

## Finance and Resources Committee

**Minutes of the 68th meeting of the Finance and Resources Committee held as follows:-**

**Date:** Thursday 15 March 2012

**Time:** 10:30 am

**Venue:** The Council Chamber, Health Professions Council, Park House, 184 Kennington Park Road, London SE11 4BU

**Present:** Richard Kennett (Chair)  
Jennifer Beaumont  
Mary Clark-Glass  
Malcolm Cross  
Sheila Drayton  
Julia Drown  
John Harper  
Arun Midha  
Keith Ross  
Eileen Thornton

**In attendance:**

Georgia Akuffo-Kumih, Human Resources Manager (items 1-25)  
Colin Bendall, Secretary to the Committee  
Roy Dunn, Head of Business Process Improvement (items 1-25)  
Guy Gaskins, Director of Information Technology (items 1-25)  
Teresa Haskins, Director of Human Resources (items 1-25)  
Richard Houghton, Head of Registration (items 1-25)  
Jeff Lucas, Chair, Audit Committee (observer)  
Charlotte Milner, Financial Controller (items 1-25)  
Tim Moore, Director of Finance (items 1-25)  
Claire Reed, Project Portfolio Manager (items 13-25)  
Greg Ross-Sampson, Director of Operations (items 1-25)  
Marc Seale, Chief Executive and Registrar  
Anna van der Gaag, Council Chair

### **Item 1.12/24 Apologies for absence**

1.1 There were no apologies for absence.

### **Item 2.12/25 Approval of agenda**

2.1 The Committee approved the agenda.

### **Item 3.12/26 Declarations of members' interests**

3.1 Members had no interests to declare in connection with the items on the agenda.

### **Item 4.12/27 Minutes of the Finance and Resources Committee meeting of 26 January 2012 (report ref: FRC 16/12)**

4.1 It was agreed that the minutes of the 67th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

### **Item 5.12/28 Matters arising (report ref: FRC 17/12)**

5.1 The Committee received a paper to note from the Executive.

5.2 The Committee noted the actions list as agreed at the last meeting.

### **Item 6.12/29 Finance report (report ref: FRC 18/12)**

6.1 The Committee received a report on the work of the Finance department.

6.2 The Committee noted the following points:

- in relation to the action point agreed at the previous meeting, the Executive was working to unify the formats used for the management accounts, the budget and the five year plan;
- a new financial reporting package would be added to the Sage accounting system and would be used for the first time to prepare the April 2012 management accounts; and
- in relation to the action point agreed at the previous meeting, the interest rates which applied to HPC's funds under management were better rates than those offered in most of the market.

6.3 The Committee noted that the operating surplus for the financial year to the end of January 2012 was £257,000. The reforecast year-end position was a deficit of £116,000.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

- 6.4 The Committee noted that, in January 2012, HPC had received £84,000 in respect of the Council for Professions Supplementary to Medicine pension scheme, which had been wound up. This was the final amount, subject to the recovery of tax deducted.
- 6.5 The Committee noted that a court case relating to the Flexiplan pension scheme (the former scheme for HPC employees), to determine payments to deferred pensioners who had left service before 6 July 2006, had been held in early February 2012. The judgement was expected by the end of March 2012.

**Item 7.12/30 Human Resources report (report ref: FRC 19/12)**

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted details of current recruitment.
- 7.3 The Committee noted that the General Social Care Council (GSCC) had commenced formal consultations with its employees in mid-January 2012 about the Cabinet Office Statement of Practice on Staff Transfer in the Public Sector and about collective redundancies which were likely as a result of GSCC's abolition. HPC's Human Resources Department had provided any information required by GSCC to assist in the consultation process. The Committee noted that GSCC had provided information to its employees about the arrangements in relation to any redundancy payments. HPC would not be liable for these payments.
- 7.4 The Committee noted that the Department had carried out work around management of the annual pay review. The Department was analysing training needs which had been identified in employees' Annual Performance and Development Reviews.
- 7.5 The Committee noted that the Fitness to Practise Department had carried out a restructuring exercise in January and February 2012, in order to make efficiency gains, improve processes and improve quality assurance for work covering the existing 15 professions. This work was also in preparation for the new areas of licensing; mediation; and regulation of social workers in England. The Human Resources Department had provided advice and support and was undertaking the resulting recruitment.

