

People and Resources Committee

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

Date: Thursday 6 June 2024

Time: 2pm

Venue: Videoconference (Microsoft Teams)

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

* Council Apprentice

In attendance:

Aihab Al-Koubaisi, Financial Controller
Francesca Bramley, Governance Manager (Committee Secretary)
Alastair Bridges, Executive Director of Resources
Natasha Chaugule, HR Business Partner
Laura Coffey, Executive Director of Fitness to Practise and Tribunal Services
Alan Keshtmand, Head of Finance
Maryam Khorassani, Presenting Officer (Employee Forum Chair)
Uta Pollman, Partner Project Lead (for item 10)
Andrew Smith, Executive Director of Education, Registration and Regulatory Standards and Deputy Chief Executive

Public meeting

1 Welcome and Introduction

1.1 The Committee Chair welcomed those present to the meeting.

2 Apologies for absence

* Council Apprentice

- 2.1 There were no apologies for absence from Committee members.
- 2.2 The Head of HR and OD was not in attendance. The HR Business Partner would therefore present item 8 (HR Performance Report) 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 28 February 2024

- 5.1 The Committee approved the minutes as an accurate record of its meeting held in public on 28 February 2024.

6 Matters arising

- 6.1 The Committee noted the updates on the matters arising from previous meetings held in public. In relation to action reference 4(a), it was noted that the registration costs overspend was fully attributable to the rise in international applications.

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 for April 2024.
- 7.2 As agreed at the previous Committee meeting, new benchmarks had been introduced into the report for some measures where these were available, to provide insight into the HCPC's performance compared to other organisations. These included for people, vacancy and turnover rates, recruitment and employee relations and, for technology, Defender and Microsoft Secure Scores.
- 7.3 The report showed continued good performance reported against most key performance indicators (KPIs).
- 7.4 Performance challenges included office attendance, which remained below the hybrid policy benchmark of 20% at 17%, and invoices paid on time reducing to 80% due to planned system down time and transitional arrangements during the migration to Business Central.

- 7.5 A new Microsoft Secure Score had been introduced as an additional measure of end-user device and application security alongside the Defender Secure Score (previously named the IT Security Score), which related to on premise (server) and cloud infrastructure. The reported performance of 65% was above the recommended benchmark of 42%.
- 7.6 The Committee discussed the continued trend of office attendance falling below the benchmark. Whilst some organisations were moving towards a fully virtual operating model, others were asking employees to attend the office more frequently than before. It was noted that the HCPC's current position fell between these two divergent trends and the Committee reflected on whether the HCPC's position was sustainable, or whether a more decisive position should be considered.
- 7.7 Clarity was sought as to when the Executive Leadership Team (ELT) intended to review the hybrid working policy. The Executive Director of Resources confirmed that this was a continued area of focus for the ELT and that there was an intention to review the HCPC's stance on office attendance, although as yet there was no precise timetable. The Chief Executive had set a strong expectation regarding office attendance earlier in the year, with office upgrades in progress to encourage people back into the office.
- 7.8 The Committee emphasised the importance of aligning the HCPC's approach to the needs of the HCPC and the best interests of HCPC employees.
- 7.9 It was suggested that when reviewing the HCPC's policy on office attendance, it may be helpful to compare the approach of other similar organisations to determine whether the HCPC was an outlier, particularly when compared to other London-based organisations with similar office costs.

Actions: The ELT would:

- a) confirm the proposed timeline for reviewing the hybrid working policy; and
 - b) undertake benchmarking of the office attendance policies across other similar organisations to inform the HCPC's future position.
- 7.10 The Committee noted the red rating for hearings utilisation within the estates dashboard and enquired as to whether this should be a cause for concern. It was clarified that the red rating reflected the internal benchmark for utilisation of tribunal rooms that had been set when the dashboard was established. There were no concerns regarding the HCPC's ability to fulfil its regulatory responsibilities, with a robust and secure process in place for online hearings. The low reported utilisation suggested that there may be more tribunal rooms than currently required to meet demand, however, these were also available to book for meetings when not in use.

Action: The Executive Director of Resources would confirm the benchmark for hearings utilisation.

