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## Finance and Resources Committee

**Public minutes of the 63rd meeting of the Finance and Resources Committee held as follows:-**

**Date:** Thursday 17 March 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)  
Mary Clark-Glass  
Malcolm Cross  
Sheila Drayton  
Julia Drown  
John Harper (items 6-29)  
Arun Midha  
Keith Ross  
Neil Willis

**In attendance:**

Mr O Ammar, Acting Head of Educational Development  
Mr C Bendall, Secretary to the Committee  
Mr G Butler, Director of Finance  
Mr R Dunn, Head of Business Process Improvement  
Mr G Gaskins, Director of Information Technology  
Ms T Haskins, Director of Human Resources  
Mr R Houghton, Head of Registration  
Professor J Lucas, Chair, Audit Committee (observer)  
Ms K Neuschafer, Partner Manager  
Mr G Ross-Sampson, Director of Operations  
Mr M J Seale, Chief Executive and Registrar  
Dr A van der Gaag, Council Chair

### **Item 1.11/24 Apologies for absence**

1.1 Apologies for absence were received from Eileen Thornton.

### **Item 2.11/5 Approval of agenda**

2.1 The Committee approved the agenda.

### **Item 3.11/26 Declarations of members' interests**

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

### **Item 4.11/27 Minutes of the Finance and Resources Committee meeting of 27 January 2011 (report ref: FRC 18/11)**

4.1 It was agreed that the minutes of the 62nd meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

### **Item 5.11/28 Matters arising (report ref: FRC 19/11)**

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 6.11/29 Finance report (report ref: FRC 20/11)**

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

6.2 The Committee noted that the department had completed the nine-month reforecast, which showed an expected operating surplus of £329,000 at the end of the financial year.

6.3 The Committee noted that, following its decision at the previous meeting, the investment portfolio of equities had been sold and was now held as cash.

6.4 The Committee noted that HPC had been notified of its share of the operational financial charges for the previous employee pension scheme, the Capita Flexiplan, which was in deficit. HPC had been asked to pay approximately £54,000 per year towards the charges. The Committee noted that a pre-trial review would be held on 14 December 2011 to agree the issues relating to the scheme that would be heard in court. The pre-trial hearing was expected to be held on 31 January 2012 and the trial in October 2012.

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- 6.5 The Committee noted that 22-26 Stannary Street Ltd (the company purchased by HPC in 2005 to acquire the land and building at that address) had now been wound up. There was no tax liability arising from the company.
- 6.6 The Committee noted that the Executive was continuing to work on a project to analyse the numbers of registrants paying particular registration fees, which would improve forecasting of income.

**Item 7.11/30 Human Resources report (report ref: FRC 21/11)**

- 7.1 The Committee received a report on the work of the Human Resources Department.
- 7.2 The Committee noted that recent work for the department had included recruitment for several posts, the continuation of the management development programme and preparation for the annual pay review.
- 7.3 The Committee noted that the department had worked on the human resources implications of the transfer of regulatory functions from the General Social Care Council (GSCC). Question and answer sessions had been held for employees and 'frequently asked questions' documents had been prepared. Further discussion took place under item 28.
- 7.4 The Committee noted that the number of sick leave days per employee was 7 per year, which was less than the national average of 7.7 days.

**Item 8.11/31 Partner Manager report (report ref: FRC 22/11)**

- 8.1 The Committee received a report on the work of the Partner Manager.
- 8.2 The Committee noted that recruitment was taking place for a number of Partner roles for practitioner psychologists, arts therapists, prosthetists and orthotists and operating department practitioners.
- 8.3 The Committee noted that the Partner appraisals would continue in March. The Committee noted that the system was adding value to HPC's operations and had produced learning points for Partner training.

**Item 9.11/32 Information Technology report (report ref: FRC 23/11)**

- 9.1 The Committee received a report on the work of the Information Technology Department.
- 9.2 The Committee noted that the revised Education Department system was now expected to be introduced in March 2011, due to some minor technical issues.

