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## **Finance and Resources Committee**

**Public minutes of the 58th meeting of the Finance and Resources Committee held as follows:-**

**Date:** Thursday 17 June 2010

**Time:** 10:30 am

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

**Present:** Mr R Kennett (Chair)  
Dr M Cross  
Mrs S Drayton  
Ms J Drown  
Professor J Harper  
Dr A Midha  
Mr K Ross  
Ms E Thornton  
Mr N Willis

**In attendance:**

Mr C Bendall, Secretary to the Committee  
Mr G Butler, Director of Finance  
Mr G Gaskins, Director of Information Technology  
Mr S Hall, Facilities Manager  
Ms T Haskins, Director of Human Resources  
Professor J Lucas, Chair, Audit Committee (observer)  
Ms K Neuschafer, Partner Manager  
Mr D Parker, National Audit Office (items 1-6 inclusive)  
Mr G Ross-Sampson, Director of Operations  
Mr M J Seale, Chief Executive and Registrar  
Dr A van der Gaag, Council Chair  
Mr R Welsby, Information Technology Service Support Manager

### **Item 1.10/69 Apologies for absence**

- 1.1 Apologies for absence were received from Mrs M Clark-Glass.
- 1.2 The Chair welcomed Mr D Parker of the National Audit Office, who was attending instead of Mr M Burgess.

### **Item 2.10/70 Approval of agenda**

- 2.1 The Committee approved the agenda, subject to considering the item on the annual report as item 6.

### **Item 3.10/71 Declarations of members' interests**

- 3.1 The Committee noted that all members had an interest in item 19, which related to HPC's financial projections and projected expenditure, including the attendance allowance paid to members.

### **Item 4.10/72 Minutes of the Finance and Resources Committee meeting of 29 April 2010 (report ref: FRC 49/10)**

- 4.1 It was agreed that the minutes of the 57th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

### **Item 5.10/73 Matters arising (report ref: FRC 50/10)**

- 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 6.10/74 Draft annual report and accounts 2009-10 (report ref: FRC 52/10)**

- 6.1 The Committee received a paper for discussion/approval from the Executive.
- 6.2 The Committee noted that the draft annual report incorporated feedback from the external auditors, the National Audit Office (NAO). The Committee noted that the NAO was due to attend the Audit Committee on 24 June 2010 and would give their audit opinion. The Committee noted that the accounting treatment of 22-26 Stannary Street Ltd (the subsidiary company owned by HPC) had been the most complicated area of the audit and the matter was due to be discussed at the Audit Committee on 24 June 2010.

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- 6.3 The Committee noted that in 2009-10 total operating income had been £14.873 m and total operating expenditure had been £15.004 m, resulting in an operating deficit of £131,000.
- 6.4 The Committee noted that the executive summary for the paper should show that there had been a deficit of £349,000 in portfolio investments in 2008-9.
- 6.5 In discussion, the Committee noted that the report was in draft form and a number of points would be addressed:
- the order of items on the contents page would be corrected;
  - a number of dates had been left blank and would be completed as the accounts were finalised;
  - a Council cash flow schedule would be added to the consolidated cash flow statement on page 45;
  - the values of the freehold properties shown on pages 60-62 would be updated to show the values in 2009-10; and
  - the NAO would consider whether to change the presentation of the accounts, to show only the consolidated figures.
- 6.6 The Committee noted that, during 2009-10, 22-26 Stannary Street Ltd had transferred the property at 22-26 Stannary Street to HPC. After this transfer, the company held no assets and therefore HPC's investment of £750,000 in the company had been impaired and written down to nil net book value. The Committee noted that the creditor inter-company balance in the HPC accounts had been written off to the income and expenditure account during the year. The Committee noted that this had been done purely for accounting purposes and did not represent an actual cost. In the 2010-11 financial year, the company was due to be struck off the register of companies.
- 6.7 The Committee agreed to approve the draft annual report and accounts, subject to amendments.