- 7.11 In response to a question, the Executive Director of Resources confirmed that an annual report on health and safety was submitted annually to the ELT, reporting in turn to the Audit and Risk Assurance Committee through quality assurance updates.
- 7.12 The Committee noted a discrepancy in the financial forecast within the Resources Directorate Report and the finance report. It was clarified that the deficit included in the Resources Directorate Report (£113,000) was the budgeted deficit for April 2024, whilst the smaller deficit reported in the finance report (£26,000) was the current estimated actual deficit for April 2024.
- 7.13 The HR Business Partner confirmed that most of the benchmarks for HR performance in the reports related to organisations similar to the HCPC and were based on data provided by the Chartered Institute of Professional Development (CIPD). Other benchmarks were from the Office for National Statistics (ONS).

8 HR Performance Report

- 8.1 The Committee received the HR performance report from the HR Business Partner covering the fourth 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 the 100% compliance rate achieved for Annual Performance Development Reviews (APDRs);
 - the positive impact of the talent network and the new careers website launched in January 2024 to attract talent and reduce agency costs, with a 273% increase in applications, an 80% increase in the average number of vacancies advertised compared to the previous quarter during the reporting period, although this had led to challenges in maintaining the timeliness of longlisting;
 - the increase in the number of leavers, acknowledging some fixed-term contracts within the Registration department had ended in March 2024 and the overall voluntary turnover rate had remained stable;
 - the slight increase in sickness absence, which was mostly attributable to long-term sickness that had peaked in January 2024 at five employees, all of whom had subsequently returned to work;
 - the reduced employee pulse survey participation rate of 52% in the latest survey, with the overall satisfaction score increasing by 6%; and
 - the reduced exit interview completion rate of 48% in the final quarter of 2023-24, with the most common reason for leaving cited as the end of a fixed-term contract;
- 8.3 The Committee considered whether a review of all employee pulse survey results would be useful to identify any trends. The HR Business Partner advised that no consistent areas of concern had been raised through the pulse survey since it was

launched. A new question to assess overall engagement with the HCPC had been introduced in the most recent employee pulse survey, with a positive score of 75%. The Committee reflected that it would be useful to understand if the response rates within the Fitness to Practise (FTP) and Registration departments had increased.

Action: The employee pulse survey results for quarter four of 2023-24 would be shared with the Committee following the meeting.

Action: Future HR Performance Reports would include the employee pulse survey results in an appendix.

- 8.4 The Committee commended the achievement of 100% compliance for APDR completion. Reflecting on the significantly lower scores for employee pulse survey and exit interview completion, the Committee discussed whether any learning from the APDR process could be applied to increase engagement in these other areas. The HR Business Partner highlighted that the majority of leavers in the month who did not complete an exit interview had reached the end of a fixed-term contract.
- 8.5 The ELT were actively considering ways to increase the pulse survey response rate, including reducing the frequency of the survey from quarterly to six-monthly. It was noted that APDR completion was linked to pay award eligibility.

Action: The ELT would consider whether there was any learning from the APDR process that could increase pulse survey and exit interview completion rates.

- 8.6 In response to an enquiry from the Committee it was confirmed that over-recruitment was being considered in view of the success of recent recruitment campaigns that had attracted a high number of applicants. It was added that retaining the reserve list of appointable candidates could be used to facilitate this.

9 Finance Report

- 9.1 The Committee received a paper from the Financial Controller presenting a high-level summary of the financial position as at the end of April 2024. The report included a combination of actual, estimated and budgeted expenditure. It had not been possible to provide a full report due to the ongoing work to complete year-end activities and to embed the new finance system, Business Central.
- 9.2 The Financial Controller highlighted the following points.
- The overall actual deficit for April 2024 was £26,000 against a budgeted deficit of £113,000, driven by income from international applications. The budget had been phased over the year to begin with a deficit, moving into a surplus during the peak registration months and finally reducing to a modest surplus of £186,000 at the year end.
 - The total income of £3.3 million, resulting in a positive income variance of £169,000, mainly due to higher international application volumes, although these were noted to be cost neutral after taking account of international assessors' fees and other indirect costs.

- The total expenditure of £3.3 million, which was slightly over budget due primarily to additional resource costs in the Fitness to Practise directorate and costs relating to international applications.

