

HEALTH PROFESSIONS COUNCIL

FINANCE AND RESOURCES COMMITTEE

MINUTES

**of the 12th Meeting of the Finance and Resources Committee held in the
Council Chamber, Park House, 184 Kennington Park Road, London, SE11 4BU
on Thursday 20th November 2003 at 11 a.m.**

PRESENT

Mr Colin Lea, Chairman
Professor John Harper
Mr William Munro
Mr Keith Ross
Mrs Jackie Stark
Mrs Barbara Stuart
Mr Neil Willis
Dr Sandy Yule

Mr Daniel Ross (co-opted)

Mr Marc Seale (Chief Executive and Registrar)
Mr Paul Baker (Finance Director and Committee Secretary)
Ms Denise Thompson (HR Director)
Ms Jackie Hammond (HR Advisor) (Items 49 – 51)
Mr David Robinson (BDO Stoy Hayward, External Auditors) (Items 49 – 54)
Mr Roy Dunn (Director – Information) (Items 52 – 65)

FIN03/049 ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

- 49.1 The Chief Executive and Registrar, Mr Seale, took the chair to conduct an election of a Chairman and Vice-Chairman to hold office until the end of the second transition period, likely to be mid-2005. He explained the procedure.
- 49.2 Mr Colin Lea was proposed as Chairman by Mr Neil Willis and seconded by Mr William Munro. Having agreed to serve, he was unanimously elected as Chairman.
- 49.3 Dr Sandy Yule was proposed as Vice-Chairman by Mrs Jackie Stark and seconded by Mr Neil Willis. Having agreed to serve, he was unanimously elected as Vice-Chairman.

FIN03/050 APOLOGIES FOR ABSENCE

- 50.1 Apologies had been received from Mr Michael Barham, Professor Norma Brook and Mr Robert Clegg.

FIN03/051 APPROVAL OF AGENDA

- 51.1 The Draft Agenda was adopted as the Agenda for the Meeting.

The Committee resolved that the next section of the meeting should be held in private because publicity would be prejudicial to the public interest, by reason of the confidential nature of the business transacted.

The following business was conducted after the conclusion of the private meeting.

FIN03/052 APPROVAL OF MINUTES OF THE MEETING HELD ON 23RD SEPTEMBER 2003

52.1 It was agreed that the minutes of the 11th meeting of the Health Professions Council Finance and Resources Committee be confirmed as a true record and signed by the Chairman.

FIN03/053 MATTERS ARISING

53.1 The Chairman reported that he and others had had a useful meeting with Mr Nick Reid, an Associate Director of National Westminster Bank PLC, who manages our account. He confirmed that should we need to extend our overdraft period, there would be no facility fee charge from the bank.

53.2 There were no further matters arising that were not otherwise covered in the agenda.

FIN03/054 BUDGET (Version 5) FOR THE YEAR ENDING 31ST MARCH 2004

54.1 The Secretary presented the latest version of the Budget. The original budget had not been previously been ratified by Council as there had been a lot of changes occasioned by the postponement of the increase of fee rates until July. Version 5 of the Budget was in effect a "Latest Estimate" of the likely outturn for the financial year.

54.2 He drew the Committee's attention in particular to the increased costs of partner recruitment and training, the downturn in grandparenting operations in the year and no income from any new profession until the next financial year. He indicated that over £200,000 had been removed from the Communications Budget to help compensate for the lack of income and additional costs. No further grant income had been brought into account as the Chief Executive felt that it was unlikely that any more would be forthcoming.

54.3 A general discussion took place. There was concern that we had used Newchurch too much – this would diminish in future with more reliance on in-house personnel especially with regard to the upcoming consultation on CPD and future partner training. We were able to make savings in communications because there had been slippage in the programme. There was concern with operational matters such as the difficulty in getting through on the telephone system – had the new system been good value for money?

- 54.4 It was agreed that Version 5 of the budget (a projected deficit of £923,933) should be adopted and put to Council for ratification. It was also agreed that a provisional pro-forma budget for 2004/5 be put to Council in December so that Council could gain comfort that the new year would produce a reasonable surplus and that reserves would not be further diminished.

**SUBJECT TO COUNCIL RATIFICATION
ACTION: FINANCE**

FIN03/055 EXPENSES POLICY

- 55.1 Although those at the previous inquorate meeting had recommended that all Council Members' authorised work should receive a £260 daily attendance allowance and that partners should travel first class if a single journey exceeded 90 minutes, the Committee felt unable to support this.
- 55.2 The Committee AGREED that where Council Members did work where they did not have to be a Council Member to do it, e.g. as a visitor, they (or their employer) should receive only £130 (as other partners). Where they undertook roles where a Council Member was necessary to fulfil a role, they should be compensated at the full rate of £260.
- 55.3 The Committee further AGREED that partners should only be paid for standard class travel. It was acknowledged that some partners might resign because of this, even though contracts had indicated standard class. It was agreed to review this again after one year.