**Action: GB (by 7 July 2010)**

**Item 7.10/74 Finance report (report ref: FRC 51/10)**

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

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- 7.2 The Committee noted that, in early May, the Business Reserve account had been amalgamated with the Special Interest-bearing Account, as this offered a better rate of interest with instant access to funds at no penalty.
- 7.3 The Committee noted that HPC's investment portfolio included some shares in BP plc, which had recently suffered a sharp fall in share price due to the Deepwater Horizon oil spill in the Gulf of Mexico. HPC's investment managers, Rensburg Sheppards, had advised that the shares would be held for the time being, as the share price was expected to recover.
- 7.4 The Committee noted that the Employers Consultative Committee of the Flexiplan pension scheme (HPC's previous pension scheme for employees) had announced a meeting with trustees. The meeting would discuss the funding position and the proposed recovery plan. The Executive intended to report progress to the next meeting of the Committee.
- 7.5 The Committee noted that the department was undertaking work to better understand the number of applications from UK graduates and the number of international applications. A consultant would be employed to write a computer program to extract the information from the Net Regulate registration system.

**Item 8.10/76 Human Resources report (report ref: FRC 53/10)**

- 8.1 The Committee received a report on the work of the Human Resources Department.
- 8.2 The Committee noted that the department had been involved in recruitment for a number of posts in the Fitness to Practise, Policy and Standards and Communications departments. The Committee noted that a fixed-term appointment had been made to provide maternity leave cover for the Human Resources Manager post.
- 8.3 The Committee noted that the department had completed a training needs analysis based on annual performance and development reviews. A programme of training events had been arranged from May-September 2010.
- 8.4 The Committee noted that work had begun to create a management development programme, which was due to begin in September 2010. The Committee noted that the programme would focus on middle managers, in response to feedback from exit interviews.
- 8.5 The Committee noted that the department had held briefings for employees and managers on the new pay model, to be implemented from April 2011. Provisional pay bands and band descriptions had been sent to

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all employees and consultation with employees was underway. Employees had been asked to volunteer for a working group which would consider comments from the consultation and to make recommendations to the Executive Management Team and the Chief Executive.

- 8.6 The Committee noted that 255 agency days had been used in March 2010. The Committee agreed that the Director of Human Resources should investigate the reasons for this level of usage and should report back to the Committee.

**Action: TH (by 29 July 2010)**

- 8.7 The Committee noted that the number of part-time employees had increased from 3 employees in April 2009 to 8 employees in April 2010. The Committee noted that this was due to a number of full-time employees who had requested part-time working.

**Item 9.10/77 Partner Manager report (report ref: FRC 54/10)**

- 9.1 The Committee received a report on the work of the Partner Manager.
- 9.2 The Committee noted that there had been a good response to recruitment for partner roles in the dietitian and chiropody/podiatry professions. Interviews for the roles were due to be held shortly.
- 9.3 The Committee noted that refresher training for panel members had been held on 26 May 2010 and 1 June 2010.
- 9.4 The Committee noted that the revised partner agreement and Code of Conduct had been sent to the holders of 435 partner roles, which were due to expire on 31 July 2010.
- 9.5 The Committee noted that the report forecast that 22 arts therapist visitors would be needed for 2010-11. The Committee agreed that the Partner Manager should investigate the reasons for this forecast and should report back to the Committee.

**Action: KN (by 29 July 2010)**

- 9.6 The Committee noted that the budget included recruitment for partner roles to replace partners who were due to resign, as they were close to retirement age. The Committee noted that any partners who did not submit a self-assessment profile were treated as terminating their partner agreement.

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**Item 10.10/78 Information Technology report (report ref: FRC 55/10)**

- 10.1 The Committee received a report on the work of the Information Technology Department.
- 10.2 The Committee noted the department had undertaken the following work:
  - upgrading the scanning solution of the Registration system;
  - a series of changes to the Education system; and
  - improving security for employees and external organisations when they remotely connected to HPC services.

