

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 34th meeting of the Finance and Resources Committee held on **Wednesday 7 February 2007** at Park House, 184 Kennington Park Road, London, SE11 4BU.

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

IN ATTENDANCE:

Mr C Bendall, Secretary to the Committee
 Mr R Dunn, Director of Information Technology
 Ms L Foster, Director of Human Resources
 Mr M Guthrie, Policy Manager
 Ms K Johnson, Director of Fitness to Practise (part)
 Mr R Kennett, Accountant member - Audit Committee (Observer)
 Ms J Ladds, Director of Communications (part)
 Mr S Leicester, Director of Finance
 Ms N O'Sullivan, Secretary to Council
 Ms C Phillips, Project Manager (part)
 Mr G Ross-Sampson, Director of Operations
 Mr M Seale, Chief Executive and Registrar
 Ms R Tripp, Director of Policy and Standards
 Dr A van der Gaag, President

Item 1.07/1 APOLOGIES FOR ABSENCE

- 1.1 Apologies for absence were received from Mrs P Blackburn, Mr P Douglas and Mr D Ross.

Item 2.07/2 APPROVAL OF AGENDA

- 2.1 The Committee approved the agenda, subject to first considering the December 2006 management accounts and the year end forecast, followed by the budget.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2007-01-31	a	F&R	MIN	Minutes Finance and Resources Committee 7 February 2007 public meeting	Draft DD: None	Public RD: None

Item 3.07/3 MINUTES OF THE FINANCE AND RESOURCES COMMITTEE MEETING HELD ON 20 NOVEMBER 2006

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

Item 4.07/4 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.

Item 5.07/5 DECEMBER 2006 MANAGEMENT ACCOUNTS

- 5.1 The Committee received a paper to note from the Executive.
- 5.2 The Committee noted that there had been a decline in applications for registration by international applicants.
- 5.3 The Committee noted that after nine months of the financial year, there was an operating surplus.

Item 6.07/6 YEAR ENDING 31 MARCH 2007: REFORECAST

- 6.1 The Committee received a tabled paper to note from the Executive.
- 6.2 The Committee noted that the paper forecast a larger deficit at the end of the financial year than budgeted and this was partly due to spending on projects in the last six months of the year.
- 6.3 The Committee noted that the Executive had worked to improve forecasting for expenditure in the budget for 2007-8.

Item 7.07/7 ANNUAL BUDGET 2007-8 VERSION 4

- 7.1 The Committee received a paper for discussion/approval from the Executive. An additional paper was tabled, analysing the first 800 responses to the consultation on the fees rise.
- 7.2 The Committee noted that the paper proposed two options for the budget, dependent on the Council's decision about the fee increase on 29 March. The Committee noted that the paper proposed that option one should be recommended to the Council. The Committee noted that the costs in both options were identical, but income in option one would result in a surplus whilst income in option two would result in a deficit.

- 7.3 The Committee noted the key assumptions in the paper, including that 75% of employees would participate in the pension scheme (to reflect the likely costs of the pension and establishing any new pension arrangements); no income from new professions becoming regulated by the HPC; the costs of commencing statutory regulation for new professions; and a 4% increase in salary costs (comprising new employees and salary reviews).
- 7.4 The Committee noted that the assumption on the number of Fitness to Practise cases was based on trends to date in the number of cases.
- 7.5 The Committee noted that the timetable for the proposed fees had taken into account the need to obtain approval from the Privy Council.
- 7.6 The Committee noted that the two options for the fees agreed by the Council in October 2006 had been calculated before preparation of the budget. It was now apparent that option two would lead to a deficit. However, initial analysis of responses to the fee consultation indicated that most of the first 800 respondents favoured option two, as it meant a lower registration fee for graduates from programmes in the UK.
- 7.7 The Committee noted that, in light of responses to the consultation, the Executive could recommend an alternative increase. The Committee felt that it was important for the budget to provide for a surplus rather than a deficit, to ensure the ongoing viability of the Council. The Committee noted that the Executive Management Team had already spent considerable time reducing budgeted costs, including project costs, to the essential cost level.
- 7.8 The Committee agreed that the Executive should prepare a follow-up revised budget showing fee combinations with at least a break-even position and circulate this electronically to members.

Action: SL (by 21 February 2007)

- 7.9 The Committee agreed that the Executive should provide information on how sensitive income levels were to changes in registrant volumes (i.e. graduates from UK programmes, international applications and renewals) and information on the impact of small changes to the proposed fees (i.e. an analysis to identify what additional amount of income would be generated for each additional pound on fees). The Committee agreed that a further paper should be prepared for the next meeting.

