

People and Resources Committee

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

Date: Thursday 13 March 2025

Time: 2pm

Venue: Videoconference (Microsoft Teams)

Present: John McEvoy (Chair)
Neville Hounsome
Alice Gair*
Helen Grantham
Pam Ricketts (from item 10)
Valerie Webster

Apologies: None

In attendance:

Fatma Ali, Head of HR and OD (until item 11)
Aihab Al-Koubaisi, Financial Controller
Francesca Bramley, Governance Manager
Alastair Bridges, Executive Director of Resources
Laura Coffey, Executive Director of Fitness to Practise and Tribunal Services (from item 7)
Paul Cooper, Head of Business Change
Karen Flaherty, Head of Governance
Alan Keshtmand, Head of Finance
Geoff Kirk, Head of IT and Digital
Bernie O'Reilly, Chief Executive
Sejal Patel, Council Apprentice
Uta Pollman, Partner Project Lead (for item 10)
Andrew Smith, Deputy Chief Executive and Executive Director of Education, Registration and Regulatory Standards (from item 7)
David Stirling, Council member
Katarzyna Szklarska, Registration Advisor (from item 7)

* Council Apprentice

Public meeting

1 Welcome and Introduction

- 1.1 The Committee Chair welcomed those present to the meeting of the People and Resources Committee (the Committee), including those attending or observing the meeting for the first time.
- 1.2 The Committee chair summarised the purpose of the Committee as set out in the Committee standing orders, emphasising that any queries could be raised in the meeting or through correspondence to the Committee chair.

2 Apologies for absence

- 2.1 There were no apologies.

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 declared.

5 Minutes of the People and Resources Committee meeting held in public on 14 November 2024

- 5.1 The Committee approved the minutes as an accurate record of its meeting held in public on 14 November 2024 and highlighted a typographical error in paragraph 11.3.

6 Matters arising

- 6.1 The Committee noted the updates on the matters arising from previous meetings held in public.

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 January 2025.

- 7.2 The report showed continued good performance reported against most key performance indicators (KPIs).
- 7.3 The KPI target relating to the speed of invoice processing had not been met in January 2025. There had been a temporary dip in performance due to sickness absence and staff turnover within the Finance team and in February 2025 performance had improved. Actions had been taken to improve future contingency arrangements.
- 7.4 The Defender Secure Score had decreased from 79% in the previous reporting period to 74% for January 2025 and performance was on a downward trajectory. 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. The HCPC's score was expected to increase as a result of the planned introduction of a security engineer role, for which interviews had been scheduled.
- 7.5 Office attendance was reported at 19% for January 2025, which was slightly below the hybrid policy benchmark of 20%. The executive had asked heads of service to engage with their teams to emphasise the importance of office attendance.
- 7.6 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.
- 7.7 Hearings utilisation performance had remained at 0% for January 2025 against an internal benchmark of 10%. The hearings space was being used by HCPC teams for internal and stakeholder meetings, although this was not reflected in the KPI performance. A number of opportunities were being pursued to increase hearings space utilisation and a further update would be provided to the Committee at its meeting in June 2025.
- 7.8 Progress had been made on the HCPC's portfolio of investment projects, including the technology roadmap. The new online concerns portal had launched in February 2025 and the number of concerns received to date had been in line with previous activity levels, suggesting the move to a new process had not caused disruption.
- 7.9 The long term cyber attack relating to the registrant and application authentication process had resumed in January 2025. As previously noted, the impact of the attack was financial and no registration data was at risk. Work was under way to investigate options for changing the authentication process.

8 HR Performance Report

- 8.1 The Committee received the HR performance report from the HR Business Partner covering the third quarter of the 2024-25 financial year, which outlined the performance of the organisation in line with the KPIs from the HR function. The Committee noted that this was another strong HR Performance Report.

