

unconfirmed
The Health Professions Council

Chief Executive and Registrar: Mr Marc Seale

Park House
184 Kennington Park Road
London SE11 4BU
Telephone: +44 (0)20 7840 9710
Fax: +44 (0)20 7840 9807
e-mail: colin.bendall@hpc-uk.org

Minutes of the 49th meeting of the Finance and Resources
Committee held on **Monday 16 March 2009** at Park House, 184
Kennington Park Road, London SE11 4BU.

Present: Mr R Clegg (Chairman)
Mrs M Clark-Glass
Mr P Douglas
Professor J Harper
Mr W Munro
Mr K Ross
Mrs J Sheridan
Mrs B Stuart
Mr N Willis

In attendance:

Mr E Bancroft, Rensburg Sheppards (items 1-4 inclusive)
Mr C Bendall, Secretary to the Committee
Ms D Dawkins, Acting Partner Manager
Mr G Gaskins, Director of Information Technology
Mr S Hall, Facilities Manager
Mr R Houghton, Head of Registration
Ms K Johnson, Director of Fitness to Practise (items 11-23 inclusive)
Mr S Leicester, Director of Finance
Ms J Mc Brearty, Human Resources Manager
Mr J Minett, Rensburg Sheppards (items 1-4 inclusive)
Ms C Milner, Financial Controller
Mr J Minett, Rensburg Sheppards
Ms C Reed, Project Manager
Mr G Ross-Sampson, Director of Operations
Mr M J Seale, Chief Executive and Registrar
Dr A van der Gaag, President

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

Item 1.09/33 Apologies for absence

- 1.1 Apologies for absence were received from Mrs P Blackburn, Mrs S Drayton, Mr R Kennett (observer on behalf of the Audit Committee) and Mr D Ross.

Item 2.09/34 Approval of agenda

- 2.1 The Committee approved the agenda, subject to considering the investments update as item 4.

Item 3.09/35 Declarations of members' interests

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

Item 4.09/36 Investments update (report ref: FRC 30/09)

- 4.1 The Committee received a paper for discussion/approval from the Executive. A paper was tabled showing the performance of various indexes.
- 4.2 The Committee noted that, at its meeting on 4 February 2009, it had agreed to invite the fund manager from Rensburg Sheppards to explain the current allocation of the investment portfolio; in whose name the investments were held; and to advise on whether the allocation should be revised.
- 4.3 The Committee noted that the HPC's investment portfolio had continued to decrease in value since the beginning of 2009, although the decrease was slightly less than the benchmark for the charity sector. The Committee noted that the benchmark covered a wide range of investors from relatively small amounts to large amounts. The current value of the HPC portfolio was £1.468m, compared with an average portfolio of approximately £2m for the 800 charities served by Rensburg Sheppards.
- 4.4 The Committee noted that Rensburg Sheppards provided regular reports to HPC on the performance of the investments and that these reports clearly identified bonds and equities in which HPC had invested. The investments were held in Rensburg nominee accounts, entirely separate from Rensburg

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

Sheppards. Rensburg Sheppards made investments in line with instructions from HPC.

- 4.5 The Committee noted that inter-bank lending interest rates were unusually high and 10 year gilt yields were very low. The Committee noted that equities were currently priced very cheaply, with a ten year moving average on Price Earnings Ratios of S&P 500 stocks at its lowest point since 1974. It was the view of Rensburg Sheppards that the market would recover in due course and HPC should therefore continue to invest in a diversified portfolio including equities. The Committee noted that, in Rensburg Sheppards' view, the size of the HPC fund was small and that if HPC's investment portfolio were to be divided between several fund management firms, there would be additional costs from paying fees to each of the firms. The representatives of Rensburg Sheppards then left the meeting.
- 4.6 The Committee agreed that Rensburg Sheppards should continue as the HPC's sole investment manager.

Item 5.09/37 Minutes of the Finance and Resources Committee meeting held on 4 February 2009 (report ref: FRC 24/09)

- 5.1 It was agreed that the minutes of the 48th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 6.09/38 Matters arising (report ref: FRC 25/09)

- 6.1 The Committee received a paper to note from the Executive.
- 6.2 The Committee noted the actions list as agreed at the last meeting.

