

## Finance and Resources Committee

### Public minutes of the 61st meeting of the Finance and Resources Committee held as follows:-

**Date:** Monday 22 November 2010

**Time:** 10:30 am

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

**Present:** Richard Kennett (Chair)  
Malcolm Cross  
Sheila Drayton  
Julia Drown  
John Harper  
Arun Midha  
Keith Ross  
Eileen Thornton  
Neil Willis

#### In attendance:

Mr C Bendall, Secretary to the Committee  
Mr G Butler, Director of Finance  
Mr R Dunn, Head of Business Process Improvement (items 1-13)  
Mr G Gaskins, Director of Information Technology  
Ms T Haskins, Director of Human Resources  
Professor J Lucas, Chair, Audit Committee (observer)  
Ms C Milner, Financial Controller (items 1-13)  
Mr J Minett, Rensburg Sheppards (items 6-7)  
Ms K Neuschafer, Partner Manager (items 1-13)  
Mr G Ross-Sampson, Director of Operations  
Mr M J Seale, Chief Executive and Registrar  
Ms T Samuel-Smith, Acting Director of Education (items 1-13)  
Dr A van der Gaag, Council Chair

**Item 1.10/129 Apologies for absence**

1.1 Apologies for absence were received from Mary Clark-Glass.

**Item 2.10/130 Approval of agenda**

2.1 The Committee approved the agenda, subject to considering the investment update and portfolio diversification once Mr Minett had arrived.

**Item 3.10/131 Declarations of members' interests**

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

**Item 4.10/132 Minutes of the Finance and Resources Committee meeting of 6 September 2010 (report ref: FRC 88/10)**

4.1 It was agreed that the minutes of the 60th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

**Item 5.10/133 Matters arising (report ref: FRC 89/10)**

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.

**Item 6.10/134 Finance report (report ref: FRC 91/10)**

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

6.2 The Committee noted that the department had reviewed the electronic Purchase Requisition System. Subject to approval of the project, it was intended that a new version of the system would be introduced in 2011, at the same time as a new version of the Sage accounting system.

6.3 The Committee noted that a system to record fixed assets had been installed, which offered improved asset management, including reporting and accounting for depreciation.

6.4 The Committee noted that the department was in the process of moving HPC's current account from NatWest to Lloyds. The contract with Lloyds had been signed. It was expected that electronic authorisation cards would be issued in November 2010, with the current account fully operational by the end of December 2010.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None

- 6.5 The Committee noted that the report included a six-month reforecast of the position at the end of the 2010-11 financial year. It was forecast that there would be total income of £16.6 m and total operating expenditure of £16.1 m. The forecast surplus, after investment income and unrealised losses, was £547,000.
- 6.6 The Committee noted that the cash flow statement included purchase and sale of shares by Rensburg Sheppards.
- 6.7 The Committee noted that the Department of Health had agreed to make a grant of £336,000 to HPC, for external costs incurred in 2010-11 on the project to transfer regulatory functions from the General Social Care Council (GSCC) to HPC. It was expected that HPC would seek permission to carry over any unspent amounts of the grant fund available to 2011-12.
- 6.8 The Committee noted that expenditure on some projects had been deferred to later in the financial year.

**Item 7.10/135 Investment update and portfolio diversification (report ref: FRC 90/10)**

- 7.1 The Committee received a paper for discussion/approval from the Executive.
- 7.2 The Committee noted that Investec plc had acquired the remaining 53% of Rensburg Sheppards. The Committee noted that Rensburg Sheppards was likely to be re-named but no other significant changes were expected.
- 7.3 The Committee noted that, in the quarter to 30 September 2010, the value of the investment portfolio had increased by £147,708, to £2.087 m. As of 19 November 2010, the portfolio had been valued at £2.14 m.
- 7.4 The Committee noted that it had previously expressed concern that the investment portfolio was vulnerable to large fluctuations in value and that it would like to see the risk reduced. Rensburg Sheppards had produced an analysis of the current portfolio. Rensburg Sheppards proposed that the portfolio should include a more diversified mix of investments, reducing the percentage held in UK equities and instead investing in corporate bonds, infrastructure, commercial property and cash. The Committee noted that, as well as reducing volatility, this would also reduce the prospective returns. Some members felt that, as the performance of equities had recently improved, it would be appropriate for HPC to continue to invest in equities.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None

- 7.5 Some members wished to discuss whether the money invested by HPC would be required to fund additional office accommodation. The Committee therefore discussed this item in the private part of the meeting, under item 21 (any other business).
- 7.6 Following the discussion in the private part of the meeting, the Committee agreed that:
- (1) Rensburg Sheppards should continue as HPC's professional fund manager; and
  - (2) HPC's investment portfolio should be diversified, as recommended in the paper considered at item 7.

**Action: GB (by 27 January 2011)**

**Item 8.10/136 Human Resources report (report ref: FRC 92/10)**

- 8.1 The Committee received a report on the work of the Human Resources Department.
- 8.2 The Committee noted details of current recruitment.
- 8.3 The Committee noted that the first module of the management development programme was being held later in November 2010. Further modules would be run during 2011.
- 8.4 The Committee noted that a number of human resources policies had recently been updated.
- 8.5 The Committee noted that, following approval of the pay policy and process by the Remuneration Committee on 6 September 2010, guidance on new monetary values for pay bands had been issued to all employees in October 2010.