Action: SL (by 21 March 2007)

Item 8.07/8 FINANCE AND FACILITIES MANAGEMENT REPORT

- 8.1 The Committee received a report on the work of the Finance and Facilities Management Department.
- 8.2 The Committee noted that the current market value of funds in the investment portfolio was approximately £1.8 m.
- 8.3 The Committee noted that significant projects in the Department included:
- progress on changes to the fees;
 - work on issues surrounding the pension scheme;
 - the intermediate lapsing project; and
 - introduction of project financial reporting from 1 April 2007.

Item 9.07/9 HUMAN RESOURCES DEPARTMENT REPORT

- 9.1 The Committee received a report on the work of the Human Resources Department.
- 9.2 The Committee noted details of vacancies which had recently been advertised and filled.
- 9.3 The Committee noted that new posts in the Fitness to Practise Department had attracted a large number of good quality applicants, which indicated that the HPC was an attractive employer in the employment market.
- 9.4 The Committee noted that a summary of feedback from exit interviews would be reported to the Committee later in the year.
- 9.5 The Committee noted that new employment contracts, which included standardised terms, had been signed by all employees.
- 9.6 The Committee noted improvements to the Human Resources information system, which included information on the most effective means of advertising vacancies.

Item 10.07/10 PARTNER MANAGER REPORT

- 10.1 The Committee received a report on the work of the Partner Manager.
- 10.2 The Committee noted that the reappointments process for Partners would be run later in the year, involving approximately 300 Partner Agreements. Existing agreements were being extended so that all agreements expired in July 2007.

Item 11.07/11 INFORMATION TECHNOLOGY REPORT

- 11.1 The Committee received a report on the work of the Information Technology Department.
- 11.2 The Committee noted that the Department was involved in the following projects:
- testing replication of data to the HPC's Internet Service Provider;
 - preparations for changes to the fees;
 - intermediate lapsing;
 - a facility for NHS trusts to check whether all their employees were registered;
 - a facility for registrants to update their contact details online;
 - improvements to the renewals process to allow HPC to record more data about registrants.
- 11.3 The Committee noted that the new electronic banking system had begun operation on 20 January.
- 11.4 The Committee noted that the support contract for the LISA registration system had been renegotiated and would be checked by the Council's solicitor.
- 11.5 The Committee noted that the Department was exploring ways of improving energy usage by Information Technology systems, as part of moving towards developing a policy on corporate social responsibility.

Item 12.06/12 OPERATIONS REPORT

- 12.1 The Committee received a report on Operations, covering the Registration Departments, Quality Management, Project Management, Continuing Professional Development and Approvals and Monitoring.
- 12.2 The Committee noted that the Registration Departments were updating the renewal forms and guidance notes before the next renewals cycle.
- 12.3 The Committee noted that employees in the Registration Departments were receiving training leading to customer service qualifications.
- 12.4 The Committee noted that several internal quality audits had been completed in January and that a new Quality Manager would be recruited later in the year.
- 12.5 The Committee noted the Project Manager had been involved in prioritisation and selection of projects for the next financial year. She

had also taken responsibility for implementation of Continuing Professional Development.

- 12.6 The Committee noted that the Approvals and Monitoring Department was at its peak period for approvals visits in February to June and that the programme of visits included multi-professional events, which made better use of the Council's resources.
- 12.7 The Committee thanked the Director of Operations for his report and thanked the Registration Departments for the high quality of their work. The Committee noted that the Registration Departments were to be merged to enable the workload to be shared equally.

Item 13.07/13 BANK MANDATE

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that a new bank mandate was required as one of the authorised signatories, Mr John Camp, had recently stepped down from the Council.
- 13.3 The Committee agreed the revised bank mandate set out in the paper, subject to an amendment that Mr Peter Douglas should be included as a signatory in List B.

Action: SL (by 21 March 2007)

Item 14.07/14 COUNCIL AND COMMITTEE MEMBER EXPENSE POLICY

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that the expense policy had been prepared in 2003. Some aspects of the policy needed to be clarified and others revised to reflect changes in taxation arrangements. In addition, the rates for accommodation were being revised to take account of price increases, particularly in London.
- 14.3 The Committee noted that the revised policy provided that a daily allowance of £30.00 (VAT inclusive) would be reimbursed for meals, inclusive of any evening meal and snacks taken during travel. However, where lunch was provided by the Council, claims for alternative food would not be paid.
- 14.4 The Committee agreed the revised Council and Committee Members Expense Policy and agreed that it should be implemented from 1 March 2007. The revised policy is attached as an appendix to these minutes.

