

unconfirmed
THE HEALTH PROFESSIONS COUNCIL

Chief Executive and Registrar: Mr Marc Seale

Park House
184 Kennington Park Road
London SE11 4BU
Telephone: +44 (0)20 7840 9710
Fax: +44 (0)20 7840 9807
e-mail: colin.bendall@hpc-uk.org

MINUTES of the 37th meeting of the Finance and Resources Committee held on **Thursday 21 June 2007** at Park House, 184 Kennington Park Road, London, SE11 4BU.

PRESENT: Mr R Clegg (Chairman)
Mrs M Clark-Glass
Mr M C Davies (from item 7 inclusive)
Mr P Douglas
Mrs S Drayton
Mr W Munro
Mr K Ross
Mrs J Sheridan
Mrs B Stuart (from item 6 inclusive)

IN ATTENDANCE:

Mr C Bendall, Secretary to the Committee
Mr D Blacher, Baker Tilly
Mr R Dunn, Director of Information Technology
Mr R Elliott, National Audit Office
Ms L Foster, Director of Human Resources
Mr S Hall, Facilities Manager
Ms Y Hussain, Partner Manager
Mr R Kennett, Accountant member - Audit Committee (Observer)
Mr S Leicester, Director of Finance
Ms C Milner, Management Accountant
Ms N O'Sullivan, Secretary to the Council
Ms P Richardson, Publications Manager
Mr G Ross-Sampson, Director of Operations
Mr M Seale, Chief Executive and Registrar
Dr A van der Gaag, President

Item 1.07/76 APOLOGIES FOR ABSENCE

- 1.1 Apologies for absence were received from Mrs P Blackburn and Mr D Ross.
- 1.2 The Committee noted that Mr Davies and Mrs Stuart had been delayed due to travel problems and would arrive as soon as possible.

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- 1.3 The Chairman welcomed Mr Blacher and Mr Elliott to the meeting.

Item 2.07/77 APPROVAL OF AGENDA

- 2.1 The Committee approved the agenda.

Item 3.07/78 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 26 APRIL 2007

- 3.1 It was agreed that the minutes of the thirty-sixth meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chairman.

Item 4.07/79 MATTERS ARISING

- 4.1 The Committee received a paper to note from the Executive.
- 4.2 The Committee noted the actions list as agreed at the last meeting.
- 4.3 The Committee noted that on 21 March 2007 it had agreed to review the reserves policy at a future meeting. The Committee noted that the policy would be updated when the Five Year Plan was next revised, because the Director of Finance needed information from the Five Year Plan (specifically, information about projected fees and costs) to update the policy. The Committee noted that the Five Year Plan would be updated by September 2007.

Action: SL (by 20 November 2007)

Item 5.07/80 FINANCE AND FACILITIES MANAGEMENT REPORT

- 5.1 The Committee received a report on the work of the Finance and Facilities Management Department. Revised details of income and expenditure, monthly variances, assets and liabilities and cash flow were tabled.
- 5.2 The Committee noted that the Department had completed the April 2007 management accounts and that the May 2007 management accounts would be produced shortly.
- 5.3 The Committee noted that the fee rise project had been completed and the Department was close to completing the mid-cycle lapsing project.

- 5.4 The Committee noted that significant projects over the next few months included:
- updating the financial system;
 - updating the income model;
 - updating the Five Year Plan;
 - LISA registration system access rights; and
 - any outstanding pension changes.
- 5.5 The Committee noted that the process for tenders for conversion of 22-26 Stannary Street had been completed on 11 June and a project manager had been appointed.
- 5.6 The Committee noted that the Executive would recruit a procurement officer (on a six month contract) to investigate improved procurement methods, such as bulk purchasing.

Item 6.07/81 HUMAN RESOURCES DEPARTMENT REPORT

- 6.1 The Committee received a report on the work of the Human Resources Department.
- 6.2 The Committee noted details of vacancies which had recently been advertised and filled.
- 6.3 The Committee noted that the Department had assisted the Registrations Departments and Fitness to Practise Department in consulting employees about reorganising management functions in those departments.
- 6.4 The Committee noted that exit interviews from the past year had been compiled and the Executive Management Team had considered the results. The main reasons for leaving the HPC were enhanced job opportunities elsewhere, change of career and lack of advancement at HPC. The Council's culture and atmosphere had been consistently praised. The Committee noted that the Communications Committee had considered ways of improving internal communications.
- 6.5 The Committee noted that turnover of employees was relatively high compared to employers such as other regulators, the NHS and local government. The Committee noted that turnover included employees who had not successfully completed their probationary period. In order to make the selection process more effective and reduce turnover, candidates for Registration Officer vacancies would in future be tested on administration, telephone and numeracy skills.