**Item 8.12/31 Partner Manager report (report ref: FRC 20/12)**

- 8.1 The Committee received a report on the work of the Partners team.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

- 8.2 The Committee noted that, following interviews, HPC had appointed a number of social worker Partners: 21 registration assessors and 8 Visitors.
- 8.3 The Committee noted that there had been more than 200 applications for the 12 vacancies in the role of Panel Chair. Recruitment would shortly take place for lay panel members.
- 8.4 The Committee noted that 59 Panel members, whose agreements were due to expire between 31 July and 30 September 2012, had been asked to complete a self-assessment form. Once their agreements had been renewed, the Executive would evaluate the self-assessment re-appointment process. It was suggested that the Executive should consider introducing an anonymised appraisal process for Partners.
- 8.5 The Committee noted that the number of prosthetist and orthotist Visitors was sufficient for HPC's current requirements.

**Item 9.12/32 Information Technology report (report ref: FRC 21/12)**

- 9.1 The Committee received a paper for discussion/approval from the Executive.
- 9.2 The Committee noted that the Fitness to Practise Case Management System was due to be introduced on 2 April 2012. Users were being trained in the system and reporting systems were being prepared. The Executive had conducted disaster recovery tests and tested transactions and document management in the system.
- 9.3 The Committee noted that the project to introduce automatic handling of registrants' payment card details had been implemented on 27 February 2012.
- 9.4 The Committee noted that, due to the expiry of a security certificate, the network had been unavailable for part of the morning on 28 February 2012. The problem had been resolved and preventative measures had been put in place.
- 9.5 The Committee noted that the post of Infrastructure Engineer had now been filled.

**Item 10.12/33 Operations report (report ref: FRC 22/12)**

- 10.1 The Committee received a report on the work of the Operations department.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

10.2 The Committee noted the following points:

- there had been a peak of international applications in November 2011 but the number of applications had since decreased to normal levels;
- there had been 876 UK applications in September 2011, compared to 1394 applications in September 2010. The number of applications had since increased to normal levels to 2010;
- the volume of telephone calls to the Registration Department in January 2012 had been relatively low compared to the peak in summer 2011. However, physiotherapists had now been invited to renew and calls had increased as a result. The department was able to respond flexibly to changing priorities in work and employees carried out other work if there was a low volume of calls;
- the system to automate handling of registrants' payment card details had been implemented. An external payment card industry expert would be asked to audit the system in the spring; and
- the report compared the costs of HPC's present and previous archive supplier. The Committee noted that costs had been reduced but the current service was of higher quality and used a more secure archive location.

**Item 11.12/34 Draft budget 2012-13 (report ref: FRC 23/12)**

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that the budget had been revised to include a number of amendments, such as a grant of £1.7m from the Department of Health to cover costs of the transfer of regulatory functions from GSCC to HPC. The budgeted deficit was £424,000, because income from fees paid by social workers was expected for four months of 2012-13. It was expected that there would be income of £7.5m from fees paid by social workers in 2013-14.
- 11.3 The Committee noted that the budget for Council and Committees would increase by 31% in 2012-13, due to expenditure on Professional Liaison Groups.
- 11.4 The Committee agreed to recommend the budget to the Council for approval.

**Action: TM (by 29 March 2012)**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

**Item 12.12/35 Reserves policy (report ref: FRC 24/12)**

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that the policy had been amended in 2011 to provide that reserves should be equivalent to three months' operational expenditure. The Committee agreed to the continuation of this policy. It was noted that an earlier version of the policy had been circulated with the paper.

