

Finance and Resources Committee

Public minutes of the 75th meeting of the Finance and Resources Committee held on:-

Date: Tuesday 18 June 2013

Time: 10:30 am

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

Present: Richard Kennett (Chair)
Pradeep Agrawal
Jennifer Beaumont
Frank Burdett
Arun Midha
Penny Renwick
Keith Ross

In attendance:

Claire Gascoigne, Secretary to the Committee
Guy Gaskins, Director of Information Technology
Teresa Haskins, Director of Human Resources
Jeff Lucas, Chair, Audit Committee (observer)
Charlotte Milner, Head of Financial Accounting
Tim Moore, Director of Finance
Greg Ross-Sampson, Director of Operations
Marc Seale, Chief Executive and Registrar
Charlotte Urwin, Policy Manager
Anna van der Gaag, Council Chair

Item 1.13/47 Apologies for absence

- 1.1 Apologies for absence were received from Mary Clark-Glass and Sheila Drayton.

Item 2.13/48 Approval of agenda

- 2.1 The Committee approved the agenda.

Item 3.13/49 Declarations of members' interests

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

Item 4.13/50 Minutes of the Finance and Resources Committee meeting 19 March 2013 (report ref: FRC 33/13)

- 4.1 It was agreed that the public minutes of the 74th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.13/51 Matters arising (report ref: FRC 34/13)

- 5.1 The Committee noted the list of actions agreed at previous meetings.

Item 6.13/52 Finance report (report ref: FRC 35/13)

- 6.1 The Committee received a report on the work of the Finance Department.
- 6.2 The Committee noted the following points:
- income in April was £2,040k and expenditure was £1,651k, leaving an operating surplus of £389k. Investment income was £32k. This is £537k better than budget;
 - The draft Annual Report and Accounts for 2013 has now been completed and agreed with the auditors, subject to their final reviews. The draft is on the agenda of this meeting;
 - the purchase of 186, Kennington Park Road was completed on 8 April;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

- following the revised funding plan circulated after the actuarial valuation as at 31 March 2012, The HCPC has now provided in full in the 2012/2013 accounts for its estimated flexiplan pension scheme liabilities from 2014/15, totalling £314k; and
- following a recruitment campaign, Wangari Farrelly has been appointed as Procurement Manager.

6.3 The Committee noted the report.

Item 7.13/53 Human Resources report (report ref: FRC 36/13)

7.1 The Committee received a report on the work of the Human Resources Department.

7.2 The Committee noted a list of recent recruitment activity within HCPC.

7.3 The Committee noted that;

- the main focus of the Department in April, May and June had been the HR and Partners process and systems review project. The team carried out a review of current processes and devising and documenting revised business processes in line with the project plan;
- the Human Resource team is currently in the process of analysing training needs identified during the APDRs (Annual Performance Development Reviews) with a view to devising an organisational training plan; and
- a review is being undertaken of the HCPC's Sickness Absence policy and the policy on Bribery, Gifts and Hospitality.

7.4 The Committee noted that due to resource issues, the annual reports on employee diversity and exit interviews for financial year 2012/13 have not yet been prepared. It was agreed that these will be completed for the Committee's meeting in July.

ACTION – Director of Human Resources to present reports on employee diversity and exit interviews for the financial year 2012/13 at the July 2013 meeting.

7.5 The Committee noted the report.

Item 8.13/54 Partner Manager report (report ref: FRC 37/13)

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

- 8.1 The Committee received a report on the work of the Partners team.
- 8.2 The Committee noted details of recruitment for a number of Partner roles.
- 8.3 The Committee noted that the Partners self-assessment process for 2013 is now complete. So far, no panel members or registration assessors have been appraised this financial year. This is due to the roll out of the first phase of the updated appraisal process and the increased resource required to carry out the self-assessment process. Scheduling has now commenced.
- 8.4 The Committee discussed Social Worker Partners. It was noted that this profession has had no difficulty with the Partners system.
- 8.5 The Committee noted the report.

