Management Accountant) and Miss Manj Cheema (Financial Accountant) be authorised to make electronic enquiries of the bank and use the automated “Payaway” system, when the electronic banking system came on-line in April.

FIN04/008 AUDIT COMMITTEE – MINUTES OF THE MEETING HELD 22ND JULY 2004

- 8.1 The Committee noted that it had already received a verbal report on the meeting and now noted the formal minutes.

FIN04/009 AUDIT COMMITTEE – MINUTES OF THE MEETING HELD 20TH NOVEMBER 2004

- 9.1 The Committee noted that it had already received a verbal report on the meeting and now noted the formal minutes.

FIN04/010 MANAGEMENT ACCOUNTS TO 30TH NOVEMBER 2003

- 10.1 The Committee noted the management accounts which showed an operating deficit for the 8 months to 30th November of £1,218,034 against a budget of £1,111,700, an adverse variance of £106,334. This variance became a favourable variance of £124,726 after accounting for unbudgeted unrealised gains on investments of £231,060.

FIN04/011 MANAGEMENT ACCOUNTS TO 31ST DECEMBER 2003

- 11.1 The Committee noted the management accounts which showed an operating deficit for the 9 months to 31st December of £1,241,084 against a budget of £1,241,287, a favourable variance of £203. It was noted that the results had been boosted by a further revenue grant from the Department of Health of £205,000.

- 11.2 A revaluation of the building had also taken place and this had resulted in a surplus which had further enhanced the position by £452,000. This surplus and unbudgeted unrealised gains on investments of £263,024, had contributed to the overall deficit after nine months of £526,060 against the budget of £1,241,287, a favourable variance of £715,227.

- 11.3 It was noted that grandparenting income was down. In the light of potential last-minute applications, it was confirmed that the grandparenting timings could not be extended. The Order in Council would have to be changed and it was highly unlikely that this would be permitted by Parliament.
- 11.4 It was noted that the budget for pension costs was greater than required. There was a need to have the budget in place to allow new staff to enter the scheme if they wished.

FIN04/012 INVESTMENT REPORT TO 31ST DECEMBER 2003

- 12.1 The Committee noted the report and valuation that had been received from Mr James Minett of brokers Carr Sheppards Crosthwaite. The value of the portfolio was £1,284,414 compared to £1,196,159 on 30th September 2003, an increase in value of £88,255 or 7.4%. The Secretary pointed out to the Committee that we had accounted for £263,024 of unrealised gains during the nine months to date of the financial year, together with a further £3,524 surplus on realised gains.
- 12.2 Mr Lea noted that the brokers had divested the fund of its interest in BOC Group for ethical reasons.

FIN04/013 HUMAN RESOURCES REPORT

- 13.1 The Human Resources Director, Miss Denise Thompson, reported that the latest phase of Partners Recruitment had begun last September with advertisements being placed until late October. Additionally, a registrant mail-out had been organised for members of the Clinical Scientist profession and in particular members from certain modalities.
- 13.2 The sifting and short-listing stage for some of the professions began in November. Interviews began in January and would continue until at least May.
- 13.3 One noticeable development since the first phase of partners' appointments had been the increase in requests for feedback from applicants.
- 13.4 In terms of partner numbers so far, 350 partners have been appointed since the start of the exercise. 142 prospective partners are currently in the clearance process. 98 individuals are awaiting interview and less than 20 applications have yet to be sifted and short-listed. Applications are still being received.
- 13.5 In respect of the training of Registration Assessors, an ongoing programme of one day training events began last September. Further dates are in the process of being arranged appointed under phase 2. These are likely to be arranged for April onwards.
- 13.6 In respect of practice panel training two day events began last year. Further dates are being identified for panel members recruited under phase 2.

13.7 Training for visitors will be offered in June. Visitors will receive a letter explaining the timing of training.

FIN04/014 ANY OTHER BUSINESS

14.1 There was no Any Other Business

FIN04/015 DATE AND TIME OF NEXT MEETING

15.1 The next meeting was confirmed as Wednesday 17th March 2004 at 10 a.m. (or as soon after the completion of the Audit Committee as possible) at the Novotel Hotel, London City South, Southwark Bridge Road. Anyone wishing to reserve a room the night before should indicate to the Secretary as soon as possible.

15.2 The Secretary reminded the Committee that the meeting would be preceded by a meeting at 9 a.m. of the Audit Committee and that the Finance & Resources Committee would sit as the Remuneration Committee prior to commencing its normal business.

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