

confirmed
The Health Professions Council

Chief Executive and Registrar: Mr Marc Seale

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Minutes of the 43rd meeting of the Finance and Resources Committee held on **Thursday 24 April 2008** at Park House, 184 Kennington Park Road, London SE11 4BU.

Present: Mr R Clegg (Chairman)
Mrs M Clark-Glass
Mr P Douglas
Mrs S Drayton (items 2-16 inclusive)
Professor J Harper
Mr W Munro (items 5-16 inclusive)
Mr D Ross
Mrs J Sheridan
Mrs B Stuart
Mr N Willis

In attendance:

Mr C Bendall, Secretary to the Committee
Mr A Coveney, Barnet Waddingham LLP (items 7-16 inclusive)
Mr R Dunn, Head of Business Improvement
Ms L Foster, Director of Human Resources
Mr M Fitcher, Barnet Waddingham LLP (items 7-16 inclusive)
Mr G Gaskins, Director of Information Technology
Mr S Hall, Facilities Manager
Ms Y Hussain, Partner Manager
Mr R Kennett, Accountant member - Audit Committee (Observer)
Mr S Leicester, Director of Finance
Ms C Milner, Financial Controller
Mr G Ross-Sampson, Director of Operations
Mr M J Seale, Chief Executive and Registrar
Mr R Turner, Stiles Harold Williams (items 1-5 inclusive)
Dr A van der Gaag, President (items 2-16 inclusive)

Item 1.08/57 Apologies for absence

- 1.1 The Chairman welcomed attendees to the first meeting of the Committee to be held in the new Council Chamber.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-04-17	a	F&R	MIN	Minutes Finance and Resources Committee 24 April 2008 public meeting	Final DD: None	Public RD: None

- 1.2 Apologies for absence were received from Mrs P Blackburn and Mr K Ross.

Item 2.08/58 Approval of agenda

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

Item 3.08/59 Minutes of the Finance and Resources Committee meeting held on 19 March 2008

- 3.1 It was agreed that the minutes of the 42nd meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 4.08/60 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.
- 4.3 Following the discussion at the last meeting about a potential claim from the contractor who had renovated 22-26 Stannary Street, the Committee noted that progress would be reported under item 5.
- 4.4 The Committee noted that the impact of the Information and Consultation of Employees Regulations 2004 would be reported under item 7.

Item 5.08/61 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 the project at 22-26 Stannary Street was substantially complete and the building had been released for occupation by the HPC. Ongoing minor work and 'snagging' continued and final completion was due shortly. The completed building met HPC's requirements.
- 5.3 The Committee noted that the HPC's quantity surveyor had forecast that the final cost of the project would be within budget. There would be continuing discussion with the contractor on the costs to be paid, but it was unlikely that

the contractor would claim the additional £200,000 mentioned at the last meeting.

- 5.4 The Committee thanked the Facilities Manager, Mr Turner and the designers for their work in completing the project to budget and to the HPC's requirements and for minimising the overrun on the original project timetable.

Item 6.08/62 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 the Department was involved in the following projects:
- preparing for external audit of the 2007-8 accounts;
 - working with Sacker and Partners solicitors to wind up the old pension scheme which had been operated by the Council for Professions Supplementary to Medicine;
 - having completed the first phase of the financial system upgrade, implementing phase two (online processing of purchase orders);
 - preparation for the proposed fee changes in 2009;
 - preparation for phase 2 of the work to 22-26 Stannary Street (an additional storey).
- 6.3 The Committee noted that the Department had recently negotiated improvements to the HPC's insurance policies. Further details were given in a paper received at item 13.
- 6.4 The Committee noted that an alternative travel agent would be subject to a three month trial period, before a decision was made on whether the alternative company would be appointed as the permanent supplier.

Item 7.08/63 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 researched the Information and Consultation of Employees Regulations 2004 and whether the regulations applied to the HPC. External human resources advisers had indicated that the regulations applied to organisations undertaking an economic activity and HPC's role as a regulator did not fit within this definition. However, the Executive had written to the Department for Business Enterprise and Regulatory

Reform to confirm whether the regulations did apply to the HPC. The Committee noted that a further paper would be brought to the next meeting of the Committee.

- 7.3 The Committee noted that the Department had begun analysing the results of exit interviews conducted with employees and an update would be provided to the next meeting of the Committee.
- 7.4 The Committee noted that new employees in the Fitness to Practise Department were subject to checks with the Criminal Records Bureau (CRB), as employees might come into contact with vulnerable individuals (witnesses or registrants). The Committee noted that, on the basis of legal advice, employees self-certified that they did not have a criminal record, pending the outcome of a CRB check. The Committee noted that it could take about six weeks to receive the result of a check. The Committee noted that it was possible that a candidate for a vacancy could lose interest during that time, if they were not able to start work until the outcome of the check had been received. The Committee agreed that it should receive a copy of the legal advice at its next meeting.

Action: LF (by 19 June 2008)

- 7.5 The Committee noted that the Executive Management Team would review use of the 360-degree appraisal system at a meeting on 25 April 2008 and decide how to proceed.
- 7.6 The Committee noted that the Department had been very busy with a large number of interviews and appointments. The Committee thanked the Director of Human Resources and her colleagues for their work.

Item 8.08/64 Partner Manager report

- 8.1 The Committee received a report on the work of the Partner Manager.
- 8.2 The Committee noted that there had been applications from 18 operating department practitioners for roles as Continuing Professional Development assessors.
- 8.3 The Committee noted that, following discussion at the last meeting, the statistics on the number of partners awaiting training had been corrected.

- 8.4 The Committee noted that 180 partners had not responded to an initial letter offering a two-year extension to their existing partner agreement. A reminder had been sent to the individuals concerned and more than 100 partners had replied.