**Item 13.12/36 Registrant numbers forecast (report ref: FRC 25/12)**

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted the following points in the forecast:
- the number of UK applications was expected to slowly decline for the next few years;
  - the number of social workers in the plan had been updated following discussions with GSCC. Social workers from the other home countries who wished to work permanently in England would need to register with HPC, although the working arrangements of individuals would be considered where appropriate;
  - the number of public health specialists and herbalists had been based on discussions with the Department of Health;
  - although there was a forecast steep fall in the number of international applications, the fees for these applications were intended to cover HPC's processing costs;
  - the grandparenting period for practitioner psychologists was due to end in July 2012. HPC was advertising in professional journals to make stakeholders aware of the deadline. It was expected that there would be future grandparenting periods for public health specialists and herbalists;
  - the lapsing rate at renewal was approximately 4.5%, although some individuals were readmitted after lapsing; and
  - it was possible that, if registrants were made redundant, they might establish private practices instead.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

- 13.3 The Committee noted that anecdotal evidence suggested that chiropodists and podiatrists selected for audit of their Continuing Professional Development (CPD) were more likely to deregister if they had been grandparenting applicants. If individuals later applied for readmission, they would be required to demonstrate that they had undertaken CPD.
- 13.4 The Committee noted that there was some anecdotal evidence of trends for service providers to use assistants or unregulated professionals and for older workers to work part-time or retire early. The Committee noted that the Executive had commissioned analysis of the demographics of registrants and the results were awaited.
- 13.5 The Committee discussed the sensitivity of HPC's finances based on the forecast. The Committee noted that HPC had some flexibility in terms of offering overtime pay or employing temporary workers, although most expenditure comprised fixed costs.
- 13.6 The Committee agreed that the forecast was realistic and a very good piece of work by the Executive.

**Item 14.12/37 Five Year Plan (report ref: FRC 26/12)**

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted the following points:
- the plan made forecasts of HPC's financial situation and whether the organisation was likely to remain financially viable;
  - the assumptions in the plan applied to years one to three and it was more difficult to forecast years four to five;
  - the plan indicated that productivity would increase over the period of the forecast;
  - expenditure on room hire for hearings was forecast to increase because it was expected that noise from any building work on 186 Kennington Park Road might prevent hearings in Park House;
  - based on previous experience of fitness to practise cases, it was possible to estimate the number of cases which would proceed to a final hearing and the number of appeals. The Council for Healthcare Regulatory Excellence was currently reviewing all the

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

healthcare regulators' financial data and HPC had provided information for this review; and

- the plan indicated the number of full-time equivalent employees and the Committee agreed that this should be made clear in the document.

14.3 The Committee agreed to recommend the Five Year Plan to the Council for approval.

**Action: GRS (by 29 March 2012)**

**Item 15.12/38 Finance department workplan (report ref: FRC 27/12)**

- 15.1 The Committee received a paper for discussion from the Executive.
- 15.2 The Committee noted that the plan included work to improve the quality and timeliness of financial reporting and to improve the Department's responsiveness. A management accountant would be recruited to facilitate this work.
- 15.3 The Committee noted that the Department would work to reduce the number of manual financial processes, in order to save time and improve quality.
- 15.4 The Committee agreed to recommend the workplan to the Council for approval.

**Action: Council to consider workplan**

**Item 16.12/39 Human Resources workplan (report ref: FRC 28/12)**

- 16.1 The Committee received a paper for discussion from the Executive, containing the workplan for Human Resources and Partners.
- 16.2 The Committee noted that the first half of 2012-13 was expected to be dominated by the transfer of regulatory functions from GSCC to HPC. During the year, the Human Resources Department would also undertake a major project to review systems and processes.
- 16.3 The Committee noted that the Executive planned to link Human Resources systems to Finance systems in 2013-14. The Committee noted that preparatory work would be undertaken in 2012-13.
- 16.4 The Committee noted that a number of new posts would be added to the Fitness to Practise Department in 2012-13, in order to create a specialist team for dealing with more complex cases and to create posts which would assist in improving the quality and timeliness of casework.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

- 16.5 The Committee noted that an additional team administrator post had been created in the Human Resources Department to assist with the workload. The Executive believed that the current number of employees in Human Resources and Partners was sufficient for the planned work,
- 16.6 The Committee agreed to recommend the workplan to the Council for approval.

