
Finance and Resources Committee

Public minutes of the 62nd meeting of the Finance and Resources Committee held as follows:-

Date: Thursday 27 January 2011

Time: 10:30 am

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

Present: Richard Kennett (Chair)
Mary Clark-Glass
Malcolm Cross
Sheila Drayton
Julia Drown
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
Mr G Gaskins, Director of Information Technology
Ms A Gorringe, Director of Education (items 12-17 inclusive)
Ms T Haskins, Director of Human Resources
Professor J Lucas, Chair, Audit Committee (observer)
Ms C Milner, Financial Controller
Ms K Neuschafer, Partner Manager
Mr G Ross-Sampson, Director of Operations
Mr M J Seale, Chief Executive and Registrar
Dr A van der Gaag, Council Chair

Item 1.11/1 Apologies for absence

1.1 Apologies for absence were received from John Harper.

Item 2.11/2 Approval of agenda

2.1 The Committee approved the agenda.

Item 3.11/3 Declarations of members' interests

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

Item 4.11/4 Minutes of the Finance and Resources Committee meeting of 22 November 2010 (report ref: FRC 1/11)

4.1 It was agreed that the minutes of the 61st meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.11/5 Matters arising (report ref: FRC 2/11)

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 The Committee noted that a paper, reporting the action taken in response to the local power cut on 13 November 2010, would be received at item 14.

Item 6.11/6 Finance report (report ref: FRC 3/11)

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

6.2 The Committee noted that the department was working to close the NatWest bank account and transfer funds to the Lloyds TSB account.

6.3 The Committee noted that HPC's investment portfolio was valued at £2.14 m, as of 31 December 2010.

6.4 The Committee noted that a fixed asset module had been added to the Sage accounting system and data on fixed assets was being loaded onto the system. It was expected that this work would be completed shortly.

6.5 The Committee noted that the National Audit Office (NAO) had advised that the 2010-11 accounts would need to be prepared using merger

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accounting, to recognise the transfer of regulatory functions from the Hearing Aid Council to HPC. This was a requirement of the government's Financial Reporting Manual. The NAO would provide HPC with template accounts to show merger accounting.

- 6.6 The Committee noted that the department would prepare a nine month reforecast of the financial year end position.
- 6.7 The Committee noted that the management accounts showed an operating surplus of £601,000 for the financial year to December 2010. The Committee noted that HPC was currently in a good financial position, which had been achieved by prudent management of expenditure.
- 6.8 The Committee noted that the management accounts included a new line to show expenditure on the project to transfer regulatory functions from the General Social Care Council to HPC. The Department of Health had agreed to make a grant of £300,000 for HPC's expenditure on the project in 2010-11. HPC had asked the Department of Health for permission to carry over any remaining part of the grant to the next financial year. The Committee agreed that the Executive should provide a report giving details of expenditure on the project.

Action: GB (by 17 March 2011)

Item 7.11/7 Human Resources report (report ref: FRC 4/11)

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted that recruitment had taken place for several posts, including filling some posts which had become vacant through internal transfers.
- 7.3 The Committee noted that the number of fixed-term contracts had slightly increased during 2010-11. The Committee noted that some employees on fixed-term contracts had moved onto permanent contracts during the year.
- 7.4 The Committee noted that management development training was continuing. The department was also undertaking policy work and was preparing for the annual pay review.

Item 8.11/8 Partner Manager report (report ref: FRC 5/11)

- 8.1 The Committee received a report on the work of the Partner Manager.

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- 8.2 The Committee noted that interviews were taking place for visitor roles for occupational therapists and hearing aid dispensers. Recruitment would also take place to fill some anticipated shortages in other Partner roles.
- 8.3 The Committee noted that refresher training had taken place for some panel members and visitors during November and December 2010. Training for new visitors had taken place on 13-14 January 2011, completing the programme of partner training for the current financial year.
- 8.4 The Committee noted that the partner appraisal process was continuing.
- 8.5 The Committee noted that there was only one Continuing Professional Development (CPD) assessor for prosthetists and orthotists. The Committee noted another assessor would not be required for several months, as the profession would not undergo CPD audit until later in 2011.

Item 9.11/9 Information Technology report (report ref: FRC 6/11)

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted that testing of changes to the Education Department's system was underway. It was expected that the system would be brought into use by mid-February 2011.
- 9.3 The Committee noted that the department had signed a contract with a supplier to handle credit card details. The service was due to start by the end of the current financial year.

Item 10.11/10 Operations report (report ref: FRC 7/11)

- 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 the project to enhance the online Register was making progress. The project was due to be completed by the end of the current financial year.
- 10.3 The Committee noted that all employees were due to be trained on information security. The short online training course was being piloted but would be delivered to all employees.
- 10.4 The Committee noted that work continued on the project to transfer regulatory functions from the General Social Care Council to HPC.