Item 7.07/82 PARTNER MANAGER REPORT

- 7.1 The Committee received a report on the work of the Partner Manager.
- 7.2 The Committee noted that two partners had been appointed as Prosthetist and Orthotist Visitors and that a further three Visitors would be recruited by advertising on the HPC website and in a professional journal.
- 7.3 The Committee noted that Continuing Professional Development (CPD) assessment would be piloted on 27 June 2007, to determine how many CPD assessors would be required and how much time it would take for one assessment to be completed.
- 7.4 The Committee noted that training had been held for panel chairs and legal assessors on 5 June 2007 and there had been a lot of positive feedback.

Item 8.07/83 INFORMATION TECHNOLOGY REPORT

- 8.1 The Committee received a report on the work of the Information Technology (IT) Department.
- 8.2 The Committee noted that the Department had helped to complete the fee change project and the renewals project. Testing was in progress on intermediate lapsing and a function which would enable NHS trusts to check the registration status of all their employees.
- 8.3 The Committee noted that future projects included updating the LISA registration system for CPD and the professional qualifications directive.

Item 9.07/84 OPERATIONS REPORT

- 9.1 The Committee received a report on Operations, covering the Registration Departments, Quality Management, Project Management and Approvals and Monitoring.
- 9.2 The Committee noted that the renewal process had commenced, with 15,000 renewal forms being dispatched and 45% returned within two weeks.
- 9.3 The Committee noted that the HPC had passed the British Standards Institute's (BSI) three-year strategic review of the

management system. BSI had identified no non-conformities during the assessment.

- 9.4 The Committee noted that projects which had been completed included updating admissions forms and the electronic pass list system. The Committee noted that deadlines for projects were sometimes revised but those projects were still shown as "green" (i.e. due to meet the revised deadline). The Committee asked that the Executive should consider whether this was appropriate.
- 9.5 The Committee congratulated the Director of Operations and his colleagues for their work, especially in ensuring that the HPC had passed the BSI audit.

Item 10.07/85 DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS

- 10.1 The Committee received a paper for discussion/approval from the Executive.
- 10.2 The paper contained the draft annual report for the year ending 31 March 2007 and followed a similar format to the previous year. The report included a high level diagram to show readers the relationship of how the Council's funding and spending was linked to its objectives. The Committee noted that the Council on 31 May 2007 had agreed that the Finance and Resources Committee and the Audit Committee should jointly have authority to approve the annual report.
- 10.3 In discussion, the Committee agreed to the following amendments:
- in the attendance tables, delete references to members' partial attendance at meetings. The Committee agreed that this was an unnecessary level of detail in an annual report and noted that partial attendance was indicated in minutes;
 - in the President's statement, clarify that the listening event had been held in Bangor, Northern Ireland;
 - in the section "Communicating with the public", add a paragraph indicating that the HPC would explore how to listen to and consult with the public in coming years. The Committee felt that communication was a two-way process and that the HPC was still developing its patient and public involvement.
- 10.4 Subject to the amendments above, the Committee approved the draft annual report and accounts.
Action: PR (by 6 July 2007)

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- 10.5 The Committee noted that the Health Professions Order 2001 required the HPC to appoint its own auditor and also made the HPC subject to audit by the Comptroller and Auditor General. The Committee noted that it was unclear if there were benefits from being subject to external audit by two separate auditors. The registrars of the UK healthcare regulators were discussing whether it would be appropriate for the Comptroller and Auditor General to be their sole external auditor.

Item 11.07/86 AUTHORISATION LIMITS UPDATE

- 11.1 The Committee received a paper for discussion/approval from the Executive.
- 11.2 The Committee noted that there were currently 11 employees (mostly team administrators) who could authorise purchase orders and invoices up to a value of £500 and 15 employees who could authorise purchase orders and invoices up to a value of £5,000. The Chief Executive authorised purchase orders and invoices up to £25,000 and payments above this level were authorised by the President.
- 11.3 The Committee noted that, for many Council and Committee members and Partners, their attendance allowance was £300 per day and expenses were typically around £300 per day. Therefore, many claims now exceeded £500 and senior staff had to authorise them.
- 11.4 The Committee agreed that authorisation levels for invoices and purchase orders should be increased as follows:
- those employees who could previously authorise sums up to £500 should be able to authorise claims up to £1,000;
 - those employees who could previously authorise sums up to £5,000 should be able to authorise claims up to £8,000.