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- 9.3 The Committee noted that Microsoft Office 2010 had been tested by some employees and was due to be installed on all PCs on 19 March 2011. Training sessions for employees would be held over the next few weeks.
- 9.4 The Committee noted that the online renewals system had been unavailable for several hours in the early hours of 8 February 2011, due to a human error at the service provider.
- 9.5 The Committee noted that the project on handling credit card details had been delayed, because the Executive needed to obtain advice on the information that should be transferred to credit card providers. The system would be introduced once the issue had been resolved.

**Item 10.11/33 Operations report (report ref: FRC 24/11)**

- 10.1 The Committee received a report on Operations, covering the Registration Department, project management, facilities management and business improvement.
- 10.2 The Committee noted that the Registration Department was conducting a detailed analysis of the impact of registering 85,000 social workers, once regulatory functions had been transferred from GSCC to HPC.
- 10.3 The Committee noted that international registrations had recently increased, although it was unclear if there were particular reasons for the increase.
- 10.4 The Committee noted details of project work, including issues relating to improvements to the online Register. The Committee noted that a separate project would forecast the impact of the recent Command Paper 'Enabling Excellence'.
- 10.5 The Committee noted that employees had recently visited the HPC's archive in Cheshire and had conducted an audit to ensure that archive boxes were in the correct locations.

**Item 11.11/34 Draft budget 2010-11 (report ref: FRC 25/11)**

- 11.1 The Committee received a paper for discussion from the Executive.
- 11.2 The Committee noted that, on 16 March 2011, the Audit Committee had considered an internal audit report on financial systems, as part of the internal audit workplan for 2010-11. The report had concluded that the systems were satisfactory and had made three recommendations on relatively minor issues. The Committee agreed that the report should be presented to its next meeting.

**Action: GB (by 28 April 2011)**

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- 11.3 The Committee noted that the draft budget was substantially the same as the version which had been considered by the Committee at its previous meeting. The Committee noted that the budget did not include the costs of the project to transfer regulatory functions from GSCC, because these would be funded by a grant from the Department of Health. The Committee noted that errors in the variances column of the budget would be corrected.
- 11.4 The Committee noted that there would be a budgeted deficit of £94,000 in 2011-12, compared to a budgeted deficit of £101,000 in the previous version. The Committee noted that the Executive believed it would be difficult to reduce the deficit any further. However, if necessary, some discretionary spending could be deferred. The Committee noted that the deficit was partly due to increased spending in the Registration Department, which would renew several professions during the year.
- 11.5 The Committee noted that, in future, the Council for Healthcare Regulatory Excellence would be funded through a levy on the healthcare regulators. The timing of this proposal was uncertain, but it was not due to be implemented in the 2011-12 financial year. The Executive felt that the levy should be calculated as a percentage of income, rather than calculated per registrant, in order to encourage efficient regulation. The Committee felt that calculation of the levy should not lead to pressure to increase registration fees.
- 11.6 The Committee noted that total expenditure in 2011-12 would increase compared to the previous year. The Committee noted that some expenditure was used to improve the capacity, quality and efficiency of HPC's operations. For example, the online renewals system had been introduced to facilitate the renewals process for registrants. In addition, the complexity of HPC's work continued to increase, which would result in larger numbers of registrants, education programmes and fitness to practise cases. Savings had been made in some areas, for example changing banking arrangements in order to reduce bank charges.
- 11.7 The Committee noted that some members were concerned about the medium-term financial impact of HPC becoming responsible for fitness to practise cases involving social workers. The Committee noted that the Fitness to Practise Department was projecting the number of cases and the Fitness to Practise Committee would continue to monitor the situation. The Council meeting on 31 March 2011 would be asked to consider the risk register relating to the project.
- 11.8 The Committee agreed to recommend the draft budget for 2011-12 to the Council.

