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The Health Professions Council

Chief Executive and Registrar: Mr Marc Seale

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Minutes of the 46th meeting of the Finance and Resources Committee held on **Thursday 18 September 2008** at Park House, 184 Kennington Park Road, London SE11 4BU.

Present: Mr R Clegg (Chairman)
Mrs P Blackburn
Mrs M Clark-Glass
Mr P Douglas
Mrs S Drayton
Mr D Ross
Mr K Ross
Mrs B Stuart
Mr N Willis

In attendance:

Mr C Bendall, Secretary to the Committee
Mr R Dunn, Head of Business Improvement
Mr G Gaskins, Director of Information Technology
Mr S Hall, Facilities Manager
Mr R Kennett, Accountant member, Audit Committee (observer)
Mr S Leicester, Director of Finance
Ms C Milner, Financial Controller
Ms K Neuschafer, Partner Manager
Ms N O'Sullivan, Secretary to Council
Mr S Porter, Davis Langdon LLP (items 11-17 inclusive)
Ms C Reed, Project Manager
Mr G Ross-Sampson, Director of Operations
Mr M J Seale, Chief Executive and Registrar
Ms N Slattery, Davis Langdon LLP (items 11-17 inclusive)
Ms C Urwin, Policy Officer
Dr A van der Gaag, President

Item 1.08/129 Apologies for absence

1.1 Apologies for absence were received from Professor J Harper,

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-09-10	a	F&R	MIN	Minutes Finance and Resources Committee 18 September 2008 public meeting	Draft DD: None	Public RD: None

Mr W Munro and Mrs J Sheridan.

Item 2.08/130 Approval of agenda

- 2.1 The Committee approved the agenda.

Item 3.08/131 Minutes of the Finance and Resources Committee meeting held on 31 July 2008

- 3.1 It was agreed that the minutes of the 45th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 4.08/132 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 5.08/133 Finance and Facilities Management report

- 5.1 The Committee received a report on the work of the Finance and Facilities Management Department.
- 5.2 The Committee noted that the Chief Executive had received a letter from the Privy Council Office dated 6 August 2008. The letter had confirmed that the Privy Council would take responsibility for negotiating with HM Treasury over approval of any novel or contentious matters arising from the HPC accounts in future.
- 5.3 The Committee noted that the Department was involved in the following projects:
- updating the Five Year Plan, including its assumptions;
 - planning the budget for 2009-10, including projects;
 - the Finance System Upgrade (further discussion took place at item 12 below); and
 - working with Davis Langdon LLP to negotiate the final account for work to 22-26 Stannary Street (further discussion took place in the private part of the meeting).
- 5.4 The Committee noted that the Executive was working with Sacker and Co (pension solicitors) to wind up the Council for Professions Supplementary to Medicine (CPSM)

pension scheme. It was expected that a more detailed paper would be presented to the next meeting.

- 5.5 The Committee noted that there were 60 active members of the employee pension scheme provided by Friends Provident. The Committee noted that there were no active members in the previous employee scheme which had been provided by Capita (excluding notional members and former employees of CPSM and HPC).

Item 6.08/134 Human Resources report

- 6.1 The Committee received a report on the work of the Human Resources Department.
- 6.2 The Committee noted details of posts which had recently been advertised and filled.
- 6.3 The Committee noted that the Director of Human Resources and the Secretary to Council had given notice and were due to leave in November 2008. The Chairman would be a member of the interview panel for the new Director of Human Resources.

Item 7.08/135 Partner Manager report

- 7.1 The Committee received a report on the work of the Partner Manager.
- 7.2 The Committee noted that the first round of recruitment for practitioner psychologist Partners had been completed. A second round of recruitment was anticipated once modalities had been finalised and departments had confirmed their requirements for any additional Partners.
- 7.3 The Committee noted that training for new Panel members and new Visitors had taken place during July and August 2008. Refresher training for Visitors would take place during September and October and training for Legal Assessors had taken place on 5 September 2008.
- 7.4 The Committee noted that some Panel members were infrequently used in fitness to practise cases and that this was because of a low number of allegations in some professions. The Committee noted that more than 100 Panel members were due to receive training between October and December 2008.

