

Council, 23 March 2022

Unconfirmed minutes of the People and Resources Committee meeting of 3 March 2022

Committee Chair's summary to Council

The People and Resources Committee (PRC) met on 3 March 2022. The Committee members had earlier met on March 2 2022, constituted as the Remuneration Committee (Remcom) to make an annual pay recommendations to Council.

New Council members were welcomed to the Committee - Rebekah Eglinton and Valerie Webster, as was Neville Hounsome as the independent Remcom member who now also joins the PRC.

In the public session the January accounts and a new year end forecast outturn were reviewed, as was the latest HR report.

In the private session a developed draft of the 2022-23 budget was reviewed, the Committee agreed to recommend the budget to Council for approval. The Committee also received an update on the estate strategy plans.

The minutes are comprehensive and a good record of the discussion.

Stephen Cohen, Chair of the People and Resources Committee

People and Resources Committee

Public minutes of the 8th meeting of the People and Resources Committee held on:-

Date: Thursday 3 March 2022

Time: 10am

Venue: MS Teams

Present: Stephen Cohen (Chair)
Neville Hounsome
Valarie Webster
Meera Burgess

In attendance:

Claire Amor	Head of Governance
Ewan Shears	Governance Officer
John Barwick	Chief Executive, and Registrar
Alastair Bridges	Executive Director of Resources and Business Performance
Alan Keshtmand	Head of Finance
Naomi Nicholson	Executive Director of Professional Practice and Insight
Fatma Ali	Head of HR
Margaret Osibowale	Head of Financial Planning & Analysis

Public

Item 1. Chair's welcome and introduction

- 1.1 The Chair welcomed those present to the 8th meeting of the People and Resources Committee.

Item 2. Apologies for absence

- 2.1 Apologies for absence were received from Rebekah Eglinton.

Item 3. Approval of agenda

- 3.1 The Committee approved the agenda.

Item 4. Declarations of members' interests

- 4.1 No interests were declared.

Item 5. Minutes of the People and Resources Committee meeting of 4 February 2022 (report ref: PRC 08/22)

- 5.1 The Committee approved the minutes of its meeting held on 4 February 2022.

Item 6. HR, OD and Partners Q3 KPI report (report ref: PRC 09/22)

- 6.1 The Committee received a paper from the Head of HR. The report covered the period from October 2021 to December 2021 and provided Key Performance Indicators (KPIs) in relation to the HCPC's people and partners. The Committee noted the report, and that applicant diversity was an additional metric being tracked by HR.
- 6.2 The Committee noted that the days lost to long-term sickness was due to the length of time in a small number of individual employee absences, rather than a high number of individuals being off sick. The Executive was supporting those individuals by working with occupational health and EAP (employee assistance) services to try to provide a route back into the workplace. The Committee was encouraged that two of the three individuals were now back to work.
- 6.3 The Committee welcomed that there had been no instances of absence attributed to long-covid, however there had been 78.5 days lost to covid related (short-term) absences, concerning 15 employees.

- 6.4 The Committee noted that the comparatively high levels of short-term sickness were attributed to one-off cases that could be considered seasonal. There were no indications of any underlying conditions for concern. The Committee asserted that absenteeism was an important matter to tackle and that it would be helpful to be able to track the profile and reasons for it, especially in relation to mental health issues.
- 6.5 The Committee noted that there were a number of initiatives underway to build on the HCPC's employer brand, to appeal to more candidates and target a diverse group that the HCPC wants to attract to its workforce. These included a change in recruitment processes, recruiting across the country, using videos of employee's testimonials to showcase what it was like to work at the HCPC, and also highlighting the other benefits such as flexible/hybrid working and wellbeing initiatives.
- 6.6 The Executive noted that there was a business case for addressing some of the issues noting that by addressing sickness absence and the high staff turnover, the HCPC would benefit financially by reducing associated recruiting costs and reliance on temporary staff. The Executive highlighted the initiatives related to recruitment, retention, succession planning and for aspiring managers. There was an ambitious people strategy with defined deliverables, to make these effective in the coming year.
- 6.7 In response to a question, the Executive noted that a reason for a comparatively low turnover of partners versus that of employees was likely to be due to the nature of the roles carried out by partners, and that these were not usually the individual's main employment. The Committee noted that partner contracts were rolled over a 4-year period with a maximum of 8 years that any partner could remain in post.
- 6.8 The Committee noted that agency worker levels were high due to the demands caused by unexpectedly high volumes of international applications, covering long-term vacancies and to bridge the gap between recruitment and appointment. A new recruitment campaign for a number of FTP positions had begun to address the shortage. The operating models had been restructured, reviewed and approved by ELT, and recruitment was to commence for those new roles. The Executive noted that the people strategy aimed to reduce agency staff by 50%.
- 6.9 The Committee welcomed the positive steps being taken towards recruitment, wellbeing and development of employees, noting that high numbers of agency staff, turnover and sickness were all linked.

Item 7. Management Accounts – January 2022 (report ref: PRC 10/22)

- 7.1 The Committee received a paper from the Head of Financial Planning & Analysis. The paper contained the HCPC's management accounts to the end of January 2022.
- 7.2 The Committee noted that by the end of January 2022 the year-to-date position was a £1.43 million deficit, which represented an improvement on the original budget which contained a £2.21 million deficit. The Executive noted there were still some risks and opportunities that might happen in February and March through to the year-end, where it was forecast to be a £1.50 million deficit.
- 7.3 The Committee noted that the difference in the forecast non-pay costs versus the original budget was due to an under accounting for FtP. Legal and case preparation costs, and the trialling of frontloading of cases at the beginning of the year accounted for the difference.
- 7.4 In response to a question, the Chief Executive acknowledged the deficit and the difference in FtP budget but noted that an increase of income was offsetting the increases in expenditure. There were also savings in other areas such as capital and project spends, and due to vacancies. He welcomed the forecast favourable position compared to the original budget but noted the importance of developing a medium-term position to move the HCPC out of deficit.
- 7.5 The Executive noted that the initial target for producing monthly management accounts was by workday 10. An internal finance timetable was in development which would begin to reduce this time further. The Committee advised the Executive not to be unambitious in their targets for the turnaround time of management accounts.
- 7.6 The Chief Executive would confer with the Chair of Council to agree a process for the monitoring of management accounts outside of Committee meetings for the next fiscal year and to update the Committee. The Committee asserted that there must be close monthly scrutiny.
- 7.7 The Executive assured the Committee that there would be a routine of monthly management accounts, and regular forecasting with the aim to also produce forecasts on a monthly basis. A Q1 deep dive and mid-year review was also planned.
- 7.8 The Executive agreed to clarify what the cash balance figure would need to be in order to be considered in breach of the cash balance policy and agreed to review the wording in relation to this in the management accounts.
- 7.9 The Executive noted that the regular oversight of the accounts against the Corporate Plan with a bottom-up approach had provided more certainty and more robust forecasting. The Executive recognised that

they would need to be alive to any unexpected trends, as experienced with the increase in international applications.

- 7.10 The Executive noted that the HCPC's monthly operating cost was around £2 million, and that cash was monitored daily. Cash was not all in one account. Monthly income was a known figure through direct debit information and so was the monthly pay bill (including suppliers) which made it easier to monitor income against expenditure. The Executive assured the Committee that a cash flow forecast would be implemented as part of the management accounts.

Item 8. Resolution

- 8.1 The Committee was invited to adopt one or more of the following:

'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
9	C, H
10	C, H
11	C, H
12	C

Chair.....
Date.....