8.2 The Committee noted the following points:

- the positive overall performance, with turnover remaining stable and retention rates continuing to improve;
- the increase in wellbeing awards in December 2024, with a focus on enhancing recognition across the organisations, in particular through the 'making a difference' award scheme;
- the 64% completion rate for exit interviews, noting that there was no evidence to suggest that female employees were leaving the HCPC due to a lack of access to opportunities;
- the pulse survey participation rate of 73% which was similar to the previous quarter (76%), with an increased overall employee satisfaction score of 82%, noting the work under way within the Tribunal Service to protect time to complete the survey to increase the completion rate;
- the continued efforts to improve recruitment efficiency through talent network utilisation to continue to reduce the HCPC's reliance on agency workers that had generated financial savings, which the Committee hoped could be quantified in the future;
- an increase in sickness absence during October and November 2024, with a peak in short-term absences in October attributed to colds and flu-like illness;
- a focus on wellbeing support for employees, including stress management sessions and wellbeing days to support employees' mental health;
- the high level of e-learning compliance, noting 94% of managers had completed the managing mental health at work course and 93% of employees had completed the mental health awareness course; and
- the review of learning and organisational development programmes to ensure alignment with organisational need over the coming year, noting management development programmes and the aspiring to management programme would continue in view of the continued high demand.

8.3 The Committee discussed the implications of the increasing volumes of international applications, UK applications and fitness to practise cases on the HCPC's staffing model and the deployment of technology. Discussions were ongoing to shape the HCPC's medium term workforce plans, which would seek to quantify the impact of these trends on the HCPC's workforce, the skillset required and the future use of technology. The workforce planning would also be informed by the projected graduate numbers and registrant numbers. Although the deployment of artificial intelligence (AI) was in the early stages of small-scale implementation, this had already had an impact on both the efficiency and the quality of service provision and would become an increasingly important factor in workforce planning. A further update on the technology roadmap was due to be presented to the Committee at its meeting in June 2025.

9 Finance Report

- 9.1 This item was considered after the annual pay gap reports (item 11). The Committee received a paper from the Financial Controller presenting the financial position as at the end of January 2025, 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 £3.7 million, which was closely aligned to the year-to-date forecast of £3.6 million;
 - the year-end forecast surplus was £1.1 million against a budgeted surplus of £186,000 and would be revised upwards to around £2.6 million in the next finance report for February 2025, due to provisions that had been made for legal costs which were now not expected to materialise until 2025-26;
 - the favourable income variance of £3.3 million, which was driven mainly by the increase in international applications, potentially linked to the launch of new English language proficiency requirements in January 2025, investment income and grant income;
 - the forecast expenditure deficit of £2.4 million, which was also attributed to the increase in international applications, in addition to higher costs associated with legal cases and partners;
 - the general reserves position was £7.6 million at the end of January 2025, with realisable net assets of £4.6 million, representing just over one month of operating expenditure.
- 9.3 The Committee discussed the significant change in the forecast legal costs. The provision for legal costs had been adjusted following a review that had highlighted some legal costs were more likely to materialise in 2025-26. Changes to the forecast were informed by monthly reports from the HCPC's external legal providers in relation to complex cases. The Executive Director of Fitness to Practise and Tribunal Services clarified that fees were paid to legal providers on completion of agreed milestones and the timing of these milestones had moved into 2025-26 for cases instructed in 2024-25. A small number of very complex cases had incurred increased costs over and above the standard fixed fee due to parallel court proceedings in the family courts and/or tribunal proceedings.
- 9.4 The Committee sought clarity regarding the level of confidence on the forecast investment portfolio expenditure. The Head of Business Change advised that excluding office services and facilities maintenance, the overall investment portfolio was projecting a year-end surplus of around £250,000 which was mainly due to the phasing of work on data and the deferral of work on Business Central moving into 2025-26. There was confidence in the outturn, with next year's priorities carefully considered to focus on building the foundations for key workstreams that aligned to the corporate strategy.

10 Partner Report

- 10.1 This item was considered after the annual pay gap reports (item 11). The Partner Project Lead joined the meeting for this item. The Committee received the Partner report for the third quarter of the 2024-25 financial year, which provided an overview of a number of performance metrics.
- 10.1 The Committee noted the four partner recruitment campaigns that had attracted a record number of applications.
- 10.2 The Committee were pleased to note the increasing number of partners participating in exit interviews. The reasons for leaving as reported through letters of resignation and exit interviews were recorded and closely monitored by the Partner team. The number of partners who had left due to dissatisfaction with the role had reduced slightly. A new remuneration policy was in development and it was anticipated that the proposed changes, alongside the new contractual agreements for partners, would demonstrate that partner feedback was considered and acted upon.
- 10.3 The Committee discussed the work to review partner performance, acknowledging a progress update would be provided in the private session of the meeting. As part of the partner project, the Quality Assurance team was supporting a review of performance, KPIs and quality statements for partners. A gap analysis using a RAG (red/amber/green) rating system would identify where additional performance measures and KPIs were needed. Workshops were planned in April and May 2025 to progress this work with representatives from across the HCPC.

