

unconfirmed
THE HEALTH PROFESSIONS COUNCIL

Chief Executive and Registrar: Mr Marc Seale

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MINUTES of the twenty-ninth meeting of the Finance and Resources Committee held on **Thursday 27 April 2006** at Park House, 184 Kennington Park Road, London, SE11 4BU.

PRESENT: Mr R Clegg (Chairman)
 Professor N Brook
 Mr J Camp
 Mr M C Davies
 Mr D Ross
 Mr K Ross
 Mrs J Sheridan
 Mrs B Stuart

IN ATTENDANCE:

Mr C Bendall, Secretary to the Committee
 Mr J Bracken, Solicitor and Parliamentary Agent - Bircham Dyson Bell (part)
 Mr R Dunn, Director of Corporate Services
 Ms L Foster, Human Resources Manager
 Mr R Kennett, Accountant Member - Audit Committee
 Mr S Leicester, Finance Manager
 Ms L McKell, Partner Manager
 Mr G Ross-Sampson, Director of Operations
 Mr M Seale, Chief Executive and Registrar

Item 1.06/51 APOLOGIES FOR ABSENCE

- 1.1 Apologies for absence were received from Mrs M Clark-Glass, Mrs S Drayton, Dr R Jones and Mr W Munro.

Item 2.06/52 APPROVAL OF AGENDA

- 2.1 The Committee approved the agenda.

Item 3.06/53 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 22 MARCH 2006

- 3.1 It was agreed that the minutes of the twenty-eighth meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 4.06/54 MATTERS ARISING

- 4.1 The Committee noted the actions list as agreed at the last meeting. There were no matters arising.

Item 5.06/55 FINANCE AND OFFICE SERVICES REPORT

- 5.1 The Committee received a report on the work of the Finance Department and Office Services Department.
- 5.2 The Committee noted that the 2004-5 accounts had been signed by the HPC's external auditors (Baker Tilly and the National Audit Office) and had been forwarded to the Privy Council.
- 5.3 The Committee noted that Baker Tilly were due to begin the audit of the 2005-6 accounts on 2 May.
- 5.4 The Committee noted that the HPC had recently obtained a 10% reduction in the overall insurance premium, for insurance coverage for the year commencing 1 April 2006. The Committee noted that the Executive periodically reviewed insurance provision.
- 5.5 The Committee noted details of funds under management in the Business Reserve account, invested in the Money Market and invested with the HPC's fund managers.
- 5.6 The Committee noted that significant financial projects and issues in the near future would include publication of 2004-5 accounts in the annual report; de-registration of 22-26 Stannary Street Ltd for VAT purposes; obtaining Council and Parliamentary approval to raise the international scrutiny fee to £350 per application from 1 January 2007; and updating the financial procedures manual.
- 5.7 The Committee noted that current work by the Office Services Manager included procurement of new cleaning contractors and a security swipe card system and assessment of various health and safety issues (e.g. a fire risk assessment).
- 5.8 The Committee noted that Mr Richard Ballard, the Management Accountant, had resigned and would leave the HPC in mid-May. The Committee expressed its thanks to Mr Ballard for his work on behalf of the HPC.
- 5.9 The Committee noted that the Finance Department would be recruiting a transaction officer, which would allow the Financial Accountant and Management Accountant more time to concentrate on issues such as updating the financial procedures.

Item 6.06/56 HUMAN RESOURCES DEPARTMENT REPORT

- 6.1 The Committee received a report on the work of the Human Resources Department.
- 6.2 The Committee noted that recruitment had remained a key priority for the Department over the past month. Positions which had recently been filled included the Registrations Manager (Operations) and the Stakeholder Manager in the Communications Department. The interview process for the Director of Communications was underway.
- 6.3 The Committee noted that interviews would shortly be held for the Project Manager vacancy and a newly created position of Information Technology (IT) Support Analyst.
- 6.4 The Committee noted that following the recent performance reviews, the Department was currently compiling and analysing training needs for all employees.
- 6.5 The Committee noted that the Department had successfully passed its quality process audit by BSI Audit on 24 April.

Item 7.06/57 PARTNER MANAGER REPORT

- 7.1 The Committee received a report on the work of the Partner Manager.
- 7.2 The Committee noted that, following Council approval of the Partner Appraisal system, the system had been implemented.
- 7.3 The Committee noted that the HPC had now identified how many Partners were needed for the next two years and a proposed Partner re-appointments process had been sent electronically to Council members for comments. The process would be presented to the Council on 11 May for discussion/approval by Ms Yasmin Hussain, the new Partner Manager. The Committee noted that it was likely that some Partners would express concerns about the reduction in the HPC's requirements.
- 7.4 The Committee noted that the next Partner Conference would be held in Glasgow on 28 November.
- 7.5 The Committee thanked Ms McKell for her work on behalf of the HPC.

