

Finance and Resources Committee

Public minutes of the 78th meeting of the Finance and Resources Committee held on:-

Date: Thursday 21 November 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
Mary Clark-Glass
Sheila Drayton
Arun Midha
Penny Renwick
Keith Ross

In attendance:

Teresa Haskins, Director of Human Resources
Alan Carr, Interim Director of Finance
Guy Gaskins, Director of Information Technology
Jeff Lucas, Chair, Audit Committee (observer)
Marc Seale, Chief Executive and Registrar
Anna van der Gaag, Council Chair
Hayley Graham, Partners Manager
Greg Ross-Sampson, Director of Operations
Michael Guthrie, Director of Policy and Standards
Wangari Farrelly, Procurement Manager
Charlotte Milner, Head of Financial Accounting

Item 1.13/108 - Apologies for absence

1.1 There were no apologies for absence.

Item 2.13/109 - Approval of agenda

2.1 The Committee approved the agenda.

Item 3.13/110 - Declarations of members' interests

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

Item 4.13/111 - Minutes of the Finance and Resources Committee meeting 10 September 2013 (FRC 73/13)

4.1 It was agreed that the public minutes of the 77th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair subject to the inclusion of Keith Ross under the attendance list.

Item 5.13/112 – Finance report (FRC 74/13)

5.1 The Committee received a report on the work of the Finance Department.

5.2 The Committee noted the following points:

- after six months the operating surplus of £1,305k is £1,176k ahead of budget. The detailed explanation of variances was noted. The principal reason for the better than budget performance in the period is due to lower than budgeted operating expenditure by £988k, affecting several departments but particularly Fitness to Practice;
- the six month reforecast shows an operating surplus of £250k. The detailed explanations of variances between reforecast and budget were noted:
- cash balances are forecast to be £14,040k at the year-end; and
- the procurement processes for legal services and for printing services are progressing. Procurement for recording and transcription services is to be re-run following agreement with the existing supplier over the disputed original process.

5.3 The Committee agreed that the enhanced narrative that accompanied the figures enhanced the clarity of the six-month reforecast.

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- 5.4 The Committee discussed the lower than budgeted operating expenditure for Fitness to Practise. It was noted that the use of rooms in 186 Kennington Park Road has led to a marginal saving.
- 5.5 The Committee noted the report.

Item 6.13/113 – Human Resources report (FRC 75/13)

- 6.1 The Committee received a report on the work of the Human Resources Department.
- 6.2 The Committee noted a list of recent recruitment activity within HCPC.
- 6.3 The Committee noted that;
- after a protracted recruitment campaign, Andy Sabapathee has been appointed to the new post of IT Infrastructure Support Engineer;
 - a new Finance Director is due to start in February 2014;
 - other than recruitment, the main focus of the HR team’s work has been participating in workshops to gather high-level business and technical requirements for the new IT system;
 - the employee engagement survey was launched this week. The survey will ask employees for more information about some of the key themes identified in the organisational culture action plan; and
 - a redesigned Management Development programme is due to be launched in January 2014. The programme will focus on soft skills for managers at all levels.
- 6.4 The Committee discussed Maternity leave. It was noted that 9 employees are currently on maternity leave, and that HR will start to report on this figure regularly to Council under the new governance structure.
- 6.5 The Committee noted the report.

Item 7.13/114 – Partners Manager report (FRC 76/13)

- 7.1 The Committee received a report on the work of the Partners team.
- 7.2 The Committee noted that the closing date for all roles being recruited was extended. It was noted that there had been some difficulty in

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recruiting for certain professions, but that these roles will be filled in the future.

7.3 The Committee noted the report.

Item 8.13/115 – Information Technology report (FRC 77/13)

8.1 The Committee received a report on the work of the Information Technology Department.

8.2 The Committee noted the following points:

- the third deployment of the NetRegulate Improvements 2013-14 Major Project is due in December 2013;
- following the tender process for the Remote Access project it has been decided to deliver the project internally. An initial pilot will proceed with IT employees only;
- a supplier for the new core switch has been selected following the tender exercise The replacement core switch is expected to be implemented by February 2014;
- the Windows 7 upgrade is now expected to complete by the end of the calendar year; and
- a tender for the replacement of the HCPC's data line supplier has been completed and a preferred supplier selected. The new service will take a minimum of three months to be delivered.

