

## Finance and Resources Committee

### Public minutes of the 77th meeting of the Finance and Resources Committee held on:-

**Date:** Tuesday 10 September 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:

Georgia Akuffo-Kumih, HR Manager  
Alan Carr, Interim Director of Finance  
Ruth Cooper, Service and Complaints Manager  
Roy Dunn, Head of Business Process Improvement  
Brendon Edmonds, Acting Director of Education  
Guy Gaskins, Director of Information Technology  
Louise Hart, Director of Council and Committee Services  
Teresa Haskins, Director of Human Resources  
Sarita Khaira, Head of FtP Service Improvement  
Jeff Lucas, Chair, Audit Committee (observer)  
Charlotte Milner, Head of Financial Accounting  
Greg Ross-Sampson, Director of Operations  
Marc Seale, Chief Executive and Registrar  
Anna van der Gaag, Council Chair

### **Item 1.13/87 Apologies for absence**

1.1 There were no apologies for absence.

### **Item 2.13/88 Approval of agenda**

2.1 The Committee approved the agenda and agreed that consideration of the private item (item no. 19) should be given between existing items 10 and 11.

### **Item 3.13/89 Declarations of members' interests**

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

### **Item 4.13/90 Minutes of the Finance and Resources Committee meeting 18 July 2013 (report ref: FRC 60/13)**

4.1 It was agreed that the public minutes of the 76th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

### **Item 5.13/91 Matters arising (report ref: FRC 61/13)**

5.1 The Committee noted the list of actions agreed at previous meetings.

### **Item 6.13/92 Finance report (report ref: FRC 62/13)**

6.1 The Chair welcomed Alan Carr as Interim Finance Director, replacing Tim Moore who left HCPC on 31 August. The Committee received a report on the work of the Finance Department.

6.2 The Committee noted the following points:

- the 2012-2013 Annual Report and Accounts were laid before Parliament on 18 July 2013;
- for the four months to 31 July, income is £8,185k and expenditure is £7,525k, giving an operating surplus of £660k, £702k better than budget; and
- the total net positive variance of £702k was made up of a number of matters, the most significant being for FtP. It is considered that a large part of the FtP variance will be permanent as there have

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

been fewer cases to answer so far this year. The impact of the variances will be seen when the six month re-forecast is presented to the Committee at its next meeting in November.

- 6.3 In response to a question, the Committee noted that the Interim Finance Director was broadly content with the financial position of the organisation although some work needed to be carried out in relation to the areas of under expenditure. It was noted however that should the anticipated costs relating to the transferred social worker cases be removed, Fitness to Practise expenditure was in line with the Fitness to Practise forecasting model.
- 6.4 In response to a question about those funds which were placed with Lloyds with the interest rate of 3.25% which came to an end in August, the Committee noted that these funds remained with Lloyds and HCPC were still receiving a good return in terms of interest.
- 6.5 The Committee noted that the procurement process for recording and transcription services has been completed but that, due to a challenge by an existing supplier, the contract cannot be awarded at present. The options were to either re-run the tender process or add an additional supplier to the framework.
- 6.6 The Committee noted the report.

**Item 7.13/93 Human Resources report (report ref: FRC 63/13)**

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted a list of recent recruitment activity within HCPC.
- 7.3 The Committee noted that;
- a specialist headhunting consultancy has been appointed to manage the search for a new Director of Finance. A detailed search and selection campaign has been planned, with final panel interviews planned for 1 November 2013;
  - the HR team is in the process of consulting with employees about the revised absence, IT and Social Media policies; and
  - new employee representatives have been elected or appointed to all vacancies of the Employee Representative Group, and training of representatives will take place in September.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

7.4 The Committee noted that the EMT would be looking at the action plan in relation to organisational culture at their next meeting. It was important to note how positive people feel about working at HCPC.

7.5 In response to a question about the increase in turnover of employees, the Director of HR undertook to provide some further information in this regard. However, it was hoped that the work undertaken in relation to organisational culture would go some way in addressing this.

7.5 The Committee noted the report.

#### **Item 8.13/94 Partner Manager report (report ref: FRC 64/13)**

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

8.2 The Committee noted the following:-

- details of recruitment for a number of Partner roles;
- September will start a new cycle of registration assessor appraisals. This will mean a higher number of registration assessors will become eligible for appraisal;
- Partners are not appointed on a zero hours contract but instead on the understanding that any work would be ad hoc; and
- In response to a question about the increase in the number of radiographer partners, the Director of HR undertook to look into this figure as there was no reason for an increase in the number of partners in this area.

