

**HEALTH PROFESSIONS COUNCIL**  
**FINANCE AND RESOURCES COMMITTEE**

**DRAFT MINUTES**

**of the 2nd Meeting of the Finance and Resources Committee held at Park House, 184  
Kennington Park Road, London, SE11 4BU on Thursday 30<sup>th</sup> May 2002**

**PRESENT**

Mr Colin Lea, Chairman  
Mr Michael W Barham  
Mr Keith M Ross  
Mrs Barbara A Stuart  
Mr Neil Willis  
Dr Sandy Yule  
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 Robert Clegg, Professor John Harper, Mr William A Munro, 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 to avoid misunderstanding the words “in total for all staff” be added to Minute 11.2.

3.2 Subject to this change it was agreed that the minutes of the first 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 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**

Further work is to be done on this item now that format of the Council's Standing Orders was confirmed. It was anticipated that these standing orders be brought to the next meeting for approval.

**ACTION: PKHB**

4.3 **Standing Financial Instructions**

A first draft had been typed but will now be subjected to appropriate editing and scrutiny by the auditors.

**ACTION: PKHB/BDO Stoy Hayward**

4.4 **Stoy Hayward System Review**

Report yet to be studied in detail

**ACTION: PKHB/BDO Stoy Hayward**

4.5 **Training for Council Members and Finance & Resources Committee**

This would be conducted by BDO Stoy Hayward in London later in the year. It was agreed that this should be scheduled during the first two weeks of November.

**ACTION: PKHB/BDO Stoy Hayward**

4.6 **Investment Terms of Reference**

Work is progressing and a recommendation would be brought to the next meeting. The subject of ethical investments would be considered.

**ACTION: PKHB**

4.7 **Audit Committee**

The Chairman was in consultation with the President as to who should be sought from outside the Finance and Resources Committee to join the Audit Committee.

**ACTION: Chairman**

4.8 The following items were also discussed:

4.9 **Cheque signatories**

No further work was being done on this item until the views of the auditors had been sought.

**ACTION: PKHB**

4.10 **Telephone system**

Installation had commenced, the project to be completed within 4 – 5 weeks.

**5. AUDITED ACCOUNTS (CPSM)**

5.1 The Committee approved the audited accounts of CPSM, which showed a revised deficit of £92,000. After having taken legal advice it was agreed that the President

and Chief Executive and Registrar should sign the accounts and a letter of representation on behalf of Council.

**COUNCIL RATIFICATION REQUIRED**

- 5.2 The Committee noted the management letter from the auditors. It was informed that the recommendations would be fully implemented during the current year.
- 5.3 At this point, the Chairman confirmed that the Secretary, Paul Baker, had been appointed Director of Finance and offered his congratulations.

**6 EXPENSES POLICY**

- 6.1 Mr Keith Breckell of BDO Stoy Hayward attended the meeting and advised the Committee of the tax implications of being paid as Council Members. It was noted that unless Members were self employed, where they should submit invoices for their attendance allowances, or were employed and their attendance allowances were invoiced by their employers, the Members were treated as Office Holders and would be subject to tax on the attendance allowances under the PAYE rules. Payments would be made through the payroll and tax paid over.
- 6.2 Similarly those on the payroll through 6.1 above were considered as having Park House as their place of employment under the Inland Revenue rules. Travel “home to office” was disallowable expenditure under tax legislation and in theory at least tax should be deducted from such payments. The Committee agreed that where this was the case, expense claims should be grossed up and HPC would deduct the tax from the gross amount and pay it to the Inland Revenue.
- 6.3 It was agreed that the Secretary consult every member of Council independently about their status and implement procedures to ensure that each was treated correctly. During this consultation process, Keith Breckell (or a member of his staff) should be available to advise individuals as required. Keith Breckell was also asked to prepare a brief summary paper of the rules/legislation.

