

Finance and Resources Committee

Public minutes of the 66th meeting of the Finance and Resources Committee held as follows:-

Date: Thursday 24 November 2011

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 (part of item 9-item 28)
John Harper
Keith Ross

In attendance:

Colin Bendall, Secretary to the Committee
Gary Butler, Director of Finance
Guy Gaskins, Director of Information Technology
Hayley Graham, Partner Manager
Teresa Haskins, Director of Human Resources
Jeff Lucas, Chair, Audit Committee (observer)
Greg Ross-Sampson, Director of Operations
Marc Seale, Chief Executive and Registrar
Anna van der Gaag, Council Chair

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Item 1.11/106 Nomination of Committee chair (report ref: FRC 80/11)

- 1.1 The Committee was invited to nominate a Chair to preside at any meeting of the Committee. Mary Clark-Glass proposed Richard Kennett as Chair and this was seconded by Sheila Drayton. There were no other nominations. The Committee nominated Richard Kennett as Chair.

Item 2.11/107 Apologies for absence

- 2.1 Apologies for absence were received from Arun Midha and Eileen Thornton. The Committee noted that Julia Drown was at another meeting and would attend part of the Committee meeting.

Item 3.11/108 Approval of agenda

- 3.1 The Committee approved the agenda, subject to considering the six month reforecast as item 8 and the five year plan as item 9. The Committee agreed that the paper on the registrant creditors policy should be withdrawn from the agenda, as the Executive was awaiting legal advice on the policy.

Item 4.11/109 Declarations of members' interests

- 4.1 All Council members declared an interest in item 16 (Council and Committee members' fees and allowances).

Item 5.11/110 Minutes of the Finance and Resources Committee meeting of 7 September 2011 (report ref: FRC 81/11)

- 5.1 It was agreed that the minutes of the 65th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 6.11/111 Matters arising (report ref: FRC 82/11)

- 6.1 The Committee received a paper to note from the Executive.
- 6.2 The Committee noted the actions list as agreed at the last meeting.
- 6.3 The Committee noted that, following the discussion at the last meeting about an attack on the online register, the Executive had contacted other healthcare regulators to see if they had experienced similar attacks. While other regulators had not been affected to date, the Executive believed that the visibility of the online register made it more likely that it would be subject to attacks. The Committee noted that there were controls in place to mitigate against attacks.

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Item 7.11/112 Finance report (report ref: FRC 83/11)

- 7.1 The Committee received a report on the work of the Finance Department.
- 7.2 The Committee noted that, in relation to the Flexiplan pension scheme (the former pension scheme for employees), on 27 September 2011 HPC had attended a meeting of employers who were members of the scheme. At the meeting, employers had been advised that due to the recent downturn in the value of shares, monthly payments towards funding the deficit of the scheme would continue. The shortfall would be monitored and if the deficit reduced in the future, there might be an opportunity for employers to stop payments. Any surplus would be distributed among current pensioners.
- 7.3 The Committee noted that the Council for the Professions Supplementary to Medicine pension scheme was in the final stages of being wound-up. The Executive expected that this would be completed before the end of the 2011-12 financial year.
- 7.4 The Committee noted that Mazars (HPC's internal auditors) had begun work to examine the on-going differences in the amount of deferred income recorded on the NetRegulate registration system and the Sage accounting system. The work had identified that the two systems recorded some transactions at different points in the month. The Committee noted that the work to date had enabled significant reductions to be made in the differences between the two systems.
- 7.5 The Committee noted that, at 30 September 2011, there had been an operating surplus of £132,000, compared with a budgeted deficit of £34,000. The Committee noted that readmission fees had been £131,000 less than budgeted, due to an assumption that a readmission fee would be charged in all cases. However, HPC did not charge for readmissions made within a month of lapsing. The assumption had been corrected for the purposes of preparing the six month reforecast.

Item 8.11/113 Six month reforecast (report ref: FRC 94/11)

- 8.1 The Committee received a paper to note from the Executive.
- 8.2 The Committee noted that the reforecast indicated a deficit of £109,000 for the end of the financial year, compared to the original budgeted deficit of £88,000. The causes of the forecast deficit included: lower readmission fees than budgeted; a higher number of renewals at the discounted rate for registrants within two years of graduation; and higher expenditure on projects than budgeted. The Committee noted that a significant constraint on projects was employee time, rather than expenditure.