**Action: Council to consider workplan**

**Item 17.12/40 Information Technology workplan (report ref: FRC 29/12)**

- 17.1 The Committee received a paper for discussion from the Executive.
- 17.2 The Committee noted that the Executive intended to bring a paper on the IT strategy to the Committee in autumn 2012.
- 17.3 The Committee noted that there were four objectives in the IT workplan for 2012-13:
- drive efficiencies (for example, implementing the Fitness to Practise Case Management System and follow-up work; the Education systems and process review; the review of Human Resources and Partners systems);
  - create business advantage (for example, the transfer of the register of social workers in England; support the expansion of HPC's office space in 186 Kennington Park Road and 33 Stannary Street; and a rolling programme to upgrade several systems);
  - protect HPC's data and services (for example, a major project to improve the NetRegulate registration system; and a review of the organisation's IT policy); and
  - meet the expectations of the organisation (for example, refining the helpdesk system and developing reports and forecasting from this system).
- 17.4 The Committee noted that the Department had achieved a great deal in 2011-12. Some projects had been re-prioritised by the Executive Management Team and some projects had been deferred because resources had been allocated to other work. The Committee noted that the Department was able to respond flexibly to developments such as additional work on the Fitness to Practise Case Management System and work connected with the regulation of social workers in England.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

- 17.5 The Committee agreed to recommend the workplan to the Council for approval.

**Action: Council to consider workplan**

**Item 18.12/41 Registration department workplan (report ref: FRC 30/12)**

- 18.1 The Committee received a paper for discussion from the Executive.
- 18.2 The Committee noted that the department had a budget of £2.37m in 2012-13. There would be 39 permanent employees and temporary employees would be recruited to assist with peaks in work associated with renewals for social workers. The Committee noted that the Executive had met colleagues at GSCC to assess the volume of work and the resources which would be required.
- 18.3 The Committee noted that it was proposed that international applicants should be asked to visit HPC's offices with original documents, in order for HPC to verify the applicant's identity. The Committee noted that applications would be approved by HPC subject to applicants meeting this requirement. It was expected that this would reduce the risk of fraudulent applications. Previous reviews of international applications had not identified any fraudulent cases.
- 18.4 The Committee noted that the workplan included service standards which were reviewed annually by the Executive. The Committee suggested that the timescales for service standards should be expressed consistently (using calendar days, working days or working hours as the unit of measurement).
- 18.5 The Committee agreed to recommend the workplan to the Council for approval.

**Action: Council to consider workplan**

**Item 19.12/42 Project management workplan (report ref: FRC 31/12)**

- 19.1 The Committee received a paper for discussion from the Executive.
- 19.2 The Committee noted that the workplan included continuing four projects from the current financial year (regulation of social workers; changing HPC's name; the Education systems review; changes to Net Regulate) and the initiation of nine new projects. The new projects were:
- regulation of herbal medicine practitioners, subject to decisions by the Department of Health;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

- student registration, subject to the outcome of HPC's recent consultation and decisions by the Council;
- work to fit out two additional units in 33 Stannary Street and rooms within the Evangelical Alliance subject to successful negotiations on the lease and approval by the Council;
- review of Education and Human Resources systems;
- semi-automating the readmissions process;
- updates to the HPC website;
- changes to the Fitness to Practise Case Management System, which would be reviewed and amended on an annual basis; and
- changes to NetRegulate.

19.3 The Committee noted that the Executive Management Team oversaw projects and this was a mitigation against identified risks relating to projects.

19.4 The Committee agreed to recommend the workplan to the Council for approval.

**Action: Council to consider workplan**

**Item 20.12/43 Business Process Improvement workplan (report ref: FRC 32/12)**

20.1 The Committee received a paper for discussion from the Executive.

20.2 The Committee noted that the Executive planned to purchase a system from the British Standards Institute for the quality management system.