SUBJECT TO COUNCIL RATIFICATION

FIN03/056 REDUCED FEES FOR REGISTRANTS

- 56.1 The Committee reviewed the recommendation from the executive concerning the length of the discount period for new graduate registrants who were to receive a 50% reduction in fees for their first two full registration years. (Registration years start at different times of the year to spread the workload.) Problems had arisen because some new registrants join only a few months before the start of the professional year and some start over 6 months prior to it.
- 56.2 The Committee AGREED the following recommendation from the executive, which was considered to be the most equitable and manageable method:
- (i) For new registrants starting from within six months of the start of the registration 2-year period a 100% discount up to the start of the period. This will be followed by a 2-year 50% discounted 2-year period. (Collected as one discounted fee to cover the maximum of an 18 month period).
- (ii) For new registrants starting between six months and one year before the start of the registration 2-year period, a 50% discount on the one year fee up to the start of the period. This will be followed by a 2-year 50% discounted 2-year period.

SUBJECT TO COUNCIL RATIFICATION

FIN03/057 HUMAN RESOURCES – STAFF HANDBOOK

- 57.1 The HR Director presented the Staff Handbook prior to its issue to staff. It was agreed that it was unfortunate that some committee members had had little time to study it.
- 57.2 She indicated that the Executive Management Team had assisted in the review of the document and that it would be useful for setting out a framework within which both old and new staff could work. Its implementation would involve a series of staff meetings and management briefings.
- 57.3 The Chief Executive did not feel that the committee members need read each page but read enough to gain an overall impression that the handbook was fit for purpose. Keith Ross considered that the handbook was positive and good.
- 57.4 It was AGREED that the members of the committee should pass comments to the HR Director within one week. If appropriate, these would be incorporated and then the handbook would be issued to staff as soon as possible. After 6 months the operation of the handbook could be assessed and amendments or enhancements could be issued as appropriate.

FIN03/058 RISK ASSESSMENT

- 58.1 The Chief Executive presented the latest version of the Risk Assessment document, which had been colour-coded to differentiate between low, medium and high-risk items. It was noted that future editions of the document would show the previous assessment grade so that members could see any movements between (6-monthly) editions.
- 58.2 The Committee APPROVED the document, which would be passed to the Privy Council, as is required.

FIN03/059 AUDIT COMMITTEE MEETING 20th NOVEMBER 2003

- 59.1 Dr Sandy Yule, the Chairman of the Audit Committee (his chairmanship had been confirmed in the meeting, as was Jackie Stark as Vice-Chairman), commented briefly on the meeting that had taken place earlier in the day.
- 59.2 He indicated that Mr Steve Corbishley, a Director of the National Audit Office, had spoken to his Audit Management Letter which commented on various points, largely of a specialist Public Sector nature, which had had to be covered before their audit opinion on the 2002/3 could have been signed. Various recommendations, including public service accounting training and forging a stronger link with the Department of Health to ensure that we are kept up to date with Accounting Officer letters and other relevant circulars, had been agreed.
- 59.3 He further indicated that Mr David Robinson, Audit Partner from BDO Stoy Hayward, had presented two internal audit reports covering both income and payroll. Recommendations had been put forward including two persons opening the post (to safeguard them from any subsequent queries and to

tighten internal control), greater security and stronger procedures for refunds cheques, written procedures for the LISA system and a tightening of countersigning bank Autopay instructions on the payroll system. These recommendations would be followed although the executive wished to consider the point about post opening further as there were budgetary considerations.

59.4 Minutes will be submitted to the Finance & Resources Committee in due course.

FIN03/060 MANAGEMENT ACCOUNTS FOR THE 6 MONTHS ENDED 30TH SEPTEMBER 2003

60.1 The Committee NOTED the commentary and management accounts which showed an operating deficit of £1,089,220 against a budget of £1,024,906, an adverse variance of £64,314. The position was alleviated by unbudgeted unrealised gains on the investment portfolio of £210,143.

FIN03/061 MANAGEMENT ACCOUNTS FOR THE 7 MONTHS ENDED 31ST OCTOBER 2003

61.0 The Committee NOTED the commentary and management accounts which showed an operating deficit of £1,150,297 against a budget of £1,035,532, an adverse variance of £114,765. The position was alleviated by unbudgeted unrealised gains on the investment portfolio of £223,683.

FIN03/062 INFORMATION AND IT MATTERS REPORT

62.1 The Director – Information tabled his “Health Professions Council Publications Scheme” paper which had been prepared under the Freedom of Information Act. Feedback was due back from the Information Commissioner. The Committee NOTED the paper.

FIN03/063 COMMITTEE MEETING DATES FOR 2004/5

63.1 The Committee NOTED the following proposed dates:

Thursday 29th April 2004
Thursday 24th June 2004
Tuesday 27th July 2004
Tuesday 21st September 2004
Tuesday 23rd November 2004
Friday 11th February 2005
Wednesday 23rd March 2005

FIN03/064 ANY OTHER BUSINESS

64.1 There was no Any Other Business

FIN03/065 DATE AND TIME OF NEXT MEETING

40.1 The next meeting was confirmed as Thursday 12th February 2004 at 11 a.m.
in Park House.

Signed (Chairman)

Date