Item 8.06/58 CORPORATE SERVICES REPORT

- 8.1 The Committee received a report on the work of the Corporate Services Department, covering IT and Information Services.

- 8.2 The Committee noted that the resolution of testing issues on the BACS IP/AUDDIS system was taking place.
- 8.3 The Committee noted that the Fitness to Practise case tracking system was now being used and modifications had been scheduled for June.
- 8.4 The Committee noted that the Business Continuity/Disaster Recovery plan was being updated and further scenarios would be tested and fed back into the plan.
- 8.5 The Committee noted that IT projects for 2006/7 were being prioritised within the Operations Directorate. The Committee noted that a system for tracking Supplementary Prescribing programmes had been delivered.

Item 9.06/59 OPERATIONS REPORT

- 9.1 The Committee received a report on the work of the Operations Department, covering registration, quality/customer services and programme approvals/annual monitoring.
- 9.2 The Committee noted that the UK Registration Department was over half way through the registration renewal cycle, having completed renewals for eight of the thirteen professions. Physiotherapists had until 30 April to renew their registration.
- 9.3 The Committee noted that the International Registration Department had successfully passed its quality process audit by BSI Audit on 24 April.
- 9.4 The Committee noted that the Approvals and Annual Monitoring Department had a total of 45 approval visits planned between 1 April and 31 July and that the schedule was now at capacity. The Department worked in conjunction with education providers to highlight the implications of their requests for postponement and/or cancellation of visits (i.e. it was unlikely that a visit could be rescheduled and completed in time for any programmes which the provider wished to commence in September).

Item 10.06/60 ANNUAL BUDGET 2006/07 UPDATE

- 10.1 The Committee received a paper for discussion/approval from the Executive.
- 10.2 The Committee noted that version three of the budget had been presented to its meeting on 22 March. The Committee had agreed that the level of Council and Committee member attendance fees should be reviewed, but this should have a neutral impact on the bottom line of

the budget. The Committee noted that this had been achieved, mostly by re-allocating funds from the Communications budget.

- 10.3 The Committee noted the key assumptions in the budget, including the proposed increase in international scrutiny fees; the cost of proposed taxation arrangements; and the proposed increase in attendance allowances for Council and Committee members.
- 10.4 The Committee noted that the HPC had changed its accounting policies, to provide that the cost of large projects would be spread over the estimated functional life of the project rather than included in its first year.
- 10.5 The Committee noted that capital expenditure in 2006-7 largely comprised renovation work to 22-26 Stannary Street.
- 10.6 The Committee noted the analysis of the Fitness to Practise budget which was attached to the paper. The Committee noted that it was likely that most costs would be incurred after the Investigating Panel stage. The Committee noted that it would be useful for the Conduct and Competence Committee to also receive the analysis.

Action: SL (by 19 September 2006)

- 10.7 The Committee approved the proposed annual budget for 2006-7 covering the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and Capital Budget.

Action: SL (by 22 June 2006)

Item 11.06/61 COUNCIL AND COMMITTEE ALLOWANCE FEE CHANGES

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that, in 2005, the Remuneration Committee had requested that attendance allowances for Council and Committee members should be reviewed in 2006. The Committee noted that it had agreed at its last meeting that a paper on this matter should be considered at its meeting on 27 April.
- 11.3 The Committee noted that the paper proposed that other types allowance fees (e.g. fees for Partners) should be reviewed in early 2007, as part of the review of the budget for 2007-8, due to the significant budgetary implications.
- 11.4 The Committee agreed to the following recommendations:-

(i) that the attendance fee for Council and Committee members should be raised from £260 to £300 per day (VAT inclusive) backdated to attendances commencing on 1 April 2006;

(ii) that the increase in fees in 2006-7 for Council and Committee members should be funded from budget cost savings made elsewhere, i.e. be "bottom line neutral";

(iii) that changing other types of allowance fees such as Partner and PLG member fees should be reviewed in early 2007 when the Council reviewed the annual Budget for 2007-8; and

(iv) that Council and Committee members' attendance fees should be reviewed periodically and that these reviews should take place every three years.

Action: SL (Ongoing)

Item 12.06/62 FEES GENERAL POLICIES

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

12.2 The Committee noted that the Education and Training Committee on 29 March had requested clarification of the HPC's general policies on fees.

