

Unconfirmed**THE HEALTH PROFESSIONS COUNCIL**

Chief Executive and Registrar: Mr Marc Seale

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MINUTES of the twenty-seventh meeting of the Finance and Resources Committee held on **Wednesday 8 February 2006** at Park House, 184 Kennington Park Road, London, SE11 4BU.

PRESENT: Mr R Clegg (Chairman)
 Professor N Brook
 Mr J Camp
 Mrs M Clark-Glass
 Mr M C Davies
 Dr R Jones
 Mr W Munro
 Mr D Ross
 Mr K Ross
 Ms J Sheridan
 Mrs B Stuart

IN ATTENDANCE:

Mr C Bendall, Secretary to the Committee
 Mr M Benson, Baker Tilly
 Mr R Dunn, Director of Corporate Services
 Ms L Foster, Human Resources Manager
 Mr M Harris, Baker Tilly
 Mr S Leicester, Finance Manager
 Ms L McKell, Partner Manager
 Mr G Ross-Sampson, Director of Operations
 Mr M Seale, Chief Executive and Registrar

Item 1.06/1 APOLOGIES FOR ABSENCE

- 1.1 There were no apologies for absence. The Chairman welcomed Dr Jones and Mr Daniel Ross to the meeting.

Item 2.06/2 APPROVAL OF AGENDA

- 2.1 The Committee approved the agenda.

Item 3.06/3 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 21 NOVEMBER 2005

- 3.1 It was agreed that the minutes of the twenty-sixth meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 4.06/4 MATTERS ARISING

- 4.1 The Committee received a paper to note from the Executive.
- 4.2 The Committee noted the actions list as agreed at the last meeting.

Item 5.06/5 FINANCE REPORT

- 5.1 The Committee received a report on the work of the Finance Department.
- 5.2 The Committee noted significant financial projects/issues, including completion of version 3 of the 2006-7 budget (for discussion/approval at the Committee meeting on 22 March); action on outstanding insurance issues; and updating the Financial Procedures manual and encouraging greater role cross-training within the Department.

Item 6.06/6 HUMAN RESOURCES DEPARTMENT REPORT

- 6.1 The Committee received a report on the work of the Human Resources Department.
- 6.2 The Committee noted that several new positions had recently been advertised: two Education Administrators (Approvals) in the Education Department; a Registrations Manager (Operations); and a Case Manager in the Fitness to Practise Department. The Committee noted that the position of IT Back Office Systems Administrator and Developer had been filled.
- 6.3 The Committee noted that, following advertising in November, no applicants for the post of Policy Manager (Education) had been short listed for interview and alternative recruitment strategies were being considered. The Committee agreed that this was a key post and it was important that it should be filled as soon as possible. The Committee noted that several publications, which could be used for any re-advertisement, had been identified.
- 6.4 The Committee noted that the Human Resources Department had co-ordinated a Training Needs Analysis to formulate a structured training plan. The Committee noted that this would allow the HPC to meet the International Organisation for Standardisation (ISO) requirements and

would contribute towards the longer term goal of achieving the Investors in People standard.

Item 7.06/7 PARTNER MANAGER REPORT

- 7.1 The Committee received a report on the work of the Partner Manager.
- 7.2 The Committee noted that three non-Council Committee members had recently been appointed. In addition to the appointment of Mr Daniel Ross as the accountant member of the Committee, Mr Richard Kennett had been appointed as the accountant member of the Audit Committee and Mr Steven Hutchins as the Prosthetist and Orthotist member of the Education and Training Committee.
- 7.3 The Committee noted that interviews for three Prosthetist and Orthotist Panel Members were due to be held on 27 February.
- 7.4 The Committee noted that the Partner Performance Appraisal system had been presented to the relevant Committees and was being amended to take account of Committee members' comments before the final draft was submitted to the Council meeting on 1 March.
- 7.5 The Committee noted that the Partner Manager was meeting the Education, International Registration and Fitness to Practise Departments to determine the re-appointment process for Partners. 296 contracts for Partners would expire in May-September 2006 and it was intended that a process would be implemented to match Partner numbers to forecast business needs. The Committee noted that the re-appointment process would be submitted to the Council meeting on 1 March.

