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The Health Professions Council

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Minutes of the 42nd meeting of the Finance and Resources Committee held on **Wednesday 19 March 2008** 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 D Ross
Mr K Ross
Mrs J Sheridan
Mrs B Stuart
Mr N Willis

In attendance:

Mr C Bendall, Secretary to the Committee
Ms A Creighton, Head of Education
Mr R Dunn, Head of Business Improvement
Ms L Foster, Director of Human Resources
Mr G Gaskins, Director of Information Technology
Mr S Hall, Facilities Manager (items 1-5 inclusive)
Mr R Houghton, Head of Registration
Ms Y Hussain, Partner Manager
Ms K Johnson, Director of Fitness to Practise
Mr R Kennett, Accountant member - Audit Committee (Observer)
Mr S Leicester, Director of Finance
Ms C Milner, Financial Controller
Ms N O'Sullivan, Secretary to Council (items 7-23 inclusive)
Mr M J Seale, Chief Executive and Registrar
Ms L Teidi, Projects Officer
Mr R Turner, Stiles Harold Williams (items 1-5 inclusive)
Dr A van der Gaag, President (items 1-18 and 20-23 inclusive)

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-03-12	a	F&R	MIN	Minutes Finance and Resources Committee 19 March 2008 public meeting	Draft DD: None	Public RD: None

Item 1.08/28 Apologies for absence

- 1.1 Apologies for absence were received from Mrs P Blackburn and Mrs S Drayton.

Item 2.08/29 Approval of agenda

- 2.1 The Committee approved the agenda, subject to considering the item on 22-26 Stannary Street as item 5.

Item 3.08/30 Minutes of the Finance and Resources Committee meeting held on 6 February 2008

- 3.1 It was agreed that the minutes of the 41st meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 4.08/31 Matters arising

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

Item 5.08/32 22-26 Stannary Street project: Progress report

- 5.1 The Committee received a paper to note from the Executive.
- 5.2 The Committee noted that, since the paper had been written, the HPC's quantity surveyor had reported that the contractor might claim for a substantial sum (approximately £200,000) above the contract price. Work to the elevation of 20 Stannary Street had now been removed from the contract in order to control costs.
- 5.3 The Committee expressed serious concern that the contractor might make a substantial claim and noted that the reasons for the claim were unclear at this stage. The Committee noted that the contractor had apparently not taken account of the need for a building management system (which controlled building services) when pricing the contract. The HPC would strongly refute any claim for the cost of this item.

- 5.4 The Committee noted that the HPC would consider whether to make a claim against the contractor, if the contract was delayed beyond the current extension date which had been granted (17 April 2008). It was currently proposed that work would be completed on 11 April 2008 and that employees would use the premises from 14 April. The Committee noted that the contract provided for an adjudication process in the event of any dispute between the HPC and the contractor.

Item 6.08/33 Finance and Facilities Management report

- 6.1 The Committee received a report on the work of the Finance and Facilities Management Department.
- 6.2 The Committee noted that there were 54 active members of the employee pension scheme provided by Friends Provident.
- 6.3 The Committee noted that the financial system upgrade project had been divided into two phases. The second phase would involve introduction of online purchase ordering. Other projects involving the Department included:
- preparations for proposed changes to fees in 2009;
 - changes to access rights for the LISA registration system;
 - preparation of the financial statements for 2007-8 and external audit;
 - completion of the 2008-9 budget.
- 6.4 The Committee noted that work was in progress to appoint a new travel supplier.

Item 7.08/34 Human Resources report

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted that the Department had been involved in completing the performance review process for all employees and preparing to implement any approved pay increases for employees.
- 7.3 The Committee noted that, following requests made at the meeting on 6 February 2008, the statistical part of the report had been amended. Sickness absence and employee turnover were now shown as percentages from April 2006 onwards, to show longer term trends.

- 7.4 The Committee noted that employee turnover for the financial year to date was 26%. The Committee noted that the budget took account of this level of turnover and that half of the turnover was accounted for by posts in the Registration department.
- 7.5 The Committee noted that there had been extensive use of agency workers in 2007-8, mainly in the Registration departments and Fitness to Practise Department. It was intended that the Registration departments would in future use permanent employees instead of temporary or contract workers.
- 7.6 The Committee noted that the percentage of work days lost due to sick leave had recently increased, mainly due to a small number of individuals who had been unwell or who were on long-term sick leave.

Item 8.08/35 Partner Manager report

- 8.1 The Committee received a report on the work of the Partner Manager.
- 8.2 The Committee noted that letters had been sent to all existing partners offering an extension of their existing contracts. Partners had been given until 31 March 2008 to respond.
- 8.3 The Committee noted that, further to discussion at the meeting on 6 February 2008, there were three prosthetist and orthotist visitors. Two of the visitors would be trained on 29 April 2008.
- 8.4 The Committee noted that the statistics in the report indicated that the same number of partners had been awaiting training since 2006. The Committee agreed that the Partner Manager should check whether this was correct.