20.3 The Committee noted that an information security project would be conducted in 2012-13, to assess threats and vulnerabilities to HPC's information assets. The Executive intended to work toward achieving certification under the ISO 27001:2005 information management standard in 2013-14. HPC's internal auditors, Mazars, had conducted a review of information security in 2011 and had rated this area as satisfactory.

20.4 The Committee noted that a business continuity exercise would be conducted in late 2012. The Executive would consider moving the paper-based disaster recovery plan to an electronic system.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

20.5 The Committee noted that the Executive would restore a selection of archived documents and would produce a history of the Council for Professions Supplementary to Medicine (HPC's predecessor organisation).

20.6 The Committee agreed to recommend the workplan to the Council for approval.

**Action: Council to consider workplan**

**Item 21.12/44 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 33/12)**

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

21.2 The Committee noted the following points:

- the Health and Social Care Bill was currently in the report stage in the House of Lords. The part of the Bill relating to HPC had been debated and the Bill was due to be reconsidered by the House of Commons shortly. It was expected that Parliament would finish considering the Bill by the Easter recess;
- HPC had not yet received written confirmation from the Department of Health about a grant for costs associated with the project;
- several key GSCC employees had left the organisation;
- from the beginning of March 2012, the Fitness to Practise Department had been given access to electronic records of GSCC cases which would be transferred to HPC. HPC could advise GSCC on these cases, although GSCC was not required to follow the advice given; and
- the Executive was due to meet the Department of Health to discuss funding costs associated with Human Resources expenditure.

The Committee noted the following paper:

**Item 22.12/45 Dates of Committee meetings 2013 (report ref: FRC 34/12)**

The Committee received the following paper for information:

**Item 23.12/46 Education systems and process review major project (report ref: FRC 35/12)**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

## Item 24.12/47 Any other business

- 24.1 The Committee noted that, at the Audit Committee on 13 March 2012, the National Audit Office had reported that, as a result of changes to financial reporting guidance, there was a requirement for HPC's annual report and accounts to include an Annual Governance Statement and a Sustainability Report. The Committee noted that it would be asked to consider these draft reports at its meeting on 26 April 2012.

## Item 25.12/46 Date and time of next meeting

- 25.1 The next meeting of the Committee would be held at 10.30 am on Thursday 26 April 2012.
- 25.2 Subsequent meetings would be held at 10.30 am on
- Tuesday 19 June 2012
  - Thursday 19 July 2012
  - Tuesday 11 September 2012
  - Tuesday 20 November 2012

## Resolution

The Committee agreed to adopt the following resolution:

'The Committee hereby resolves that the remainder of the meeting shall be held in private, because the matters being discussed relate to one or more of the following;

- (1) information relating to a registrant, former registrant or applicant for registration;
- (2) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (3) the terms of, or expenditure under, a tender or contract for the purchase or supply of goods or services or the acquisition or disposal of property;
- (4) negotiations or consultation concerning labour relations between the Council and its employees;
- (5) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (6) action being taken to prevent or detect crime or to prosecute offenders;
- (7) the source of information given to the Committee in confidence; or
- (8) any other matter which, in the opinion of the Chair, is confidential or the public disclosure of which would prejudice the effective discharge of the Committee's or Council's functions.'

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None

**Item 26.12/47 Private minutes of the Finance and Resources Committee of 26 January 2012 (report ref: FRC 36/12)**

26.1 It was agreed that the private minutes of the 67th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

**Item 27.12/48 Matters arising (report ref: FRC 37/12)**

27.1 The Committee received a paper to note from the Executive.

27.2 The Committee noted the actions list as agreed at the last meeting.

**Item 28.12/49 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 38/12)**

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

28.2 The Committee noted that, following the report in the public part of the meeting, there were no other matters to report.

**Item 29.12/50 Any other business**

29.1 The Committee agreed that the papers considered at the meeting had been excellent and thanked the Executive for their work.

**Chair**

**Date**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-03-19	a	F&R	MIN	Minutes Finance and Resources Committee 15 March 2012	Draft DD: None	Public RD: None