

## Finance and Resources Committee

### Public minutes of the 74th meeting of the Finance and Resources Committee held on:-

**Date:** Tuesday 19 March 2013

**Time:** 10:30 am

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

**Present:**

Pradeep Agrawal  
Jennifer Beaumont  
Frank Burdett  
Mary Clark-Glass  
Sheila Drayton  
Arun Midha  
Penny Renwick  
Keith Ross

**In attendance:**

Bola Bajomo, Management Accountant  
Brendon Edmonds, Head of Educational Development  
Claire Gascoigne, Secretary to the Committee  
Guy Gaskins, Director of Information Technology  
Teresa Haskins, Director of Human Resources  
Jeff Lucas, Chair, Audit Committee (observer)  
Charlotte Milner, Head of Financial Accounting  
Tim Moore, Director of Finance  
Greg Ross-Sampson, Director of Operations  
Marc Seale, Chief Executive and Registrar  
Robert Silverman, Project Portfolio Manager  
Anna van der Gaag, Council Chair

### **Item 1.13/23 Apologies for absence**

- 1.1 In accordance with its standing orders, the Committee was asked to nominate a Chair to preside at the meeting.
- 1.2 Keith Ross was nominated as the Chair of the Committee.

### **Item 2.13/24 Apologies for absence**

- 2.1 Apologies for absence were received from Richard Kennett.

### **Item 3.13/25 Approval of agenda**

- 3.1 The Committee approved the agenda.

### **Item 4.13/26 Declarations of members' interests**

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

### **Item 5.13/27 Minutes of the Finance and Resources Committee meeting 31 January 2013 (report ref: FRC 17/13)**

- 5.1 It was agreed that the public minutes of the 73rd meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

### **Item 6.13/28 Matters arising (report ref: FRC 18/13)**

- 6.1 The Committee received a paper to note from the Executive.
- 6.2 The Committee noted the action on item 11.5 was incomplete and would be actioned for the next meeting of the Committee.

### **Item 7.13/29 Finance report (report ref: FRC 19/13)**

- 7.1 The Committee received a report on the work of the Finance Department.
- 7.2 The Committee noted the following points:
  - the recent recruitment campaign for an experienced Procurement Manager was unsuccessful and further interviews would be held;

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- income in January was £1,937k and expenditure was £1,755k, leaving an operating surplus of £182k. For the year to date, income is £16,085k and expenditure £16,258k leaving an operating deficit of £173k. This is £255k better than reforecast;
- at the end of December 2012, £4.2M was held in short term accounts. A further £8m has been invested for longer periods at fixed rates in five different deposit accounts or bonds;
- the HCPC will attend a meeting regarding the Flexiplan Pension scheme in London on 16 April, when the Trustee will provide details of the funding position and the actuarial valuation; and
- the Head of Financial Accounting attended a User Group Meeting at Action File, HCPC's payroll bureau, regarding Real Time Information and Pension Auto Enrolment.

7.3 The Committee noted the report.

**Item 8.13/30 Human Resources report (report ref: FRC 20/13)**

- 8.1 The Committee received a report on the work of the Human Resources Department.
- 8.2 The Committee noted that the main focus of the department's work in January and February had been reviewing and documenting current processes in line with the HR and Partners process and systems review project plan.
- 8.3 The Committee noted that the department is in the process of analysing training needs identified during the APDRs (Annual Performance Development Reviews) which were completed at the end of February.
- 8.4 The Committee discussed the level of voluntary resignations, noting an increase in January. It was noted that the department undertakes analysis of trends in this area, and that an exit interview report is presented the Committee each June.
- 8.5 The Committee noted the report.

**Item 9.13/31 Partner Manager report (report ref: FRC 21/13)**

- 9.1 The Committee received a report on the work of the Partners team.
- 9.2 The Committee noted details of recruitment for a number of Partner roles.