Item 9.13/55 Information Technology report (report ref: FRC 38/13)

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted the following points:
 - Windows 7 has now been deployed to: Registrations, Policy, Secretariat, Partners, HR, Education, Facilities and Communications departments. The remaining departments including Fitness to Practise and Finance are being planned to fit into the business cycle to minimise disruption. This project is expected to complete by July 2013;
 - a wireless network project had been initiated. The project objective is to replace the wireless network in the 186 Kennington Park Road (KPR) building and extend the coverage to the main Park House building. The first phase of the project aims to have completed by September 2013;
 - upgrades to the telephone system have been completed, this will enable telephone hotdesking. Configuration of the system is planned for June and the replacement of the handsets is planned for July; and
 - the IT policy is currently undergoing a final review by the HCPC lawyers. The IT Policy will then go through a consultation exercise before being presented to the Finance and Resources Committee.
- 9.3 The Committee discussed the Remote Access project. It noted that the project objective is to investigate options to deliver a remote access

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

technology that allows users to connect to the HCPC network using non-HCPC equipment. A preferred supplier will be selected in July 2013, and a pilot is expected to run towards the end of 2013. It was noted that data security considerations were being considered.

- 9.4 The Committee discussed the possibility of remote access extending to Council meetings, as if the Council moves to a reduced size this may be more feasible. It was noted that the Executive was considering this use of the technology.
- 9.5 The Committee noted the report.

Item 10.13/56 Operations report (report ref: FRC 39/13)

- 10.1 The Committee received a report on Operations, covering the Registration, Project Management, Facilities Management and Business Improvement departments for the period 1 March to 31 May 2013.
- 10.2 The Committee noted the following points;
- during the reporting period, registrations received a total of 30,697 telephone calls which is 11,321 more calls when compared to the same period two years ago;
 - during the reporting period, Registrations received on average 170 UK and 12 international emails per day represents a 70% increase in UK email volumes. The team responded to these on average within two days of receipt;
 - at the start of March 2013 19,293 practitioner psychologists were invited to renew their registration. This year a record total of 96.3% successfully renewed their registration for the next two-year cycle, 88% of which renewed online;
 - the BSI completed the final audit of the current three-year cycle on 2 May. The HCPC has been recommended for continued registration to ISO9001:2008; and
 - research is underway for the next information security training package for all employees. The HCPC is also evaluating the possibility of using a package to train Partners on information security.
- 10.3 The Committee discussed the construction works in connection with the new tube line from Kennington to Battersea that are due to commence close to Stannary Street. It was noted that these works would be unlikely to cause any disruption to the HCPC due to their distance.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

- 10.4 The Committee questioned why an additional preplanning meeting was required for the KPR project. It was noted that there had been conservation issues to consider, along with neighbours light access and the size of the building. The building plans have been amended and these will be presented to the local authority planning team.
- 10.5 The Committee discussed the estimated due dates for projects. It was noted that a new way of reporting projects had been developed by the Executive with monthly opex and capex reports, to improve budget management. It was also noted that projects are likely to stop and start to make better use of resources, and so due dates are likely to be more fluid.
- 10.7 The Committee noted the report.

Item 11.13/57 Draft Annual Report and Accounts 2012-13 (report ref: FRC 40/13)

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that the National Audit Office (NAO) had completed their audit and the annual report incorporated their feedback. It was noted that the audit had gone smoothly and no significant matters had been identified and the Comptroller and Auditor General would be able to sign a clean audit opinion on the accounts in July 2013.
- 11.3 The Committee discussed the presentation of the Annual Report. It was agreed that the Fitness to Practise and Education Annual Reports should be referenced in the joint foreword.
- 11.4 The Committee requested that the section on Corporate Responsibility be revisited to improve its coherence. It was also requested that the Executive revisit the section on the Employee Consultation Group, as it was felt that this currently did not provide a clear explanation of its role.

ACTION – Executive to make the amendments above to the Foreword and 6.3 and 6.4 to the Annual Report.

- 11.5 The Committee agreed to recommend the draft annual report and accounts to the Council for approval, subject to consideration by the Audit Committee on 25 June 2013.