8.3 The Committee noted the report.

Item 9.13/116 – Operations report (FRC 78/13)

9.1 The Committee received a report on Operations, covering the Registration, Project Management, Facilities Management and Business Improvement departments.

9.2 The Committee noted the following points:

- a number of professions have recently been invited to renew their registrations. Renewal rates are high, with the majority renewing online;

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- the Basement Meeting Room and stair lobby to 33 Stannary Street were recently flooded and damage has been incurred. Insurers have been notified and a claim will be lodged;
- BSI audited the Policy, Registrations UK applications and employee training, HR and Partners areas on 7 October 2013. No areas of non-conformance were found; and
- a clear desk policy (at least no personal information) is being developed for the organisation.

9.3 The Committee discussed the workload of the Registrations Department. It was noted that consideration is being given to making the evening shift more permanent. Weekend work is not preferred as it leads to fatigue and effects morale amongst employees.

9.4 The Committee noted the report.

Item 10.13/117 – 186 Kennington Park Road Redevelopment update (FRC 79/13)

10.1 The Committee received a report for discussion from the executive. The paper formed an update to the Committee on the project progress to redevelop the buildings at 186 Kennington Park Road.

10.2 The Committee noted the following points:

- since the building was purchased on 8 April 2013, an iterative process has been under way, involving three linked tasks, the design of the building, the cost of the redevelopment and obtaining planning permission;
- this process is being used as it is intended to use a fixed price contract to the designs and thereby mitigate the risk of a significant cost overrun;
- Risk and Issues Logs have been established and are being maintained for the project;
- the original design of the building has been modified a number of times to reflect updated cost estimates and formal pre-planning advice from the London Borough of Lambeth;
- the location and state of some of the foundations will be explored by internal drilling using a specialist contractor;

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- a series of focus groups will be held for employees to participate in the final decision on how to best use the undesignated available space;
- the buildings at 186 Kennington Park Road are currently being partly utilized. More rooms will soon be renovated for use as FtP hearing rooms;
- in response to a question it was noted that the risk of basement flooding was under review and that possible mitigations were being considered; and
- in response to a question it was noted that the project will not be affected by current plans for tube and tunnelling work.

10.3 The Committee discussed how the project's success will be evaluated. It was noted that key KPIs include tying into the estate strategy, market information markers on costs, efficient use of space and minimal disruption to the organisation;

10.4 The Committee discussed how the Council will receive updates on the progress of the redevelopment. It was noted that once the design has been finalised, planning permission obtained and the cost estimates agreed, the Council will then decide whether or not to proceed with the project. The Executive will continue to provide regular updates on project progress.

10.5 The Committee noted the report.

Item 11.13/118 – Pensions Auto-Enrolment (FRC 80/13)

11.1 The Committee received a report for discussion/approval from the Executive.

11.2 The Committee noted the following points:

- HCPC will be required to comply with pensions auto-enrolment from 1 April 2014;
- around 60% of HCPC employees will need to be automatically enrolled into a pension scheme from 1 April 2014;
- HCPC partners and members of Council are not 'workers' for the purposes of auto-enrolment and can therefore be excluded from consideration;

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- the requirement to pass probation in order to join the pension scheme will be removed; and
- in order to make auto-enrolment more affordable for lower paid employees, it is proposed that contribution levels are phased in according to the timescales set out under auto enrolment legislation

11.3 The Committee discussed the proposals relating to death in service benefits. It was agreed that further work should be undertaken by the Executive to compare what other organisations offer.

ACTION – Director of Human Resources to present a paper on death in service benefits at the Council meeting of 6 February 2014.

11.4 The Committee agreed to recommend the paper for approval to Council. The proposals relating to death in service benefits were not approved.