Action: LM (by 1 March 2006)

- 7.6 The Committee noted that, although some Partners had not had the opportunity to undertake work for the HPC, all existing Partners would be given the opportunity to re-apply.

Item 8.06/8 CORPORATE SERVICES REPORT

- 8.1 The Committee received a report on the work of the Corporate Services Director, covering Information Technology, ISO, Office Services and Information Services.
- 8.2 The Committee noted that the HPC's Intelligent Character Recognition renewals system was working well, with more than 1,000 renewal applications processed in one day.
- 8.3 The Committee noted that the direct debit scheme used in the UK was being updated to use internet technology. Initial testing of the

developed software linking the HPC's registration database and the direct debit process had taken place. Minor work was required before Registration Officer training could begin.

Item 9.06/9 RACE RELATIONS AMENDMENT ACT 2000 - RESPONSE

- 9.1 The Committee received a paper for discussion/approval from the Executive.
- 9.2 The Committee noted that, at its meeting on 20 September 2005, approval had been given to seek further external advice on the HPC's obligations under the Race Relations (Amendment) Act and how best to address these. A proposed Equality and Diversity Scheme had been developed for the Committee's consideration and was attached to the paper.
- 9.3 The Committee noted that the Executive Management Team was developing strategies and timetables to address the proposed Scheme and obligations under the Act. Following an initial risk assessment by the Executive Management Team, it was proposed that three areas were in need of the most immediate attention: the Fitness to Practise Department, International Registration Department and Communications Department. These areas had been identified because Fitness to Practise allegations and registration applications by international professionals had been the focus of claims by ethnic minority groups (e.g. forms had been found to be more user-friendly to people with less English skills than letters when making allegations). The Communications Department was also seen as a key priority due to the need to demonstrate that the HPC was targeting media strategies and campaigns at people from minority groups and increasing the provision of information about regulation to people in these groups.
- 9.4 The Committee noted that, in order to assess the outcome of Fitness to Practise cases or registration applications, it would be necessary to compile data from the HPC's records and this would require significant resources (e.g. employees' time). The Committee noted that the HPC's training budget had made provision for equality and diversity training across the HPC.
- 9.5 The Committee discussed whether it was necessary to include an introductory sentence in each policy of the Scheme. The Committee agreed that the Executive should consider whether this was necessary.
- 9.6 The Committee agreed the proposed Equality and Diversity Scheme and noted that it would be submitted to the Council meeting to be held on 1 March.

Action: MJS (by 1 March 2006)

- 9.7 The Committee agreed the proposed action plan to target the areas of Fitness to Practise, International Registration and Communications as a first priority.

Action: Executive Management Team (ongoing)

Item 10.06/10 STRATEGIC INTENT

- 10.1 The Committee received a paper for discussion/approval from the Executive.
- 10.2 The Committee noted that the draft Strategic Intent had been presented to Council on 6 December. The Committee noted that comments from all Committees and individual Council members would be incorporated into a revised draft which would be re-presented to the Council on 1 March.
- 10.3 The Committee noted that individual members had provided input about the draft Strategic Intent at the informal Council workshop meeting held on 7 February. The Committee agreed that it would be more productive for Council to consider the revised draft document on 1 March.

Action: MJS (by 1 March 2006)

Item 11.06/11 INTERNATIONAL SCRUTINY FEES

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that the Management Accountant had undertaken some initial revenue modelling work in October 2005 to examine the impact of increasing the International Scrutiny fee from £200 to £300 per application from 1 January 2007. A meeting had been held in December 2005 with Mr Jonathan Bracken, the HPC's solicitor and Parliamentary agent, to discuss the process and timeframe for the proposed increase. The Committee noted that the proposed increase would also be submitted to the Education and Training Committee for consideration. The Committee noted that, under Section 45(1) of the Health Professions Order 2001, the HPC was required to seek the Privy Council's approval for fees.
- 11.3 The Committee noted that the direct cost of scrutinising International applications was estimated at approximately £290 per application (mostly comprised of Assessor and HPC employee costs) with further indirect costs (e.g. property and office services) on top.
- 11.4 The Committee agreed that the increase in the fee should take full account of all direct and indirect costs and forecast inflation. The

Committee agreed that the Finance Department should identify all costs involved and seek information on the method used by other regulators, in order to recalculate the proposed scrutiny fee. The Committee agreed that it should reconsider the issue once this information was available.