Item 12.13/58 Annual Report and Accounts – remuneration publication (report ref: FRC 41/13)

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted the following points
- the Chief Executive and Registrar's salary is published as well as the Council's contribution to his pension and fund and the total value of the pension fund;
 - no other information is included on the remuneration of any other employee;
 - the amount of remuneration information disclosed in the HCPC's Annual Report and Accounts has been consistent since 2003; and
 - the reason for this policy was that decision making is vested in the Council members.
- 12.3 The Committee discussed the provided overview of other UK statutory regulators of health and care professionals policies on the publication of the remuneration of their senior employees. It was noted that policy varies and that there was an inconsistent approach.
- 12.4 The Committee agreed that the amount of information disclosed by the HCPC in its Annual Report and Accounts is less than some other comparable organizations and the HCPC's remuneration disclosure policy should be brought into line with its peers. It was agreed however, that the decision making powers of the Council and Executive have not altered.
- 12.5 The Committee agreed that from the 2013-14 Annual Report and Accounts, the following employee remuneration information should be included:
- the information currently published on the Chief Executive and Registrar's remuneration package will continue to be published using the existing format;
 - the remuneration of all members of the HCPC's Executive Management Team (EMT) will be published in a table of salaries of £60,000 and above, presented in increasing bands of £10,000. The table will be anonymised;
 - the table will include data for the current year and the previous year for comparison purposes;
 - a separate table of non-EMT HCPC employees will also be published using the same format as the table used for the EMT;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

and

- a letter will be sent by the Chief Executive to each member of the EMT and senior employees impacted by the change in policy to notify them of the impending change.

12.6 The Committee agreed to recommend the remuneration disclosure policy, as outlined in 13.5, to Council for approval.

Item 13.13/59 5 year plan (report ref: FRC 42/13)

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

13.2 The Committee noted the following points:

- the plan made forecasts of HPC's financial situation and whether the organisation was likely to remain financially viable;
- the assumptions in the plan applied to years one to three and it was more difficult to forecast years four to five;
- the plan assumes a move to a smaller Council with longer meetings and fewer Committees in 2014;
- the plan assumes registrant fees will be increased as proposed in the consultation paper presented to this Committee later in the agenda; and
- the refurbishment of 186 Kennington Park Road is planned to fall within years 2 & 3.

13.3 The Committee discussed benchmarking against other UK regulators of health professions. It was noted that the GMC and the NMC have more resources with which to fund improvements to their services, and that the HCPC would likely be judged against the performance of the other regulators. It was noted that the HCPC identified itself as a value for money regulator, and that a keen awareness of developments amongst peers is needed to ensure it remained as such.

13.4 The Committee discussed scenario planning as a way to help shape forecast reports. It was suggested that this was an exercise for the Council. The Committee felt the Plan contained too much management information for the Council and that a shortened version would be more appropriate for it to adopt.

13.5 The Committee agreed to recommend the plan to Council.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

Item 14.13/60 Registrant Forecast (report ref: FRC 43/13)

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that the Registrant numbers Forecast looks to provide information around changes to numbers of registrants over time. The report has been updated based on 2012-13 year end data.
- 14.3 The Committee noted the following points in the forecast:
- the forecast assumes that Public Health Specialists will be added to the register in 2015-16. The number of public health specialists had been based on discussions with the Department of Health;
 - Herbal Practitioners are being added to the forecast although the exact model of regulation is yet to be determined;
 - Care workers have not been included in the forecast as there has been no decision by government on the type of regulation to be implemented; and
 - UK graduate numbers will go down by as much as 14% in 2013-14. This will result in a progressive decrease in numbers through the UK route for an as yet undefined period from 2 years forward.
- 14.4 The Committee discussed the individual professions forecasts. It was noted that there was a reinvigoration of the biomedical Science profession currently underway, which may result in more registrants for that profession. It was also noted that there were funding cuts to many courses and that the HCPC has already seen over 60 Social Work programmes close. These were mainly part time and work based learning courses. The Committee noted that, as 16 professions were being forecasted, the impact of an incorrect forecast for one group would be minimal on the HCPC as a whole.
- 14.5 The Committee noted the report.

