

Finance and Resources Committee

Public minutes of the 76th meeting of the Finance and Resources Committee held on:-

Date: Thursday 18 July 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
Shelia Drayton
Arun Midha
Penny Renwick

In attendance:

Georgia Akuffo-Kumih, Human Resources Manager
Deborah Dawkins, Partner Co-ordinator
Claire Gascoigne, Secretary to the Committee
Guy Gaskins, Director of Information Technology
Jacqueline Ladds, Director of Communications
Jeff Lucas, Chair, Audit Committee (observer)
Tim Moore, Director of Finance
Greg Ross-Sampson, Director of Operations
Marc Seale, Chief Executive and Registrar
Anna van der Gaag, Council Chair

Item 1.13/71 Apologies for absence

1.1 Apologies for absence were received from Keith Ross.

Item 2.13/72 Approval of agenda

2.1 The Committee approved the agenda.

Item 3.13/73 Declarations of members' interests

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

Item 4.13/74 Minutes of the Finance and Resources Committee meeting 18 June 2013 (report ref: FRC 50/13)

4.1 It was agreed that the public minutes of the 75th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.13/75 Matters arising (report ref: FRC 51/13)

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

Item 6.13/76 Finance report (report ref: FRC 52/13)

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

6.2 The Committee noted the following points;

- the Annual Report and Accounts for 2013 has now been approved by Council and signed by the Comptroller and Auditor General and is due to be laid in Parliament today; and
- income in June was £2,031k and expenditure was £1,769k, leaving an operating surplus of £262k. The cumulative result for the year to date is £931k better than budget but it recognised that there are a number of positive timing differences which will unwind during the remainder of the year.

6.3 The committee requested that the Finance Report to be presented at the September meeting shows greater detail and explanation of the variances and notes whether they are permanent or timing differences:

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ACTION – Director of Finance 10 September 2013

6.4 The Committee noted the report.

Item 7.13/77 Human Resources report (report ref: FRC 53/13)

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;

- the HR team is in the process of reviewing the HCPC's overtime policy;
- following analysis of training needs identified during the Annual Performance Development Reviews, the HR team is in the process of devising an organisational training plan;
- elections and training activities for new employee representatives for the Employee Consultation Group will take place in July; and
- the annual report on employee diversity 2012-13 has not yet been prepared. It is anticipated that this will be completed for the Committee's meeting in September.

ACTION – Director of Human Resources to present the employee diversity report 2012-13 at the Committees meeting on 10 September 2013.

7.4 The Committee noted that the vacant position within the IT department had not yet been filled. It noted that the role had been re-scoped and that a recruitment premium was being applied, which had previously proved successful.

7.5 The Committee discussed the high workload of the HR department. It was agreed that with organisational growth, HR resources needed to be closely monitored. The Committee noted that temporary support for the HR team had been put in place.

7.6 The Committee noted the report.

Item 8.13/78 Partner Manager report (report ref: FRC 54/13)

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

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- 8.2 The Committee noted details of recruitment for a number of Partner roles.
- 8.3 The Committee noted that its Biomedical Scientist (BMS) member had been involved in the recent recruitment of BMS partners. The Committee discussed the positive feedback he was able to provide. It was noted that 3 out of 5 applications were successful and that recruitment in this area would continue in the next campaign.
- 8.4 The Committee discussed feedback from Partners who resign. It was noted that these Partners are sent a voluntary feedback form, and that the Partners team were currently creating analysis around this feedback.
- 8.5 The Committee noted the report.

Item 9.13/79 Information Technology report (report ref: FRC 55/13)

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted the following points:
- upgrades to the telephone system have been completed and a failover telephone controller has been installed. Replacement of handsets is planned for July;
 - an outage of the online register and online renewals occurred on 19 June 2013 for fifty minutes. The service disruption was due to the resilient servers freezing. This is believed to be due to unexpected latency by the data line provider which is being investigated; and
 - there was a mail outage on 13 June 2013 for two hours This was caused by a UK and EMEA outage by the Internet Service Provider.
- 9.3 The Committee discussed the wireless network project. The project has been initiated due to the need to replace the wireless service that was provided in 186 Kennington Park Road by its previous owners. Coverage will extend to the main Park House building for public and employee use. A wireless survey has been completed and the wireless service is now in test. The first phase of the project aims is expected to complete in September 2013.
- 9.4 The Committee discussed the Windows 7 upgrade. It was noted that an upgrade to Windows 8 was not being considered. The strategic plan includes the development of a virtual desktop environment which would be of greater advantage to the HCPC than Windows 8.

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9.5 The Committee noted the report.

Item 10.13/80 Operations report (report ref: FRC 56/13)

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 30 June 2013.

10.2 The Committee noted the following points;

- during the reporting period, registrations received a total of 10,138 telephone calls which represents a 15% increase in call volumes. The Department answered 96% of calls received compared to 97% during the same period two years ago;
- at the start of June 2013, 19,487 paramedics and 1,326 orthoptists were invited to renew their registration. So far, 61% of orthoptists and 70% of paramedics have renewed. Online renewals account for 99% and 98% of these renewals respectively;
- NHS protect have again approached the HCPC with regards to carrying out audits of registrant education. This has taken place previously but was stopped due to NHS protect resources;
- BPI are working with the Secretariat to modify the security training CBT package for all employees,. Partners will be trained on information security using the CBT package used by employees last year; and
- adjustments to how documents are printed around the organisation are being evaluated, and security improvements developed.

10.3 The Committee discussed the UK email response time of 2 days. It was noted that this referred to a substantive response and that holding emails are not sent by the Registration Department.

