

**THE HEALTH PROFESSIONS COUNCIL**

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MINUTES of the 34th meeting of the Finance and Resources Committee held on **Wednesday 7 February 2007** at Park House, 184 Kennington Park Road, London, SE11 4BU.

**PRESENT:** Mr R Clegg (Chairman)  
 Mrs M Clark-Glass  
 Mr M C Davies  
 Ms S Drayton (from item 6 inclusive)  
 Mr W Munro  
 Mr K Ross  
 Mrs J Sheridan (from item 7 inclusive)  
 Mrs B Stuart

**IN ATTENDANCE:**

Mr C Bendall, Secretary to the Committee  
 Mr R Dunn, Director of Information Technology  
 Ms L Foster, Director of Human Resources  
 Mr M Guthrie, Policy Manager  
 Ms K Johnson, Director of Fitness to Practise (part)  
 Mr R Kennett, Accountant member - Audit Committee (Observer)  
 Ms J Ladds, Director of Communications (part)  
 Mr S Leicester, Director of Finance  
 Ms N O'Sullivan, Secretary to Council  
 Ms C Phillips, Project Manager (part)  
 Mr G Ross-Sampson, Director of Operations  
 Mr M Seale, Chief Executive and Registrar  
 Ms R Tripp, Director of Policy and Standards  
 Dr A van der Gaag, President

**Item 1.07/1 APOLOGIES FOR ABSENCE**

- 1.1 Apologies for absence were received from Mrs P Blackburn, Mr P Douglas and Mr D Ross.

**Item 2.07/2 APPROVAL OF AGENDA**

- 2.1 The Committee approved the agenda, subject to first considering the December 2006 management accounts and the year end forecast, followed by the budget.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2007-01-31	a	F&R	MIN	Minutes Finance and Resources Committee 7 February 2007 public meeting	Final DD: None	Public RD: None

**Item 3.07/3 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 20 NOVEMBER 2006**

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

**Item 4.07/4 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 5.07/5 DECEMBER 2006 MANAGEMENT ACCOUNTS**

- 5.1 The Committee received a paper to note from the Executive.
- 5.2 The Committee noted that there had been a decline in applications for registration by international applicants.
- 5.3 The Committee noted that after nine months of the financial year, there was an operating surplus.

**Item 6.07/6 YEAR ENDING 31 MARCH 2007: REFORECAST**

- 6.1 The Committee received a tabled paper to note from the Executive.
- 6.2 The Committee noted that the paper forecast a larger deficit at the end of the financial year than budgeted and this was partly due to spending on projects in the last six months of the year.
- 6.3 The Committee noted that the Executive had worked to improve forecasting for expenditure in the budget for 2007-8.

**Item 7.07/7 ANNUAL BUDGET 2007-8 VERSION 4**

- 7.1 The Committee received a paper for discussion/approval from the Executive. An additional paper was tabled, analysing the first 800 responses to the consultation on the fees rise.
- 7.2 The Committee noted that the paper proposed two options for the budget, dependent on the Council's decision about the fee increase on 29 March. The Committee noted that the paper proposed that option one should be recommended to the Council. The Committee noted that the costs in both options were identical, but income in option one would result in a surplus whilst income in option two would result in a deficit.

- 7.3 The Committee noted the key assumptions in the paper, including that 75% of employees would participate in the pension scheme (to reflect the likely costs of the pension and establishing any new pension arrangements); no income from new professions becoming regulated by the HPC; the costs of commencing statutory regulation for new professions; and a 4% increase in salary costs (comprising new employees and salary reviews).
- 7.4 The Committee noted that the assumption on the number of Fitness to Practise cases was based on trends to date in the number of cases.
- 7.5 The Committee noted that the timetable for the proposed fees had taken into account the need to obtain approval from the Privy Council.
- 7.6 The Committee noted that the two options for the fees agreed by the Council in October 2006 had been calculated before preparation of the budget. It was now apparent that option two would lead to a deficit. However, initial analysis of responses to the fee consultation indicated that most of the first 800 respondents favoured option two, as it meant a lower registration fee for graduates from programmes in the UK.
- 7.7 The Committee noted that, in light of responses to the consultation, the Executive could recommend an alternative increase. The Committee felt that it was important for the budget to provide for a surplus rather than a deficit, to ensure the ongoing viability of the Council. The Committee noted that the Executive Management Team had already spent considerable time reducing budgeted costs, including project costs, to the essential cost level.
- 7.8 The Committee agreed that the Executive should prepare a follow-up revised budget showing fee combinations with at least a break-even position and circulate this electronically to members.

**Action: SL (by 21 February 2007)**

- 7.9 The Committee agreed that the Executive should provide information on how sensitive income levels were to changes in registrant volumes (i.e. graduates from UK programmes, international applications and renewals) and information on the impact of small changes to the proposed fees (i.e. an analysis to identify what additional amount of income would be generated for each additional pound on fees). The Committee agreed that a further paper should be prepared for the next meeting.

**Action: SL (by 21 March 2007)**

**Item 8.07/8 FINANCE AND FACILITIES MANAGEMENT REPORT**

- 8.1 The Committee received a report on the work of the Finance and Facilities Management Department.
- 8.2 The Committee noted that the current market value of funds in the investment portfolio was approximately £1.8 m.
- 8.3 The Committee noted that significant projects in the Department included:
- progress on changes to the fees;
  - work on issues surrounding the pension scheme;
  - the intermediate lapsing project; and
  - introduction of project financial reporting from 1 April 2007.

