
Finance and Resources Committee

Public minutes of the 65th meeting of the Finance and Resources Committee held as follows:-

Date: Wednesday 7 September 2011

Time: 10:30 am

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

Present: Richard Kennett (Chair)
Mary Clark-Glass
Malcolm Cross
Julia Drown
Arun Midha
Keith Ross

In attendance:

Colin Bendall, Secretary to the Committee
Martin Burgess, National Audit Office (items 1-5 inclusive)
Gary Butler, Director of Finance
Ruth Cooper, Personal Assistant to Director of Operations
Roy Dunn, Head of Business Process Improvement
Guy Gaskins, Director of Information Technology
Hayley Graham, Partner Manager
Teresa Haskins, Director of Human Resources
Richard Houghton, Head of Registration
Jeff Lucas, Chair, Audit Committee (observer)
Charlotte Milner, Financial Controller
Greg Ross-Sampson, Director of Operations
Anna van der Gaag, Council Chair

Item 1.11/81 Apologies for absence

- 1.1 Apologies for absence were received from Sheila Drayton, John Harper and Eileen Thornton. The Committee noted that the Chief Executive and Registrar was attending a regulatory conference in the USA.
- 1.2 The Chair welcomed Mr Burgess of the National Audit Office to the meeting.

Item 2.11/82 Approval of agenda

- 2.1 The Committee approved the agenda, subject to holding the private meeting first, so that Mr Burgess could leave. The Committee agreed that the agenda for the private part of the meeting should be re-arranged to consider the items on deferred income first and to include two tabled papers for discussion/approval:
 - Deferred income – reconciliation of figures (as item 20); and
 - Alternative process to the integration of social workers in England into the HPC renewal cycle (as part of item 22).

Item 3.11/83 Declarations of members' interests

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

Item 4.11/84 Minutes of the Finance and Resources Committee meeting of 21 June 2011 (report ref: FRC 62/11)

- 4.1 It was agreed that the minutes of the 64th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.11/85 Matters arising (report ref: FRC 63/11)

- 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.

Item 6.11/86 Finance report (report ref: FRC 64/11)

- 6.1 The Committee received a report on the work of the Finance Department.
- 6.2 The Committee noted that, for the financial year to 31 July 2011, income was 1.2% above budget and expenditure was 2.8% below budget. The costs relating to the project to transfer regulatory functions from the

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2011-09-11	a	F&R	MIN	Minutes Finance and Resources Committee 7 September 2011 public meeting	Draft DD: None	Public RD: None

General Social Care Council would be reimbursed through a grant from the Department of Health.

- 6.3 The Committee noted that the six-month reforecast of the year-end financial position and the Five Year Plan would be presented to the next meeting.
- 6.4 The Committee noted that the consolidated cash flow statement for the year to 31 July 2011 showed a balance of £7.52 m, which was £1.48 m above budget. The Committee noted that this was due to delays in a number of capital projects.

Item 7.11/87 Human Resources report (report ref: FRC 65/11)

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted that recruitment had taken place for a number of posts in the Education, Finance, Fitness to Practise and Registration departments. The Committee noted that some posts had been filled through internal promotions.
- 7.3 The Committee noted that employees had been invited to participate in an employee attitude survey in July 2011. The Department was analysing the results of the survey, which would be considered by the Executive Management Team and reported to all employees in late September 2011. Individual departments would be asked to address any specific issues which had been raised by employees in those departments. The Committee noted that the results would be reported in detail to its next meeting, but the results had been generally positive.
- 7.4 The Committee noted that three new employee representatives had been appointed to the Employee Consultation Group, following a nominations process in July 2011. The new representatives would join three existing representatives who had been re-nominated to serve for a further two-year term.
- 7.5 The Committee noted that training courses in July and August 2011 had covered a number of topics, in line with the organisational training and development plan. Further courses were due to take place later in the year. The Committee noted that some employees were also undertaking longer-term study to obtain qualifications.
- 7.6 The Committee noted that, following introduction of the new pay system in April 2011, the Department had reviewed pay-related Human Resources policies to ensure that they were consistent with the new pay band structure.

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Item 8.11/88 Partner Manager report (report ref: FRC 66/11)

- 8.1 The Committee received a report on the work of the Partner Manager.
- 8.2 The Committee noted that, since the last meeting, roles had been filled for visitors, panel members and registration assessors across seven professions. Several positions for prosthetists/orthotists had not been filled and these would be re-advertised.
- 8.3 The Committee noted that advertising had started for approximately 90 social worker partners. Some Council and committee members would assist with short-listing. Interviews were due to take place from October 2011 to January 2012 in the first instance. The Committee agreed that details of the response to the advertising campaign should be reported to its next meeting.

Action: HG (by 24 November 2011)

- 8.4 The Committee noted that the Partners function had been subject to an internal audit by Mazars, as part of the internal audit workplan for 2011-12 which had been approved by the Audit Committee.