Action: YH (by 24 April 2008)

Item 9.08/36 Information Technology report

- 9.1 The Committee received a report on the work of the Information Technology (IT) Department.
- 9.2 The Committee noted that the IT network had been reviewed and redesigned, to make it more robust and to prepare for the IT services to 22-26 Stannary Street.
- 9.3 The Committee noted that the British Psychological Society had agreed to transfer the data on its register to a third party acting on HPC's behalf. HPC would not have direct access to the data.
- 9.4 The Committee noted that the IT strategy would be presented to its meeting on 31 July 2008.
- 9.5 The Committee noted that two members of the Department were on leave or undertaking training, which had reduced the number of employees available in the Department in the short-term.

Item 10.08/37 Operations report

- 10.1 The Committee received a report on Operations, covering the Registration Departments, Quality Management, Project Management and Approvals and Monitoring.
- 10.2 The Committee noted that the Registration Departments and the Approvals and Monitoring Department had entered their peak period for work.
- 10.3 The Committee noted that the application server upgrade project had been delayed, due to performance issues which were being addressed by suppliers.
- 10.4 The Committee noted that service standards in the Registration Departments were reviewed annually by the Head of Registration and the Director of Operations, in the light of available resources and responses from registrants.

Item 11.08/38 Budget for year 1 April 2008 – 31 March 2009

- 11.1 The Committee received a paper for discussion/approval from the Executive. A paper was tabled, containing amended versions of the projected consolidated balance sheet and the projected cash flow statement.

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- 11.2 The Committee noted the following assumptions in the budget:
- the register for practitioner psychologists would open on 10 February 2009 and no income would be recognised for the 2008-9 financial year;
 - there would be 70 approval visits (less than in 2007-8);
 - the number of employees would increase from 110 to 123 over the financial year;
 - there would be a budgeted income of £13.7 m with expenditure of £13.4 m, giving a budgeted surplus of £247,000.

11.3 The Committee noted that income was forecast to increase by 11.5% due to the increased renewal fee, which would be paid by five professions going through the renewal cycle in 2008-9.

11.4 The Committee noted that the budget was the result of a series of meetings and detailed discussions by the Executive Management Team. The Committee agreed that, in future, it would be helpful to have management commentary on significant variances in the budget, so that the Committee could understand the variances and add greater value to the process.

Action: CM (by February 2009)

11.5 The Committee agreed that the assumption on Council and committee meetings should be clarified to state that 85% of possible attendees claimed for attending meetings.

11.6 The Committee agreed that the Financial Controller should incorporate the change agreed at paragraph 11.5. The Committee agreed that the Financial Controller should present the revised budget to the next Council meeting on 27 March 2008.

Action: CM (by 27 March 2008)

Item 12.08/39 Fee rise 2009: Update

12.1 The Committee received a paper for discussion/approval from the Executive.

12.2 The Committee noted that, at its meeting on 20 November 2007, it had agreed that the proposed increases in fees

should take effect in June 2009. As a result of further planning, it was proposed that any fee increases should take effect in April 2009, before the start of the renewal cycle and to avoid the peak period for processing applications from graduates of UK programmes.

- 12.3 The Committee agreed that, subject to the outcome of the consultation process, the proposed fee rise should take effect from April 2009.

Action: SL (ongoing to April 2009)

Item 13.08/40 Finance and facilities management workplan

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted the projects completed in 2007-8 and planned for 2008-9 and subsequent financial years. The Committee noted that it was intended to acquire or lease a new building in 2010-11 in order to accommodate the increasing number of employees.
- 13.3 The Committee approved the workplan.

Action: SL (ongoing to March 2009)

Item 14.08/41 Human Resources strategy and workplan

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that it was intended to fill 15 new posts in 2008-9. As a result of the increase in employee numbers, it was expected that the Information and Consultation of Employees Regulations 2004 would become applicable to the HPC.
- 14.3 The Committee noted that the Human Resources Department intended to conduct the first survey of employee attitudes, to identify why employees remained at the HPC, what benefits were important to employees and other issues.
- 14.4 The Committee noted that the Department would need to recruit, select and train the numbers and types of partners required for the Continuing Professional Development process. 103 candidates had already been short-listed.

- 14.5 The Committee noted that the Department would analyse the diversity of employees and partners and would present the analysis to the Committee. The Committee noted that equality and diversity training would continue for all new employees and new and existing partners.
- 14.6 The Committee noted that the Department had achieved the objectives from the 2007-8 workplan, in addition to work on the issues around the employee pension scheme.
- 14.7 The Committee agreed the priorities, projects and principles outlined in the strategy and workplan and agreed to keep the document under review.