Item 15.13/61 Consultation on HCPC registration fees (report ref: FRC 44/13)

- 15.1 The Committee received a paper for discussion/approval from the Executive.
- 15.2 The Committee noted the following points during discussion;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

- the proposed consultation will run between 8 July 2013 and 27 September 2013;
- in order to increase the fees, an amendment to the Registration and Fees (Order of Council) Rules 2003 is required;
- it is proposed to increase the renewal fee by £4 (5.3%) to £80 per year, which compares favourably to inflation of 13.7% over the last four years;
- Stakeholder feedback has shown that registrants prefer incremental increases rather than large step changes in fees; and
- if the increase is implemented the HCPC will still have the lowest fees across independent UK health and care professional regulators.

15.3 It was agreed that the following amendments would be made to the consultation paper;

- the table on page 11 should have a comparison to fees in 2011-12. This would be helpful to illustrate recent increases in other regulators fees as compared to the static nature of the HCPC registrant fee;
- the table on page 12 should have the date of publication in the footnote;
- the term 'approved programme' should be clarified; and
- the actual increase amount, £4, should be made clear in the paper rather than solely referring to 5.3%.

15.4 The Committee discussed the Executive's review of fee levels. It was noted that this review takes place each year as opposed to every two years as stated in item 3.6 of the consultation document. It was agreed that this should be amended to every year.

ACTION – Policy Manager to amend the consultation document as outlined in 15.3 and 15.4 above.

15.5 The Committee noted that the results of the consultation would be reported to the Finance and Resources Committee and the Council at their meetings in November and December 2013. The results will also be included on the Education and Training Committee's agenda in September 2013 and the consultation responses analysis and proposed amendment Rules considered at their November 2013 meeting.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

- 15.6 The Committee agreed to recommend the paper to Council for approval, subject to minor amendments outlined in discussion.

Item 16.13/62 Reserves Policy (report ref: FRC 45/13)

- 16.1 The Committee received a paper for discussion/approval from the Executive.
- 16.2 The Committee noted that the proposed Reserves Policy requires that the HCPC maintains a reserves level that is a minimum of three average months budgeted operating expenses.
- 16.3 The Committee agreed to recommend the policy for approval to Council.

Item 17.13/63 Business Process Improvement work plan 2013-14 (report ref: FRC 46/13)

- 17.1 The Committee received a paper for discussion/approval from the Executive.
- 17.2 The Committee noted that the Business Process Improvement workplan had been approved by Council at its meeting on 9 May 2013.
- 17.3 The Committee noted that the ISO27001 certification project has initiated. Certification is aimed for completion in this financial year as long as no major uncontrolled risks are located, and resources allow.
- 17.4 The Committee noted the workplan.

The Committee received the following papers for information:

Item 18.13/64 Review of Complaints 2012-13 (report ref: FRC 47/13)
The Committee recommended to EMT that this paper is put before Council at a suitable opportunity.

Item 19.13/65 Project Prioritisation Report (report ref: FRC 48/13)

Item 20.13/66 List of unfunded projects (report ref: FRC 49/13)

Item 21.13/67 Any other business

- 21.1 There was no other business.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None

Item 22.13/68 Date and time of next meeting

22.1 The next meeting of the Committee will be held at 10.30 am on Thursday 18 July 2013.

22.2 Subsequent meetings will be held at 10.30 am on:

Tuesday 10 September 2013

Thursday 21 November 2013

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;

- (a) information relating to a registrant, former registrant or applicant for registration;
- (b) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (c) 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;
- (d) negotiations or consultation concerning labour relations between the Council and its employees;
- (e) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (f) action being taken to prevent or detect crime or to prosecute offenders;
- (g) the source of information given to the Committee in confidence; or
- (h) 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.'

Item	Reason for Exclusion
23	b

Summary of those matters considered whilst the public were excluded

Item 23.13/69 Executive Management Team – members reports (report ref: FRC 50/13)

23.1 The Committee discussed the performance of Executive Management Team Members.

Item 24.13/70 Any other business

24.1 There was no other business.

Chair

Date

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-06-18	a	F&R	MIN	Minutes Finance and Resources Committee June 2013	Draft DD: None	Public RD: None