

Audit, Risk, & Remuneration Committee
16 January 2025

Present:	Duncan Vernon (DV) Chair Helen Featherstone (HF) Joanna Dowd (JDowd) James Sandy (JS) Linda Smith (LS)	Apologies:	David Evans Jenny Douglas
	Jessica Lichtenstein (JL)		

Item 1 – Welcome, apologies, and declarations of interest

1. DV welcomed the group noted apologies from David Evans and Jenny Douglas. There were no new declarations of interest. It was noted that the Head of Business Development and Improvement would be back from maternity leave on 2 February.

Item 2 – Minutes from last meeting

2. The committee noted the minutes from 24 October 2024 as an accurate record.

Item 3 – Action points and matters arising

3. Outstanding actions from the last meeting were discussed. JL noted that there had been a full review of all IT costs, and the billing had been accurate. The committee noted that the general IT costs had significantly increased, and they are keen to monitor. JL noted that she will explore again whether they are eligible for a Microsoft charities discount- UKPHR tried to get this last year and was unsuccessful as health charities are excluded. All other actions had been completed.

Action: JL/PJ to pursue Microsoft charity discount if possible

Item 4 – Q3 2-24/25 accounts

4. The committee reviewed the accounts up to 31 December 2024. Everything was generally as expected- the trend from last quarter regarding the spreading of income due to increased numbers of direct debits continues. This means that it looks like we're short on income as compared to what was originally budgeted, but it should catch up by the end of the year as our monthly direct debit income is higher than originally anticipated.
5. JL noted that predicted income relating to portfolio support hadn't materialised as it was predicted; this is likely due to the slowing down of development of programmes

due to the change in government. There is now an England-wide commitment to develop a national support offer which will involve UKPHR, so this income should be forthcoming next year.

6. Regarding expenses- IT costs continue to grow as more work moves online and we further develop Registration Online. We're looking at ways to reduce this, but it should still be affordable next year.
7. JL reminded the committee that these accounts are on a cash basis and would be adjusted to an accruals basis in the end of year accounts.
8. Reserves were approximately £113K at the end of quarter three. This is slightly below the 3-month target, and JL had notified the Board Chair and DV. This was an expected drop in reserves to account for the period prior to Practitioner Scheme invoices being paid. She confirmed that as of the date of the meeting, reserves were well above the target again. JS noted that the current reserves policy didn't indicate how a more significant drop in reserves should be handled. Financial risk is included in the risk register, but there is nothing in place in terms of reporting and control beyond the Board Chair and ARRC chair if reserves drop below the agreed threshold.

Action: JL to look into how more significant drops in reserves should be reported.

9. It was noted that 'new' registrant fees had been combined with the line item for 'renewals', indicating total income for registration fees. JL noted that work on financial reporting was ongoing, and she hoped to be able to separate out these line items in the future.

Item 5 – Fees for 2025/26

10. JL presented some financial projections to support proposals for fees for the next financial year. Detailed work on the next budget hadn't yet been completed, but estimated income and expenditure were presented based on trends from the previous year and 'knowns' for the following year. She noted that these figures may change for the budget discussion in March/April.
11. In 2023 a 2-year incremental fee rise programme was implemented, after a period of no fee rises before 2019. The uplift went smoothly. However, UKPHR did have a deficit in its budget for 2024/25. There are no obvious areas for savings that could be made if the UKPHR is to continue to deliver its strategy. So, the ARRC agreed that increasing income to ensure no future budget deficit needed to be the focus. That said, there will be a conversation regarding the future of the office, and a longer-term financial strategy at an upcoming Board strategy day. There were a few suggestions for topics to address during the strategy day:

