

## Finance and Resources Committee

### Public minutes of the 55th meeting of the Finance and Resources Committee held as follows:-

**Date:** Wednesday 10 February 2010

**Time:** 10:30 am

**Venue:** The Council Chamber, Health Professions Council, Park House, 184 Kennington Park Road, London SE11 4BU

**Present:** Mr R Kennett (Chair)  
Mrs M Clark-Glass  
Mrs S Drayton  
Ms J Drown  
Dr A Midha (items 1-14 inclusive)  
Mr K Ross  
Mr N Willis

#### In attendance:

Mr C Bendall, Secretary to the Committee  
Mr G Butler, Director of Finance  
Mr R Dunn, Head of Business Process Improvement  
Ms C Evans, Personal Assistant to Director of Operations  
Mr G Gaskins, Director of Information Technology  
Ms L Hart, Secretary to Council  
Ms T Haskins, Director of Human Resources  
Ms K Johnson, Director of Fitness to Practise  
Professor J Lucas, Chair, Audit Committee (observer)  
Ms C Milner, Financial Controller  
Ms K Neuschafer, Partner Manager  
Ms C Reed, Projects Manager  
Mr G Ross-Sampson, Director of Operations  
Mr M J Seale, Chief Executive and Registrar  
Dr A van der Gaag, Council Chair

**Item 1.10/1 Apologies for absence**

- 1.1 Apologies for absence were received from Professor J Harper and Ms E Thornton.

**Item 2.10/2 Approval of agenda**

- 2.1 The Committee approved the agenda.

**Item 3.10/3 Declarations of members' interests**

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

**Item 4.10/4 Minutes of the Finance and Resources Committee meeting of 17 November 2009 (report ref: FRC 1/10)**

- 4.1 It was agreed that the minutes of the 54th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

**Item 5.10/5 Matters arising (report ref: FRC 2/10)**

- 5.1 The Committee received a paper to note from the Executive.
- 5.2 The Committee noted the actions list as agreed at the last meeting.
- 5.3 In connection with the item on the five year plan discussed at the meeting on 17 November 2009, the Committee noted that the plan would be revised once the budget for 2010-11 had been agreed.

**Item 6.10/6 Finance report and nine month reforecast for year ending 31 March 2010 (report ref: FRC 3/10)**

- 6.1 The Committee received a report on the work of the Finance Department.
- 6.2 The Committee noted that the Department had completed the management accounts to December 2009.
- 6.3 The Committee noted that the financial statements to 31 March 2009 prepared under International Financial Reporting Standards had been reviewed by Baker Tilly and the National Audit Office.
- 6.4 The Committee noted that the National Audit Office would review the accounts for the first nine months of 2009-10, to facilitate closing the accounts and in order to complete the audit more quickly.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

- 6.5 The Committee noted details of significant variances in the management accounts and the reasons for variances. HPC had recently been successful in defending appeals in a number of fitness to practise cases. HPC was in the process of attempting to recover costs from the appellants.
- 6.6 The Committee noted that there were significant variances in readmission fees, international scrutiny fees and grandparenting fees. The Committee noted that HPC had taken a number of steps to reduce the number of registrants who lapsed from the Register, which had resulted in lower income from readmission fees. The Committee noted that it was difficult to predict exactly the number of international and grandparenting applications during a financial year, but operational expenditure could be adjusted if income was less than expected.

**Item 7.10/7 Human Resources report (report ref: FRC 4/10)**

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted the Department had been involved in recruitment for several posts, administering the annual performance and development reviews for all employees and establishing a database for new employees.
- 7.3 The Committee noted that the Department had been carrying out a review of the pay process and policy with assistance with QCG, a specialist remuneration and human resources consultancy. The review had identified some issues with the existing pay system, particularly around complexity and transparency. The system would be revised to address these issues. However, due to the complexities involved, it was intended that the April 2010 pay review would run as normal, with a few minor changes. More fundamental changes would be planned and developed over 2010 for implementation from April 2011. The Committee noted that the Remuneration Committee on 4 March 2010 would be asked to give its input into the work and its approval for further work.

**Item 8.10/8 Partner Manager report (report ref: FRC 5/10)**

- 8.1 The Committee received a report on the work of the Partner Manager.
- 8.2 The Committee noted that recruitment had taken place for a number of partner roles, including hearing aid dispensers, Continuing Professional Development assessors and Registration Assessors in several professions.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

- 8.3 The Committee noted that refresher training had been held for Registration Assessors and Visitors.
- 8.4 The Committee noted that recent partner vacancies had been advertised in the electronic newsletter 'HPC In Focus', which was distributed to stakeholders. Some advertising had also been placed in professional journals and the average cost of a recruitment campaign had been in the range of £2,000 to £3,000.