12.3 The Committee agreed the following policies:-

(i) that the HPC should aim to achieve a principle of avoiding significant and deliberate cross-subsidisation in the fees charged to registrants;

(ii) that fee rises should be made on a regular basis (i.e. every two or three years), or more often in high inflationary periods; and

(iii) that fees should be set at a level to maintain the agreed reserves policy and ensure the financial viability of the HPC as an independent organisation.

Action: SL (Ongoing)

Item 13.06/63 HUMAN RESOURCES WORKPLAN AND STRATEGY

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

13.2 The Committee noted that the Human Resources strategy was intended to implement the HPC strategy and sat alongside other departmental level strategy document such as the IT and Operations strategies. The

Human Resources strategy helped the HPC to delivery its aims by ensuring that: there were open, transparent and effective recruitment processes; training of employees was promoted; a modern working culture was fostered; there was a customer service focus; a supportive work environment; and innovation and creativity was encouraged.

- 13.3 The Committee noted that there had been a significant increase in the number of HPC employees (from 36 in 2002 to approximately 80). There was provision in the budget for 15 new positions and the Human Resources Department would also be involved in filling any vacated posts and specialised positions.
- 13.4 The Committee noted that the workplan listed a number of internal projects to be undertaken in 2006-7, i.e. analysing training needs; developing recruitment strategies; developing the Human Resources Information System (to include modules on training, annual leave, recruitment, etc); rolling out the new employment contracts; and further refinements to the exit interviews process, particularly in respect to identifying grievances.
- 13.5 The Committee noted that the workplan identified a number of specific legislative changes that would need to be addressed in 2006-7, including the Working Time Regulations and the Employment Equality (Age) Regulations 2006.
- 13.6 The Committee noted that obligations under the Information and Consultation of Employees Regulations 2004 were likely to apply to the HPC for the first time in either 2007 or 2008 (depending on the pace of recruitment for budgeted positions). The Committee noted that it was already the HPC's practice to seek employees' comments on proposed changes to policies which affected them.
- 13.7 The Committee agreed that the strategy and workplan were very thorough documents. The Committee approved the priorities, projects and principles outlined in the strategy and workplan and agreed to keep the document under review.

Action: LF (Ongoing)

Item 14.06/64 CORPORATE GOVERNANCE

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that, in 2005, the Council had decided to end the practice of the Audit Committee being a sub-committee of the Finance and Resources Committee and to establish both as separate committees reporting directly to the Council. The Committee noted that both committees needed to consider their respective roles in more detail and

make recommendations to the Council on their respective terms of reference and any changes which they considered might need to be made to their standing orders.

- 14.3 The Committee agreed that the Executive should review the Committee's Standing Orders and the HPC's Standing Financial Instructions and that it should clarify the remits of the Finance and Resources Committee and the Audit Committee.

Action: MJS/NOS (by 22 June 2006)

Item 15.06/64 CRONER REWARD AND THE PAY PROCESS FOR EMPLOYEES

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted that it had agreed at the last meeting that the Executive should meet Croner Reward to discuss the criteria used to reach their evaluations of salaries and the factors that might be contributing to discrepancies in a small minority of evaluations.
- 15.3 The Committee noted that a meeting between the Executive and representatives of Croner Reward would take place on 5 May and a report would be made to the Committee following that meeting.

Action: LF (by 22 June 2006)

Item 16.06/65 HEALTH AND SAFETY ISSUES

- 16.1 The Committee received a paper to note from the Executive.
- 16.2 The Committee noted the details of how the HPC intended to manage health and safety issues relating to facilities management and to employees, contractors, Council and Committee members and Partners.

Item 17.06/66 FEBRUARY 2006 MANAGEMENT ACCOUNTS

- 17.1 The Committee received a paper for information the Executive.
- 17.2 The Committee noted that HPC's operating position (cash and surplus) was currently a good one. The Committee noted that the HPC continued to make monthly surpluses which had raised its reserves.

Item 18.06/67 ANY OTHER BUSINESS

- 18.1 There was no other business.

Item 19.06/68 DATE AND TIME OF NEXT MEETING

- 19.1 The next meeting of the Committee would be held at 10.30 a.m. on Thursday 22 June 2006.
- 19.2 Subsequent meetings would be held at 10.30 a.m. on:-
- Friday 28 July 2006
 - Monday 18 September 2006
 - Monday 20 November 2006
 - Wednesday 7 February 2007
 - Wednesday 21 March 2007
 - Thursday 26 April 2007
 - Thursday 21 June 2007

CHAIRMAN**DATE**