Item 8.08/136 Information Technology report

- 8.1 The Committee received a report on the work of the Information Technology (IT) Department.
- 8.2 The Committee noted that the Department had arranged penetration testing of the IT systems and would address any issues which were identified.
- 8.3 The Committee noted that the Department was planning further redevelopment of the IT network, which would be a significant exercise.
- 8.4 The Committee noted that the Department had been involved in a number of projects, including design work for the proposed online renewals system.
- 8.5 The Committee noted that a new policy for home working was being developed in conjunction with the Human Resources Department.

Item 9.08/137 Operations report

- 9.1 The Committee received a report on Operations, covering the Registration department, Business Improvement (including Quality Management), Project Management and Education - Approvals and Monitoring.
- 9.2 The Committee noted that it had become apparent that the HPC's existing internet service provider might not have the capacity to support the proposed system for online renewals. The Committee noted that the Executive was reviewing how to proceed and would report progress to the next meeting. The Committee noted that it was currently not known if additional expenditure would be required.
- 9.3 The Committee noted that, if an online renewal system was introduced, it would reduce the possibility of registrants making mistakes in renewing their registration. The Committee noted that the paper renewal form included a prominent statement about the importance of correctly completing the form.
- 9.4 The Committee noted that, at the start of May 2008, 650 chiropodists and podiatrists had been randomly selected for audit of their Continuing Professional Development (CPD). The vast majority of those selected had engaged in the process, although a small number of individuals had

decided to lapse from the Register. A paper reviewing progress with the CPD audit was due to be presented to the Education and Training Committee on 25 September 2008.

- 9.5 The Committee noted that operating department practitioners would also be subject to CPD audit and, once the results were known, the HPC would review the planned sample sizes for audit of the other professions. The Committee noted that it was not possible to draw conclusions about the CPD process from the small amount of sampling to date. The Committee note that, if a significant number of registrants deregistered or lapsed as a result of failing to undertake CPD, this would have an impact on the HPC's income.

Item 10.08/138 Fees consultation – Key decisions

- 10.1 The Committee received a paper for discussion/approval from the Executive.
- 10.2 The Committee noted that the HPC had consulted on proposed fees between 14 April 2008 and 14 July 2008. The paper summarised the responses received, the HPC's comments on the responses and outlined the proposed decisions in relation to each question raised by the consultation.
- 10.3 The Committee noted that the consultation document had been sent to more than 300 organisations, including employers, trade unions and professional bodies. The document had also been made available to download from the HPC website and in hard copy on request. The consultation had been publicised in the 'HPC In Focus' newsletter. 49 responses had been received, 16 of which were from organisations and 33 from individuals.
- 10.4 In discussion, the Committee suggested that the Executive should consider the following amendments to the draft key decisions document:
- softening the language used;
 - giving reasons to support the HPC's beliefs about fees (for example, in the HPC's responses to the question about discounted fees for new graduates);
 - including a table, setting out when the revised fees would take effect for each profession.
- 10.5 The Committee noted that the HPC did not have the power to recover costs from individual registrants whose fitness to

practise was found to be impaired. The Committee noted that the HPC did seek costs in cases considered by the High Court. The Committee noted that the Executive was due to meet officials at the Department of Health in November 2008 and that the issue of recovering costs from individual registrants could be discussed at that meeting.

- 10.6 The Committee noted that the proposed increases were in line with the current rate of inflation.
- 10.7 The Committee:
- (1) approved the decisions on fees set out in the paper;
 - (2) approved the text of the key decisions document, subject to the comments made at paragraph 10.4 above;
 - (3) recommended approval of the document to the Council.

Action: SM (ongoing to 1 October 2008)

Item 11.08/139 Council for Healthcare Regulatory Excellence (CHRE) report on the Nursing and Midwifery Council: Actions for HPC

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that, at the Council meeting on 3 July 2008, it had been agreed that the CHRE report on the performance of the Nursing and Midwifery Council should be considered at the next meeting of all HPC's committees. The Council had agreed that each committee should consider what actions the Executive needed to take forward as a result of the report. The Council had also agreed that a list of the actions would be brought back to the Council to agree how they should be prioritised.
- 11.3 The Committee agreed that, in accordance with its terms of reference, its role should be to monitor the financial implications of any actions which were agreed by the Council.
- 11.4 The Committee noted that, since the Council meeting on 3 July 2008, CHRE had produced its performance review of all the health professions regulators for 2007-8. The review had identified three priorities for the HPC:
- systems for the assessment, appraisal and reappointment of fitness to practise panel members;

- updating the Register so that conditions of practice were attached to individual registrants' entries on the Register; and
- processes for ensuring that patients' views were taken account of in assessments of education providers.