8.4 The Committee noted the report.

#### **Item 9.13/95 Information Technology report (report ref: FRC 65/13)**

9.1 The Committee received a report on the work of the Information Technology Department.

9.2 The Committee noted the following points:

- that the Wi-Fi network would be up and running by next week. Furthermore, a physical connection had been made with 33 Stannary Street and so Wi-Fi would also be available in that building;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

- the roll out of the new telephony system had been successful. Work was now on going in relation to the call recording system;
- that a finance part of the net regulate project had been taken out of the release since a number of bugs were identified in the first release and so it had been de-scoped from the project to ensure that there was no delay to the other areas of work;
- that the IT strategy was being met and within 2% of the budget; and
- a new Service Analyst had started in the IT team last week and recruitment was ongoing to appoint an Infrastructure engineer. A different approach had now been adopted in the hope of attracting suitable candidates.

9.3 The Committee noted the report.

**Item 10.13/96 Operations report (report ref: FRC 66/13)**

10.1 The Committee received a report on Operations, covering the Registration, Project Management, Facilities Management and Business Improvement departments for the period 1 June to 31 July 2013.

10.2 The Committee noted the following points;

- during the reporting period, registrations received a total of 14,028 telephone calls and 636 international telephone calls. The Department answered 94% of calls received compared to 97% during the same period two years ago. It was noted that there was a planned overtime process in place to deal with these situations;
- 98.1% of paramedics and 96.3% of orthoptists have successfully renewed their registrations on time;
- following a recent recruitment campaign three new replacement registration advisors and one replacement apprentice registration advisor commenced employment at HCPC on 2 September;
- trenching work to enable connectivity to 33 Stannary Street has been completed;
- the report on 186 Kennington Park Road would now be considered at the next meeting of the Finance and Resources Committee; and
- adjustments to how documents are printed around the organisation are being evaluated, and security improvements

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

developed.

10.3 In response to questions, the Committee noted the following:-

- the five grandparenting applications detailed under 1.b)iii of the report were in relation to practitioner psychologists and were received before the deadline for applications;
- That the peak in new registrants illustrated on page 6 of the papers was as a result of the transfer of the register of social workers in England to the HCPC; and
- That the Registration Team aim to deal with e-mail enquiries within 24 hours of receipt although the service standard is within 48 hours. This is carried out by registration advisers when they are not taking telephone calls.

10.4 The Committee noted the report.

#### **Item 11.13/97 Forecasting model review (report ref: FRC 67/13)**

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

11.2 The Committee noted that;

- following the recent discussions at the Council on 4 July and the Finance and Resources Committee on 18 July, the Chief Executive commissioned Mazars to review the two key operational and financial models used by the HCPC to forecast revenue derived from registrants and prospective registrants;
- Mazars built their own model using the assumptions used by the HCPC. The two models were then reviewed and any discrepancies were identified; and
- Mazars provided 68 comments. None of the comments were graded One, which would have represented a “potential error which may require a material model adjustment”. All comments have now been cleared and closed.

11.3 During the course of discussion, the following points were made:-

- The Committee discussed the decision relating to the future use of “best practices” for constructing financial and operational models. It was noted that the Executive has decided to initially incorporate the FAST standards in the registrant numbers forecast model and

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

the Registrant Income forecast and subsequently in other key models such as the operational model used by the Fitness to Practise Department. It was noted that whilst FAST was not specifically referenced in the report, it was a suggestion that had arisen during the course of discussion with Mazars;

- That the financial implication of introducing the FAST standard was between £5k and £6k;
- It was noted that the other recommendations received could already be addressed with existing processes and systems;
- There had been a proposal to appoint a business analyst and this would now be taken forward;
- In response to whether an assessment of the accuracy of previous models had been carried out, the Committee noted that this was done and the Committee considered a paper on the matter last year. The results had showed that forecasting had been accurate. It was noted that the most difficult area to forecast was in relation to new professions.

11.4 The Committee agreed to endorse the decision by the Executive to use the FAST-standards for the design, construction and use in key operational and financial models.

**Item 12.13/98 Registration Numbers Forecast 2013–18 (report ref: FRC 68/13)**

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

12.2 The Committee noted the following changes to the forecast;

- the forecast now incorporates revised registrant numbers for new professions based on further discussions with stakeholders;
- the recommendations arising from the work of Mazars review have been incorporated;
- a number of new appendices have been included in the back of the document with the intention of providing more detailed information on the timing of actual events during the HCPC two year renew cycle; and
- information on applications received for the register of visiting European Healthcare Professionals have been included in the main body of the document.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

12.3 During the course of discussion, the following points were made:-

- The suggestion was made that this paper could be a regular item on the Finance and Resources Committee. After discussion, it was agreed that the Chief Executive should present the information verbally to the Council next week;
- With reference to page 9 of the report in relation to a query about the assumptions associated with traditional Chinese medicine practitioners, the Committee noted that the projected number for UK applications appeared low but this did not include the figure for international applications;
- In response to a query about the data for temporary registrants as set out on page 24, the Committee noted that it was difficult to determine the exact number of temporary registrants since they did not often inform HCPC when they ceased to practise in the UK.

