

People and Resources Committee

Minutes of the People and Resources Committee meeting held in public on:

Date: Thursday 14 November 2024

Time: 2pm

Venue: Videoconference (Microsoft Teams)

Present: Sue Gallone (Chair)
Neville Hounsome
Geraldine Kinkead-Richards*
John McEvoy

Apologies: Valerie Webster

In attendance:

Vida Adusei, Registration Advisor
Fatma Ali, Head of HR and OD
Aihab Al-Koubaisi, Financial Controller
Francesca Bramley, Governance Manager
Alastair Bridges, Executive Director of Resources
Paul Cooper, Head of Business Change
Faheem Faiz, Registration Advisor
Karen Flaherty, Head of Governance
Alan Keshtmand, Head of Finance
Maryam Khorassani, Presenting Officer (Employee Forum Chair)
Geoff Kirk, Head of IT and Digital
Corrado Palmas, Case Support Officer
Uta Pollman, Partner Project Lead (for item 10)
Andrew Smith, Executive Director of Education, Registration and Regulatory Standards and Deputy Chief Executive

* Council Apprentice

Public meeting

1 Welcome and Introduction

1.1 The Committee Chair welcomed those present to the meeting.

2 Apologies for absence

2.1 Apologies had been received from Valerie Webster.

3 Approval of agenda

3.1 The Committee approved the agenda.

4 Declaration of members' interest in relation to agenda items

4.1 There were no interests to declare from Committee members.

5 Minutes of the People and Resources Committee meeting held in public on 12 September 2024

5.1 The Committee approved the minutes as an accurate record of its meeting held in public on 12 September 2024.

6 Matters arising

6.1 The Committee noted the updates on the matters arising from previous meetings held in public. Action 19, which related to sharing other regulators' fees for international applicants with Committee members and had been omitted from the matters arising report, had been completed.

Performance Reports

7 Resources Directorate Performance Report

7.1 The Committee received a paper from the Executive Director of Resources, providing an update on performance in the areas covered by the HCPC's corporate enabler functions for September 2024.

7.2 The report showed continued good performance reported against most key performance indicators (KPIs).

- 7.3 Office attendance was reported at 22% for September 2024, which exceeded the hybrid policy benchmark of 20%. The benchmark target had been informed by the attendance requirements of other regulators and organisations for their employees. The increase in office attendance was attributed to the changes to the reporting to take any exceptions authorised by executive directors into account, providing a more accurate reflection of performance.
- 7.4 Progress had been made on the HCPC's portfolio of investment projects. The risks that had previously been highlighted for the online concerns project had been resolved as the Executive Leadership Team (ELT) had agreed to the phasing of the project's deliverables.
- 7.5 The Defender Secure Score had decreased to 79% and performance was on a downward trajectory. Anomalies in Microsoft's calculation of the HCPC's score for September 2024 had been identified and these had been raised with Microsoft for further review and clarification. The Defender Secure Score measured compliance with Microsoft's IT security recommendations. As new recommendations were introduced and incorporated into Microsoft's score calculation, the 80% compliance target had become increasingly challenging, however work continued to improve the HCPC's rating.
- 7.6 The Microsoft Secure Score, which focused on device and end user security, had increased to 67.3%, which exceeded the industry benchmark of 41.2% and demonstrated continued progress towards achieving the long term target of 80%. The HCPC's score was expected to increase further as a result of the implementation of Windows 11 and the planned introduction of a security engineer role resulting from a restructure of the IT department.
- 7.7 The environmental sustainability audit had been completed in October 2024 as planned and the internal audit report would be considered by the Audit and Risk Assurance Committee in March 2025 following review by the ELT. The replacement of external glazing at 186 Kennington Park Road was to be scheduled.
- 7.8 The Committee discussed the hearings utilisation performance of 0% against an internal benchmark of 10%. The ELT planned to incorporate a review of the options available to generate revenue and increase hearings utilisation within the corporate planning for 2025-26.

Action: An update on the review of options to increase hearings utilisation and generate revenue would be provided to the Committee at its meeting in June 2025.

8 HR Performance Report

- 8.1 The Committee received the HR performance report from the HR Business Partner covering the second quarter of the 2024-25 financial year, which outlined the performance of the organisation in line with the KPIs from the HR function.

8.2 The Committee noted the following points:

- the positive overall performance in staff retention, turnover, recruitment and health and wellbeing initiatives;
- the work that had been undertaken to assess the organisation's culture and staff engagement, which had identified several opportunities for improvement although no major gaps had been highlighted;
- the HCPC's participation in a careers fair at the Oval, which had resulted in over 100 people joining the talent network pool and had supported recruitment campaigns within Registration and Fitness to Practise;
- the increased exit interview completion rate of 67% following the introduction of a new exit interview process, noting the most common reason for leaving was career progression;
- the increased pulse survey participation rate of 76% for the latest survey following the streamlining of the survey questions and discussions at team and department level to encourage employees to complete the survey;
- the broad alignment of the pulse survey scores for communication and accessibility metrics to the industry benchmark of 70%; and
- the increase in wellbeing awards in September 2024, which was attributed to recognising employees' contributions to the all employee away day in July 2024.

