

People and Resources Committee

Minutes of the People and Resources Committee meeting held in public on:

Date: Wednesday 28 February 2024

Time: 2pm

Venue: Videoconference (Microsoft Teams)

Present: Sue Gallone (Chair)
Rebekah Eglinton
Neville Hounsome
Geraldine Kinkead-Richards*
John McEvoy
Valerie Webster

In attendance:

Fatma Ali, Head of HR and OD
Kayleigh Birtwhistle, Programme Manager
Francesca Bramley, Governance Manager (Committee Secretary)
Alastair Bridges, Executive Director of Resources
Laura Coffey, Executive Director of Fitness to Practise and Tribunal Services
Karen Flaherty, Head of Governance
Maryam Khorassani, Presenting Officer (Employee Forum Chair)
Bernie O'Reilly, Chief Executive and Registrar
Uta Pollman, Partner Project Lead (for item 10)
Andrew Smith, Executive Director of Education, Registration and Regulatory Standards and Deputy Chief Executive

1. Welcome and Introduction

- 1.1. The Committee Chair welcomed those present to the meeting.
- 1.2. One of the Council Apprentices who had recently joined the Council, Geraldine Kinkead-Richards, was attending her first meeting of the Committee.

* Council Apprentice

2. Apologies for absence

- 2.1. There were no apologies for absence from Committee members.
- 2.2. The Head of Finance was not in attendance. The Executive Director of Resources would therefore present items 9 and 13 to the Committee.

3. Approval of agenda

- 3.1. The Committee approved the agenda.

4. Declaration of members' interest in relation to agenda items

- 4.1. There were no interests to declare from Committee members.

5. Minutes of the People and Resources Committee meeting held in public on 9 November 2023

- 5.1. The Committee approved the minutes as an accurate record of its meeting held in public on 9 November 2023, subject to minor amendments to section 10.3 to clarify the Committee's discussion regarding sexual misconduct.

6. Matters arising

- 6.1. The Committee noted the updates on the matters arising from previous meetings held in public.

Performance Reports

7. Resources Directorate Performance Report

- 7.1. The Committee received a paper from the Executive Director of Resources, providing an update on performance in the areas covered by the HCPC's corporate enabler functions as at December 2023, including an update on the project portfolio as at January 2024.
- 7.2. The report showed continued good performance reported against most KPIs.
- 7.3. Performance challenges included a reduction in the IT system security score, office attendance remaining slightly below the Hybrid Working Policy benchmark and the deferral of Business Central deployment to 8-10 March 2024.
- 7.4. The Committee discussed:
 - the ongoing risk of cybersecurity attacks. The Executive Director of Resources summarised mitigating actions, including the launch of a new mandatory e-learning package for all staff and the recently commenced ISO27001 reaccreditation, which would provide further assurance.
 - the good progress that had been made towards agreeing a minimum dataset, with strong engagement across the organisation and agreement on a minimum

dataset for education and registration. Additional resource was being provided by IBM to support the implementation of the necessary system changes. Data quality was acknowledged as a key enabler for the minimum dataset.

- 7.5 The Committee reflected on the continued good performance against KPIs and suggested that external benchmarking may be useful in future reports to further drive improvements and provide additional insight into performance.

Action: The Committee asked that, where possible, external benchmarking be included in the report from April 2024 reporting onwards.

8. HR Performance Report

- 8.1. The Committee received the HR performance report from the Head of HR and OD covering the third quarter of the 2023-24 financial year, which outlined the performance of the organisation in line with the KPIs from the HR function.

- 8.2. The Committee noted the following points:

- the positive trends for recruitment and staff turnover and a reduction in sickness absences;
- an increase in agency staff, with subsequent action taken to move agency staff onto permanent contracts of employment;
- the continued focus on promoting office attendance in line with the hybrid working policy, acknowledging the need to balance organisational and individual needs; and
- the slightly reduced Pulse Survey participation rates, acknowledging the overall response rate of 58% was high, that actual figures indicated a relatively high response rate within registration. The Committee further noted that discussions were underway with input from the Employee Forum to seek to improve the response rate, particularly within FTP, with a number of actions under consideration including time being allocated at the end of all-employee briefings for staff to complete the survey.

Action: The Committee requested clarification as to how the exit interview feedback data correlated with the reference to positive feedback addressing culture in the executive summary of the report.

- 8.3. The Committee acknowledged the informative report and the continued improvements highlighted.

9. Finance Report

- 9.1 The Committee received a paper from the Executive Director of Resources presenting the financial position as at the end of January 2023, with a commentary on the major variances, risks and opportunities. It was noted that the number of registrants set out in the second paragraph of the cover sheet should have been c.350,000.

