

Finance and Resources Committee

Public minutes of the 73rd meeting of the Finance and Resources Committee held on:-

Date: Thursday 31 January 2013

Time: 10:30 am

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

Present: Richard Kennett (Chair)
Pradeep Agrawal
Jennifer Beaumont
Frank Burdett
Mary Clark-Glass
Sheila Drayton
Arun Midha
Penny Renwick

In attendance:

Roy Dunn, Head of Business Process Improvement
Brendon Edmonds, Head of Educational Development
Claire Gascoigne, Secretary to the Committee
Guy Gaskins, Director of Information Technology
Abigail Gorringe, Director of Education
Louise Hart, Secretary to Council
Teresa Haskins, Director of Human Resources
Kelly Johnson, Director Fitness to Practice (items 13-15)
Jeff Lucas, Chair, Audit Committee (observer)
Charlotte Milner, Head of Financial Accounting (items 1-6)
Tim Moore, Director of Finance
Greg Ross-Sampson, Director of Operations
Marc Seale, Chief Executive and Registrar

Item 1.13/1 Apologies for absence

- 1.1 The Chair welcomed Claire Gascoigne to her first meeting of the Committee. Claire has joined the HCPC as Secretary to Committees,
- 1.2 Apologies for absence were received from Keith Ross. The Committee also noted that Anna van der Gaag was unable to attend the meeting.

Item 2.13/2 Approval of agenda

- 2.1 The Chair noted that the paper on the new bank account (previous item 14) will be considered before the Finance report.
- 2.2 The Committee approved the agenda.

Item 3.13/3 Declarations of members' interests

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

Item 4.13/4 Minutes of the Finance and Resources Committee meeting of 20 November 2012 (report ref: FRC 01/13)

- 4.1 It was agreed that the public minutes of the 72nd meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.13/5 Matters arising (report ref: FRC 02/13)

- 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 6.13/6 New bank account (report ref: FRC 11/13)

- 6.1 The Committee received a paper for discussion/approval from the Executive.
- 6.2 The Committee noted that the HCPC currently has £6m deposited in instant access accounts with Lloyds and NatWest which exceeds short term cash requirements. It is proposed that £2m of this total be placed in term deposit. However, HCPC's existing banks have reduced their rates from 1.25% to 0.50%. It is therefore proposed to open an account with Santander. Santander is a UK bank which has a Standard and Poor AA rating and still offers a rate of 2.5% for a 1 year term deposit.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

- 6.3 The Committee noted that this deposit is in accordance with the terms of HCPC's investment policy and would incur no charges.
- 6.4 The Committee approved the bank account opening.

Item 7.13/7 Finance report (report ref: FRC 03/13)

7.1 The Committee received a report on the work of the Finance Department.

7.2 The Committee noted the following points:

- income in December was £1,828k and expenditure was £1,631k, leaving an operating surplus of £197k. For the year to date, income is £14,148k and expenditure £14,503k leaving an operating deficit of £355k. This is £310k more favourable than reforecast;
- the HCPC has invoiced the Department of Health for £1,070k to date in relation to costs incurred on the transfer of regulatory functions from the General Social Care Council (GSCC). The Department of Health has now paid all these invoices;
- at the end of December 2012, £6.8M was held in short term accounts. A further £6m was invested for longer periods at fixed rates in four different deposit accounts or bonds;
- the second hearing in the court case on the Flexiplan Pension Scheme took place over 3 days from 9 October 2012. Recent news on the decision is that a further hearing is to be held. Meetings regarding the matter will be held in March, with the HCPC attending. The expected funding position is significantly better than the anticipated worst case scenario. The HCPC continues to pay £4,495 per month; and
- the tender process for the HCPC print contract has reached a short list position. The tender process for travel management is on hold whilst a Procurement Manager is recruited.

7.3 The Committee discussed the difference between the cash flow balance forecast and actual balance as shown on page 7 of the report. The forecast was created in January 2012, at a time when the legislation on Social Worker regulation was still in question so these registrants were not factored into the forecast. The Committee agreed that a cash flow balance reforecast exercise should be undertaken in the next financial year to enable more accurate planning.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

Item 8.13/8 Human Resources report (report ref: FRC 04/13)

- 8.1 The Committee received a report on the work of the Human Resources Department.
- 8.2 The Committee noted that work has now begun on preparation of salary information for managers in advance of the annual pay review. The HCPC's annual performance development reviews have also commenced.
- 8.3 The Committee noted that the department is in the process of setting up individual health check sessions for employees following the success of this initiative last year.