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- 9.3 The Committee noted that the Partners team had been undertaking work on the HR and Partners process and systems review project.
- 9.4 The Committee noted that the self-assessment process for Partners is now underway, and that 27 Partners will be replaced through external recruitment to support the staggering of agreement end dates.
- 9.5 The Committee discussed the recent decision of the Audit Committee to internally audit Partners Management, looking in particular at the pay status of HCPC Partners. The Committee noted that the Partners contract is regularly reviewed with a view to ensuring clarity in employment status.
- 9.6 The Committee noted the report.

**Item 10.13/32 Information Technology report (report ref: FRC 22/13)**

- 10.1 The Committee received a report on the work of the Information Technology Department.
- 10.2 The Committee noted the following points:
- Windows 7 has been deployed to the Fitness to Practise, Registrations, Policy, Secretariat and Partners departments. The PC rollout is expected to conclude early in the new financial year and the laptop Windows7 build is now in the design stage;
  - the network encryption project is being delivered as part of the deployment of the Windows 7 upgrade; and
  - a penetration test took place in the week of 11 Feb 2013. It concluded that overall there were no serious vulnerabilities identified within the tested infrastructure. There were issues of a medium importance identified which have now been mitigated.
- 10.3 The Committee discussed the web site development cycle. It was noted that longer term, a new web platform is needed to meet the requirements of the HCPC and that a project would be undertaken, but that in the meantime, it was important to keep the current website up to date and relevant to stakeholders.
- 10.4 The Committee noted the report.

**Item 11.13/33 Operations report (report ref: FRC 23/13)**

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- 11.1 The Committee received a report on Operations, covering the Registration, Project Management, Facilities Management and Business Improvement departments for the period 1 January to 28 February 2013.
- 11.2 The Committee noted the accompanying tabled papers which contained graphs illustrating renewal information. It was noted that from May 2012, the mailings of renewal and final notices were adjusted to encourage more registrants to renew on time. Adjustments were also made to encourage registrants to renew online.
- 11.3 The Committee noted that the action to present the information on application processing in the same clear and transparent format as used in operational performance, had not been completed and would be actioned for the next meeting of the Committee.

**Action: Greg Ross-Sampson by 18 June 2013**

- 11.4 During discussion, the Committee noted the following points;
- during the reporting period, registrations received a total of 20,471 telephone calls, which is 10,792 more calls when compared to the same period two years ago. This represents a 111% increase in call volumes;
  - during the reporting period, Registrations received approximately 160 emails per day compared to approximately 100 emails per day during the same period two years ago;
  - the Facilities Service Desk was launched on 22 February and is proving successful. Presentations on its introduction and use were given at the all-employee meetings on 27 February;
  - the next BSI audit is scheduled for the 2 May. This will complete the current 3 year audit cycle; and
  - the collection of data on the HCPC's information assets continues. These assets are scored for risk and mitigation measures will be considered.
- 11.5 The Committee discussed the estimated end dates for projects. It was agreed that a percentage of completion would be useful for illustrating progress. It was agreed that this would be considered when the Executive undertakes its review of project financial reporting.
- 11.6 The Committee discussed project MP70, the Whitefield House redevelopment. It was noted that informal discussions had been held with the local Council planning department and that the building plans would

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be amended in light of this. The amended plans will be presented informally again shortly. It was noted that great focus has been put on producing detailed and accurate plans to reduce the likelihood of later amendments and the potential cost implications of this.

11.7 The Committee noted the report.

**Item 12.13/34 Draft budget 2013-14 second review (report ref: FRC 24/13)**

- 12.1 The Committee received a paper for discussion/approval from the Executive.
- 12.2 The Committee noted that the budget was developed in consultation with all HCPC budget holders and, on 17 January 2013, the Chair of the Committee and the Chair of Council attended the Executive Management Team's away day to discuss the draft budget.
- 12.3 The Committee noted the following points;
- it is anticipated that income will increase by £4.6m, and expenditure will increase by £4.2m. The budget includes a full year estimate for Social Workers, on the register from August 2012.
  - The forecasted cash flow balance will remain above the reserves policy target.
  - It is anticipated that 15 major projects take place in 2013-14; and
  - An overall salary increase of 2.6% was agreed by the Remuneration Committee.
- 12.4 The Committee discussed the benefits of the Executive Management Team's budget away day. It was noted that it provided Directors with a more complete view of the place their budgets have within the wider HCPC budget, and improved the budget drafting skills of the team.
- 12.5 The Committee discussed the increasing proportion of the budget allocated the Fitness to Practise. It was agreed that the figure was appropriate considering that the amount allocated to High Court appeals remained low.
- 12.6 The Committee requested a list of projects that did not make the budget for 2013-14 be presented at its next meeting.

