

People and Resources Committee, 10 November 2022

Matters Arising

Executive summary and recommendations

Attached is an actions list as agreed at the last public meeting of the People and Resources Committee.

6 September 2022		
1	<p>Item 6. Matters arising (report ref: PRC 26/22)</p> <p>The Committee urged that in relation to matter arising 6, the remaining Committee members that had not received a Partners briefing, this would be made a priority.</p>	<p>Executive:</p> <p>This was planned for 13 October 2022 but will now happen on 10 November 2022.</p>
2	<p>Item 7. HR Performance Report 2022-23 Q1 (report ref: PRC 27/22)</p> <p>7.4 The Committee requested that the headline items that stood out as either progressing well, or that required action were highlighted at the beginning of the report.</p> <p>7.6 The Committee recognised that a percentage of leavers would go on to work for other regulators but asked to see data and analysis on those recruited to the HCPC from other regulators. This would help to show the HCPC's attractiveness to employees within the sector.</p>	<p>Executive:</p> <p>These comments have been taken on board and reflected in the latest iteration of the HR Performance report.</p>
3	<p>Item 7. HR Performance Report 2022-23 Q1 (report ref: PRC 27/22)</p> <p>7.8 In response to a question, the Head of HR noted that pay review discussions had taken place and that because of the positive data in the recent report, the HCPC would be looking in the coming months at providing a more meaningful pay award in April 2023. The Committee advised that due to the changing external environment</p>	<p>Executive:</p> <p>Pay structure and pay review reports were presented to the Remuneration Committee on 13 October 2022</p>

	<p>the Executive should keep this under active review and revert back to the Committee if required.</p>	
4	<p>Item 9. Digital Transformation Strategy Review (report ref: PRC 29/22)</p> <p>9.7 The Committee noted the current digital transformation strategy vision and agreed that the draft alternative vision strategy in the report was preferable, however the Executive should try to further refine it to be shorter and punchier and to consider the use of the term, 'service users'.</p>	<p>Executive:</p> <p>The latest draft wording for the Vision statement is: <i>“HCPC will excel in the use of digital solutions and ways of working in order to provide effective regulation and prevention, and to provide a straightforward, value-adding experience for our users.”</i></p> <p>Any further feedback from PRC would be welcome.</p>
5	<p>Item 9. Digital Transformation Strategy Review (report ref: PRC 29/22)</p> <p>9.11 The Committee challenged the ELT to provide a view on what it thought the level of digital ambition should be along with the relevant definition of risk, and to present a provisional answer to Council. The Committee noted that the Executive also needed to understand the cost benefits and to be clear on those before seeking Council approval.</p>	<p>Executive:</p> <p>Further discussion with ELT and SLG members suggests that at this stage, a digital ambition largely based around 'optimisation' feels to be an appropriate balance between risk and innovation. However, it is likely that this will need to be reviewed in light of the regulatory reform agenda, which could open up the opportunity to be more transformative in our approach.</p>
6	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.4 The Committee noted that international applications were significantly over forecast. The Executive explained that the international application assessment factored in past trends and assumed that would continue in the medium term. The best-case scenario assumed the current rate of applications would continue and worst-case scenario assumed that applications would drop off in a month. The Committee challenged the Executive that a scenario of a recruitment drive being potentially halted should be factored into</p>	<p>Executive:</p> <p>Using our performance data (including the efficiencies from moving to online application forms) we now have a model of the resource required to deliver the international registration process within our service standards. We have resourced the team accordingly. This factors in managing the backlog of applications we built up last year. We are not able to</p>