Action: LF (ongoing to March 2009)

Item 15.08/42 Information Technology workplan

- 15.1 The Committee received a paper for discussion/approval from the Executive.
- 15.2 The Committee noted that it was intended to recruit one additional permanent employee in 2008-9 to support the continued growth of HPC. The Committee noted that the Department's time would be divided between 'business as usual' tasks and development of projects. Some work would be supported by third parties (external suppliers).
- 15.3 The Committee noted the objectives, major projects and small projects planned for 2008-9. The Committee noted that the telephone system would be upgraded during the year to increase its capacity to handle incoming calls.
- 15.4 The Committee noted that a system enabling registrants to renew their registration online was being initiated in the 2008/09 financial year. The Committee noted that the project was in its early stages and that the business benefits and the project initiation documentation had recently started. It was expected that it would help to reduce the volume of work for the Registrations Departments.
- 15.5 The Committee agreed the workplan.

Action: GG (ongoing to March 2009)

Item 16.08/43 Registrations workplan

- 16.1 The Committee received a paper for discussion/approval from the Executive.
- 16.2 The Committee noted the objectives in the workplan.
- 16.3 The Committee agreed the workplan.

Action: RH (ongoing to March 2009)

Item 17.08/44 Projects workplan

- 17.1 The Committee received a paper for discussion/approval from the Executive.
- 17.2 The Committee agreed that project management was an important area of work, which continued to develop and mature at the HPC.
- 17.3 The Committee agreed the workplan, including the list of projects for 2008-9.

Action: CP (ongoing to March 2009)

Item 18.08/45 Approvals and Monitoring Department workplan

- 18.1 The Committee received a paper for discussion/approval from the Executive.
- 18.2 The Committee noted that it was intended that the Department would concentrate on the projects in the workplan in July-December 2008, when there would be a lower volume of work in the approvals and monitoring processes.
- 18.3 The Committee agreed the workplan.

Action: AC (ongoing to March 2009)

Item 19.08/46 President's fees

- 19.1 The President declared an interest and left the room for this item.
- 19.2 The Committee received a paper for discussion/approval from the Executive.

- 19.3 The Committee noted that, on 7 February 2007, it had recommended to the Council that the President should receive an additional daily fee for up to 30 days per year for 'non-meeting' work (such as Council members' performance reviews, attendance at conferences and making presentations). The arrangements had been ratified by the Council on 29 March 2007 and reviewed by the Council on 3 October 2007.
- 19.4 The Committee noted that the President now attended approximately 60 days per year for non-meeting work and the paper recommended that the additional daily fee should be increased from 30 days per year to 60 days. The paper also recommended that this arrangement should be backdated for the 2007-8 financial year.
- 19.5 The Committee noted that the Executive proposed to review the options for fees and allowances for Council members, including the President, following the implementation of the governance arrangements in the recent White Paper. The Executive intended to present a paper on the issue to the Finance and Resources Committee on 18 September 2008.
- 19.6 The Committee agreed to recommend to the Council:
 (1) that the President should receive a maximum 60 days allowance for 'non-meeting' days for the financial year 2008-2009;
 (2) that the President should receive a maximum 60 days for 'non-meeting' days for the financial year 2007-2008;
 (3) the timetable for the review of Council members' fees and allowances for the restructured Council, as set out in paragraph 19.5 above.

Action: MJS (by 29 May 2008)

Item 20.08/47 January 2008 management accounts

- 20.1 The Committee received a paper to note from the Executive.
- 20.2 The Committee noted that, as of 31 January 2008, there had been a higher surplus than budgeted and HPC continued to be in a stable financial position.
- 20.3 The Committee felt that some of the explanations for variances could be expanded, so that the causes of variances were better understood. The Committee noted

that, for example, the unfavourable variance in legal expenses had been partly due to recent appeals to the High Court rather than solely due to higher disbursements by Kingsley Napley.

Item 21.08/48 Model for estimating hearing days and room hire

- 21.1 The Committee received a paper to note from the Executive.
- 21.2 The Committee noted that, at its meeting on 6 February 2008, it had agreed to receive the fitness to practise case model. The model and the key assumptions were set out in the paper.
- 21.3 The Committee noted that Investigating Panels decided that there was a case to answer in 62.5% of cases. The Committee noted that this was a higher percentage than in other healthcare regulators and that the Fitness to Practise annual report included analysis of the statistics. The Committee noted that the duration of fitness to practise hearings at the HPC tended to be shorter than other regulators.
- 21.4 The Committee noted that the assumptions in the model were based on trends and information from previous years. The Committee noted that it was not possible to make precise forecasts of the number of cases.
- 21.5 The Committee thanked the Director of Fitness to Practise for her work in preparing the model.

Item 22.08/49 Any other business

- 22.1 There was no other business.

Item 23.08/50 Date and time of next meeting

- 23.1 The next meeting of the Committee would be held at 10.30 am on Thursday 24 April 2008.
- 23.2 Subsequent meetings would be held at 10.30 am on
 - Thursday 19 June 2008
 - Thursday 31 July 2008
 - Thursday 18 September 2008
 - Monday 17 November 2008
 - Wednesday 4 February 2009
 - Thursday 5 March 2009 (Remuneration Committee)
 - Monday 16 March 2009

Thursday 23 April 2009 (discretionary meeting)
Tuesday 23 June 2009

Chairman

Date

Unconfirmed

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