Item 9.13/9 Partner Manager report (report ref: FRC 05/13)

- 9.1 The Committee received a report on the work of the Partners team.
- 9.2 The Committee noted details of recruitment for a number of Partner roles.
- 9.3 The Committee noted that the self-assessment process evaluation has been completed. The process was found to be effective and fit for purpose but a review of the assessed competences and documentation is underway.
- 9.4 The Committee noted that appropriately trained Occupational Therapists had been invited to apply for AMHP visitor roles and that all professions entitled to undertake AMHP training were invited to apply.
- 9.5 The Committee noted that the Partners team was currently recruiting Psychologist and Paramedic CPD assessors.
- 9.6 The Committee discussed the utilisation of Partners. It was noted that Panel members are allocated randomly to ensure no influence from the Executive and that some Partners are used less due to a low number of tribunal cases for their profession.

Item 10.13/10 Information Technology report (report ref: FRC 06/13)

- 10.1 The Committee received a report on the work of the Information Technology Department.
- 10.2 The Committee noted the following points:
 - the department is involved in a HR and Partners Systems and Process Review which aims to assess and revise where required

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

the current processes within the Human Resources and Partners teams. The project has been initiated and the first workshops are due to start in February 2013 to map existing processes;

- the NetRegulate Improvements Major Project is now expected to be completed in Q1 2013;
- Windows7 will now be rolled out to super users in each of the departments in a rolling programme with an expected completion early in the new financial year. The roll out will be planned to align with each departmental business cycle. So far both Registrations and Secretariat had been upgraded;
- the Education systems and process review project is now complete and the implementation project has started; and
- there were two telephone outage incidents in the period 1 November to 31 December 2012. The first was on 07 December 2012 for fifty minutes between 08:00 and 08:50. A power fault at Semafone led to the loss of incoming calls. The second was on 11 January 2013 for one and a half hours between 08:00 and 09:30. Planned maintenance by Semafone resulted in the loss of outgoing calls.

10.3 The Committee discussed the on-going outage issues with the telephone system. It was noted that the HCPC met with the supplier Semafone to discuss service issues and they now have a clear plan to improve service availability.

10.4 The Committee discussed the planned service improvements. It was noted that maintenance work can now take place during the night due to a renegotiation of contract, and if service has not improved sufficiently by July the HCPC also has the option of being hosted in more resilient premises. In addition to this, the supplier has been provided with HCPC's renewals cycles to ensure they do not undertake any potentially disruptive maintenance work during key service times.

10.5 The Committee noted the significant financial risk that had been mitigated by the use of Semafone for secure telephone financial transactions.

Item 11.13/11 Operations report (report ref: FRC 07/13)

11.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement for the period 1 November to 31 December 2012.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

- 11.2 The Committee noted that at the start of September 2012, 88,474 social workers were invited to renew their registration. A total of 90.5% successfully renewed their registration for the next two-year cycle, with 78% of these registrants renewing online.
- 11.3 The Committee noted that at the start of September 2012, 11,089 operating department practitioners were invited to renew their registration. This year a record total of 97.1% successfully renewed their registration for the next two-year cycle. This is an improvement of 1.6% compared to the last renewal period with 67% of these registrants renewing online.
- 11.4 The Committee congratulated the HCPC departments involved in achieving this renewal rate.
- 11.5 The Committee requested that information on application processing be presented in the same clear and transparent approach as used in operational performance.
- 11.5 The Committee noted that there were some anomalies in the data relating to lapsed registrations in the graph on page 4 of the report. The Director of Operations undertook to look into these figures.
- 11.4 The Committee noted the following points
- the Facilities department is working in conjunction with the IT Department, a Facilities Department ticketing system is being developed and tested;
 - a BSI audit took place on 14 November 2012. Fitness to Practise, Customer Service and the QMS were audited, in addition to preparation for the strategic review. No nonconformities were found. A copy of the report forms an additional paper of the meeting; and
 - the tender for Registrations printing and distribution is on hold as the requirements are being re-evaluated to improve efficiency, reduce costs, and be more environmentally friendly.