	<p>the modelling.</p>	<p>guarantee if or when the current high volumes of international applications may decline and because we know that the team resources required will be change once we are fully back to steady state following the recovery from the backlog that built up last year we have used fixed term contracts for a proportion of roles to provide flexibility and avoid increasing the permanent establishment headcount.</p> <p>We also retain the surge support partnership with PwC. Although the surge support end mid August 2022 we can draw on this support again in the future should applications increase to levels we are unable to manage internally. However, the new team structure we have in place allows us to scale up the internal team should we need to in order to meet demand and avoid a build up of a backlog in the future.</p> <p>While we have these mitigations in place (e.g. surge support via PwC and/or scaling up our internal team to meet demand) we do not have any plans at present to recruit additional members of staff or use our surge support partner to process international applications.</p>
<p>7</p>	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.6 The Committee advised the Executive to ensure that any investment resulted in a system that could be ramped up or ramped down whether there be 1,000 applications or 10,000 applications. The Committee advised that with a possibility for extreme volatility in relation to</p>	<p>Executive:</p> <p>This will form part of the budget discussions for FY2023-24 with additional background information to ensure that the accuracy of international applications projections are based on inputs from the Data &</p>

	international applications, the ELT should have plans to consider this. ACTION	Analytics team, e.g. geographic trends, NHS recruitment plans, etc.
8	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.7 The Committee asserted that given the potential volatility, reforecasting should be made a priority and turned around sooner than it was currently.</p>	<p>Executive:</p> <p>We have now implemented monthly adjustments to our quarterly forecasts for key developments, which is evident in the September 2022 Finance Report. The quarterly forecasts will then ensure we capture any remaining updates and undertake deeper reviews to improve accuracy further.</p>
9	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.8 The Committee noted the drop in income from Registration (UK) and agreed that the Education and Training Committee should consider whether this was due to higher numbers of leavers or new graduates delaying initial registration, and for that to be factored into the forecast.</p>	<p>Executive:</p> <p>The drop in income with regards to registration and renewal fees was due to under reporting of registrant numbers in the CRM system, which is the basis for our income reporting. This has now been corrected and both actuals and the forecasts will be updated for the October 2022 Finance Report (this is captured as an opportunity within the September 2022 Finance Report and due to time constraints, we did not include this as part of the September 2022 Finance Report).</p>
10	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.9 The Committee noted that despite the overall increased income, the HCPC was still running a deficit and the Executive should consider a review of the use of agency staff and also overtime.</p>	<p>Executive:</p> <p>This will form part of the budget discussions for FY2023-24 and will be presented as a potential option to help us achieve a break-even position. It is worth noting that the Q1 forecasted deficit for the year of circa £900k has reduced to circa £205k, which is partly due to unfilled vacancies and temp staff are currently</p>

		covering those roles. Overtime reports are now being sent across to ELT for review to ensure we are using appropriate use of resources and are within budget.
11	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.10 The Head of Finance highlighted that the July actuals showed that income was roughly in line with the forecast, however there was an overall underspend of around £300K which mostly related to lower case volumes in FtP driven by timing issues, pushing spending into Q2. The Executive noted that FtP legal services was under review and the Committee requested an update outside of the meeting.</p>	<p>Executive:</p> <p>The latest forecast has factored in the lower than original budget levels of cases being returned as ready to schedule for a final hearing from our legal providers and the volumes of hearings held each month. FtP are in discussions with regards to planned activity going forward to ensure the budgeted costs for FY2023-24 reflect realistic volumes based on capacity limits for both internal resources and our legal providers.</p>
12	<p>Item 11. Finance Report - Q1 Reforecast (report ref: PRC 31/22)</p> <p>11.12 The Head of Finance noted that risks and opportunities were mostly rated as high, and that they would be incorporated with their impact within the next forecast. The financial implication of rising prices in energy and other associated areas would be re-evaluated.</p>	<p>Executive:</p> <p>This is being monitored in conjunction with the Head of Facilities. We are awaiting further updates to confirm expected costs for the next financial year and the current figures are being adjusted as per our monthly forecast reviews.</p>

Decision

The Committee is requested to note the document. No decision is required.

Background information

Please refer to individual papers and minutes for the background to decisions.

Resource implications

None

Financial implications

None.

Appendices

None.

Date of paper

3 November 2022