Action: NO'S (by 1 March 2007)**Item 15.07/15 COMMITTEE MEMBERSHIP**

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted that, at its meeting on 14 December 2006, the Council had agreed to appoint Mr Peter Douglas to the Committee.
- 15.3 The Committee noted that Mr John Camp had resigned from the Council with effect from 8 January 2007 and as a result he had ceased to be a member of the Committee.

Item 16.07/16 ANY OTHER BUSINESS

- 16.1 There was no other business.

Item 17.07/17 DATE AND TIME OF NEXT MEETING

- 17.1 The next meeting of the Committee would be held at 10.30 a.m. on Thursday 8 March 2007 (Remuneration Committee).
- 17.2 Subsequent meetings would be held at 10.30 a.m. on
 - Wednesday 21 March 2007
 - Thursday 26 April 2007
 - Thursday 21 June 2007
 - Thursday 26 July 2007
 - 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**

**Appendix to the minutes of the Finance and Resources Committee held on
7 February 2007**

HEALTH PROFESSIONS COUNCIL

**EXPENSE POLICY FOR COUNCIL & COMMITTEE MEMBERS FOR THEIR
ATTENDANCE AT COUNCIL & COMMITTEE MEETINGS
(Revised February 2007)**

1. INTRODUCTION

Council/Committee Members are expected to act honorably and sensibly within the spirit of this policy. Further advice and guidance is available from the HPC Finance Department and also from Secretariat.

- 1.1 This revised policy comes into effect from 1 March 2007.
- 1.2 The rates quoted in this policy document will change time to time but changes will be sanctioned by the Finance & Resources Committee and notified to Council / Committee Members.
- 1.3 The HPC shall reimburse members, on the production of receipts satisfactory to the HPC, for all reasonable expenses actually and necessarily incurred by members in relation to their attendance at Council or Committee meetings.
- 1.4 Expenses will only be paid if approved by the HPC. If members are uncertain as to whether an expense will be reimbursed they should seek clarification from the Finance Department before the expense is incurred.
- 1.5 The HPC's prior approval is required for significant expenses, including overseas travel or airfares.
- 1.6 Members should, whenever possible, arrange all travel and hotel reservations through the HPC's nominated travel agent. However if this becomes impractical the HPC will reimburse travel costs on the production of valid receipts.
- 1.7 Members should not claim expenses for casual attendance at the HPC's premises.

2. SUBMITTING EXPENSE CLAIMS

- 2.1 When attending Council or Committee meetings, members should complete and submit the HPC's expense claim form, accompanied by the original supporting receipts, to the Council or Committee Secretary at the conclusion of the meeting. If this is not practicable, expense claims should be submitted to the HPC Finance Department within four calendar weeks of the meeting. Late submission will delay repayment.

3. ALTERNATES

- 3.1 If a Registrant Council member arranges for an alternate to attend meetings in their place, the alternate should submit their expense claims to the HPC as if they were the actual member on whose behalf they were alternating or deputising, provided that only the alternate submits an expense claim in these circumstances. The claim should not be duplicated nor should a member submit a claim in their own name on behalf of the alternate.

4. ATTENDANCE ALLOWANCE

- 4.1 A daily rate of £300.00 is payable for attendance at Council Meetings, Statutory Committee Meetings and formal Non-Statutory Committee Meetings. Where a Council/Committee Member undertakes a role which otherwise would be undertaken by a Partner they will not be paid at the £300.00 rate, but at the current rate paid to a Partner. If in doubt please discuss with the Partner Manager or the Finance Department.