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- 8.3 The Committee noted that the Executive actively managed expenditure and would defer spending where appropriate. The Committee noted that income and expenditure for the current financial year were very closely aligned to budget. It would be challenging to ensure that these remained closely aligned for the rest of 2011-12.

Item 9.11/114 Five Year Plan (report ref: FRC 88/11)

- 9.1 The Committee received a paper for discussion/approval from the Executive.
- 9.2 The Committee noted that the five year plan was intended to verify HPC's financial and operational viability under a set of key and secondary assumptions. The plan was intended to be a broad indicator of HPC's position, rather than a forecast. The Committee noted the following points:
- the plan assumed that fees would not be increased until year 3 (2014-15);
 - expenditure in most departments would not increase significantly, although there would be significant increases in expenditure and the number of employees in the Education and Fitness to Practise Departments; and
 - approximately 85,000 social workers in England would be transferred from the General Social Care Council (GSCC) to HPC's Register during 2012-13. The impact of the transfer on HPC's operations was expected to become clear during that year.
- 9.3 The Committee noted that it had discussed the forecast of registration numbers at its last meeting. The Committee noted that there was evidence of reductions in the number of employees in the NHS, but this had not been reflected in the number of registrants. The Committee agreed that, in order to facilitate discussion, at its next meeting it should receive the forecast alongside the five year plan. The Committee agreed that the forecast should take account of any impact of Continuing Professional Development audits on registrant numbers.
- Action: RD (by 26 January 2012)**
- 9.4 The Committee felt that the current version of the plan did not clearly explain the assumptions underlying the figures. For example, the cost of witnesses was forecast to reduce over the period of the plan, while the number of hearings was forecast to increase. The Committee agreed that, for clarity, the plan should be amended to set out the assumptions relating to each section. The Committee agreed that the amended plan should be considered at its next meeting.

Action: GB (by 26 January 2012)

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Item 10.11/115 Human Resources report (report ref: FRC 84/11)

- 10.1 The Committee received a report on the work of the Human Resources Department.
- 10.2 The Committee noted details of recent appointments.
- 10.3 The Committee noted that the Department's other activities included:
- conducting an employee attitude survey in July 2011. The Committee received a paper to note on the findings of the survey under item 19;
 - a number of training courses, relating to plain English; project management; and coaching and mentoring. Further courses were due to take place later in the year;
 - work on the transfer of regulatory functions from GSCC to HPC. Recent work had included re-aligning the project timetable with the proposed transfer date of 1 August 2012 and preparing an updated briefing for the Executive Management Team on recruitment in the run up to, and following, the transfer date;
 - updating HPC's policy on engaging agency workers, in order to comply with the requirements of the Agency Workers Regulations, which had come into force in October 2011 and which gave agency workers additional employment rights.

Item 11.11/116 Partner Manager report (report ref: FRC 85/11)

- 11.1 The Committee received a report on the work of the Partners team.
- 11.2 The Committee noted details of recent recruitment, training and appraisals for Partners.
- 11.3 The Committee noted that recruitment for social worker Partners was underway. The application window for 30-35 panel members, 24 registration assessors and 30 visitors had been open from 1 September-14 October 2011. The overall response had been positive and candidates had been shortlisted and invited to interview. Interviews were due to take place between November 2011 and January 2012.

Item 12.11/117 Information Technology report (report ref: FRC 86/11)

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

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12.2 The Committee noted the following activities:

- a number of changes to NetRegulate had been completed;
- the two leased office units in 33 Stannary Street had been fitted out and provided with data and telephony services. Telephone lines were due to be added to the units;
- a new supplier had been appointed to support the HPC website and changes to the website were expected to be implemented by January 2012;
- the online register had been subject to partial disruption on 22 November 2011. The Department had identified the issue and had been able to resolve it within 40 minutes.

Item 13.11/118 Operations report (report ref: FRC 87/11)

- 13.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement.
- 13.2 The Committee noted that the renewals process indicated that approximately 70% of each profession was renewing online.
- 13.3 The Committee noted details of progress on major projects. The Committee noted that the new Fitness to Practise case management system was currently being tested. Following an announcement by the Department of Health, the register for social workers in England was expected to open on 1 August 2012.
- 13.4 The Committee noted details of a business continuity test in the Communications Department on 17 October 2011.

