

Finance and Resources Committee

Public minutes of the 53rd meeting of the Finance and Resources Committee held as follows:-

Date: Tuesday 15 September 2009

Time: 10:30am

Venue: The Council Chamber, Health Professions Council, Park House, 184 Kennington Park Road, London SE11 4BU

Present: Mr R Kennett (Chair)
Dr M Cross
Ms J Drown
Professor J Harper
Dr A Midha
Mr K Ross
Ms E Thornton
Mr N Willis

In attendance:

Mr C Bendall, Secretary to the Committee
Mr D Blacher, Baker Tilly (items 1–6 inclusive)
Mr G Butler, Director of Finance
Mr R Dunn, Head of Business Process Improvement
Mr G Gaskins, Director of Information Technology
Ms T Haskins, Director of Human Resources
Ms D McWilliams, Baker Tilly (items 1-6 inclusive)
Ms C Milner, Financial Controller
Ms K Neuschafer, Partner Manager
Ms C Reed, Projects Manager
Mr G Ross-Sampson, Director of Operations
Dr A van der Gaag, Council Chair
Mr R Welsby, Information Technology Service Support Manager

Item 1.09/138 Apologies for absence

- 1.1 The Chair welcomed Mr Blacher and Ms McWilliams.
- 1.2 Apologies for absence were received from Mrs M Clark-Glass, Mrs S Drayton and the Chief Executive and Registrar.

Item 2.09/139 Approval of agenda

- 2.1 The Committee approved the agenda, subject to considering a tabled paper on 22-26 Stannary Street Limited as item 6.

Item 3.09/140 Declarations of members' interests

- 3.1 Members had no interests to declare in connection with the items on the agenda.

Item 4.09/141 Minutes of the Finance and Resources Committee meeting held on 30 July 2009 (report ref: FRC 97/09)

- 4.1 It was agreed that the minutes of the 52nd meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.09/142 Matters arising (report ref: FRC 98/09)

- 5.1 The Committee received a paper to note from the Executive.
- 5.2 The Committee noted the actions list as agreed at the last meeting.
- 5.3 The Committee noted that, in respect of the discussion about contract signing limits at the last meeting, the Executive had prepared a table detailing the agreed signatories against the approved limits. The Committee noted that members of the Executive Management Team or the designated budget holder could authorise a supplier contract up to £25,000. The Chair, the Chief Executive and Registrar or the Chair of the Finance and Resources Committee could authorise a supplier contract over that amount. The table was available from the Director of Finance if required by members.

Item 6.09/143 22-26 Stannary Street Limited

- 6.1 The Committee received a tabled paper for discussion/approval from the Executive.

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2009-09-15	a	F&R	MIN	Minutes Finance and Resources Committee 15 September 2009 public meeting	Final DD: None	Public RD: None

- 6.2 The Committee noted that, in 2005, HPC had acquired 22-26 Stannary Street Limited ('the company') in order to acquire the property at that address. The company held the property and charged HPC a commercial rent. The Executive felt that there would be a number of advantages to winding up the company, including simplifying accounting, simplifying statutory reporting and eliminating the need for company directors and filing company returns. It was proposed that, as part of the winding up process, the property at 22-26 Stannary Street should be transferred to HPC.
- 6.3 The Committee noted that it was proposed that Baker Tilly should write to HM Revenue and Customs (HMRC) to seek a pre-transaction ruling that a transfer of the property would be acceptable and there would be no tax implications for HPC. It was expected that HMRC would respond within 30 days and that, provided there were no tax implications, the property could be transferred to HPC and HPC could seek to wind up 22-26 Stannary Street Ltd.
- 6.4 The Committee noted that, if the reply from HMRC indicated that there would be a potential tax liability, then it would be possible for the property to be transferred to HPC by the end of the 2009-10 financial year and for 22-26 Stannary Street Ltd to become a dormant company.
- 6.5 The Committee noted that the Audit Committee on 29 September 2009 would also be asked to agree to this proposal. The Committee agreed that, following Audit Committee approval, Baker Tilly should write to HM Revenue and Customs to seek a pre-transaction ruling.

Action: GB (by 29 September 2009)

Item 7.09/144 Finance report (report ref: FRC 99/09)

- 7.1 The Committee received a report on the work of the Finance Department. The Committee noted that the format of the report had been revised to incorporate the management accounts, which were presented with notes describing the reasons for significant variances in income and expenditure.
- 7.2 The Committee agreed that the revised format of the report was useful. In discussion, the following points were made:
- the narrative for the management accounts and the notes tended to duplicate content and the need for the narrative should be reviewed;
 - it was possible that the Council would require a brief summary of the financial position, possibly provided through graphs. The

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Council should be asked to discuss what financial information it required and whether it required a report from the Finance and Resources Committee on its view of HPC's financial position.

