

Finance and Resources Committee

Public minutes of the 57th meeting of the Finance and Resources Committee held as follows:-

Date: Thursday 29 April 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 J Bracken, HPC's solicitor (items 1-7 inclusive)
Mr G Butler, Director of Finance
Ms M Dhaliwal, Financial Accountant
Mr R Dunn, Head of Business Process Improvement
Mr G Gaskins, Director of Information Technology
Mr S Hall, Facilities Manager
Ms T Haskins, Director of Human Resources
Mr R Houghton, Head of Registration
Ms K Neuschafer, Partner Manager
Mr D Risman, Project Manager
Mr M J Seale, Chief Executive and Registrar
Dr A van der Gaag, Council Chair
Mr B Watkins, Stiles Harold Williams (items 1-6 inclusive)

Item 1.10/49 Apologies for absence

- 1.1 Apologies for absence were received from Mrs M Clark-Glass, Professor J Lucas (observer of behalf of the Audit Committee) and the Director of Operations.

Item 2.10/50 Approval of agenda

- 2.1 The Committee approved the agenda, subject to considering the premises valuation as item 6 and the Partner code of conduct as item 7.

Item 3.10/51 Declarations of members' interests

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

Item 4.10/52 Minutes of the Finance and Resources Committee meeting of 17 March 2010 (report ref: FRC 36/10)

- 4.1 It was agreed that the minutes of the 56th meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

Item 5.10/53 Matters arising (report ref: FRC 37/10)

- 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 6.10/54 Premises valuation (report ref: FRC 46/10)

- 6.1 The Committee received a paper to note from the Executive.
- 6.2 The Committee noted that Stiles Harold Williams had been commissioned to provide a valuation for HPC's office (comprising 184 Kennington Park Road, 20 Stannary Street and 22-26 Stannary Street).
- 6.3 The Committee noted that the total valuation of land and buildings was £2.35 m, compared with £2.52 m in 2009. There had been a small increase in the value of 22-26 Stannary Street due to the completion of a second floor to the building. However, there had been an overall reduction in market value for HPC's office, due to the fall in prices in the property market.
- 6.4 The Committee noted that the valuation had been conducted for accounting purposes and in order to value the additional floor for 22-26 Stannary Street. The Committee noted that a valuation would usually be

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conducted every 3-5 years, depending on factors such as the state of the property market.

6.5 The Committee noted that, in due course, HPC would need to consider its future needs for office accommodation, including factors such as location and whether it should acquire a freehold or leasehold.

6.6 The Committee noted the paper.

Item 7.10/55 Partner code of conduct (report ref: FRC 43/10)

7.1 The Committee received a paper for discussion/approval from the Executive.

7.2 The Committee noted that new contracts were being developed for Partners and that those contracts would, for the first time, make compliance with the Partner code of conduct a contractual obligation. The code had been revised by the HPC's solicitor to make its terms more certain and to cover specific conduct which had not previously been incorporated.

7.3 In discussion, the following points were made:

- the new Partner contracts would specify the duties of Partners, including how to deal with requests for advice;
- there was a separate procedure for considering complaints about Partners, which could result in a Partner's contract being terminated. There were a very small number of complaints about Partners each year, from a variety of sources; and
- a member had a number of minor editorial amendments, which would be raised outside the meeting.

7.4 The Committee recommended the revised Partner code of conduct to the Council, subject to minor editorial amendments.

Action: KN (by 20 May 2010)

Item 8.10/56 Finance report (report ref: FRC 38/10)

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

8.2 The Committee noted that funds under management held with Barclays money market account were earning 0.53% and that funds invested with Lloyds TSB were earning 1.1%.

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8.3 The Committee noted that 22-26 Stannary Street Ltd (the subsidiary company acquired by HPC in 2005 in order to acquire the building at that address) had made a small profit in 2009-10. The Committee noted that arrangements to strike off the company had been deferred until tax calculations had been checked by Baker Tilly and HM Revenue and Customs. The Committee noted that the building had been transferred from the company to HPC.