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10.5 The Committee noted that the online renewals system continued to work well and feedback from registrants had been very positive. Approximately half of renewals had been via the online system. The system would be promoted through professional bodies during the next renewals cycle.

Item 11.11/11 Forecast of registrant numbers (report ref: FRC 8/11)

11.1 The Committee received a paper to note from the Executive.

11.2 The Committee noted that the paper forecast registrant numbers for financial years to 2015-16. The Committee noted that there was greater uncertainty about forecasts for the later years, as they were subject to a number of factors, including any legislative changes.

11.3 The Committee noted the assumptions in the paper were based on the White Paper published in 2007, 'Trust, Assurance and Safety: The regulation of health professionals in the 21st century'. It was anticipated that the coalition government would shortly publish a new White Paper. It was expected that this would include a statement of government policy on statutory regulation and which professions might be regulated by HPC.

11.4 In discussion, the following points were made:

- the number of readmissions was expected to decrease because renewal rates had increased. Based on actual figures, an average of 5% of each profession would lapse at the end of each renewals cycle. Renewal rates had the biggest impact on the total number of registrants;
- the forecast included a significant drop in the number of physiotherapists registering through the UK route in 2013-14. Some members questioned whether this forecast was appropriate. The Committee noted that the Executive was cautious in forecasting registrant numbers;
- the assumptions in the paper did not include information about the workforce in Northern Ireland, Scotland and Wales. The Committee noted that proposed changes to the structure of the NHS in England might result in workforce planning becoming more fragmented;
- HPC did not hold information on whether registrants maintained their registration if they were unemployed; and

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- the age and gender profile of the professions and the removal of a compulsory retirement age could affect the forecast numbers of registrants.

Item 12.11/12 Draft budget 2011-12 (report ref: FRC 9/11)

- 12.1 The Committee received a paper for discussion/approval from the Executive. Revised pages, correcting errors in overheads and cash flow, were tabled.
- 12.2 The Committee noted that the draft budget had been reviewed several times by the Executive Management Team, including discussion of each department's budget, workplans and projects for the next financial year. The Chair of Council and the Chair of the Committee had attended a meeting to discuss the budget on 11 January 2011. The Committee noted that it would have a further opportunity to discuss the budget at its meeting on 17 March 2011. The Committee was invited to comment on the budget and recommend any assumptions that should be amended.
- 12.3 The Committee noted that the budget for 2011-12 showed a small surplus and indicated that an increase in fees would not be needed during the financial year. Work during the year would include the project to transfer functions from the General Social Care Council to HPC, projects planned by each department and any work arising from the forthcoming White Paper.
- 12.4 The Committee noted that it would meet as the Remuneration Committee on 3 March 2011 to review the proposed salaries for employees in 2011-12.
- 12.5 The Committee agreed that the budget should be brought back to its meeting on 17 March 2011.

Action: GB (17 March 2011)

Item 13.11/13 Transfer of regulatory functions from General Social Care Council (GSCC) to HPC (report ref: FRC 10/11)

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that, on 19 January 2011, the government had published the Health and Social Care Bill, which included provision for functions to be transferred from GSCC to HPC. The Bill was subject to approval by Parliament and Royal Assent, but provided that HPC would be renamed the Health and Care Professions Council. The Bill also included changes to the funding arrangements and powers of the Council

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for Healthcare Regulatory Excellence. Further discussion about the Bill and the forthcoming White Paper was due to take place at HPC's Council meeting on 10 February 2011.

- 13.3 The Committee noted that the Executive continued to work on the project with colleagues at the GSCC.

The Committee noted the following papers:

Item 14.11/14 Minor disaster recovery invocation, 13 November 2010 (report ref: FRC 11/11)

Item 15.11/15 Dates of Committee meetings in 2012 (report ref: FRC 12/11)

Item 16.11/16 Any other business

- 16.1 There was no other business.

Item 17.11/17 Date and time of next meeting

- 17.1 The next meeting of the Committee would be held at 10.30 am on Thursday 3 March 2011 (Remuneration Committee only).

- 17.2 Subsequent meetings would be held at 10.30 am on

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;

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- (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 18.11/18 Minutes of the private part of the Finance and Resources Committee of 22 November 2010 (report ref: FRC 13/11)

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 22 November 2010.

Item 19.11/19 Matters arising (report ref: FRC 14/11)

The Committee noted matters arising from the minutes.

Item 20.11/20 Investment policy (report ref: FRC 15/11)

The Committee agreed to recommend to the Council the approach to be taken to HPC's investment portfolio.

Item 21.11/21 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 16/11)

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

Item 22.11/22 Review of the Group Personal Pension Plan (report ref: FRC 17/11)

The Committee noted a paper reviewing the employee pension plan.

Item 23.11/23 Any other business

There was no other business.

Chair

Date

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