Action: GB (by 7 October 2009)

- 7.3 The Committee noted that the Executive was working to wind up the pension scheme previously provided by the Council for Professions Supplementary to Medicine. It was intended that the scheme would be wound up by the end of the 2009-10 financial year, although progress would be dependent on work by external advisers and the pension provider.
- 7.4 The Committee noted that the financial statements for 2008-9 had been converted to comply with International Financial Reporting Standards (IFRS), in order to meet public sector accounting requirements from HM Treasury. The draft statements had been submitted to Baker Tilly and the Comptroller and Auditor General for review.
- 7.5 In connection with the management accounts for the period to 31 July 2009, the Committee noted that registration income from international scrutiny fees was £70,000 below budget. This was because the average number of applications per month was below the budgeted level.
- 7.6 The Committee noted that there had been a favourable variance of approximately £168,000 in expenditure by the Partners Department. The variance comprised a release of an accrual of £63,000 from a previous financial year and lower expenditure than expected on assessments of international applications.
- 7.7 The Committee noted that payment dates for HPC's suppliers had been slightly revised, in order to improve cash flow.
- 7.8 The Committee noted that HPC's pension advisers were monitoring the proposed takeover of Friends Provident and, once the outcome was known, would advise employees who were members of the pension scheme.
- 7.9 The Committee noted that the Executive was working to ensure a good return on money held at HPC's banks, although the rates currently offered were poor.

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Item 8.09/145 Human Resources report (report ref: FRC 100/09)

- 8.1 The Committee received a report on the work of the Human Resources Department.
- 8.2 The Committee noted that employee representatives had been appointed to the new employee consultation group. Training of employee and management representatives would take place later in September and the first meeting of the group was likely to take place in October 2009.

Item 9.09/146 Partner Manager report (report ref: FRC 101/09)

- 9.1 The Committee received a report on the work of the Partner Manager.
- 9.2 The Committee noted that recruitment was underway for Continuing Professional Development assessors for radiographers. Assessors would be recruited for the three remaining professions as their registration became due for renewal.
- 9.3 The Committee noted that a second round of recruitment was underway to fill partner roles, in readiness for hearing aid dispensers being regulated by HPC in April 2010. There were vacancies for two registration assessors and three panel members which had not been filled from the first round of advertising undertaken in early 2009. The Committee noted that progress would be reported to its next meeting.
- 9.4 The Committee agreed that it would be helpful if future reports could indicate whether partner numbers were sufficient to carry out HPC's work.

Item 10.09/147 Information Technology report (report ref: FRC 102/09)

- 10.1 The Committee received a report on the work of the Information Technology Department.
- 10.2 The Committee noted that the Department's work had included the following activities:
 - replacing the file and print server and resolving an underlying technical issue;
 - cabling and infrastructure for the additional storey on 22-26 Stannary Street;
 - taking steps to resolve an issue with the NetRegulate registration system, which had occurred on 27 July 2009;

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- working with suppliers to ensure provision of a leased line for the online renewals project. Delays had been incurred due to issues raised by sub-contractors on the entry point into HPC's building. It was expected that the line would be laid in the week ending 18 September 2009. The Committee noted there were no direct costs from the delay, although there had been an impact on the online renewals project. Further discussion about the project took place under item 11.

Item 11.09/148 Operations report (report ref: FRC 103/09)

- 11.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement. Additional pages on project management were tabled.
- 11.2 The Committee thanked the Registration Department for their achievements, including answering 98.5% of telephone calls within 30 seconds, managing the renewal process for several professions and the transfer of practitioner psychologists to the Register. The Committee noted that there had been clear improvements in the percentage of paramedics and orthoptists who had lapsed from the Register. This reflected work by HPC, employers and professional bodies to raise awareness of the importance of renewing registration. The Committee noted that individual registrants were responsible for renewing their registration.
- 11.3 The Committee noted that the Executive was reviewing service standards in the Registration Department and considering how to measure the quality of registrants' contact with HPC.
- 11.4 The Committee noted that the final account had been agreed for phase 1 of work to 22-26 Stannary Street. Phase 2 of work (an additional storey) had been completed and was in use by HPC.
- 11.5 The Committee noted that the online renewals project had experienced an eight-week delay, due to the following reasons:
- user acceptance testing had progressed well, but a number of additional requirements had been identified;
 - issues with the infrastructure being built by a supplier; and
 - the delay in providing the leased line, discussed at paragraph 10.2 above.