8.4 The Committee noted that the report contained the draft accounts for 2009-10, which were subject to audit. The Committee noted the following points:

- HPC had made a provision for National Insurance contributions and income tax on payments made to Council and committee members from 2003-8. HPC and HM Revenue and Customs had now agreed to settle the matter for a payment of £180,000 by HPC and the balance of the provision (£248,000) had been released to the income and expenditure account;
- HPC had made a provision for £90,000 relating to Microsoft software licences. New software licences had now been purchased, which meant that there was no further need for the provision;
- the impairment on the property (approximately £756,000) had partly been absorbed by the building revaluation reserve of £210,000;
- a grant from the Department of Health for the project on revalidation had been recognised in the balance sheet;
- cash flow for March 2010 was £395,000 better than expected, largely due to the grant from the Department of Health.

8.5 The Committee agreed that the format of the report was helpful. The Committee noted that most of the significant variances had been explained with notes in the report, although there was scope to review which of the variances were explained.

8.6 The Committee noted that the Executive Management Team reviewed the accounts on a monthly basis and would review expenditure if income was significantly lower than budgeted.

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Item 9.10/57 Human Resources report (report ref: FRC 39/10)

- 9.1 The Committee received a report on the work of the Human Resources Department.
- 9.2 The Committee noted that the department had been involved in recruitment for several posts in the Fitness to Practise, Policy and Communications departments.
- 9.3 The Committee noted that the department had completed a training needs analysis, based on learning requirements specified in annual performance and developments reviews. The department had set up a programme of training events covering a range of skill areas.
- 9.4 The Committee noted that work on reviewing the pay process and designing a new pay model continued. Employee briefings had been arranged for May 2010 and consultation with employees was due to take place in June 2010.

Item 10.10/58 Partner Manager report (report ref: FRC 40/10)

- 10.1 The Committee received a report on the work of the Partner Manager.
- 10.2 The Committee noted that recruitment was currently being undertaken for Partners in the dietician and chiropodist/podiatrist professions.
- 10.3 The Committee noted that refresher training for panel chairs had been arranged for April 2010 and refresher training for all panel members was being scheduled for 2010-2011.
- 10.4 The Committee noted that a large majority of panel members and panel chairs had submitted a self-assessment form, although a few Partners had failed to submit a profile or had decided to terminate their agreement.

Item 11.10/59 Information Technology report (report ref: FRC 41/10)

- 11.1 The Committee received a report on the work of the Information Technology Department.
- 11.2 The Committee noted the following points:
 - the department had completed a number of projects and would shortly complete the laptop replacement project;
 - the project to transfer 1500 hearing aid dispensers from the Hearing Aid Council to the HPC Register had been completed; and

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- work continued on the Fitness to Practise case management system and the Education system.

11.3 The Committee noted recent incidents affecting the online register and the online renewals system and the action taken to address the incidents.

Item 12.10/60 Operations report (report ref: FRC 42/10)

- 12.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement.
- 12.2 The Committee noted that, as of 28 April 2010, 42,000 physiotherapists had renewed their registration, which was an improvement on the renewal rate from the previous renewals cycle.
- 12.3 The Committee noted that 4689 registrants had used the online renewals system.
- 12.4 The Committee noted details of an incident where incorrect access codes for the online renewals system had been sent to dieticians, due to human error at the printing company which had distributed the letters. Correct replacement codes had quickly been sent to dieticians and preventative action had also been taken. The Committee noted that 22% of dieticians had used the online renewals system.
- 12.5 The Committee noted that, despite a large increase in the volume of telephone calls, the Registration Department had been able to maintain its service standards.
- 12.6 The Committee noted that proposed changes to registration fees in 2011 would be subject to consideration by the Finance and Resources Committee, the Education and Training Committee and the Council. The Committee noted that approval by the relevant committees and the Council should not be assumed. Any proposals would also be subject to a consultation process and Parliamentary approval.

Item 13.10/61 Changes to absence and sickness policy and other Human Resources policies (report ref: FRC 44/10)

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that the paper proposed changes to the absence and sickness policy, in particular relating to the requirements for production of medical certificates and the treatment of sickness during annual leave. The Committee noted that the proposals had been

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circulated to employees and the Employee Consultation Group for their views.