5. REPAYMENT OF EXPENSES

- 5.1 Full details of the claim must be set out on the claim form provided for the purpose.
- 5.2 Payments will be made by two methods, direct into a bank account or by cheque depending on the category to which members belong. All Category 1 Council / Committee Members will be paid direct into a bank account. Category 2 & 3 members have the option of either cheque or bank transfer. The HPC strongly recommends bank transfer.
- 5.3 All claims submitted must be accompanied by supporting receipts, except for mileage & purchases under £5.00 where obtaining receipts is not compulsory. Unless the receipts are attached the claim will not be processed and reimbursed.
- 5.4 On appointment a Council/Committee Member must choose a category, which will determine their tax status at the HPC. No payment will be made, unless this selection has been confirmed to the HPC's Finance Department. Categories are as follows:

Category	Contents	Ruling	Process
1	PAYE Council / Committee Member	HPC will deduct PAYE ¹ & NI ² and will pay NI & ER ³ to HMRC ⁴	Member to submit expense claim

¹ Pay As You Earn

² National Insurance

³ Employer Contributions

⁴ Her Majesty's Revenue and Customs

2	Non – PAYE Council / Committee Member	HPC will pay allowance gross (no tax deducted) direct to the Council / Committee member's nominated employer	Employer to submit invoice
3	Non – PAYE Council / Committee Member	HPC will pay allowance gross (no tax deducted) if Council / Committee member declares themselves self – employed and provides HMRC evidence to HPC	Member to submit expense claim

5.5 It is the duty & responsibility of the Council / Committee Member to ensure at all times the correct status is applied and the correct expense forms are used. The HPC takes no responsibility for the actions of Council Committee Members when submitting claims or the category they declare.

6. TRAVEL AND SUBSISTENCE

6.1 All expense and subsistence will be paid to Council/Committee Members at face value (meaning gross). The HPC will pay the PAYE and NI liability for travel and subsistence payments on behalf of the member.

6.2 Reasonable rates are payable for travelling and subsistence cost to reimburse the out of pocket expenses of Council / Committee Members. Expenses will only be reimbursed if actual expenses are incurred i.e. no round sum payment will be made, just because a member has attended a meeting.

6.3 The following expenses will normally be paid:

6.3.1 Travel

Rail Fares: 1st class fares at the cheapest available rates using the HPC nominated travel agent wherever practical.

Air Fares: Business class airfares will be reimbursed at the discretion of the Council / Committee Secretary

Tube, Coach and Bus Fares: Will be reimbursed as incurred. Those members travelling within London are advised to purchase an Oyster Card. HPC will refund the cost of the original purchase. An online statement is required when submitting claims for reimbursement for journeys travelled on behalf of HPC.

Mileage Allowance: Mileage allowance is payable for the use of Council / Committee Members' own cars. These are in accordance with HMRC rates, which are subject to change from time to time. The rates in force with effect from 1st May 2002 until any further notification of change is made are as follows:

Cylinder capacity:	1 st 10,000 miles 40p	Additional miles 25p
--------------------	-------------------------------------	-------------------------

Rates for lease cars, motorcycles & pedal cycles are available upon request

Taxi Fares: Will be reimbursed where public transport is not available or where a taxi journey is considered more convenient or more economical.

Other Travelling Expenses: Expenses incurred in respect of tolls, parking & ferries may be claimed.

6.3.2 Hotel Accommodation

Inner London: This covers Central London between zones 1 and 4. Bed and Breakfast arrangements up to a daily maximum of £140.00 (VAT inclusive) will be reimbursed.

All other areas: This covers anywhere outside of zone 4 London and anywhere in the United Kingdom and Europe. Bed and Breakfast arrangements up to the daily maximum of £120.00 (VAT inclusive) will be reimbursed. Accommodation costs outside UK and Europe will be considered on a case by case basis.

Other accommodation: Members staying with friends or relatives may claim £30.00 towards subsistence.

6.3.3 Meals

A daily allowance of £30.00 (VAT inclusive) will be reimbursed: this is inclusive of any evening meal and snacks taken during travel. However where lunch is provided by the HPC claims for alternative food purchased will not be paid.

6.3.4 Care Allowance (e.g. for children or elderly dependents)

Care Allowance: A maximum daily allowance of up to £30 will be paid in respect of children or elderly dependents.

Where the allowance is claimed in respect of a child, the member must be the parent of, or have daily parental responsibility for, the child in respect of whom the allowance is claimed.

Where the allowance is claimed in respect of an elderly dependent, that dependent must permanently reside with the member.

If a member claims this care allowance they may be asked to provide evidence to the HPC of their entitlement. Payment will only be made if the relevant childminder or carer is registered with the appropriate government agency (e.g. Ofsted) and only against a valid invoice addressed to the member. Members should contact the Finance department on what constitutes a valid invoice.

February 2007

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2007-02-14	a	F&R	MIN	Appendix to Minutes Finance and Resources Committee 7 February 2007 public meeting	Final DD: None	Public RD: None