**ACTION: PKHB/BDO Stoy Hayward**

- 6.4 Discussion took place about Care Allowances and it was agreed that before the Committee could make a specific proposal, the Secretary should find out from each Council Member whether such claims were likely to be made in their case.

**ACTION: PKHB**

- 6.5 It was agreed that the Staff Expenses Policy would follow the Council Members’ Policy in respect of the staff who report directly to the Chief Executive. Other staff should use Standard Class rail or air travel unless they were travelling with a more senior person where that persons’ rules would apply.

**COUNCIL RATIFICATION REQUIRED**

- 6.6 It was noted that an Expense Policy for other partners could not be determined until after the consultation process had been completed. In the meantime CPSM rules would apply. It was likely that recommendations would be brought to the Committee in October.

**ACTION: PKHB**

## **7 LEGAL EXPENSES INSURANCE**

- 7.1 Two quotes had been received from Market Syndicate 3000 at Lloyd's to cover legal expenses incurred by external solicitors/counsel in dealing with cases that are brought before the Disciplinary Committee including the defence of any Judicial Review against the HPC.
- 7.2 After discussion it was agreed that cover limited to £500,000 on any one claim and in aggregate for any matters notified to the Underwriters during the period of insurance (one year's cover) should be purchased at a cost of £31,500 inclusive of Insurance Premium Tax. The first £100,000 of any one claim was at the risk of HPC and not covered by this insurance.
- 7.3 It was agreed that after one year, consideration should be given to increasing the cover to £1,000,000.

### **COUNCIL RATIFICATION REQUIRED**

## **8 OFFICE ACCOMMODATION**

- 8.1 A presentation was made by Jane Clay of DEGW Plc and John Desmond of Bernard Williams and Partners concerning their work to date on reassessing Park House. It was noted that modernisation of the building, including enlarging the Council Chamber and providing a modern work environment was currently estimated at £750,000 plus VAT. Such improvements were necessary as it was possible that the number of registrants could increase by 50% before too long and already additional staff had been employed.
- 8.2 It was noted that this project would totally be funded by Department of Health grant.
- 8.3 It was agreed that the project should continue and that the Committee should be appraised of progress on a monthly basis. Proposed detailed costings and the tender document should be reviewed by the Committee in due course and brought to Council.

## **8 PAYROLL POLICY**

- 8.1 The HR Director, Denise Thompson, presented a paper, which discussed the recent review of the Salary Structure of the organisation. This work had been undertaken by the HR Consultant, Jackie Hammond, and Richard Bulgin of the Reward Group. The review had included a complete rewriting of all job specifications in a common manner. This in itself had assisted in the payroll review.
- 9.2 The main finding was that the pay rates in use were not in most cases far away from the market rates for the "not for profit" sector. The budget effect of upgrading the salaries in line with the "Reward" recommendations net of some other planned adjustments would be an increase of costs of around £20,000 on basic pay.
- 9.3 Notwithstanding these details the Committee felt that it needed further information on the grading system, pay scales and the effects on individuals now and in the future before they could sanction any changes.

- 9.4 It was agreed that further information would be brought to the next meeting, although it was noted that the staff were likely to be disappointed that progress on this matter was slower than had originally been planned.
- 9.5 It was noted that the Director of Finance and HR Director who were present at the meeting could potentially have a vested interest in the results of this item although those staff members who had been recruited whilst the project was underway had their initial salaries set in line with the Reward guidelines.

**ACTION: HR Director/PKHB**

**10 BUDGET 2002/3**

**11 MANAGEMENT ACCOUNTS TO 30 APRIL 2002**

**These items were deferred**

**12 CREDIT CARD RISK ASSESSMENT**

- 12.1 The paper from the Director Operations was noted

**13 FUTURE MEETINGS IN 2002/3**

- 13.1 The dates noted on the paper were agreed as follows:

- Thursday 27 June
- Tuesday 30 July
- Tuesday 24 September
- Tuesday 29 October
- Tuesday 26 November

At this point the meeting became inquorate and was adjourned.

Signed ..... (Chairman)

Date.....