10.4 The Committee discussed how the quality of the customer experience is monitored. It was noted that the current system does not enable a phone number to be tracked, to show how many calls were made the HCPC. However, the Registration Department carry out an annual customer satisfaction survey.

10.5 The Committee noted the report.

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Item 11.13/81 Fees Increase calculations (report ref: FRC 57/13)

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that at its meeting of 4 July, the Council was made aware of possible discrepancies in the projected income figures for 2014-15 and 2015-16. It was agreed by Council that the figures would be removed from the consultation document and further calculations would be undertaken to ensure that these figures are correct.
- 11.3 Subsequent recalculations have shown that these figures were wrong for the following reasons;
- the calculations used were not correctly phased in accordance with the dates in the HCPC professions' renewal schedule, to ensure that income was allocated to the correct financial year in which it occurs. This error increased total income by £533k for 2014/15, and £800k for 2015/16; and
 - the base fee used for readmissions in the original calculations was incorrect in that the fee was calculated to increase from £115 to £200 in 2014/15, when the correct increase was from £191 to £200. This error increased the total income by £467k.
- 11.4 The Committee noted that the re-calculations indicate that the correct income forecasts following the fee rise would be £400k in 2014-15 and £1.4m in 2015-16, compared to income if no increase was made, rather than the £1.4m and £2.2m figures appearing in the original calculations.
- 11.5 It was noted that the incorrect figures were used in the recent iteration of the 5 year plan presented to the Committee, and that the 5 year plan has now undergone recalculation to ensure that these errors have been removed.
- 11.6 The Committee wished to record its thanks to the Council members who brought the miscalculations to the attention of the Executive. It was noted that these members had been provided with the recalculated figures.
- 11.7 The Committee noted the following points during its discussion;
- there is no impact on the financial viability of HCPC;
 - the quality of the HCPC's reporting is vital to the Council to enable it to make the right decisions. Whilst this is the first instance of such a miscalculation, based on a spread sheet calculation which is isolated from all other reporting systems, the financial formulae

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will be reviewed to ensure accuracy and provide assurance to the Council;

- an in depth internal review of the reasons for this miscalculation will be carried out by an independent HCPC department. This review will also look at possible safeguards to prevent this type of error reoccurring. The Finance and Resources Committee along with Council and the Audit Committee will be presented with this report;
- the Finance and Resources Committee along with Council and the Audit Committee are able to commission an outside body to audit the HCPC's calculation methods if it feels this is necessary;
- previous reports of this nature have been presented in a way that allowed Committee members to work through the calculations independently. This was not provided for in this instance and will be provided in appropriate future papers;
- the mistake in the calculations does not affect the Council's decision on the proposed increase rate, as this decision was based on inflation rates. All professional bodies were written to upon the launch of the consultation and informed of the reasons for the proposed rise; and
- the tabled paper will be sent to all Council members, along with a covering report outlining the proposed course of action if agreed by this committee.

11.8 The Committee welcomed the proposed internal review. It was noted that other reports such as the Annual Report and Accounts were audited by external bodies and it would not be necessary to revisit these. However the 5 year plan will be reviewed.

11.9 The Committee discussed the 5 year plan. It was noted that years 4 and 5 contained theoretical assumptions which could not be taken as a clear projection of the HCPC's position at that time. It would therefore not be appropriate to commit to a further fee rise based on these years. The Executive continues to review the fees level every year.

11.10 The Committee agreed to defer its decision to approve the figures until its September meeting, at which the findings of the internal review report will be presented. The Committee requested that the Chair of the Committee be involved in this review, subject to his availability.

ACTION – Executive to present the findings of the internal review into the fees calculation at the meeting of the Committee on 10 September 2013.

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Item 12.13/82 Exit Interview Report 2012-2013 (report ref: FRC 58/13)

- 12.1 The Committee received a paper to note from the Executive.
- 12.2 The Committee noted the following points during discussion;
- during the period 1 April 2012 to 31 March 2013, 26 employees left the HCPC in total. The analysis in the report covers feedback from 19 individuals;
 - the rate of employee turnover increased to 14% during 2012-13, compared with 9% in the previous year. HCPC employee turnover is now running slightly above the national average which is 11.9%. This increase in turnover took place in the months following the transfer of regulation of social workers to the HCPC;
 - this year's report was largely positive towards the organisation. Organisational culture, relationships with managers and carer development were rated particularly highly with 95% of leavers recommending the HCPC as an employer; and
 - the most commonly cited reason for leaving was enhanced job opportunity followed by salary.
- 12.3 The Committee discussed the all employee survey for 2013. It was noted that outputs from the all employee away day were being collated and analysed. The survey will then be drafted in light of this information to ensure maximum benefit.
- 12.4 The Committee discussed feedback from employees who do not pass their probation periods. It was felt that some useful information could be obtained by including this category in the exit interview process.
- 12.5 The Committee noted the report.

Item 13.13/83 Any other business

- 13.1 The Chair informed the committee that the Annual Report and Accounts Committee attendance table had a separate column that referred to days charged in addition to meeting days attended. The Committee agreed that the Council should review this format for the 2013-14 report.

Item 14.13/84 Date and time of next meeting

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2013-07-18	a	F&R	MIN	Minutes Finance and Resources Committee July 2013	Draft DD: None	Public RD: None

14.1 The next meeting of the Committee will be held at 10.30 am on Tuesday 10 September.

14.2 Subsequent meetings will be held at 10.30 am on:

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
15	b

Summary of those matters considered whilst the public were excluded

Item 15.13/85 Private Minutes of the Finance and Resources Committee meeting 18 June 2013 (report ref: FRC 59/13)

15.1 It was agreed that the private minutes of the 75th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 16.13/86 Any other business

16.1 There was no other business.

Chair

Date

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