9.2 The Executive Director of Resources highlighted the following points:

- the forecast year-end surplus remained at £1.3 million;
- the moderate increase in the level of international applications was somewhat offset by increased FTP legal costs reflecting higher case volumes;
- the £112k increase in investment income was a result of favourable rates in the HCPC's rolling deposit account;
- a deep dive into departmental budgets had identified some underspends which were being reallocated;
- the HCPC continued to face a number of significant risks and future liabilities, alongside the need to rebuild reserves to a more sustainable level. These were not expected to crystallize in 2023-24 but remained under regular review; and
- year-to-date capital spend was closely aligned to the budget, with the main areas of spend relating to Business Central, hybrid working improvements and phase 2 of the FTP improvement programme.

Action: The Executive Director of Resources would confirm:

- the source of the 20% of registration costs that were not attributable to the rise in international applications; and
- the costs arising from the appointment of a short-term contractor to support the implementation of Business Central.

10. Partner Report

10.1 The Committee received the Partner report for the third quarter of the 2023-24 financial year from the Partner Project Lead, which provided an overview of a number of performance metrics. It was noted that paragraph 7 on page 5 of the report should have read '...we had a decrease in comparison to the last quarter'.

10.2 The following areas of the report were highlighted:

- significant recruitment activity including two recruitment campaigns, one of which had missed the target for registration appeal panel members with a new external recruitment campaign underway, a successful panel chair recruitment campaign and other recruitment campaigns launching imminently;
- a continued increase in turnover and voluntary resignations, with retirement and other work commitments cited as the most common reasons for leaving;
- a continued focus on quality assurance, including a new record of assessment for registration assessors and CPD audit forms that would be launched later in 2024;

- the second partner survey, which had concluded in January 2024 with a 50% completion rate; and
- an increase in mandatory training for partners, with work underway to agree and communicate consistent requirements for all partners.

10.3 The Committee discussed the operational impact of the increasing number of resignations. It was noted that gaps had been identified early and mitigating actions had been taken before they had a significant impact, and no deterioration in performance had been reported to date.

10.4 The Committee reflected on mandatory training compliance for partners. The Committee noted that Partners who failed to fulfil mandatory training requirements received multiple reminders and support, but that in a small number of cases non-compliance with mandatory training requirements ultimately resulted in contract termination. The Committee expressed their support for this approach.

10.5 In response to a question, the Partner Project Lead clarified that partners were paid to undertake half-day or full-day refresher training, and that there were multiple factors impacting on partners completing e-learning, including out-of-date contact details and issues with accessing the e-learning portal.

Action: The Committee requested that future reports include a brief summary of mitigating actions/next steps for each of the risks identified.

10.6 The Committee acknowledged the report and the progress that had been made.

People

11. Employee Forum Update

11.1. The Committee received a verbal update from the Employee Forum Chair on the activities of the Employee Forum.

11.2. A new team of eight Employee Forum representatives were meeting one to two times per month, with ad-hoc meetings arranged for urgent issues and drop-in sessions also offered. Constituents had raised issues relating to salaries and the consultation on impending changes within the FTP department. The Employee Forum Chair described the process through which concerns and suggestions were addressed, reporting that all issues that had been raised to date had been resolved either within the Forum meetings or by signposting to alternative routes.

11.3. There had been a significant effort to raise awareness of the Employee Forum among staff, with a planned slot at the all-employee briefing in April 2024 expected to further improve staff engagement.

11.4. The Forum had identified possible actions to improve the Pulse Survey response rate within the FTP department, which would be reviewed and taken forward through discussion with the Head of HR and OD.

11.5. The Committee thanked the Employee Forum Chair for their comprehensive update and asked to be notified if there was anything the Committee could contribute.

12. Pay Gap Reports

12.1. The Committee received the Pay Gap Reports from the Head of HR and OD.

12.2. The Committee noted that actions were in hand and progress was being made.

Action: The Committee agreed that any queries and/or feedback on the reports would be submitted to the Head of HR and OD via email in advance of the publication date (6 April 2024).

Finance

13. Reserves Policy

13.1. The Committee received a report setting out a review of the Reserves Policy, which had last been reviewed and updated in 2020. It was noted that the report would also be submitted to the Audit and Risk Assurance Committee for recommendation prior to consideration by the Council.