**Action: Greg Ross-Sampson by 18 June 2013**

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12.7 The Committee agreed to recommend the draft budget 2013-14 to Council.

**Item 13.13/35 Financial strategy (report ref: FRC 24/13)**

- 13.1 The Committee received a paper for discussion/approval from the Executive.
- 13.2 The Committee noted that the aim of the financial strategy is to determine how the HCPC should structure and manage its finances over a five year period to ensure it can fulfil its objectives.
- 13.3 The Committee noted that fee levels needed to be considered in the financial strategy. It was noted that consultation has shown that Registrants prefer small and regular increases rather than large step changes. The terms 'small' and 'regular' had not been defined.
- 13.4 The Committee agreed to recommend the paper to Council.

**Item 14.13/36 Non current asset capitalisation policy (report ref: FRC 25/13)**

- 14.1 The Committee received a paper for discussion/approval from the Executive.
- 14.2 The Committee noted that It is proposed that the capitalisation requirement of a cost in excess of £1000 be extended to all assets with effect from 1 April 2013. The change is to include IT assets which have previously been capitalised even if the cost is less than £1000.
- 14.3 The policy replaces the depreciation policy and the asset recognition policy.
- 14.4 The Committee agreed to recommend the paper to Council.

**Item 15.13/37 Information Technology workplan 2013-14 (report ref: FRC 26/13)**

- 15.1 The Committee received a paper for discussion/approval from the Executive.
- 15.2 The Committee noted that there were four objectives in the IT workplan for 2013-14;

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- drive efficiencies (for example, supporting the Education systems and process review project; the review of Human Resources and Partners systems);
- create business advantage (for example, support the expansion of HCPC's office space in 186 Kennington Park Road and 33 Stannary Street; support the NetRegulate Systems Review project and a rolling programme to upgrade several systems);
- protect HCPC's data and services (for example, implement a platform refresh of the NetRegulate system; conducting regular independent penetration tests); and
- meet the expectations of the organisation (for example, refining the processes and develop reporting for the new service desk tool).

15.3 The Committee noted that the Information Technology department would increase in 2013-14 from seven employees to nine. The additional two posts were needed to support the increasing workforce of the HCPC and the increase in enterprise level systems (for example the Case Management System.)

15.4 The Committee agreed to recommend the workplan to the Council for approval.

**Item 16.13/38 Project Management workplan 2013-14 (report ref: FRC 27/13)**

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

16.2 The Committee noted that the workplan included continuing seven projects from the current financial year (FTP Changes; HR & Partners systems and process review; web deployments; annotation of the Register; NetRegulate changes; Education systems build) and the initiation of nine new projects. The new projects were;

- meeting statutory requirements to ensure registrants have suitable professional indemnity insurance in place;
- developing plans for Whitefield House and identifying a third party supplier;
- a full review of the Registration Department's processes and systems;

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- a review of some of the Finance Department's systems;
- a full review of the HCPC website technology, infrastructure, design and navigation;
- improvements to the online renewals portal and changing payment provider;
- developing an improved managed list of HCPC InFocus subscribers;
- HR & Partners System Build; and
- a review of registrant fees and potentially entering into consultation with registrants.

16.3 The Committee noted that initial project budgets had been calculated for each project and provided to the Finance department for inclusion in the 2013-14 HCPC budget. It was noted however that project budgets will become more accurate through the initiation stage of each project.

16.4 The Committee discussed the prioritisation of new projects and continuing projects. It was noted that a list of all projects was presented to the Executive Management Team when it decided to approve a projects next stage.