**Item 9.07/9 HUMAN RESOURCES DEPARTMENT REPORT**

- 9.1 The Committee received a report on the work of the Human Resources Department.
- 9.2 The Committee noted details of vacancies which had recently been advertised and filled.
- 9.3 The Committee noted that new posts in the Fitness to Practise Department had attracted a large number of good quality applicants, which indicated that the HPC was an attractive employer in the employment market.
- 9.4 The Committee noted that a summary of feedback from exit interviews would be reported to the Committee later in the year.
- 9.5 The Committee noted that new employment contracts, which included standardised terms, had been signed by all employees.
- 9.6 The Committee noted improvements to the Human Resources information system, which included information on the most effective means of advertising vacancies.

**Item 10.07/10 PARTNER MANAGER REPORT**

- 10.1 The Committee received a report on the work of the Partner Manager.
- 10.2 The Committee noted that the reappointments process for Partners would be run later in the year, involving approximately 300 Partner Agreements. Existing agreements were being extended so that all agreements expired in July 2007.

**Item 11.07/11 INFORMATION TECHNOLOGY REPORT**

- 11.1 The Committee received a report on the work of the Information Technology Department.
- 11.2 The Committee noted that the Department was involved in the following projects:
- testing replication of data to the HPC's Internet Service Provider;
  - preparations for changes to the fees;
  - intermediate lapsing;
  - a facility for NHS trusts to check whether all their employees were registered;
  - a facility for registrants to update their contact details online;
  - improvements to the renewals process to allow HPC to record more data about registrants.
- 11.3 The Committee noted that the new electronic banking system had begun operation on 20 January.
- 11.4 The Committee noted that the support contract for the LISA registration system had been renegotiated and would be checked by the Council's solicitor.
- 11.5 The Committee noted that the Department was exploring ways of improving energy usage by Information Technology systems, as part of moving towards developing a policy on corporate social responsibility.

**Item 12.06/12 OPERATIONS REPORT**

- 12.1 The Committee received a report on Operations, covering the Registration Departments, Quality Management, Project Management, Continuing Professional Development and Approvals and Monitoring.
- 12.2 The Committee noted that the Registration Departments were updating the renewal forms and guidance notes before the next renewals cycle.
- 12.3 The Committee noted that employees in the Registration Departments were receiving training leading to customer service qualifications.
- 12.4 The Committee noted that several internal quality audits had been completed in January and that a new Quality Manager would be recruited later in the year.
- 12.5 The Committee noted the Project Manager had been involved in prioritisation and selection of projects for the next financial year. She

had also taken responsibility for implementation of Continuing Professional Development.

- 12.6 The Committee noted that the Approvals and Monitoring Department was at its peak period for approvals visits in February to June and that the programme of visits included multi-professional events, which made better use of the Council's resources.
- 12.7 The Committee thanked the Director of Operations for his report and thanked the Registration Departments for the high quality of their work. The Committee noted that the Registration Departments were to be merged to enable the workload to be shared equally.

### **Item 13.07/13 BANK MANDATE**

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that a new bank mandate was required as one of the authorised signatories, Mr John Camp, had recently stepped down from the Council.
- 13.3 The Committee agreed the revised bank mandate set out in the paper, subject to an amendment that Mr Peter Douglas should be included as a signatory in List B.

**Action: SL (by 21 March 2007)**

### **Item 14.07/14 COUNCIL AND COMMITTEE MEMBER EXPENSE POLICY**

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that the expense policy had been prepared in 2003. Some aspects of the policy needed to be clarified and others revised to reflect changes in taxation arrangements. In addition, the rates for accommodation were being revised to take account of price increases, particularly in London.
- 14.3 The Committee noted that the revised policy provided that a daily allowance of £30.00 (VAT inclusive) would be reimbursed for meals, inclusive of any evening meal and snacks taken during travel. However, where lunch was provided by the Council, claims for alternative food would not be paid.
- 14.4 The Committee agreed the revised Council and Committee Members Expense Policy and agreed that it should be implemented from 1 March 2007. The revised policy is attached as an appendix to these minutes.  
**Action: NO'S (by 1 March 2007)**

**Item 15.07/15 COMMITTEE MEMBERSHIP**

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted that, at its meeting on 14 December 2006, the Council had agreed to appoint Mr Peter Douglas to the Committee.
- 15.3 The Committee noted that Mr John Camp had resigned from the Council with effect from 8 January 2007 and as a result he had ceased to be a member of the Committee.

**Item 16.07/16 ANY OTHER BUSINESS**

- 16.1 There was no other business.

**Item 17.07/17 DATE AND TIME OF NEXT MEETING**

- 17.1 The next meeting of the Committee would be held at 10.30 a.m. on Thursday 8 March 2007 (Remuneration Committee).
- 17.2 Subsequent meetings would be held at 10.30 a.m. on
- Wednesday 21 March 2007  
 Thursday 26 April 2007  
 Thursday 21 June 2007  
 Thursday 26 July 2007  
 Tuesday 18 September 2007  
 Tuesday 20 November 2007  
 Wednesday 6 February 2008  
 Thursday 6 March 2008 (Remuneration Committee)  
 Wednesday 19 March 2008  
 Thursday 24 April 2008  
 Thursday 19 June 2008