**Item 9.10/9 Information Technology report (report ref: FRC 6/10)**

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted recent work by the Department on the network segmentation project, which was a significant project involving weekend working by the Department and employees in other departments. The Committee thanked the Executive for its work on the project.
- 9.3 The Committee noted that the online register had been unavailable from 26-29 December 2009 due to changes to the system made by Digital Steps Ltd. However, the issue had been resolved and the online register was now hosted by a different company, with an automatic system to issue alerts if the register became unavailable.
- 9.4 The Committee noted that an independent external penetration test had been completed in January 2010 and action would be taken to address the findings. The Committee noted that there would be a continuing cycle of penetration testing, with action taken to address any issues which were identified.

**Item 10.10/10 Operations report (report ref: FRC 7/10)**

- 10.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement.
- 10.2 The Committee noted that HPC had taken a number of steps to encourage registrants to renew their registration and avoid lapsing from the Register. These included attempting to contact registrants by e-mail and writing to their employer one month before their registration was due to expire. The Committee noted that employers had found this helpful.
- 10.3 The Committee noted that 92.8% of practitioner psychologists had renewed their registration for the first time. The Committee noted that this had been achieved through communication via professional journals, professional bodies and employers and through HPC attempting to

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

contact registrants. The Committee thanked the Executive for its work on this part of the renewals project.

- 10.4 The Committee noted that the final account for phase 2 of work to 22-26 Stannary Street had been agreed. The project had been under spent by approximately £94,000.
- 10.5 The Committee noted that the online renewals system had gone live with effect from 10 February 2010 and was now accessible by registrants. The Committee thanked the Executive for its work on this major project.

**Item 11.10/11 Budget for year 1 April 2010 to 31 March 2011 (report ref: FRC 8/10)**

- 11.1 The Committee received a paper for discussion/approval from the Executive. A page correcting typing errors in the budget was tabled.
- 11.2 The Committee noted that the draft budget for 2010-11 showed total income of £16.83 m and operating expenses of £16.19 m, giving a budgeted operating surplus of approximately £88,300. The Committee noted that the draft budget included in the paper was the fifth iteration, following several rounds of discussion with budget holders and a budget planning meeting on 15 January 2010, which had been attended by the Chair of the Committee and the Chair of Council. The Committee noted that the first draft of the budget had shown a substantial deficit.
- 11.3 The Committee noted that forecasts of registrant numbers had been amended since the draft five year plan had been considered by the Committee at its previous meeting.
- 11.4 Following discussion, the Committee agreed that the budget should be amended to include the following points:
- each section of the narrative should be shown on the relevant page of the budget, with the narrative expanded to give a more detailed explanation of significant variances;
  - further information about sensitivity analysis, in relation to factors such as registrant numbers;
  - a comparison of the proportions of HPC's budget to the proportions spent by other healthcare regulators; and
  - information on how HPC's reserves would be affected by the proposed capital expenditure of £2.79 m.

**Action: GB (by 17 March 2010)**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

**Item 12.10/12 Partner reappointment and agreement renewal (report ref: FRC 9/10)**

- 12.1 The Committee received a paper for discussion/approval from the Executive. A paper was tabled, showing the self-assessment forms and scoring sheets which had been prepared for use in the reappointments process referred to at paragraph 12.4 below.
- 12.2 The Committee noted that 486 of the 623 partner agreements were due to expire on 31 July 2010. Partner agreements had previously expired in July 2008, when the Finance and Resources Committee had agreed that the 548 expiring agreements should be renewed for a period of two years. The current system therefore required that a major renewals exercise should take place every two years.
- 12.3 The Committee noted that the paper proposed that a different approach should be taken for specific partner roles to suit the particular requirements and legislation pertaining to each type of role. The Committee noted that it was proposed that Registration Assessors, Continuing Professional Development (CPD) Assessors and Visitors should be given a four year extension to their contracts.
- 12.4 The Committee noted that the Council for Healthcare Regulatory Excellence, in its report on the performance of health profession regulatory bodies 2008-9, had identified the continued importance of appraisal and assessment of fitness to practise panel members. It was therefore proposed that panel members and panel chairs should go through a reappointments process, which would involve partners completing a reappointment self-assessment form. The completed self-assessments would be reviewed by the Executive and a representative from the Fitness to Practise Committee.
- 12.5 The Committee noted that it was intended that panel members and panel chairs would be reappointed to ensure there was a range of experience among partners and to ensure a phased process could be carried out for replacement of panel members and chairs.
- 12.6 The Committee agreed that:
- (1) 288 agreements for Registration Assessors, CPD Assessors and Visitors which were due to expire on 31 July 2010 should be renewed for a period of 4 years;
  - (2) 185 Panel Members and 13 Panel Chairs with agreements that were due to expire on 31 July 2010 be subject to the reappointment process set out in the paper, with the reappointment process to be evaluated after one year;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