Item 12.13/12 Draft budget 2013-14 first review (report ref: FRC 08/13)

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that the proposed budget had not yet been phased, and that a more in depth budget with monthly balance sheets and cash flow forecasts would be prepared for the March Committee meeting.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

12.3 The Committee noted the following points

- the budget was developed in consultation with all budget holders within HCPC and on 17 January 2013, the Chair of the Committee and the Chair of Council attended the Executive Management Team's awayday to discuss the draft budget;
- operating costs and income have increased by 20%. The main area of expenditure remains Fitness to Practice, this is in large part due to the onboarding of Social Workers in England. The budget plans for a deficit of 93k for the year;
- the increased complexity of the HCPC's work has required investment in business improvement to ensure efficiency; a robust HR system is an example of this;
- the reduction in the budget for the Chief Executive office was due to the provision last year for a levy from CHRE which was not applied. This provision has been taken out of this year's budget;
- the reasons for any cash held by the HCPC and its intended use should be made clear in the annual report; and
- the last increase in the HCPC's registration fees occurred in 2009. Research shows that registrants prefer small incremental increases to large step changes. The HCPC would need to be mindful of this.

12.4 The Committee received the draft budget and agreed to receive an in-depth report in March.

Item 13.13/13 Policy for the provision of legal services (report ref: FRC 09/13)

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The paper sets out the HCPC's policy in respect of the provision of legal services. It provides details of the areas where legal input is required, in-house capacity and the approach the HCPC takes in relation to the provision of legal services.
- 13.3 The Committee noted that it is proposed the policy on legal services remains unchanged and that no in house provision be retained. It was agreed that this system worked well for the HCPC.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

13.4 The Committee noted the paper and agreed to recommend it to Council.

Item 14.13/14 Registration number forecast (report ref: FRC 10/13)

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

14.2 The Committee noted the budget 2012-13 columns will be updated in early April 2013, based on 2012-13 year end data.

14.3 The Committee noted the following assumptions in the forecast:

- Public Health Specialists will be added to the register in 2015-16 following a government announcement in early 2012;
- UK graduate numbers will decrease by as much as 14% in 1 years time;
- Care Workers are not included in the forecast as there has been no decision by government on the type of regulation to be implemented;
- Herbal Practitioners are included in the forecast although the exact model of regulation is yet to be determined; and
- international registrations will drop 10% year on year due to a lack of suitable employment opportunities.

14.4 The Committee discussed the forecast. It was felt that the forecast for the registration of Practitioner Psychologists was too pessimistic. The forecast for year 1 will be updated with the actual figures for 2012-13 when these are available. This will enable the 5 year plan which is to be presented in June to be as accurate as possible.

The Committee noted the following papers:

Item 15.13/15 Onboarding of Social Workers project end report (report ref: FRC 12/13)

Item 16.13/16 Future arrangements for Partners self-assessment process (report ref: FRC 13/13)

Item 17.13/17 British Standards Institute audit report of ISO 9001:2008 (report ref: FRC 14/13)

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

Item 18.13/18 Business continuity incident 5th November 2012 (report ref: FRC 15/13)

Item 19.13/19 Any other business

19.1 There was no other business.

Item 20.13/20 Date and time of next meeting

20.1 The next meeting of the Committee (Remuneration Committee only) would be held at 10.30 am on Tuesday 5 March 2013

20.2 Subsequent meetings would be held at 10.30 am on

Tuesday 19 March 2013
Tuesday 18 June 2013
Thursday 18 July 2013
Tuesday 10 September 2013
Thursday 21 November 2013

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;

- (a) information relating to a registrant, former registrant or applicant for registration;
- (b) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (c) 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;
- (d) negotiations or consultation concerning labour relations between the Council and its employees;
- (e) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (f) action being taken to prevent or detect crime or to prosecute offenders;
- (g) the source of information given to the Committee in confidence; or
- (h) 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.'

Item	Reason for Exclusion
21	c, d

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None

Summary of those matters considered whilst the public were excluded

Item 21.13/21 Legal services tender (report ref: FRC 16/13)

The Committee discussed issues related to the legal services retender. The Committee agreed to recommend the paper to the Council

Item 22.13/22 Any other business

There was no other business.

Chair

Date

Unconfirmed

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2012-01-31	a	F&R	MIN	Minutes Finance and Resources Committee January Public 2013	Draft DD: None	Public RD: None