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The Committee noted that it was now expected that the project would be closed in mid-December 2009.

- 11.6 The Committee noted that access control points were to be installed at a number of points in HPC's office, to improve security.

Item 12.09/149 Provision of laptop computers for members (report ref: FRC 104/09)

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that a number of members had asked the Executive to consider providing laptop computers for Council and Committee members. A small number of members used their own personal laptop computers to access meeting papers which were sent to them by e-mail.
- 12.3 The Committee noted that, given the small size of the Information Technology Department, it would be onerous for it to take on responsibility of supporting geographically distributed computer equipment and so the maintenance and support function would be the responsibility of individual members.
- 12.4 In discussion, the following points were made:
- the proposed allowance of £1500, payable on receipt of the hardware, was felt to be excessive;
 - the intention in providing laptops was to reduce the amount of paper consumed in Council and Committee papers, reduce the substantial cost of printing and posting papers, avoid relying on Royal Mail services (which were currently subject to disruption caused by industrial action) and improve the portability of papers; and
 - members would welcome guidance from the Executive on a suitable minimum specification for hardware and software for laptops.
- 12.5 The Committee agreed to recommend to Council that an allowance should be made available to Council and Committee members for the cost of purchasing a laptop for the explicit purpose of reading electronic versions of HPC papers. The Committee agreed that the points made in paragraph 12.4 should be incorporated into the paper submitted to the Council.

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12.6 The Committee noted that some members felt that further consideration should be given to how HPC could support Council members in working effectively. The Committee noted that this was addressed through individual members' performance reviews and audit of the Council's work.

Item 13.09/150 Risk register update (report ref: FRC 105/09)

13.1 The Committee received a paper for discussion/approval from the Executive.

13.2 The Committee noted that the risk register was updated every six months, to take account of input from risk owners. The Committee noted details of risks which had been revised. The Committee noted that the Audit Committee was responsible under its terms of reference for considering risk management processes.

13.3 In discussion, the following points were made:

- the risk of loss of reputation was scored as a high risk, although this was not due to a specific reason. Any activity had the potential to harm HPC's reputation, but this was mitigated by ensuring that procedures were robust;
- the risk of a physical assault on an employee/partner by attendees at a hearing was perhaps less likely than indicated in the register;
- consideration should be given to the risk of a backlash against regulation (e.g. through political change); and
- consideration should be given to whether there were risks associated with the previous and current pension schemes provided to HPC employees.

Item 14.09/151 Any other business

14.1 The Committee noted that the Executive had recently asked members to suggest topics to be included in training for the Committee. A number of suggestions had been received and training would be arranged to follow the meeting on 17 November 2009.

Item 15.09/152 Date and time of next meeting

15.1 The next meeting of the Committee would be held at 10.30 am on Tuesday 17 November 2009.

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- 15.2 Subsequent meetings would be held at 10.30 am on
 Wednesday 10 February 2010
 Thursday 4 March 2010 (Remuneration Committee)
 Wednesday 17 March 2010
 Thursday 29 April 2010
 Thursday 17 June 2010
 Thursday 29 July 2010

Resolution

The Committee agreed to adopt the following resolution:

'The Committee hereby resolves that the remainder of the meeting shall be held in private, because the matters being discussed relate to one or more of the following;

- (1) information relating to a registrant, former registrant or applicant for registration;
- (2) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (3) the terms of, or expenditure under, a tender or contract for the purchase or supply of goods or services or the acquisition or disposal of property;
- (4) negotiations or consultation concerning labour relations between the Council and its employees;
- (5) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (6) action being taken to prevent or detect crime or to prosecute offenders;
- (7) the source of information given to the Committee in confidence; or
- (8) any other matter which, in the opinion of the Chair, is confidential or the public disclosure of which would prejudice the effective discharge of the Committee's or Council's functions.'

Summary of those matters considered whilst the public were excluded

Item 16.09/153 Minutes of the private part of the Finance and Resources Committee of 30 July 2009 (report ref: FRC 106/09)

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 30 July 2009, subject to a minor amendment.

Item 17.09/154 Matters arising

There were no matters arising.

Item 18.09/155 Any other business

There was no other business.

**Chair
Date**

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