Action: SL (by 26 July 2007)

- 11.5 The Committee agreed that the number of signatories in the Finance Department should be increased from one to two (i.e. the Management Accountant should have a signatory limit of £1,000).

Action: SL (by 26 July 2007)

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Item 12.07/87 DRAFT FINANCIAL REGULATIONS

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that it had approved the draft financial regulations at its meeting on 20 November 2006. The Audit Committee had approved the regulations at its meeting on 28 February 2007. The Council on 29 March 2007 had agreed that further discussion was needed regarding the regulations and that the Finance and Resources Committee and the Audit Committee should reconsider them.
- 12.3 The Committee noted that the draft regulations required it to consider large items of expenditure.
- 12.4 In discussion, the Committee agreed that the Executive should review the following regulations and bring a paper to a future meeting:
- amend regulation 15A to read that the Chief Executive had "delegated authority to authorise revenue spending on items not exceeding £25,000 each";
 - in regulations 38 and 39, consider whether the levels of debt which could be written off by the Finance and Resources Committee and the Chief Executive were contradictory;
 - in regulation 45, delete the words "as far as possible" when requiring that contracts and procurement should be open and transparent, as this implied that there would be exceptions; and
 - in regulation 45, state the minimum number of tenders which should be invited, for clarity.

Action: SL (by 26 July 2007)

Item 13.07/88 COMMITTEE SELF EVALUATION

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that on 29 March 2007 the Council had agreed the text of the Committee self-evaluation document. The Council had also agreed that the use of the form should be

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piloted at all committee meetings and that feedback on the process and any necessary amendments to the form should be considered at the Council away day in October 2007.

- 13.3 The Committee felt that some aspects of the form related to individual members and some aspects to the Committee as a whole. The Committee agreed that members should be asked to complete the form individually and that an analysis of the responses should be considered at the next meeting on 26 July 2007.

Action: All members/CB (by 13 July 2007)

Item 14.07/89 PENSIONS LETTER TO NEW EMPLOYEES

- 14.1 The Committee received a paper to note from the Executive.
- 14.2 The Committee noted that at its meeting on 26 April 2007 it had requested a copy of the letter regarding pension entitlement which had been sent to all new employees who had started work at HPC since the Committee meeting on 20 November 2006. The HPC's pension advisors at Barnet Waddingham had drafted the letter, which was attached to the paper.
- 14.3 The Committee noted the letter.

Item 15.07/90 PROJECTED COSTS OF PENSIONS AND PENSION CONTRIBUTIONS

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted that the paper provided projected pension costs over the next five years (based on HPC's annual employee turnover of 33.5%) and provided comparisons of HPC's pension contribution rate with those of other organisations.

Item 16.07/91 FINANCIAL IMPLICATIONS OF HPC PENSION SCHEME

- 16.1 The Committee received a paper to note from the Executive.
- 16.2 The Committee noted that until 1 May 2007, the Flexiplan pension scheme previously offered to employees had aimed to offer a pension based on the employee's final salary. It was projected that the stakeholder pension scheme now offered through Friends Provident would result in employees receiving a pension which was significantly smaller (up to 50% lower). The Committee noted that the projections in the paper were based on a number of assumptions.

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Item 17.07/92 MANAGEMENT ACCOUNTS

- 17.1 The Committee received a tabled paper to note from the Executive, containing the management accounts for March 2007 and April 2007.
- 17.2 The Committee noted that in April there had been a surplus of approximately £315,400, a favourable variance of £280,000.
- 17.3 The Committee noted that there had been an accrual for expense claims submitted by partners which had reversed out and not been re-accrued. A further accrual would be made in the June 2007 management accounts.

Item 18.07/93 ANNUAL REVIEW OF ACTIONS TAKEN IN 2006-7: PUBLIC MEETINGS

- 18.1 The Committee received a paper to note from the Executive.
- 18.2 The Committee noted details of action points arising from public meetings in 2006-7.

Item 19.07/94 ANY OTHER BUSINESS

- 19.1 The Chairman thanked Mr Davies for his contribution to the Committee during his time on the Council.

Item 20.07/95 DATE AND TIME OF NEXT MEETING

- 20.1 The next meeting of the Committee would be held at 10.30 am on Thursday 26 July 2007.
- 20.2 Subsequent meetings would be held at 10.30 am on
 - Tuesday 18 September 2007
 - Tuesday 20 November 2007
 - Wednesday 6 February 2008
 - Thursday 6 March 2008 (Remuneration Committee)
 - Wednesday 19 March 2008
 - Thursday 24 April 2008
 - Thursday 19 June 2008

CHAIRMAN

DATE

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