Item 9.11/89 Information Technology report (report ref: FRC 67/11)

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted that work continued to upgrade parts of the NetRegulate registration system. There had been a number of technical issues with the project and it was expected that it would be completed by 15 October 2011.
- 9.3 The Committee noted that the Department was involved in providing IT, data and telephone services to the two units which had been leased in 33 Stannary Street. Cabling had been installed and an order for a data line had been placed with HPC's Internet Service Provider. It was expected that a data line would be available in 2-3 weeks. Employees were due to move into the offices in late November 2011.
- 9.4 The Committee noted that, on 2 August 2011, an error during an administration task had caused the NetRegulate database service to fail. This had meant that the online renewals system, the online register system and NetRegulate had been unavailable for two hours.

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- 9.5 The Committee noted that there had been an attempt to attack the online register but the attack had been unsuccessful due to the security measures in place.
- 9.6 The Committee noted that the online register had been disrupted several times in recent weeks, with searches sometimes producing no results. The Executive had established that multiple requests had been made to the online register, causing it to become unstable. The Executive did not believe this was a 'denial of service' attack, but had identified the Internet Protocol (IP) address involved and had alerted the relevant Internet Service Providers to abuse of their service. The IP address had been blocked by HPC.
- 9.7 The Committee noted that it was difficult to distinguish between genuine multiple requests to the online register and automated requests. If the issue continued, the Executive would consider changing elements of the website, but these could affect its usability. The Committee suggested that the Executive should contact other healthcare regulators to see if they had experienced similar issues recently.
- 9.8 The Committee noted that, while it was possible to identify the IP address involved, these addresses were transient and could be changed quickly. In addition, an IP address only identified a particular computer and not the individual who was using it. The Committee noted that, in common with other organisations, there were frequent attempts to attack HPC's systems.
- 9.9 The Committee noted that the Executive was responsible for providing specifications for the NetRegulate system and testing that the system met those requirements. The Committee noted that NetRegulate was bespoke software, which required rigorous testing particularly in areas such as the finance functions where there was a high degree of technical complexity; in these areas there were many permutations of transactions that required testing. The Committee noted that the IT strategy stated that HPC's preferred approach was to buy commercial off-the-shelf software and to only obtain bespoke software when necessary.

Item 10.11/90 Operations report (report ref: FRC 68/11)

- 10.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement.
- 10.2 The Committee noted that, during the recent renewals period, only 1.9% of paramedics and 3.7% of orthoptists had lapsed. These were both improved rates from the previous renewals period. The Committee noted that 61% of paramedics and 65% of orthoptists had renewed online.

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- 10.3 The Committee noted details of progress on major projects.
- 10.4 The Committee noted that a disaster recovery test had taken place on 27 May 2011. A paper on the test was noted under item 15.

Item 11.11/91 Human Resources strategy 2011-15 (report ref: FRC 69/11)

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that it had last reviewed and approved the Human Resources strategy in 2008, to cover the period 2008-11. A review of the strategy was now needed to inform future workplans and Human Resources policy priorities and to reflect and support organisational growth.
- 11.3 The Committee noted that the new strategy identified six strategic Human Resources objectives and aimed to achieve best practice across the organisation in each of these areas. Priorities included supporting employees in longer-term career development; developing management and leadership capability; and promoting a culture of high performance.
- 11.4 The Committee noted that succession planning was in place for posts and that depth of knowledge within departments would help to cover posts if they suddenly became vacant.
- 11.5 The Committee noted that the strategy was a high-level document and therefore did not include details of all the relevant legislation.
- 11.6 The Committee agreed to recommend the new Human Resources strategy to Council for approval.

Action: TH (ongoing to 2015)

Item 12.11/92 Integrating the regulation of social workers in England into the HPC renewal cycle (report ref: FRC 70/11)

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that the transfer of regulation of social workers from the General Social Care Council to HPC was dependent on approval of the Health and Social Care Bill and all timetables were therefore subject to change. The register for social workers was due to open on 1 July 2012 and a decision needed to be made on how the profession should be inserted into the existing renewal cycle. HPC's

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Registration and Fees Rules would need to be amended to include the renewal cycle for social workers. This would involve a public consultation, a decision by the Council and the amended rules being approved by the Privy Council.

12.3 The Committee noted that, if the date for transfer of regulatory functions was 1 July 2012, the Executive proposed the following arrangements:

- the Register would open to social workers in England on 1 July 2012;
- HPC would invite social workers to renew their registration around 16 July 2012;
- social workers would have approximately six weeks (or until 31 August 2012) to sign the professional declaration and pay their renewal fee for the first 31 month registration cycle (which would run from 1 September 2012 to 31 March 2015);
- social workers who did not pay the appropriate fee by 31 August 2012 and sign their professional declaration would lapse from the Register and might have to follow the readmission process to return to the Register;
- in January 2015, social workers would be invited to renew their registration for the next (two-year) registration cycle from 1 April 2015 to 31 March 2017; and
- subsequent renewal cycles for social workers in England would follow this pattern (1 April 2017 to 31 March 2019, and so on).