13.3 In discussion, the following points were made:

- the policy stated that, on the first day of absence, employees should telephone their line manager within an hour of the start of their normal working day. The Committee noted that this requirement would be applied with some flexibility, depending on the circumstances of an individual's absence and whether they were able to use a telephone;
- the references to "holiday" in paragraph 5.6 of the policy should be amended to read "annual leave"; and
- the Executive should consider if the policy should explain whether employees would be paid for unauthorised absence.

13.4 The Committee agreed to:

(1) recommend to the Council the changes proposed to the absence and sickness policy in the paper, subject to the amendments made in paragraph 13.3; and

(2) recommend to the Council the minor changes to other Human Resources policies outlined in the paper, as follows:

- the Flexible Working (Eligibility, Complaints and Remedies) (Amendment) Regulations 2009 had extended the right to request flexible working to parents of children up to the age of 16. Previously the right had applied to parents of children under 7 years old. The flexible working policy, in section 3k of the employee handbook, would be updated accordingly;
- under the Working Time (Amendment) Regulations 2007 the minimum statutory holiday entitlement increased from 24 to 28 days. The HPC entitlement of 30 days plus bank and public holidays exceeded the statutory entitlement, so the impact on employees' terms and conditions and changes to the handbook would be minimal;
- the Additional Paternity Leave Regulations 2010 entitled employees who were fathers or partners of mothers or adopters to take paternity leave of up to 26 weeks in the first year of their child's life or the first year after the child's placement for adoption. The additional paternity leave had effect in relation to children whose expected week of birth was

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on or after 3 April 2011. The paternity leave policy, in section 4e of the employee handbook, would be updated to include this statutory entitlement;

- due to changes in HM Revenue and Customs tax guidelines, the services of the HPC's Employee Assistance Programme (EAP) could no longer be extended to the dependents and family members of employees. EAP usage by family members was low and full services would still be available to HPC employees. Section 3h of the employee handbook would be updated to reflect this change; and
- the Equality and Diversity Working Group had requested some minor additions to the induction policy to emphasise the importance of covering equality and diversity during employee induction and to draw new employees' attention to the role of the Group and to the information that it provided on the employee intranet.

Action: TH (by 20 May 2010)

Item 14.10/62 Human Resources policies (report ref: FRC 45/10)

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that the employee handbook needed to be updated regularly, to ensure that policies complied with current employment legislation, developments in Human Resources practice and the operational needs of HPC. To date, any changes to the handbook had been regarded as a policy change which needed to be considered by the Committee who made a recommendation to the Council. While this approach was appropriate for new policies or major policy changes, minor changes were not felt to be an appropriate use of the Committee's time.
- 14.3 The Committee agreed that, subject to approval by Council, any minor changes to Human Resources policies or operational guidelines which had minimal impact on the overall running of the organisation and which were dictated by changes in legislation, statutory requirements or by operational requirements should be made by the Executive. An annual report outlining changes made would be submitted to the Finance and Resources Committee for information.

Action: TH (ongoing)

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Item 15.10/63 Remuneration Committee additional meeting (report ref: FRC 47/10)

- 15.1 The Committee received a paper to note from the Executive.
- 15.2 The Committee noted that, when it had met as the Remuneration Committee on 4 March 2010, it had agreed to hold a further meeting in approximately six months to review progress on development of the new pay policy and process.
- 15.3 The Committee noted that, with the agreement of the Committee's Chair, the additional meeting of the Remuneration Committee would be held on 6 September 2010 (the same date as the Finance and Resources Committee meeting which had already been scheduled).

Item 16.10/64 Any other business

- 16.1 There was no other business.

Item 17.10/65 Date and time of next meeting

- 17.1 The next meeting of the Committee would be held at 10.30 am on Thursday 17 June 2010.
- 17.2 Subsequent meetings would be held at 10.30 am on
 - Thursday 29 July 2010
 - 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;

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- (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.'

Summary of those matters considered whilst the public were excluded

Item 18.10/66 Minutes of the private part of the Finance and Resources Committee of 17 March 2010 (report ref: FRC 48/10)

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 17 March 2010.

Item 19.10/67 Matters arising

The Committee discussed matters relating to HPC's office accommodation.

Item 20.10/68 Any other business

There was no other business.

Chair

Date

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