8.3 The Committee discussed the HCPC's approach to equality, diversity and inclusion (EDI) in its recruitment processes. As a disability confident employer, the HCPC proactively worked to encourage the recruitment and retention of individuals with a disability or health condition. This was promoted on the careers website and within job vacancy adverts. If a candidate declared a disability, the HR department would discuss the reasonable adjustments that may be required with the candidate and this would not be disclosed to the recruitment panel. Candidates who declared a disability or health condition were guaranteed an interview if they evidenced that they met the essential criteria for the role. The impact of this would be measured through the pulse survey responses and the recruitment candidate diversity data included in the HR performance report.

9 Finance Report

9.1 The Committee received a paper from the Financial Controller presenting the financial position as at the end of September 2024, with a commentary on the major variances, risks and opportunities.

9.2 The Financial Controller highlighted the following points:

- the year-to-date surplus was £2.1 million, which exceeded the forecast by £399,000;

- the year-end forecast surplus was £1.3 million against a budgeted surplus of £186,000, comprising a projected income surplus of £1.6 million and an expenditure deficit of £398,000;
- the increased projected income was a result of the budgeted number of international applications increasing from 6,000 to 8,000 applications (noting international applications were considered to be cost-neutral overall) and a £300,000 surplus position in investment income;
- the increased forecast expenditure was due to an increase in international assessors' fees, legal costs relating to an historic legal provider and temporary staffing costs within the Fitness to Practise (FTP) department to ensure service standards were met pending permanent appointments, noting all FTP agency posts were set to end by the end of 2024 subject to successful recruitment; and
- the general reserves position was £6 million at the end of September 2024, with realisable net assets of £2.8 million, representing under a month of operating expenditure.

9.3 The Committee discussed the legal costs, which were due to ongoing complex cases being managed by an historic legal provider. The completion of these cases had taken longer than planned and completion was now anticipated by the end of 2024-25. An in-house frontloading team had recently been established to support a reduction in legal costs.

9.4 The Committee considered whether there was scope to review the HCPC's international application fee, noting the HCPC's fee was significantly lower than those of other health care regulators. It was clarified that regulators took a cost recovery approach when setting their fee for assessing international applicants and each regulators had a different model for assessing applications. The ELT was reviewing the HCPC's international assessment model and the fee would be reviewed alongside the cost of the new model and overall fee proposals. An update on the review would be provided to the Council at its meeting in December 2024.

9.5 The Committee discussed the HCPC's implementation of the increased employer national insurance rate, which would come into effect from April 2025. The additional cost would be factored into the 2025-26 budget and discussions with HM Revenue and Customs and other regulators were taking place to clarify whether any exemptions may apply, although this was considered to be unlikely.

10 Partner Report

10.1 The Partner Project Lead joined the meeting for this item. The Committee received the Partner report for the second quarter of the 2024-25 financial year, which provided an overview of a number of performance metrics.

10.2 The following areas of the report were highlighted:

- the recruitment campaigns for FTP lay panel members and registration appeals panel members reaching the interview stage attracting almost 400 applications overall;
- a continued reduction in turnover, with voluntary resignations remaining low as previously reported; and
- the training provided to 42 partners during the quarter, which had included induction training and refresher training.

10.3 The Committee expressed their thanks for the comprehensive report.

People

11 Employee Forum Update

11.1 The Committee received a verbal update from the Employee Forum Chair on the activities of the Employee Forum.

11.2 Key updates included:

- the last Employee Forum meeting had taken place on 30 September 2024,
- the recent appointment of two Freedom to Speak Up Guardians;
- a new streamlined process for employees to contact the Employee Forum through a new feedback form and the introduction of an anonymous feedback form, which would be trialled to seek to encourage employees who were reluctant to raise concerns to engage with the Employee Forum; and
- Employee Forum representatives participating in two corporate sustainability workshops to consider how to integrate sustainability into the workplace, identifying potential blockers and enablers.

11.3 The Committee noted the broad range of activities the Employee Forum had supported. The Employee Forum's work plan included a combination of projects they were invited to participate in or proactively engaged with and consultations and meetings that the Forum participated in to represent the employee voice.

11.4 In response to a question, the Employee Forum Chair clarified that the Employee Forum terms of reference stated that Employee Forum representatives receive 'lighter day to day duties' in order to fulfil their additional role but that this was difficult to achieve in practice as the demands and requirements of representatives' substantive roles remained unchanged.

11.5 The Employee Forum had not received formal thanks for its work to date, however appreciation had been shown by many who had been supported by the Forum. The Committee thanked the Employee Forum Chair and the Employee Forum representatives for their hard work and dedication in representing HCPC employees.