Action: SL/Finance Department (by 30 March 2006)

Item 12.05/12 MANAGEMENT ACCOUNTS FOR YEAR TO DECEMBER 2005

- 12.1 The Committee received a paper to note from the Executive. The Committee noted that the decrease in Working Capital on page 2 of the paper should read £292,000.
- 12.2 The Committee noted that, after nine months of the financial year, the HPC had budgeted an operating deficit of approximately £97,000. The actual result for the year to date was a surplus of approximately £865,400, a favourable variance of approximately £962,400.
- 12.3 The Committee noted that, after six months, actual income including investment income totalled £8.6 million and expenditure totalled £7.5 million, giving an overall surplus of approximately £1.1 million. The Committee noted that it was expected that the surplus would reduce as the financial year drew to a close, as appointments to some positions had been deferred.
- 12.4 The Committee noted that the budget included provision for early retirement.
- 12.5 The Committee thanked the Management Accountant and the Finance Manager for their work in compiling the accounts.

Item 13.05/13 COMMITTEE MEMBERSHIP

- 13.1 The Committee received a paper to note from the Executive.
- 13.2 The Committee noted that Mr Paul Acres had recently been nominated to the Audit Committee by the President. The Committee noted that the Council had agreed at its meeting on 5 October 2005 that membership of the Finance and Resources Committee and the Audit Committee should be separate and Mr Acres had therefore decided to step down from the Finance and Resources Committee.
- 13.3 The Committee noted that, with the agreement of the Chairman, the Secretary to the Committee had circulated an e-mail to Council members on 23 January to invite expressions of interest for the vacancy on the Committee by 10 February.
- 13.4 The Committee noted that, subject to Council ratification on 1 March, the proposed membership of the Audit Committee was: Mr Paul Acres,

Professor Tony Hazell, Mr Richard Kennett (Accountant Member), Professor Carol Lloyd and Mr Douglas Proctor.

- 13.5 The Committee noted that Mr Kennett and Mr Daniel Ross had suggested that they should observe their counterpart's Committee meetings in order to ensure that committee business did not impact on the other Committee's area of work. The Committee agreed that, subject to confirmation that there was nothing in the Standing Orders of each Committee to prevent this, the Accountant Members should observe their counterpart's Committee meetings.

Action: CB (by 1 March 2006)

Item 14.06/14 PERFORMANCE REVIEW SYSTEM

- 14.1 The Committee received a paper for information from the Executive.
- 14.2 The Committee noted that annual performance reviews for employees were being held across the HPC during February. The Committee noted that the performance review was used to address performance and development and set goals and objectives for the coming year. The performance review system was essentially the same system as used in previous years. However, competencies had been added for assessment, as a result of requests from management and feedback from employees in consultation groups.
- 14.3 The Committee noted that the performance review system would be kept under consideration by the Human Resources Department and that it might be necessary to develop a separate set of competencies for use by managers.

Item 15.06/15 ANY OTHER BUSINESS

- 15.1 There was no other business.

Item 16.06/16 DATE AND TIME OF NEXT MEETING

- 16.1 The Committee agreed that the Remuneration Committee should meet at 10.30 am on Wednesday 22 March and that the Finance and Resources Committee should meet at 11.30 am on the same day.
- 16.2 Subsequent meetings of the Finance and Resources Committee would be held at 10.30 am on:-

Thursday 27 April 2006

Thursday 22 June 2006

Friday 28 July 2006

Monday 18 September 2006

Monday 20 November 2006

Wednesday 7 February 2007

Wednesday 21 March 2007

Thursday 26 April 2007

Thursday 21 June 2007

CHAIRMAN

DATE

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