Item 9.08/65 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 Department had:
- installed IT services in 22-26 Stannary Street;
 - replaced the network in Park House to make it more resilient and
 - implemented new computer servers for the LISA registration system.
- 9.3 The Committee noted that the Department had helped implement the move of the Registration departments to 22-26 Stannary Street and would assist with relocation of other departments.
- 9.4 The Committee noted that a server had been installed to enable trial use of Blackberry handheld devices by a group of employees.
- 9.5 The Committee noted that the Department had been involved in extracting data for four professions and transferring the data to Electoral Reform Services, the company which was running the 2008 Council elections on behalf of the HPC.

Item 10.08/66 Operations report

- 10.1 The Committee received a report on Operations, covering the Registration department, Business Improvement (including Quality Management), Project Management and Education - Approvals and Monitoring.
- 10.2 The Committee noted that the Registration department had successfully relocated to 22-26 Stannary Street.
- 10.3 The Committee noted that physiotherapists had until 30 April 2008 to renew their registration. Dietitians and arts therapists had also been invited to renew their registration.

- 10.4 The Committee noted that the application server software (the software which supported the registration system) had been upgraded over 18-19 April 2008. The Director of Operations thanked the Project Manager, the IT Department and the Registration department for completing the project. The Committee noted that, due to work to ensure that the applications server upgrade was sound, two other projects would now be implemented on 25 April 2008 (a week later than originally planned).
- 10.5 The Committee noted that the HPC had recently successfully passed the external, bi-annual ISO 9001:2000 quality management audit by the British Standards Institute (BSI). The Committee noted that the results would be reported to the Audit Committee on 26 June 2008. The Committee noted that BSI had praised HPC's risk-based approach to future audits, based on the HPC risk register.
- 10.6 The Committee noted that the Department of Health had provided a grant to HPC to cover most of the cost of preparing for regulation of practitioner psychologists. The Committee noted that it was the Executive's view that professions already regulated by the HPC should not be asked to bear the cost of regulating additional professions.
- 10.7 The Committee noted that the Registration department had received a much higher volume of telephone calls than forecast. The Executive believed that this was due to factors such as greater awareness among registrants about the importance of renewing on time. The Committee noted that it was hoped that the online renewal system would help to reduce the volume of calls over time, although the Executive would need to ensure that the online system was robust and could cope with peaks of demand. The Committee thanked the Registration department for its work in handling telephone calls.

Item 11.08/67 Invoice/Purchase order signatories update and bank mandate update

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that the paper proposed that an additional signatory should be authorised to sign purchase orders and invoices over £25,000 and cheques over £25,000. This was because there were currently a limited number of signatories for these amounts.

11.3 The Committee agreed that:

- (1) Mr Clegg should be added as a signatory for purchase orders and invoices over £25,000;
- (2) Mr Clegg should be added to list B on the bank mandate, to sign cheques over £25,000.

Action: SL (by 19 June 2008)

Item 12.08/68 Building valuation

- 12.1 The Committee received a paper to note from the Executive.
- 12.2 The Committee noted that Stiles Harold Williams had been commissioned to provide a valuation for HPC's offices at 184 Kennington Park Road, 20 Stannary Street and 22-26 Stannary Street.
- 12.3 The Committee noted that the net book value of land and buildings in the balance sheet at 29 February 2008 was £4.1m. In a valuation for insurance purposes, Stiles Harold Williams had provided a building reinstatement valuation of £4.8m. The reinstatement value was likely to be considerably above market value or existing use value.
- 12.4 The Committee noted that the Executive would discuss the valuation with Stiles Harold Williams and the method used to calculate the value. The Committee noted that a progress report would be provided to a future meeting and that the value of the land and buildings would be included in the 2007-8 annual report.
- 12.5 The Committee noted that book value or a valuation for insurance purposes was not the same as the price which might be realised on any sale. The Committee noted that the HPC would remain in its current offices for the foreseeable future.

Item 13.08/69 Insurance

- 13.1 The Committee received a paper to note from the Executive.
- 13.2 The Committee noted that the HPC's insurance brokers, Lockton Companies International Ltd, had recently

negotiated a number of improvements to the HPC's insurance policies, including reduced premiums, reduced policy exclusions and increased limits on cover.

- 13.3 The Committee noted that the policy for professional indemnity insurance (fidelity) was limited to liability which had been incurred after 22 September 1998 (and professional indemnity liability after 1 October 1987). The Committee noted that the HPC was not covered for liabilities before that date. A member would discuss the issue with the Director of Finance outside the meeting.
- 13.4 The Committee noted that personal accident and travel insurance for Council members, non Council Committee members and partners only applied while the individuals concerned were travelling on HPC business, including commuting.

Item 14.08/70 February 2008 management accounts

- 14.1 The Committee received a paper to note from the Executive.
- 14.2 The Committee noted that, as of 29 February 2008, there had been a higher surplus than budgeted and HPC continued to be in a stable financial position.
- 14.3 The Committee noted that were a number of permanent differences between the 2007-8 budget and the actual results. The Committee noted that the permanent differences had been reflected in the approved budget for 2008-9.
- 14.4 The Committee noted that there had been an unfavourable variance of £353,000 in legal expenses, and of this £327,000 related to fitness to practise cases. Higher disbursements had been charged due to the number of cases held away from Park House and appeals in the High Court. The Committee agreed that a more detailed analysis of legal expenses and disbursements should be provided to the next meeting.

Action: CM (by 19 June 2008)

Item 15.08/71 Any other business

- 15.1 There was no other business.

Item 16.08/72 Date and time of next meeting

- 16.1 The next meeting of the Committee would be held at 10.30 am on Thursday 19 June 2008

- 16.2 Subsequent meetings would be held at 10.30 am on
 - 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