**Item 11.10/79 Operations report (report ref: FRC 56/10)**

- 11.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement. A chart was tabled, showing the percentage of registrants renewing their registration by post and by the online renewals system.
- 11.2 The Committee noted that the Executive was considering changes to the Continuing Professional Development audit system, in response to requests made at listening events. It was proposed that HPC would provide a constructive letter to registrants who passed the CPD audit, giving feedback on their profile and what areas of CPD could be improved.
- 11.3 The Committee noted that the proposed changes were an attempt to positively respond to comments at listening events. However, members felt that procedures should be in place to ensure that feedback was consistent across all professions (e.g. providing all CPD assessors with criteria to enable them to assess the quality of a profile). Other members were concerned about the resource implications of dealing with further enquiries from registrants in response to feedback. The Committee noted that the Executive would seek the views of the Education and Training Committee.
- 11.4 The Committee noted that, as usage of the online renewals system increased, employees in the Registration Department would be redeployed to other work, such as validating international applications. The Executive would also consider how to promote the online renewals system to registrants.
- 11.5 The Committee noted that the project to change registration fees in 2011 was currently on hold and its feasibility was being assessed. The

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Committee noted that the status of the project should be shown as static on the projects scorecard.

- 11.6 The Committee noted that, following an audit of HPC's quality management system on 8 June 2010, the British Standards Institute (BSI) had recommended HPC should retain the ISO 9001:2008 standard. The Director of Operations thanked Lisa Clarke, the BSI auditor who had worked on audits at HPC since 2004. A new auditor would conduct the next audit on 6 October 2010.

**Item 12.10/80 Online renewals project: Lessons learned (report ref: FRC 57/10)**

- 12.1 The Committee received a paper to note from the Executive.
- 12.2 The Committee noted that a lessons learned report was completed as each project was closed, to identify any lessons which could be applied to other projects.
- 12.3 The Committee agreed that it was reassuring to see the comprehensive lessons learned report, although it would have been helpful to see a high-level summary of whether the project had been delivered on time and on budget.
- 12.4 The Committee noted that the Executive had worked to ensure that the online renewals system was scaleable, useable and secure, rather than delivered to an artificial deadline. The Committee noted that the Executive had used external expertise to provide input at key points in the project. The Executive had also sought the Committee's views when making changes to the project timetable.
- 12.5 The Committee noted the paper.

**Item 13.10/81 Major projects completed in 2009-10 (report ref: FRC 58/10)**

- 13.1 The Committee received a paper to note from the Executive.
- 13.2 The Committee noted that the paper summarised major projects completed in 2009-10, including the benefits gained.
- 13.3 The Director of Operations thanked colleagues for their hard work, dedication and commitment in delivering the projects.
- 13.4 The Committee noted the paper.

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The Committee noted the following paper:-

**Item 14.10/82 Annual review of actions in 2009-10: Public meetings (report ref: FRC 59/10)**

**Item 15.10/83 Any other business**

15.1 There was no other business.

**Item 16.10/84 Date and time of next meeting**

16.1 The next meeting of the Committee would be held at 10.30 am on Thursday 29 July 2010.

16.2 Subsequent meetings would be held at 10.30 am on

Monday 6 September 2010 (and Remuneration Committee)  
Monday 22 November 2010  
Thursday 27 January 2011  
Thursday 3 March 2011 (Remuneration Committee only)  
Thursday 17 March 2011  
Thursday 28 April 2011  
Tuesday 21 June 2011  
Wednesday 7 September 2011  
Thursday 24 November 2011

**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

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(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.'

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

#### **Item 17.10/85 Minutes of the private part of the Finance and Resources Committee of 29 April 2010 (report ref: FRC 60/10)**

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 29 April 2010.

#### **Item 18.10/86 Matters arising**

There were no matters arising.

#### **Item 19.10/87 Update on revised five year plan and fee rise (report ref: FRC 61/10)**

The Committee received an update on the revised five year plan and fee rise.

#### **Item 20.10/88 Annual review of actions in 2009-10: Private meetings (report ref: FRC 62/10)**

The Committee received a review of actions arising from private meetings in 2009-10.

#### **Item 21.10/89 Any other business**

There was no other business.

**Chair**

**Date**

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