16.5 The Committee agreed to recommend the workplan to the Council for approval.

**Item 17.13/39 Finance workplan 2013-14 (report ref: FRC 28/13)**

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

17.2 The Committee noted that a dedicated Procurement Manager post is currently being recruited, this will result in the 2013-14 Finance Department budget and work plan utilising a team of 11 employees (an increase of one from 2012-13.)

17.3 The Committee noted that the Finance Department would be involved in implementing several HCPC projects during 2013-2014. These projects include

- upgrades to finance systems. This review will include consideration of the existing PRS system and potential enhancements;

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- reviewing direct debit processes. This project will also investigate the use of paperless direct debits by registrants; and
- changing the HCPC's payment services provider (debit and credit cards). Card payment services will be transferred to Lloyds to reduce bank charges.

17.4 The Committee agreed to recommend the workplan to the Council for approval.

**Item 18.13/40 Human Resources workplan 2013-14 (report ref: FRC 29/13)**

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

18.2 The Committee noted that the most significant area of work for the Department in 2013/14 would be the major project to review all HR and Partners processes and IT systems. The aim of this project is to create and maintain processes and systems which are efficient and fit for purpose.

18.3 The Committee noted that in 2013-14;

- employee recruitment and selection would continue to form a significant part of the department's workload in 2013/14. Employee numbers are projected to rise by around 5% (or 12 new posts). Annual turnover is forecasted to remain at around 12%;
- the Department will review, and if possible, enhance the role of the Employee Consultation Group to support growing employee numbers;
- the Department will carry out and analyse the findings of an organisation-wide employee engagement survey (to follow on from organisation-wide surveys run in 2009 and 2011);
- 24% of Panel Members will undergo the self-assessment process to renew their Partner Service Agreements; and
- there are no plans to increase Partner numbers in any professions or roles in 2013-14. Planned recruitment is largely to backfill Partners who have resigned throughout 2012-13.

18.4 The Committee agreed to recommend the workplan to the Council for approval.

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### **Item 19.13/41 Registrations workplan 2013-14 (report ref: FRC 30/13)**

- 19.1 The Committee received a paper for discussion/approval from the Executive.
- 19.2 During discussion, the Committee noted that in 2013-14 the Registrations department would;
- consist of the 44 permanent employees with a budget of £2.46m;
  - continue to arrange for all registration employees to gain an accredited customer service qualification;
  - continue the Registration system and process review to implement long term strategic changes and develop a system replacement; and
  - undertake further work to investigate the possibility of requesting all applicants from overseas, apart from those seeking to exercise mutual recognition rights, to attend HCPC's offices to reduce the risk of exposure to identity theft and fraud.
- 19.3 The Committee agreed to recommend the workplan to the Council for approval

The Committee received the following paper for information:

### **Item 20.13/42 Education Systems and Process Review Major Project progress update (report ref: FRC 31/13)**

### **Item 21.13/43 Any other business**

- 21.1 There was no other business.

### **Item 22.13/44 Date and time of next meeting**

- 22.1 The next meeting of the Committee would be held at 10.30 am on Tuesday 18 June 2013.
- 22.2 Subsequent meetings would be held at 10.30 am on:

Thursday 18 July 2013  
Tuesday 10 September 2013  
Thursday 21 November 2013

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## 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;

- (a) information relating to a registrant, former registrant or applicant for registration;
- (b) information relating to an employee or officer holder, former employee or applicant for any post or office;
- (c) 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;
- (d) negotiations or consultation concerning labour relations between the Council and its employees;
- (e) any issue relating to legal proceedings which are being contemplated or instituted by or against the Committee or the Council;
- (f) action being taken to prevent or detect crime or to prosecute offenders;
- (g) the source of information given to the Committee in confidence; or
- (h) 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.'

Item	Reason for Exclusion
23	c, d

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

### Item 23.13/45 Private minutes of the Finance and Resources Committee of 31 January 2013 (report ref: FRC 32/13)

- 23.1 It was agreed that the private minutes of the 73rd meeting of the Finance and Resources Committee should be confirmed as a true record and signed by the Chair.

### Item 24.13/46 Any other business

- 24.1 There was no other business.

**Chair**

**Date**

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