- 9.3 The Committee considered that the report indicated there had been a positive start to the financial year.
- 9.4 The Committee discussed the trends in international applications. The budget had been based on a predicted 6,000 international applications for 2023-24, however, the average number of applications received over the past six months would result in a higher estimate of 8,500 applications over the year. If this was the case, it was estimated that the forecast year-end position would change from a £200,000 surplus to a £1.5 million surplus. The Income Forecasting Group planned to review the latest data in detail as part of the reforecast within the next two months and the forecast would be amended accordingly.
- 9.5 Reflecting on the discussions at the previous meeting when the budget had been submitted for approval, the Committee discussed whether the forecast number of international applications had been set too low, particularly in view of the NHS Long Term Workforce Plan. One of the implications of this was that there would not be enough people trained to supply the NHS and other organisations and therefore international recruitment would need to continue on an increasing trajectory.
- 9.6 Executive management had intentionally taken a cautious and prudent approach to the budget in view of the HCPC's low level of reserves and the financial risk associated with a less cautious approach and resourcing for a higher level of applications that did not materialise. The two main drivers for the prudent assumptions for international applications had been the significant drop in applications at the time the budget had been set and the fee increase in November 2023, that was anticipated would reduce the number of international applications.
- 9.7 In response to a question from the Committee, the members of the executive management team outlined the flexible resourcing model that allowed for adjustment and scaling up at relatively short notice. Since international applications had increased more than expected in recent months, a number of fixed-term contracts had been extended to the end of March 2024 and the ELT had recently approved seven additional posts within the Registration department, funded by the additional income. The Head of Finance advised that unit costing for international applications had been completed for direct costs and that further work was planned to identify indirect costs to give a full picture of all costs. International applications were cost neutral due to the additional staff time required to process the applications and that further consideration would be given on how this was articulated in the context of cost recovery.

Action: The direct and indirect costs associated with international applications would be provided to the Committee to inform the Committee's understanding of the financial impact. This discussion would include a review of the level of resource required and risk of variations in the number of international applications.

10 Partner Report

10.1 The Partner Project Lead joined the meeting for this item. The Committee received the Partner report for the fourth quarter of the 2023-24 financial year, which provided an overview of a number of performance metrics.

10.2 The following areas of the report were highlighted:

- significant recruitment activity, with 100% of lay vacancies for panel chairs filled and a good response to the registration assessor campaign as a result of close working with professional bodies and support from the Communications team to promote vacancies through social media;
- the turnover rate levelled slightly during the quarter, although the KPI upper limit of 8% turnover had been reached, and the main reasons for voluntary resignation had been other work commitments, retirement and dissatisfaction with the new record of assessment (ROA), which had been introduced in January 2024 to improve the quality and consistency of recording recommendations and supporting evidence;
- a high number of contract terminations in March 2024 due to non-compliance with mandatory training, noting the capacity impact had been mitigated by the successful recruitment campaigns; and
- a continued focus on quality assurance, in particular the review of the continuing professional development (CPD) ROA to provide a better understanding of the rationale for CPD assessors' decision-making, following a pilot of the updated ROA had and planned implementation in August 2024.

10.3 The Committee discussed the impact of the new ROA. It was noted that the updated ROA would provide greater insight into how decisions were being made by CPD assessors and had been shaped by feedback from the pilot. This would strengthen quality assurance and promote clear and robust decision-making.

10.4 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 Key updates included:

- a presentation given by the Employee Forum at the all-employee briefing in April 2024, which had generated interest from colleagues interesting in joining the Employee Forum and, following elections, two vacancies had been filled

and the new representatives were undertaking training prior to commencing in post;

- the feedback and suggestions for improvement that had been shared regarding the HCPC's approach to staff consultations that had been raised at the Employee Forum meeting in May 2024;
- suggestions from employees on how to improve pulse survey engagement, including reducing the frequency of the survey, simplifying the questions and adding free text boxes, and this feedback had been shared with and was being considered by the HR department;
- feedback from employees on the APDR process, with some colleagues reporting that the process was too lengthy and that they had struggled to provide the required examples against the HCPC's values, and a suggestion had been made to align the APDR process to the mid-year review process which had been communicated to the HR department who had provided initial feedback; and
- the successful environmental sustainability workshop in May 2024 in which a number of Employee Forum representatives had participated.

11.3 The Committee commended the Employee Forum's efforts to improve the APDR and employee pulse survey processes and congratulated the Employee Forum Chair on recruiting new Employee Forum representatives, reflecting that the high level of interest in the vacancies evidenced the value and success of the Forum.

11.4 In response to a question, the Employee Forum Chair clarified that there was no protected time allocated for Employee Forum representatives to fulfil their additional role and that this was challenging for some representatives, with one representative standing down due to the competing work pressures. This issue had been escalated to the ELT.

12 Resolution

12.1 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.

12.2 The meeting was briefly adjourned.