12.4 The Committee agreed to task the Executive with using the forecast model for future management and planning.

### **Item 13.13/99 Registration Income Forecast 2013–18 (report ref: FRC 69/13)**

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

13.2 The Committee noted the following changes to the report since it was last presented on 18 July:

- the forecast now incorporates actual income numbers for the first three months of the calendar year, as opposed to only using a twelve month forecast;
- the recommendations arising from the work of Mazars review have been incorporated; and
- a number of additional pages have been added to the forecast, including Renewal Income Calculations, Profession registration cycles and the 2 year registration cycle by profession.

13.3 The Committee agreed to task the Executive with using the forecast model for future management and planning.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

**Item 14.13/100 Purchase order/invoice signatory list (report ref: FRC 70/13)**

- 14.1 The Committee received a paper for approval from the Executive.
- 14.2 The Committee noted that, following a review of the structure of the Facilities department, a new post of Facilities Supervisor has been created. It is proposed that the post of Facilities Supervisor be added to the purchase order/invoice signatory list with a £1,000 limit. This brings the Facilities department in line with the structure in other departments.
- 14.3 The Committee approved the addition of the Facilities Supervisor post to the purchase order/invoice signatory list with a £1,000 limit.

**Item 15.13/101 Information Technology Policy (report ref: FRC 71/13)**

- 15.1 The Committee received a paper for approval from the Executive.
- 15.2 The Committee noted the following points:-
- the IT policy has been updated to reflect the information technology and services that are now being used at the HCPC. It sets out more clearly the acceptable use of the HCPC Information Systems enabling compliance with legislative obligations;
  - the scope of the policy has been extended to include Council members, Partners and contractors as well as employees;
  - the policy has been created following a document review of the related policies for six of the other health and care regulators in the UK as well as a legal review by the HCPC lawyers; and
  - the policy went through the process of employee consultation in August.
- 15.3 During the course of discussion the following points were raised:-
- The issue within the policy which had been discussed most was in relation to the personal use of the corporate e-mail system since the Policy proposed to not permit corporate email services for personal use. The decision to do this was based on overcoming the overlapping legislation (e.g. the Human Rights Act 1998, the Data Protection Act 1998) in this area. However, the new Wi-Fi network would allow individuals to use their own devices;

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

- In response to a question about social media, the Committee noted that this was subject to a separate policy. However, rules in relation to social media had recently been relaxed and, rather like the use of the Wi-Fi network, action would be taken if there was a detrimental effect on an individual's performance as a result of overuse of the social networking sites or the Wi-Fi network;
- As part of the rolling out of the new policy, FAQs would be developed and a news item added to the intranet;
- It was important to note that the Wi-Fi network was on a separate infrastructure and so it would be impossible for a member of the public, in utilising the Wi-Fi network, to access the corporate IT systems.

15.4 The Committee agreed to recommend the Information Technology Policy to Council for approval.

The Committee noted the following paper:

**Item 16.13/102 Equality and Diversity Statistics Report 2012-13 (report ref: FRC 72/13)**

- 16.1 The Committee received a paper to note from the Executive.
- 16.2 The suggestion was made that it would be useful to see a breakdown of the equality and diversity statistics by management tiers. The Executive undertook to provide this going forward although it was noted that the organisation was moving towards greater diversity across the organisation, including across management tiers.
- 16.3 In response to a question about the level of reporting, it was noted that no one could be compelled to complete the equality and diversity form. However, the majority of employees did complete these.
- 16.4 The Committee noted that the figure in relation to employees carrying out part time or flexible working should read 15.5% not 13.5%.
- 16.5 The Committee noted the paper.

**Item 17.13/104 Any other business**

17.1 There were no further items for consideration.

**Item 18.13/105 Date and time of next meeting**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None

18.1 The next meeting of the Committee will be held at 10.30 am on Tuesday 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
19	b

## Summary of those matters considered whilst the public were excluded

### Item 19.13/106 Internal review of fees forecast - update

19.1 The Committee received a verbal update on the progress of the internal review of the fees forecast.

### Item 20.13/107 Any other business

20.1 There was no other business.

**Chair**

**Date**

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2013-09-10	a	F&R	MIN	Minutes Finance and Resources Committee September 2013	Draft DD: None	Public RD: None