**Action: GB (by 31 March 2011)**

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**Item 12.11/35 Financial reserves policy (report ref: FRC 26/11)**

- 12.1 The Committee received a paper for discussion from the Executive.
- 12.2 In discussion, the Committee agreed that the wording of section 2 of the policy was unclear, as it required the reserves level to be a minimum of three average months' budgeted operating expenditure; sufficient to replace assets used in HPC for ongoing operations; and sufficient to preserve operating flexibility to handle external financial shocks. The Committee noted that these requirements would be much greater than a minimum of three average months' operating expenditure.
- 12.3 The Committee agreed to recommend to the Council that the reserves policy should be amended so that it required the reserves level to be a minimum of three average months' budgeted operating expenditure (i.e the wording of paragraph 2.1).

**Action: GB (by 31 March 2011)**

- 12.4 The Committee agreed that the reserves policy should be reviewed annually.

**Action: GB (March 2012)**

**Item 13.11/36 Finance department workplan (report ref: FRC 27/11)**

- 13.1 The Committee received a paper for discussion from the Executive.
- 13.2 The Committee noted that the workplan listed projects for the department in 2011-12, including a project to enhance the electronic Purchase Requisition System and the Sage accounting system.
- 13.3 The Committee agreed to recommend the workplan to Council.

**Action: Council to consider workplan (on 12 May 2012)**

**Item 14.11/37 Human Resources workplan (report ref: FRC 28/11)**

- 14.1 The Committee received a paper for discussion from the Executive.
- 14.2 The Committee noted that the workplan set out work relating to employees and Partners in 2011-12. Major projects during the year would include preparation for the transfer of employees from GSCC to HPC and recruitment of Partners for the additional work arising from the transfer of social workers.
- 14.3 The Committee noted that, on the basis of legal advice, additional employee posts arising as a result of work generated after the transfer of

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social workers could not be filled until early in the 2012-13 financial year. This was because HPC would need to consider whether the posts could be filled by any individuals who were at risk of being made redundant as a result of the transfer.

- 14.4 The Committee noted that a succession plan was in place for the loss of key employees.
- 14.5 The Committee agreed to recommend the workplan to Council.

**Action: Council to consider workplan (on 12 May 2012)**

**Item 15.11/38 Information Technology workplan (report ref: FRC 29/11)**

- 15.1 The Committee received a paper for discussion from the Executive.
- 15.2 The Committee noted that the workplan included achievements in the previous year; planned work, projects and objectives for 2011-12; and activities planned for 2012-13. The Committee noted that work was subject to the decisions made by the Council in the light of the recent Command Paper 'Enabling Excellence' published by the government.
- 15.3 The Committee noted that video conferencing facilities were available at HPC, although problems could arise if other parties lacked the necessary technical facilities.
- 15.4 The Committee agreed to recommend the workplan to Council.

**Action: Council to consider workplan (on 12 May 2012)**

**Item 16.11/39 Registration department workplan (report ref: FRC 30/11)**

- 16.1 The Committee received a paper for discussion from the Executive.
- 16.2 The Committee noted that the workplan set out priorities, support activities and objectives for 2011-12. The Committee noted that the department would be involved in a number of projects. The Committee noted that work was subject to the decisions made by Council in the light of the Command Paper.
- 16.3 The Committee noted that the department's service standard for answering e-mails had been revised from five working days to 48 hours. The Committee noted that the change had been made as a result of research into registrants' experience of contacting the department. The Committee congratulated the Executive for this improvement. The Committee agreed that the department's work was fundamental to HPC's operations.

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16.4 The Committee agreed to recommend the workplan to Council.

**Action: Council to consider workplan (on 12 May 2012)**

**Item 17.11/40 Projects workplan (report ref: FRC 31/11)**

17.1 The Committee received a paper for discussion from the Executive.

17.2 The Committee noted that the approach to projects had been revised so that the process for prioritising projects was more flexible. The projects listed in the workplan were subject to change, depending on factors such as the impact of the Command Paper and the resources available. The Committee noted that some projects, such as various enhancements to the NetRegulate system, would be delivered as one project.