Item 7.09/39 Finance report (report ref: FRC 26/09)

- 7.1 The Committee received a report on the work of the Finance Department.
- 7.2 The Committee noted that the Department was involved in a number of projects, including:

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

- completing the annual budget process for 2009-10;
- an internal audit of the purchase requisition system;
- preparing the year end management and statutory accounts, including an updated valuation of HPC's premises;
- preparing financial systems and processes for introduction of International Financial Reporting Standards; and
- introducing revised fees with effect from 1 April 2009.

Item 8.09/40 Partner Manager report (report ref: FRC 27/09)

- 8.1 The Committee received a report on the work of the Partner Manager.
- 8.2 The Committee noted that practitioner psychologist partners were being recruited and trained. The Committee noted that recruitment was under way for Continuing Professional Development assessors for several professions.

Item 9.09/41 Information Technology report (report ref: FRC 28/09)

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted that a new employee had started work as the Network and System Administrator.
- 9.3 The Committee noted that the Department was improving the technology supporting HPC's email system.
- 9.4 The Committee noted that the Department would install new PCs for all employees. The computers would be tested by a group of employees, before being installed for all employees by late April 2009.

Item 10.09/42 Operations report (report ref: FRC 29/09)

- 10.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

improvement. A revised page summarising business improvement activities was tabled.

- 10.2 The Committee noted that employees in the Registration Department had received customer service training.
- 10.3 The Committee noted that telephone calls about international registration remained relatively low. The Committee noted that this reflected quicker processing of international applications.
- 10.4 The Committee noted that practitioner psychologist registration assessors were being trained. The legislation providing for statutory regulation of practitioner psychologists had been laid in the Westminster and Holyrood Parliaments.
- 10.5 The Committee noted that Lambeth Council had granted building control approval for the additional storey on 22-26 Stannary Street. The tendering process for the project was close to completion and the contractor was expected to take possession of the building site by 23 March 2009.

**Item 11.09/43 Budget for year 1 April 2009 – 31 March 2010
(report ref: FRC 31/09)**

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that, following its discussion at the meeting on 4 February 2009, the budget had been amended to show a small operating surplus of approximately £12,700. There had also been some amendments to salaries in line with the changes approved by the Remuneration Committee on 5 March 2009 and charges for depreciation.
- 11.3 The Committee agreed that the Financial Controller should present the revised budget to the next Council meeting.

Action: CM (by 26 March 2009)

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

Item 12.09/44 Financial reserves policy (report ref: FRC 32/09)

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that it had last reviewed the policy in November 2007. No further changes to the policy were proposed.
- 12.3 The Committee approved the continuation of the reserves policy.

Action: SL (ongoing)

Item 13.09/45 Money market providers (report ref: FRC 33/09)

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that, at its meeting on 4 February 2009, it had agreed to appoint Barclays and HSBC as additional money market providers alongside Natwest, the existing provider. The decision had been made in order to reduce the risk of investing money market funds with one financial institution. However, HSBC had declined to accept money market deposits unless HPC's primary bank accounts were also transferred. This would have significant implications for HPC, for example writing to approximately 153,000 registrants to amend their direct debit arrangements and amending other financial procedures and documentation.
- 13.3 The Committee noted that the paper recommended that Lloyds TSB should be used as the third money market provider and that £1.5 m of funds should be transferred to a suitable account.
- 13.4 The Committee agreed that Lloyds TSB should be used as a third money market provider, instead of HSBC.

Action: SL (by 26 April 2009)

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

Item 14.09/46 Money market provider update (report ref: FRC 34/09)

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that a new bank mandate was required because HPC would use Barclays and Lloyds TSB as an alternative form of deposit treasury.
- 14.3 The Committee agreed the revised bank mandate (revision 1) for money market and treasury deposits.

Action: SL (by 26 April 2009)

Item 15.09/47 Finance workplan (report ref: FRC 35/09)

- 15.1 The Committee received a paper for discussion/approval from the Executive.
- 15.2 The Committee approved the workplan.

Action: SL (ongoing to March 2010)

- 15.3 The Committee agreed that the departmental reports to the Committee should report progress against the approved workplans, on an exception basis (i.e. if activities were not carried out in accordance with the workplan).