11.5 The Committee noted that the fitness to practise committees had met on 17 September 2008 and had identified the need for the committees to continue to monitor the time taken to deal with fitness to practise allegations. CHRE had identified this as an issue for three of the health professions regulators, although not for the HPC.

Item 12.08/140 Finance systems upgrade project

- 12.1 The Committee received a paper to note from the Executive.
- 12.2 The Committee noted that, following approval of the 2007-8 annual budget, the Finance Systems Upgrade (FSU) project had begun in May 2007. The aims of the project were to upgrade or replace SAGE 100 (the core financial reporting system); to replace departmental spreadsheets in order to track actual spending by activity (e.g. communications events, fitness to practise cases, Council and committee meetings) and to replace manual purchase order books and signatory lists with online purchase ordering.
- 12.3 The Committee noted that Baker Tilly (UK) LLP (HPC's external auditor) had recommended the implementation of an online purchase order system as part of their management controls review in 2005. In February 2007, PKF (UK) LLP (HPC's internal auditor) had also recommended this as part of the follow-up of the management controls review.
- 12.4 The Committee noted that the SAGE 200 financial reporting system had successfully gone live on 1 April 2008, i.e. five years of transaction history had been transferred to the new system and financial transactions had been captured from the start of the new financial year.
- 12.5 The Committee noted that a decision had been taken to delay the live date for the online Purchase Requisition System (PRS) to 1 July 2008, so that realistic financial data could be tested. Departments had since raised a number of issues, including changes to authorisation approval routes,

the inclusion of Partners' costs in the system, the inability to get reports out of the system and processing time. As a result, the Executive Management Team (EMT) had decided to suspend the PRS system from 1 September 2008, pending a further proposal to be brought to the EMT.

- 12.6 The Committee noted that the budget for the project had been spent and any more expenditure would cause an overspend. The Committee noted that progress would be reported to the next meeting.

Item 13.08/141 User acceptance testing project

- 13.1 The Committee received a paper to note from the Executive.
- 13.2 The Committee noted that the approved annual budget for 2008-9 included a budget of £150,000 of operating expenditure for services relating to project support during user acceptance testing. To improve transparency of financial reporting against project expenditure, the Executive intended to manage the project support expenditure directly from the project budget.
- 13.3 The Committee noted that as testing was normally capitalised as a project cost, there would be an operational expenditure underspend against the IT Department budget of £150,000 and a corresponding overspend against project capital expenditure of up to £150,000. This was expected to be a one-off situation, which would not apply to future budget years.

Item 14.08/142 July 2008 management accounts

- 14.1 The Committee received a paper to note from the Executive.
- 14.2 The Committee noted that, as of 31 July 2008, there had been an operating surplus instead of the budgeted deficit. HPC continued to be in a stable financial position.
- 14.3 The Committee noted that there had been a favourable variance in Council and committee expenses, rather than an unfavourable variance as stated in the paper.
- 14.4 The Committee noted that an invoice for market research in the previous financial year had not been received and had not been accrued in June 2008.

- 14.5 The Committee noted that a favourable variance in partners' fees was expected to reverse later in the financial year.
- 14.6 The Committee noted that a six-month forecast of the position at the end of the financial year end would be presented to the next meeting.

Item 15.08/143 Dates of Committee meetings 2009-10

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted the dates of meetings in 2009-10. The dates are listed at paragraph 17.2

Item 16.08/144 Any other business

- 16.1 There was no other business.

Item 17.08/145 Date and time of next meeting

- 17.1 The next meeting of the Committee would be held at 10.30 am on Monday 17 November 2008.
- 17.2 Subsequent meetings would be held at 10.30 am on
 - Wednesday 4 February 2009
 - Thursday 5 March 2009 (Remuneration Committee)
 - Monday 16 March 2009
 - Thursday 23 April 2009 (discretionary meeting)
 - Tuesday 23 June 2009
 - Thursday 30 July 2009
 - Tuesday 15 September 2009
 - Tuesday 17 November 2009
 - Wednesday 10 February 2010
 - Thursday 4 March 2010 (Remuneration Committee)
 - Wednesday 17 March 2010
 - Thursday 29 April 2010
 - Thursday 17 June 2010
 - Thursday 29 July 2010

Chairman

Date