17.3 The Committee noted that projects were defined as significant if they involved more than two departments.

17.4 The Committee agreed to recommend the workplan to Council.

**Action: Council to consider workplan (on 12 May 2012)**

**Item 18.11/41 Business Process Improvement workplan (report ref: FRC 32/11)**

18.1 The Committee received a paper for discussion from the Executive.

18.2 The Committee noted that the Executive would work towards obtaining the ISO 27001:2005 standard on information security in 2012-13. An information management system would be developed during 2011-12. Further information was included in the paper considered at item 23.

18.3 The Committee noted that suppliers were audited under the quality management system on an ongoing basis, to ensure that their operations met the requirements of the ISO 9001:2008 standard.

18.4 The Committee agreed to recommend the workplan to Council.

**Action: Council to consider workplan (on 12 May 2012)**

18.5 The Committee agreed that the workplans summarised a large amount of work by the Executive and were high-quality documents.

18.6 The Committee noted that the Executive conducted equality and diversity impact assessments for projects. However, these assessments were not always formally documented. The Committee agreed that the Executive should prepare a paper for the next meeting on how projects were assessed and how equality and diversity impact assessments would be conducted.

**Action: GR-S (by 28 April 2011)**

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**Item 19.11/42 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 33/11)**

- 19.1 The Committee received an oral update from the Chief Executive.
- 19.2 The Committee noted that the Health and Social Public Bill Committee in Parliament was due to consider the parts of the bill relating to HPC on 22 and 24 March 2011. It was now proposed that the GSCC's voluntary register of social work students would be transferred to HPC, although this was subject to decisions of the Council and consultation by HPC.
- 19.3 The Committee noted that members of the Executive Management Team had met officials at the Department of Health on 14 March 2011 to discuss the project. The Executive continued to meet employees of the GSCC to discuss operational issues.

**Item 20.11/43 Social media policy for employees (report ref: FRC 34/11)**

- 20.1 The Committee received a paper for discussion/approval from the Executive.
- 20.2 The Committee noted that the paper contained a new policy which clarified expectations for employees who used social media. The policy was intended to sit alongside the existing policy on employees' use of HPC's IT systems.
- 20.3 The Committee approved the social media policy for employees.

**Action: TH (by 28 April 2011)**

The Committee noted the following items:

**Item 21.11/44 Costs to date for Health Bill project (report ref: FRC 35/11)**

**Item 22.11/45 Registrant population figures (report ref: FRC 36/11)**

**Item 23.11/46 Implementation of ISO 27001 standard (Information security management) (report ref: FRC 37/11)**

- 23.1 The Committee received a paper for information from the Executive on the implementation of the ISO 27001:2005 standard on information security.

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### **Item 24.11/47 Any other business**

24.1 There was no other business.

### **Item 25.11/48 Date and time of next meeting**

25.1 The next meeting of the Committee would be held at 10.30 am on Thursday 28 April 2011.

25.2 Subsequent meetings would be held at 10.30 am on

Thursday 28 April 2011

Tuesday 21 June 2011

Wednesday 7 September 2011

Thursday 24 November 2011

Thursday 26 January 2012

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

**Item 26.11/49 Minutes of the private part of the Finance and Resources Committee of 27 January 2011 (report ref: FRC 38/11)**

The Committee considered and approved the minutes of the private part of the Finance and Resources Committee meeting held on 27 January 2011.

**Item 27.11/50 Matters arising (report ref: FRC 39/11)**

The Committee noted matters arising from the minutes.

**Item 28.11/51 Transfer of regulatory functions from General Social Care Council to HPC (report ref: FRC 40/11)**

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

**Item 29.11/52 Any other business**

The Committee agreed a clarification to the approved minutes of the private part of the meeting held on 22 November 2010; received a progress report on the project to enhance the online register; and received a progress report on office accommodation.

**Chair**

**Date**

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