Action: SL, TH, DD, GG, GRS (ongoing to March 2010)

Item 16.09/48 Human Resources workplan (report ref: FRC36/09)

- 16.1 The Committee received a paper for discussion/approval from the Executive.
- 16.2 The Committee noted that employees had voted in 2008 to establish an agreement under the Information and Consultation of Employees Regulations 2004. It was expected that an agreement would be finalised in 2009.
- 16.3 The Committee approved the workplan.

Action: TH (ongoing to March 2010)

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

**Item 17.09/49 Information Technology workplan and strategy
(report ref: FRC 37/09)**

- 17.1 The Committee received a paper for discussion/approval from the Executive.
- 17.2 The Committee noted objectives and activities included in the workplan and activities planned for subsequent years.
- 17.3 The Committee noted arrangements were in place to ensure that data was wiped from any redundant personal computers and laptops. The Committee noted that redundant computers and laptops would either be recycled or donated to charitable organisations.
- 17.4 The Committee noted that the Executive had considered whether to use 'thin client' arrangements for the computer network (an arrangement where individual computers depended on a central server for processing). The Executive had concluded that this was not appropriate because HPC had simple network architecture with no remote offices and few remote workers. There were also a number of known limitations with 'thin client' networks.
- 17.5 The Committee approved the workplan.

Action: GG (ongoing to March 2010)

Item 18.09/50 Registration workplan (report ref: FRC 38/09)

- 18.1 The Committee received a paper for discussion/approval from the Executive.
- 18.2 The Committee noted that the workplan included a project to design and implement processes to ensure that HPC was compliant with the Safeguarding of Vulnerable Groups Act. The Committee noted that the Act would also have implications for individual registrants.
- 18.3 The Committee approved the workplan.

Action: RH (ongoing to March 2010)

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

Item 19.09/51 Projects workplan (report ref: FRC 39/09)

- 19.1 The Committee received a paper for discussion/approval from the Executive.
- 19.2 The Committee noted that the workplan comprised a number of projects and an analysis of general lessons learned, based on the project management process since 2006.
- 19.3 The Committee approved the workplan.

Action: CR (ongoing to March 2010)

Item 20.09/52 Online renewals and applications update (report ref: FRC 40/09)

- 20.1 The Committee received a paper for discussion/approval from the Executive.
- 20.2 The Committee noted progress to date on the online renewals and applications project.
- 20.3 The Committee noted that, as part of the 2008-9 internal audit workplan approved by the Audit Committee, PKF had conducted an internal audit of the project. PKF had concluded that controls implementation of the online renewals system were sound and had been operating effectively to date.
- 20.4 The Committee agreed the paper.

Item 21.09/53 January 2009 management accounts (report ref: FRC 41/09)

- 21.1 The Committee received a paper to note from the Executive.
- 21.2 The Committee noted that, as of 31 January 2009, there had been an operating surplus before investments of approximately £1 m, compared to a budgeted surplus of £317,000. The Committee noted that HPC continued to be in a stable financial position.
- 21.3 The Committee noted that there had been significant underspends in the Education Department (due to fewer approval visits taking place than planned) and

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |

the Policy and Standards Department (due to some research work being deferred). The Committee agreed that the commentary on future management accounts should include an explanation of any departmental variances of 10% or greater.

Action: CM (ongoing)

Item 22.09/54 Any other business

22.1 There was no other business.

Item 23.09/55 Date and time of next meeting

23.1 The next meeting of the Committee would be held at 10.30 am on Thursday 23 April 2009.

23.2 Subsequent meetings would be held at 10.30 am on
Tuesday 23 June 2009
Thursday 30 July 2009
Tuesday 15 September 2009
Tuesday 17 November 2009
Wednesday 10 February 2010
Thursday 4 March 2010 (Remuneration Committee)
Wednesday 17 March 2010
Thursday 29 April 2010
Thursday 17 June 2010
Thursday 29 July 2010

Chairman

Date

| Date | Ver. | Dept/Cmte | Doc Type | Title | Status | Int. Aud. |
|------------|------|-----------|----------|----------------------------------------------------------------------|-------------------|--------------------|
| 2009-03-10 | a | F&R | MIN | Minutes Finance and Resources Committee 16 March 2009 public meeting | Draft DD: None | Public RD: None |