13.2. The Committee noted the following points:

- the HCPC was compliant with the existing policy, which required positive realisable assets after deducting intangible assets. As balanced budgets had been set and in view of the recent fee increase, the HCPC was seeking to move to a more sustainable financial position.
- following the implementation of an interim approach to reserves, the review considered whether or not the policy should be formulated differently to bring the HCPC's policy in line with other health care regulators and organisations in the wider economy; and
- the proposal set out in the paper was to adopt three months of operating expenditure as a benchmark, which would equate to reserves of c.£10 million. An alternative option would be to agree an aspirational statement on reserves and to defer any proposed changes to the Policy until there was clarity on the outcome of the fee review and future partner costs;

13.3. The Committee expressed its support for setting an aspirational target, but emphasised the importance of setting a realistic target and articulating how and when this target would be achieved and sustained. The Executive Director clarified that the HCPC continued to face medium term challenges if further fee increases were not secured, which made it difficult to assess when any revised objective would be achieved.

13.4. The Committee discussed the risks that the Policy sought to address including regulatory reform and potential partner legal liabilities, noting that if these risks crystallised at the same time the HCPC would face significant financial pressures. The possible shortcomings of benchmarking reserves of larger health care

regulators with different supporting legislation were acknowledged. It was further noted that comparisons with commercial organisations may also be unhelpful, taking into account the HCPC's status as a regulator.

- 13.5. The Executive Director of Resources emphasised the importance of financial sustainability to build upon the progress that had been made across other aspects of financial management, highlighting the HCPC's responsibility to ensure good financial stewardship. The Committee noted that although as a regulator the risks were different to commercial organisations, there would nevertheless be significant consequences if reserves were not sufficient to achieve financial sustainability.
- 13.6. The Committee noted that although reserves were an important contributor to financial sustainability, this should not become a burden that adversely impacted on the progress being made across other areas of financial management, recruitment and digital developments.
- 13.7. The Committee acknowledged the significant progress that had been made and concluded that greater certainty on the future income from fees and future liabilities for partners would put the Committee in a better position to understand when the target could be achieved.

Action: The Executive Director of Resources would review the consistency of language in the paper and further clarify the principles set out in the report prior to submission to the Audit and Risk Assurance Committee.

Action: Following the Audit and Risk Assurance Committee meeting on 13 March, the Committee Chair and the Executive Director of Resources would meet with the Audit and Risk Assurance Committee Chair to agree whether the Reserves Policy should be submitted to the Council at this time.

Governance

14. Review of Committee Effectiveness

- 14.1. The Committee received a paper setting out the responses to a questionnaire that had been circulated to Committee members and regular attendees in February 2024 to inform the review of the Committee's effectiveness.
- 14.2. The Committee noted that responses to the questionnaire had been very positive overall, with three feedback themes relating to a desire to have more focussed data and less narrative, having more time for less structured discussion as a committee to take a broader and longer view of the strategic issues and implications and promoting greater challenge of the work of the Committee from the wider Council.
- 14.3. The Committee noted and endorsed the recommendations set out in the report.

Action: The Head of Governance would work with colleagues to:

- review the information presented to the Committee and ensure alignment with the role and responsibilities of the Committee as set out in its standing orders,

supported by the development of a new cover sheet and report writing guidance that would be shared with colleagues for feedback;

- set up a Committee workshop to allow time for less structured discussion, possibly towards the end of the year to take account of early and budgeting and planning processes; and
- through discussion with the Chair, consider whether more discussion time could be allocated to the reports from the chairs of committees at the Council, or whether this could be a regular addition to the annual Council seminar programme.

15. Review of standing orders

15.1. The Committee received a paper setting out proposed amendments to the Committee standing orders, which had last been reviewed and amended by the Council in February 2022.

15.2. The Committee recommended the revised standing orders to the Council, subject to the following changes:

- paragraph 1.3 should be reviewed and potentially omitted, as the review of competency framework for partner roles was a responsibility of the Executive Leadership Team.
- paragraph 7.2 should be amended to indicate that the Committee's approval of minutes was the final approval, removing the requirement for the Committee Chair to sign the minutes;
- a statement would be added to require that the draft minutes were circulated to Committee members and attendees for a review of factual accuracy prior to the submission of the minutes to the Council; and
- to include the HCPC's sustainability plans, in addition to the estates strategy, following the approval of the sustainability statement by the Council in July 2023.

16. Committee Forward Plan 2024

16.1. The Committee noted the latest Committee forward plan, which would continue to be reviewed and updated.

17. Resolution

17.1 The Committee resolved that the remainder of the meeting would be held in private, because the matters being discussed related to matters which, in the opinion of the Chair, were confidential or the public disclosure of which would prejudice the effective discharge of the Council's functions.

17.2 The meeting was adjourned at 3:35pm.