12.4 The Committee agreed that social workers should have the same amount of time to renew their registration for their first time as other professions. The Committee agreed that it would therefore not be appropriate to allow social workers to have approximately six weeks to sign the professional declaration and pay their renewal fee for the first registration cycle. The Committee noted that the timing of the registration cycles would be dependent on the progress of the relevant legislation.

12.5 The Committee agreed that the Executive should report to its next meeting on the likely timetable for the legislation for the transfer of regulatory functions.

Action: GRS (by 24 November 2011)

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2011-09-11	a	F&R	MIN	Minutes Finance and Resources Committee 7 September 2011 public meeting	Draft DD: None	Public RD: None

Item 13.11/93 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 71/11)

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

13.2 The Committee noted the following points:

- GSCC planned to collect registration fees until the date it was closed;
- Department of Health officials were due to attend a meeting of the project team at HPC on 20 September 2011;
- the Health and Social Care Bill was currently at Report stage in the House of Commons and was due to receive its third reading on 8 September 2011. It was possible that the Department of Health would be able to clarify the timetable for the Bill at a meeting of the Social Work Regulation Oversight Group to be held on 13 September 2011. The possibility of delays in the transfer process was of great concern to both GSCC and HPC;
- the Social Work Reform Board had discussed how GSCC's non-regulatory functions would be delivered in the future;
- it was possible that the Assessed and Supported Year in Employment for social work professionals would be the responsibility of employers. However, the Social Work Reform Board was currently discussing its policy before making a recommendation to government; and
- GSCC had recently relocated its offices from the London Bridge area to 21 Bloomsbury Street. Its Director of Operational Resources had recently left and the Chief Executive of GSCC was therefore leading on project meetings.

Item 14.11/94 Forecast of registration numbers (report ref: FRC 72/11)

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

14.2 The Committee noted that the Executive maintained a projection of application and registrant numbers, based on historic information, information at year-end and parameters such as lapsing and renewal rates, and where available, the number of graduates. The Executive had

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2011-09-11	a	F&R	MIN	Minutes Finance and Resources Committee 7 September 2011 public meeting	Draft DD: None	Public RD: None

also approached other sources of information – the Higher Education Statistics Agency and the Council for Workforce Intelligence.

14.3 In discussion, the following points were made:

- projections beyond year 2 (2013-14) were likely to be less accurate;
- the number of international applications was decreasing at a slower rate than predicted;
- the improved renewal rates in recent months might be reflected in the renewals for other professions;
- the number of herbalists who would be registered was difficult to predict at this stage, due to uncertainty over the exact model of regulation which would be used;
- the list of assumptions should be amended, to remove the reference to dance movement therapists;
- it would be helpful for the projections to take more account of the age of registrants, as it was possible that the number of retirements could increase in the next few years; and
- there was anecdotal evidence that the number of students on programmes was decreasing.

14.4 The Committee agreed that it would be helpful for the Executive to compare previous projections to actual numbers, in order to determine the margin of error in projections.

The Committee noted the following item:

Item 15.11/95 Disaster recovery test (report ref: FRC 73/11)

Item 16.11/96 Any other business

16.1 There was no other business.

Item 17.11/97 Date and time of next meeting

17.1 The next meeting of the Committee would be held at 10.30 am on Thursday 24 November 2011.

17.2 Subsequent meetings would be held at 10.30 am on

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
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Thursday 26 January 2012
Thursday 1 March 2012 (Remuneration Committee only)
Thursday 15 March 2012
Thursday 26 April 2012
Tuesday 19 June 2012
Thursday 19 July 2012
Tuesday 11 September 2012
Tuesday 20 November 2012

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 18.11/98 Deferred income – Historical difference between registration and accounting system (report ref: FRC 75/11)

The Committee discussed records of income on the registration and accounting system.

Item 19.11/99 Deferred income – registrants with a credit balance who have lapsed off the register (report ref: FRC 76/11)

The Committee discussed registrants with a credit balance who had lapsed off the register.

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Item 20.11/100 Deferred income – reconciliation of figures

The Committee noted work to reconcile figures relating to deferred income.

Item 21.11/101 Registrants’ records – Debit balances (report ref: FRC 77/11)

The Committee discussed registrants with a debit balance who were currently registered.

Item 22.11/102 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 74/11); Alternative process to the integration of social workers in England into the HPC renewal cycle

The Committee discussed issues related to the transfer of regulatory functions from the General Social Care Council to HPC. The Committee also discussed an alternative process for the integration of social workers in England into the renewal cycle.

Item 23.11/103 Capita Flexiplan pension scheme update (report ref: FRC 78/11)

The Committee noted a paper on the former employee pension scheme.

Item 24.11/104 Office accommodation (report ref: FRC 79/11)

The Committee noted a progress report on office accommodation.

Item 25.11/105 Any other business

There was no other business.

Chair

Date

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