Finance and investment

12 Financial regulations

- 12.1 The Head of Finance summarised the proposed changes to the financial regulations, which had last been updated in December 2020. The updated financial regulations had previously been considered by the Audit and Risk Assurance Committee at its meeting on 13 November. The financial strategy and other related policies would be reviewed and updated to align with the new financial regulations.
- 12.2 The Head of Finance outlined the following additional changes to those outlined in the paper, which would be actioned prior to submission to the Council for approval:
- clearer wording on debt management, which would be at the discretion of the Chief Executive and Executive Director of Resources depending on the amount;
 - reference to the Change and Benefits Forum as part of the overall governance framework, defining the Forum's role and responsibilities;
 - further clarification regarding the Council's oversight of major projects and programmes.
- 12.3 The Committee recommended the financial regulations to the Council for approval, subject to the following changes being made:
- clarification of the required authorisation for disposal of assets over £5,000 (paragraph 4.14) to confirm whether this sat with the ELT or the Executive Director of Resources; and
 - the expansion of the diagram illustrating the scheme of financial delegation (page 6) to include delegations at the level below committees.

Action: An updated version of the financial regulations with changes tracked, including those requested by the Committee, would be shared with Committee members via email following the meeting.

13 Investment policy

- 13.1 The Financial Controller provided an overview of the HCPC's investment policy. It was noted that the interest rate for Barclays set out in page 4 of the paper should have been 4.7%. No changes were proposed to the policy.
- 13.2 The Committee noted the variance in interest rates across the HCPC's accounts and considered what could be done to maximise the value of the HCPC's investments. There was a 30 day limit on withdrawals from the accounts with higher interest rates and maintaining operational cash flow was an important consideration. Interest rates were known to fluctuate and the Nationwide current account interest rate of 3.5% was considered to be competitive.

Action: The Head of Finance and the Financial Controller would review the allocation of funds across the HCPC's bank accounts to seek to maximise returns without compromising operational cash flow.

13.3 The Committee noted the actions that would be taken to ensure compliance with the investment policy and to maximise returns and agreed that no changes were required to the policy.

14 Digital strategy, technology roadmap and investment planning update

14.1 The Head of IT and Digital and the Head of Business Change presented a progress update on the delivery of the HCPC's digital strategy that had been refreshed in January 2023, the technology roadmap approved by the Council in May 2024 and the investment planning process.

14.2 The following points were noted:

- during 2024-25 there had been significant progress in delivering the digital strategy, with three projects completed, most planned actions on track and revised timescales for a small number of actions relating to data and data platforms;
- a significant proportion of the actions had been frontloaded into the next two years of delivery, with around 90 key milestones proposed to deliver the technology roadmap subject to resourcing and prioritisation decisions that would be made through the investment planning process;
- plans were in place to deliver the medium and long term actions set out in the technology roadmap, which were also subject to agreement through the investment planning process;
- the investment planning process was benefits-led and would be aligned to the review of corporate plan milestones, with investment case development in progress for 19 potential programmes in 2025-26.

14.3 The Committee were pleased to note the HCPC's ambitious approach and the significant progress that had been made. However, the lack of red ratings was queried, as this was considered unusual in developments of this kind.

14.4 The Committee enquired as to how benefits realisation was monitored and reported. A benefits realisation plan was developed for each project and progress was monitored by the Programme Management Office (PMO), however this was not currently reported. Planned developments within Business Central, the HCPC's financial reporting system, would improve project accounting capabilities and support automated benefits realisation reporting.

14.5 The Committee expressed concern regarding the ethical oversight of the investment programme, emphasising the importance of evaluating whether the outcomes were correct and were being achieved in the right way. There was more work to be done in this area, however it was noted that decisions on major projects were made with the principle of fairness in mind with the engagement of the EDI Strategic Lead at an early stage of project planning. A report setting out an EDI analysis of FTP outcomes was due to be published in December 2024 for the first time.

14.6 The Committee suggested moving to a single digital vision and the inclusion of sustainability, resilience and transparency as digital principles. Although the digital strategy had already been approved, these additional principles would be kept in

mind as the work to deliver the strategy continued. There would be a process to align the technology roadmap with the corporate plan for 2025-26.

- 14.7 The Committee sought clarification on how operational teams were engaged in the change management process. The Head of Business Change confirmed that the planning process recognised and planned for the impact of the change in relation to EDI, data, processes and people. One example of this approach was how registration advisors had been at the forefront of deploying technology to improve the registration contact centre.

Action: The next progress update to the Committee in June 2025 would include:

- a) an evaluation of benefits realisation for completed projects; and
- b) examples illustrating how the change management process was managed.

Governance

15 Committee forward plan

- 15.1 The Committee noted the forward plan.

16 Resolution

- 16.1 The Committee resolved that the remainder of the meeting would be held in private, because the matters being discussed related to matters which, in the opinion of the Chair, were confidential or the public disclosure of which would prejudice the effective discharge of the Council's functions.

The meeting was briefly adjourned.