Item 12.13/119 – Outcomes of Consultation on HCPC registration fees (FRC 81/13)

12.1 The Committee received a report for discussion/approval from the Executive.

12.2 The Committee noted that the HCPC held a consultation between 10 July 2013 and 1 October 2013 on proposals to increase the fees. The renewal fee was proposed to increase from £76 to £80 per year. It is proposed that if approved, the fee types are increased from 1 April 2014.

12.3 The Committee noted that the paper was discussed by the Education and Training Committee at its meeting on 14 November 2013.

12.4 The Committee noted that 521 responses were received to the consultation document. 496 responses (95%) were made by individuals, of which 485 (98%) were HCPC registered professionals. 25 responses (5%) were made on behalf of organisations.

12.5 The Committee discussed the language of the consultation responses document. It was agreed that the points about inflation needed more emphasis, as did previous indications of preference for small regular increases.

12.6 The Committee discussed the possibility of phasing in an increase to the fees. It was noted that due to the renewal cycles and the administrative process behind a rise, this would complex and inefficient.

12.7 The Committee agreed to recommend the paper to Council for approval.

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Item 13.13/120 – Procurement Policy (FRC 82/13)

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that in response to recommendations from the National Audit Office, the HCPC created the post of Procurement Manager. A Procurement Policy has now been developed for the organisation.
- 13.3 The Committee noted that guidelines and 'how to' documentation will be published alongside the Policy for employees.
- 13.4 The Committee noted that the procurement routes in the policy were aligned to current financial approval limits within the HCPC.
- 13.5 The Committee noted that the Finance Department will periodically audit procurement activity. The Committee discussed how best to undertake this work. It was noted that work is being undertaken to develop an ISO process for this audit, and that the audits would be unannounced and take place at least twice a year.
- 13.6 The Committee agreed to recommend the Procurement Policy to Council for approval.

Item 14.13/121 – Expense Policy update (FRC 83/13)

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Council noted that following a review of the Partners expense policy with various Departments, a number of changes have been proposed to the partners and Council members expense policy. The main aim of these changes to ensure that partners and Council members incur the most cost effective expenses, when traveling and staying on behalf of HCPC
- 14.3 The Committee noted that the employee expense policy will be changed to show the increase in hotel allowance but no other changes will be made.
- 14.4 The Committee discussed paragraph 17 of the Council member's expense policy. It was agreed that there are no instances where Council members would undertake a partner's role and therefore this part of the policy should be removed.

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- 14.5 The Council approved the Partners Expense Policy and the Council Members Expense Policy.

Item 15.13/122 – Review of Financial Regulations (FRC 84/13)

- 15.1 The Committee received a paper for discussion/approval from the Executive.
- 15.2 The Committee noted that, In accordance with Regulation 59 of the Financial Regulations, a review of the Financial Regulations has been undertaken.
- 15.3 The Committee noted that Regulations 46 and 47 have been amended to include reference to the procurement policy.
- 15.4 The Committee agreed to recommend the Financial Regulations to Council for approval.

Item 16.13/123 – Opening of corporate credit card facility (FRC 85/13)

- 16.1 The Committee received a paper for discussion/approval from the Executive.
- 16.3 The Committee noted that only the Chief Executive, Director of Finance and the Head of Financial Accounting will have access to the credit card number and details. The monthly statement will be approved by the Director of Finance and Chief Executive and the credit card will have a credit limit of £1,000.
- 16.4 The Committee agreed to recommend the opening of a corporate credit card facility to Council for approval.

Item 17.13/124 – Any other business

- 17.1 There were no further items for consideration.

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;

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- (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
18	b

Summary of those matters considered whilst the public were excluded

Item 18.13/125 Private Minutes of the Finance and Resources Committee meeting of 10 September 2013 (FRC 86/13)

- 18.1 It was agreed that the private minutes of the 77th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair subject to the inclusion of Keith Ross under the attendance list.

Item 19.13/126 Any other business

- 19.1 There was no other business.

Chair

Date

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