**Item 9.10/137 Partner Manager report (report ref: FRC 93/10)**

- 9.1 The Committee received a report on the work of the Partner Manager.
- 9.2 The Committee noted that recruitment had been completed for lay panel members and orthoptist panel members. The lay panel member posts had been advertised on the Public Appointments website and in The Times. There had been 350 applications, the biggest response to date for partner roles.
- 9.3 The Committee noted that, during October 2010, refresher training had been held for Visitors, legal assessors and panel members. Further

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None

sessions of refresher training for panel members and Visitors would be held in November and December 2010. New panel members had received training on 4-5 November 2010.

**Item 10.10/138 Information Technology report (report ref: FRC 94/10)**

- 10.1 The Committee received a report on the work of the Information Technology Department.
- 10.2 The Committee noted that the department had completed the upgrade to the scanning system of the Registration system. The department had also completed work to the telephone system and the mobile personal mailing service for Blackberry smart phones.
- 10.3 The Committee noted that there had been a local power cut on Saturday 13 November 2010, for approximately three hours from 5.00 pm. The uninterruptable power supply for computer servers (a battery power supply) had continued working until approximately 7.20 pm. The Executive had been able to restore the online renewals system and the online register by 14 November 2010. Employees had generally had not been affected, as systems were working again by Monday 15 November.
- 10.4 The Committee noted that the incident had shown that disaster recovery procedures generally worked well, although the Executive would review lessons learned from the incident and identify actions which were needed.

**Item 11.10/139 Operations report (report ref: FRC 95/10)**

- 11.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement.
- 11.2 The Committee noted that the number of international applications had recently increased.
- 11.3 The Committee noted that the project to transfer regulatory functions from GSCC to HPC was progressing well to date. The project team at HPC had developed good working relationships with colleagues at GSCC.
- 11.4 The Committee noted that the project to implement the Government's Vetting and Barring Scheme was currently rated 'amber'. This was because no further work would be undertaken on the project until the Government had completed its review of the Scheme.
- 11.5 The Committee noted that the project to make enhancements to the online Register was currently rated 'amber'. This was because HPC was

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None

currently waiting for a supplier to provide a proposal for additional work, before the Executive could proceed fully with the project. In addition, the project initiation meeting with the project lead was yet to take place, in order to give proper direction to the project.

- 11.6 The Committee noted that the British Standards Institute was due to audit HPC's quality management system on 23 November 2010.
- 11.7 The Committee noted that the Executive would prepare papers for the Committee on the response to the local power cut (see paragraph 10.3) and implementation of the ISO 27001 standard on information and data security.

**Item 12.10/140 Bank mandate signatory update (report ref: FRC 96/10)**

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that, with the change of the current account from Nat West to Lloyds, there was a requirement to move from a paper-based authorisation process to an electronic card-based approval system. The Executive had reviewed the signatories in List A of the bank mandate.
- 12.3 The Committee noted that the paper recommended that signatories in List B of the mandate should be required to authorise amounts over £50,000, rather than £25,000 as at present. The Committee noted that the previous limit of £25,000 had been set several years previously, when HPC's turnover had been substantially less. The Committee noted that PKF, HPC's internal auditors, had confirmed that the threshold of £50,000 was lower than most other health regulators where a second, Council-level signatory was required.
- 12.4 The Committee approved the revised bank mandate signatory/approval list, to take immediate effect.

**Action: GB (by 22 November 2010)**

**Item 13.10/141 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 97/10)**

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee agreed to discuss this matter under item 19, in the private part of the meeting.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None

#### **Item 14.10/142 Any other business**

14.1 There was no other business.

#### **Item 15.10/143 Date and time of next meeting**

15.1 The next meeting of the Committee would be held at 10.30 am on Thursday 27 January 2011.

15.2 Subsequent meetings would be held at 10.30 am on

Thursday 3 March 2011 (Remuneration Committee only)  
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.'

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None

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

**Item 16.10/144 Minutes of the private part of the Finance and Resources Committee of 6 September 2010 (report ref: FRC 98/10)**

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 6 September 2010.

**Item 17.10/145 Matters arising (report ref: FRC 99/10)**

The Committee noted matters arising from the minutes.

**Item 18.10/146 Office accommodation: Purchase of additional accommodation (report ref: FRC 100/10)**

The Committee agreed a recommendation to the Council on the purchase of additional office accommodation, subject to contract and the agreement of the Council.

**Item 19.10/147 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 101/10)**

The Committee discussed issues related to the transfer of regulatory functions from the General Social Care Council to HPC.

**Item 20.10/148 Capita Flexiplan pension scheme (report ref: FRC 102/10)**

The Committee noted a paper on progress towards winding-up the previous pension scheme.

**Item 21.10/149 Any other business**

The Committee discussed the approach to be taken to HPC's investment portfolio.

**Chair**

**Date**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2010-11-15	a	F&R	MIN	Minutes Finance and Resources Committee 22 November 2010 public meeting	Draft DD: None	Public RD: None