Item 14.11/119 Purchase order, invoice and expenses signatories (report ref: FRC 90/11)

- 14.1 The Committee received a paper for discussion/approval from the Executive
- 14.2 The Committee noted that it had previously been asked to approve a list of signatories each time an employee changed. The list had been amended to list posts on the basis of work function, as opposed to listing individual employee names.
- 14.3 The Committee agreed to approve the work function based authorisation list, subject to an amendment that the note at the bottom of the list should

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read 'All amounts over £8000.00 must be signed by the budget holder and the Chief Executive.'

Action: GB (by 26 January 2012)

Item 15.11/120 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 91/11)

- 15.1 The Committee received an oral update from the Executive.
- 15.2 The Committee noted that the Education, Fitness to Practise and Registration Departments were continuing to work well with their counterparts at GSCC.
- 15.3 The Committee noted that HPC had signed a Memorandum of Understanding with the Department of Health in relation to funds for the cost of the transfer. The Committee noted that it was expected that the Department of Health would fund costs of the project to change HPC's name to the Health and Care Professions Council.
- 15.4 The Committee noted that the next financial year would be extremely busy for HPC, as work would also be needed to complete the new Fitness to Practise case management system. The opening of the register of social workers in England would coincide with the period of the Olympic Games in London. Other developments included a review of the regulation of health and social care professionals by the Law Commission and work towards regulation of herbal medicine.

Item 16.11/121 Council and Committee members' fees and allowances (report ref: FRC 92/11)

- 16.1 The Committee received a paper for discussion/approval from the Executive.
- 16.2 The Committee noted that the Executive sought guidance from the Committee on whether a review of Council and Committee members' and Partners' fees and allowances should be carried out.
- 16.3 Following discussion, the Committee agreed that a review should be carried out to assist with forward planning within the Five Year Plan and that:
 - the scope of the review should cover the Chair of Council, all Council and Committee members and all Partner roles;
 - the review should consider whether there should continue to be a differential in the fee paid to Panel members and the fee paid to Panel chairs;

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- the review should be conducted by the Executive and should seek comparisons with UK regulators of healthcare professionals and similar organisations;
- it would be desirable to have small and frequent changes to the fees and allowances, instead of infrequent and larger increases. However, any increases should be based on the evidence of the review and should take account of the current economic climate; and
- the findings of the review should be reported to the meeting of the Committee on 15 March 2012.

Action: MJS (ongoing to 15 March 2012)

Item 17.11/122 Committee representative at Audit Committee meetings (report ref: FRC 93/11)

- 17.1 The Committee received a paper for discussion/approval from the Executive.
- 17.2 The Committee noted that, in 2006, the Finance and Resources Committee and the Audit Committee had both agreed that one of its members should observe the meetings of the other committee. The intention of the proposed arrangement was to ensure that there was no overlap or conflict between the committees when decisions were taken.
- 17.3 The Committee agreed to nominate Richard Kennett as its representative to observe the meetings of the Audit Committee.

The Committee received the following papers to note:

Item 19.11/123 Employee survey (report ref: FRC 95/11)

Item 20.11/124 Registrant number predictions (report ref: FRC 96/11)

The Committee received the following paper for information:

Item 21.11/125 Education systems and process review major project (report ref: FRC 97/11)

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Item 22.11/126 Any other business

22.1 There was no further business.

Item 23.11/127 Date and time of next meeting

23.1 The next meeting would be held at 10.30 am on Thursday 26 January 2012.

23.2 Subsequent meetings of the Committee would be held at 10.30 am on:

Thursday 1 March 2012 (Remuneration Committee only)

Thursday 15 March 2012

Thursday 26 April 2012

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.'

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Item 24.11/128 Private minutes of the Finance and Resources Committee meeting of 7 September 2011 (report ref: FRC 98/11)

It was agreed that the private minutes of the 65th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 25.11/129 Matters arising (report ref: FRC 99/11)

There were no matters arising from the minutes.

Item 26.11/130 Transfer of regulatory functions from the General Social Care Council to HPC (report ref: FRC 100/11)

The Committee discussed issues relating to the transfer of regulatory functions from the General Social Care Council.

Item 27.11/131 Office accommodation (report ref: FRC 101/11)

The Committee received a paper for information, providing a progress report on work connected with office accommodation.

Item 28.11/132 Any other business

There was no other business.

Chair

Date

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