- (3) Panel Members and Panel Chairs be reappointed on agreements of varying length between two and four years, to enable a phased process to be carried out for replacement of the Practice Committees;
- (4) the 88 contracts for Registration Assessors, CPD Assessors and Visitors expiring between 1 August 2010 to 30 July 2012 be renewed for a period of four years;
- (5) the 39 contracts for Panel Members and Panel Chairs expiring between 1 August 2010 to 30 July 2012 be reappointed on agreements of varying length between two and four years, to enable a phased process to be carried out; and
- (6) that the scoring sheets and matrix for use in the reappointment of panel members and chairs be approved.

**Action: KN (ongoing to 2012)**

**Item 13.10/13 Charitable status and the Health Professions Council (report ref: FRC 10/10)**

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that, at its meeting on 17 November 2009, it had asked the Executive to identify the advantages and disadvantages if the HPC were to become a charity. The paper identified a number of advantages and disadvantages.
- 13.3 The Committee noted that the General Medical Council and the Nursing and Midwifery Council were both registered charities and some members thought it was likely that HPC would also be eligible to become a charity. The Committee noted that legal advice had not yet been sought on this point and that a full analysis of the costs and benefits, including the impact on HPC's finances, had not yet been carried out. The Committee agreed that the Council should be asked to consider in principle whether HPC should become a registered charity, before any further work was carried out.

**Action: MJS (by 25 March 2010)**

**Item 14.10/14 Home working policy - revision (report ref: FRC 11/10)**

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that the home working policy had been revised, to give greater clarification about the respective responsibilities when an employee worked from home either contractually or in an ad hoc manner. The objective was to ensure that HPC was able to provide adequate

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

support for a home worker, allowing employees to work effectively. The Committee noted that there were currently only two employees who worked from home on a contractual basis.

- 14.3 The Committee noted that the draft policy stated that caring responsibilities should not be combined with work. The Committee noted that this statement had been included following legal advice and that there was very limited scope for flexibility on this point.
- 14.4 The Committee agreed the revised home-working policy.

**Action: GG/TH (by 17 March 2010)**

**Item 15.10/15 22-26 Stannary Street Limited (report ref: FRC 12/10)**

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted action which had been taken by the Executive towards winding up 22-26 Stannary Street Limited, the subsidiary company which had been purchased by HPC in 2005 in order to acquire additional office space.

**Item 16.10/16 Provision of legal services (report ref: FRC 13/10)**

- 16.1 The Committee received a paper to note from the Executive.
- 16.2 The Committee noted that HPC was due to re-tender for legal services in 2011.

**Item 17.10/17 Any other business**

- 17.1 There was no other business.

**Item 18.10/18 Date and time of next meeting**

- 18.1 The next meeting of the Committee would be held at 10.30 am on Thursday 4 March 2010 (Remuneration Committee).
- 18.2 Subsequent meetings would be held at 10.30 am on

Wednesday 17 March 2010  
Thursday 29 April 2010  
Thursday 17 June 2010  
Thursday 29 July 2010  
Monday 6 September 2010  
Monday 22 November 2010  
Thursday 27 January 2011

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None



Thursday 3 March 2011 (Remuneration Committee)  
Thursday 17 March 2011  
Thursday 28 April 2011  
Tuesday 21 June 2011  
Wednesday 7 September 2011  
Thursday 24 November 2011

## 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;

- (1) information relating to a registrant, former registrant or applicant for registration;
- (2) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (3) 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;
- (4) negotiations or consultation concerning labour relations between the Council and its employees;
- (5) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (6) action being taken to prevent or detect crime or to prosecute offenders;
- (7) the source of information given to the Committee in confidence; or
- (8) 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.'

## Summary of those matters considered whilst the public were excluded

### Item 19.10/19 Minutes of the private part of the Finance and Resources Committee of 17 November 2009 (report ref: FRC 14/10)

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 17 November 2009.

### Item 20.10/20 Matters arising (report ref: FRC 15/10)

The Committee noted the actions list as agreed at the meeting on 17 November 2009.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None

**Item 21.10/21 Capita Flexiplan pension scheme (report ref: FRC 16/10)**

The Committee noted progress towards winding up the former employee pension scheme.

**Item 22.10/22 Any other business**

There was no other business.

**Chair**

**Date**

Unconfirmed

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-02-11	a	F&R	MIN	Minutes Finance and Resources Committee 10 February 2010 public meeting	Draft DD: None	Public RD: None