Action: The RAG analysis would be shared with the Committee once completed.

- 10.4 The Committee commended the Partner Project Lead for the development of the partner report over the previous year.

People

11 Annual pay gap reports

- 11.1 This item was considered before the finance report and the partner report (items 9 and 10). The Committee received the gender, ethnicity and disability pay gap reports from the Head of HR and OD. The reports were due to be published in April 2025 and were based on aggregated snapshot data from 5 April 2024.
- 11.2 The HCPC's mean gender pay gap was 16.5% and the median gender pay gap was 13.4%. The gap reflected the distribution of roles across the HCPC, with a higher proportion of senior roles held by men, rather than indicating men and women were paid differently for the same or equivalent roles. The HCPC had fewer role levels and was smaller than some other health care regulators and therefore individual senior roles had a greater impact on the overall pay gap. The General Pharmaceutical Council had more women in the highest paid quartile than men and had therefore reported a lower mean gender pay gap than the HCPC. The HCPC's pay gap was higher than the UK average and the Committee therefore considered

the assertion on page 7 the report that the HCPC's gender pay gap 'compared favourably with that of other organisations' was not factually accurate.

Action: The Head of HR and OD would rephrase the statement within the report that the HCPC's gender pay gap compared favourably to ensure the narrative aligned with the data set out in the tables.

11.3 There were a number of development programmes to establish pathways to leadership for under-represented groups, including the aspiring to management programme, the management development programme and the senior leadership management programme.

11.4 The action plan was aligned to the people strategy and the wider corporate strategy and the actions had been incorporated into the HR departmental work plan and team objectives for 2025-26. The Committee endorsed the action plan and requested that progress updates were incorporated into the HR Performance Report in view of the size of the HCPC's pay gaps, particularly in relation to gender and ethnicity.

Action: Progress updates on the pay gap report action plan would be incorporated into future HR Performance Reports as and when appropriate.

11.5 The Committee emphasised the importance of ensuring benchmarking data was robust, reliable and uninfluenced by unintended bias. Data had been sourced from other regulators, Bright Mind and the Office for National Statistics. A pay equity exercise was also undertaken on an annual basis in line with the annual pay award.

Action: The Head of HR and OD would seek assurance from benchmarking data suppliers that their data had not been influenced by unintended bias.

11.6 A pay benchmarking exercise had been undertaken across all HCPC roles two years ago. All roles fell within a pay band with all new starters commencing at the bottom of the band regardless of gender. Employees' salaries increased on an annual basis in line with the annual pay award. The pay gap reports would provide the Remuneration Committee with useful context for the pay review.

Governance

12 Review of Committee effectiveness

12.1 The feedback provided by Committee members and regular attendees was noted.

12.2 The following four themes were highlighted:

- The role of the Committee in relation to the Council and other committees and, in particular, the Audit and Risk Assurance Committee (ARAC);
- the balance of specialist skills, knowledge and experience on the Committee;

- the presentation of plans and alternatives and the key risks and opportunities considered by executive management in making decisions or recommendations to the Committee; and
- the level of detail included in reports submitted to the Committee.

12.3 The Committee reflected that the themes could not be fully addressed by the Committee in isolation and a broader discussion could be beneficial, building on the recent review of the Council's effectiveness.

Action: The Committee Chair would give further consideration to how best to take forward the themes that had been identified in the review of Committee effectiveness.

13 Review of Committee standing orders

13.1 The Committee reviewed the proposed minor amendments that sought to align the standing orders with those of the other Council committees.

13.2 The Committee approved the amendments to the Committee's standing orders and would recommend these to the Council for approval at its next meeting on 27 March 2025.

14 Committee forward plan

14.1 The Committee noted the forward plan.

Action: The Committee Chair and the Governance Manager would:

- a) seek to schedule an in-person meeting of the Committee in 2025, which would include a tour of the HCPC offices; and
- b) review the Committee's workshop programme for 2025.

Action: The Committee requested that a review of the HCPC's premises was added to the Committee forward plan for 2025

15 Resolution

15.1 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.