

## People and Resources Committee

**Public minutes of the 7<sup>th</sup> meeting of the People and Resources Committee held on:-**

**Date:** Friday 4 February 2022

**Time:** 10am

**Venue:** MS Teams

**Present:** Stephen Cohen (Chair)  
Rebekah Eglinton  
Neville Hounsome  
Valarie Webster

### **In attendance:**

Claire Amor	Head of Governance
John Barwick	Chief Executive, and Registrar
Alastair Bridges	Executive Director of Resources and Business Performance
Sue Gallone	Chair of Audit and Risk Assurance Committee
Alan Keshtmand	Head of Finance
Naomi Nicolson	Executive Director of Professional Practice and Insight
Andrew Smith	Executive Director of Regulation

## Public

### **Item 1. Chair's welcome and introduction**

- 1.1 The Chair welcomed those present to the 7<sup>th</sup> meeting of the People and Resources Committee.
- 1.2 The Chair especially welcomed new members Valarie Webster and Rebekah Eglinton, the Executive Director of Resources and Business Performance, Alastair Bridges and the Head of Finance, Alan Keshtmand, to their first meeting of the Committee.
- 1.3 The Chair noted that, following a change to the Code of Corporate Governance, the People and Resources Committee membership would also form the Remuneration Committee. This included the Independent member of the Remuneration Committee, Neville Hounsome, who had become the Independent member of the People and Resources Committee. The Chair welcomed Neville to his first meeting of the Committee.

### **Item 2. Apologies for absence**

- 2.1 Apologies for absence were received from Eileen Mullan.

### **Item 3. Approval of agenda**

- 3.1 The Committee approved the agenda.

### **Item 4. Declarations of members' interests**

- 4.1 No interests were declared.

### **Item 5. Minutes of the People and Resources Committee meeting of 17 November 2021 (report ref: PRC 01/22)**

- 5.1 The Committee approved the minutes of its meeting held on 17 November 2021

### **Item 6. Matters arising (report ref: PRC 02/22)**

- 6.1 The Committee noted the matters arising from its previous meetings.

## Item 7. Management Accounts – December 2021 (report ref: PRC 03/22)

- 7.1 The Committee received a paper from the Executive Director of Resources and Business Performance and the Head of Finance. The paper contained the HCPC's management accounts to the end of December 2021.
- 7.2 The Committee noted the following points:-
- the Executive would further develop the format of the management accounts for clarity, as well as improvements to the regulatory of reporting and forecasting;
  - the yearend financial position was forecasted to be a £1.4million deficit, which represented an improvement on the original budget which had been a £2.2 million deficit. This improvement had been a result of increased income through international registration applications as well as other areas of savings, with estates being an example;
  - running a deficit position was not desirable and the Executive were working on a long-term sustainability strategy; and
  - a run rate forecast had indicated that the final year end position could improve to around £0.5 million deficit, however a number of risk and opportunities, as set out in the paper, would impact on this.
- 7.3 The Committee welcomed the overall clarity of the report but noted that the direct link between international registration income and international processing costs could be clearer.
- 7.4 The Committee discussed the impact of a deficit position on the HCPC's agreed reserves policy. The Chair of the Audit and Risk Assurance Committee (ARAC) noted that being in a deficit position was concerning and that the HCPC balance sheet needed to be strengthened. The Executive Director of Resources and Business Performance agreed noting that improved productivity would only improve the medium to long term financial position, whereas in the short term it would require realising equity from the HCPC's freehold, or realising increased income through a fee rise.
- 7.5 The Committee discussed how the HCPC sought assurance that its investments in change produced the anticipated benefits and savings. The Executive noted benefits articulation and realisation plans were a key part of the HCPC's business case approach, however this was known to be an area requiring improvement. The Executive Director of Resource and Business Performance advised that the development of HCPC's benefits realisation framework was one of his top priorities on joining the HCPC. He agreed that the tracking of benefits payback on projects was essential.

- 7.6 The savings and efficiency table within the report was discussed. It was noted that some of the savings committed to in the budget had not been realistic and that the budget setting process for 2021-22 had been more centrally led resulting in some assumptions not being grounded in the realities of operations. This was not the case in the development of the 2022-23 budget, which had been built from the bottom up directly with budget holders.
- 7.7 The Committee noted that there was a significant volume of development work underway at the HCPC. The Executive agreed noting that there had been under investment in systems and processes for several years. Additionally, the HCPC was embarking on its first strategy and the furtherance of this ambitious strategy required significant development work to meet stakeholders needs for a modern regulator. The key to ensuring organisational sustainability during this change was the pace set by the Executive and the Council on delivery.
- 7.8 The Committee discussed the known issues with the HCPC's finance IT system. It was noted that this resulted in difficulties in obtaining reliable data and reporting. Plans to rectify these issues were being enacted. In addition a working group had been established to provide oversight of the annual external audit.
- 7.9 The Committee discussed the risks and opportunities outlined in the paper. It was noted that the risk 2 relating to the alignment of the FtP budget had been incorporated into the forecasts and so did not represent an additional impact. This significant variation from budget was due to unvalidated budgeting assumptions set centrally. The figures submitted by the FtP budget holder, which were overridden, had been accurate and would have resulted in a breakeven year end result.
- 7.10 Risk four was challenged as the increase in international applications had been known since the summer of 2021. The Executive noted that the risk was posed by the potential need to further increase temporary resource to process the backlog. However, this was a low risk as an alternative approach of engaging a partner to process externally had been put in place

## **Item 8. Resolution**

- 8.1 The Committee was invited to adopt one or more of the following:

'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
9	C
10	C, H
11	C, H
12	C

Chair.....  
Date.....