- a. Facilities and associated costs (ie IT, meeting rooms, etc) as well as perceptions of UKPHR as a regulator without an office
 - b. Consideration of whether PSA accreditation is essential, as it is a significant cost; is there an alternative?
 - c. Can other locations besides Birmingham be considered?
12. There was agreement that affordability was key for practitioner registrants. There isn't evidence that significant numbers of registrants are leaving the register because of cost, but this is something we need to be sensitive to. It was agreed that specialist registrants needed to retain fee levels below the GMC. UKPHR will also need to be very clear in communication with registrants about how fees are used to meet the objectives of the strategy.
13. JL presented a very draft budget, based on mid-range registration fee increase projections, across-the-board practitioner scheme increases, and more significant SRbPA route increases. The proposed budget had a surplus of approximately £5K.
14. Portfolio fees have historically been very low and didn't come close to covering the cost associated with it (mainly salary for a FT administrator and moderation costs). Fees were bumped up two years ago, but compared to GMC costs (£1870 for first assessment and £812 for each review) are still very low- UKPHR charges less than half this for a comparable process. It was agreed that we need to move towards a situation where registration fees are not subsidising these costs and generally there was support for a more significant rise this year. It was particularly noted that we should be charging for each review (up to 3 reviews have always been offered at no charge) as there could be significant costs associated with reviews. As a successful application unlocks a higher level of salary, it was agreed that a more significant increase is reasonable. JL also noted that a major review of the guidance had been done; hopefully this makes it easier for applicants to use and to submit a better application the first time- hopefully reducing the number of reviews.
15. JS noted it is essential that the UKPHR communicates appropriately regarding these changes in fees, and outlines some of the key points made by the ARRC, particularly regarding improvements to the process and guidance.
16. The discussion moved on to registration fees. The ARRC were presented with three potential fee rise options, with budgetary impact of each. For specialists, it was agreed that fee rises were essential to ensure a balanced budget and to fund our strategic aims. However, there is intention to keep fees below what the GMC charges doctors. It was noted that numbers of specialists won't change significantly but that CCT figures would be obtained from the Faculty of Public Health. A very small increase due to portfolio registrants is also expected.

17. Regarding practitioners- there is an assumption that numbers will continue to slowly grow. However, we need to be careful about fee rises and ensuring that registration is affordable.
18. Some questions were raised that could be useful to discuss at a financial strategy discussion:
- a. Can we separate out costs for each level of registration, or is this too complex because of the small team/the fact that everyone works across registration categories
 - b. Are there other income streams that can be pursued (keeping in mind that funds are likely required to unlock these)
 - c. Do we want to cap fees at a certain level/or do we accept that we need to continuously raise them according to inflation/cost rises? Do we want to agree a longer-term plan for fees ie a small percentage rise every year?
19. Overall there was agreement that the budget needs to be balanced and that fees need to be increased. They felt that the middle proposal- ie 5.5% for specialists and 4.5% for practitioners were reasonable to propose to the Board.

Action: JL to draft proposal to Board that includes a SRbPA fee above what was proposed, including charging for each review.

Action: proposal for Board to endorse a 5.5% fee rise for specialists and potentially a 4.5% rise for practitioners, although a number of options should still be presented.

20. JL noted that the practitioner scheme fees would also rise; a 5-6% overall rise will be proposed to the Board. It was noted that scheme fees were likely set quite low at the time (pre-2019) as schemes weren't yet established and we were working to encourage the development of schemes. We're in a different place now with established and centrally funded schemes. The ARRC agreed that an increase was appropriate and would contribute to balancing the budget, and relatively low risk.
21. The ARRC discussed whether a formal consultation should be circulated before fees are implemented. It was noted that as a non-statutory regulator UKPHR is not under an obligation to consult, but it is best practice. Last time we consulted with only a 4% response rate, and these types of consultations will normally be overwhelmingly against fee rises. It was agreed that a carefully constructed communication is preferable, where we explain the rises and outline what we're spending and how we're working to improve and expand registration for the broader system and for registrants, and note the financial strategy. Registrants should be invited to comment by emailing UKPHR. It was noted that the reduced fees policy is in effect.

Action: communication regarding fees increases should include an invitation

Item 6 – Risk Register

22. JL talked through the updates on the risk register. The appeal had been successfully dismissed, so the risk of increased expenses has decreased. She also noted that the new Good Public Health Practice user guide had been published and had good feedback. Regarding government developments- a new permanent public health workforce team had been established and was working on a strategy; UKPHR is contributing to the discussion. This is positive but doesn't yet downgrade the related risk regarding changes to public health workforce leadership and strategy.
23. The local authority financial crisis was raised, and the fact that public health teams may be merged. It was also noted that the government is talking about prevention in the context of the NHS, rather than through LAs. The impact on UKPHR is still uncertain.

Action: To add uncertainty around LA/NHS changes and impact to be added to risk register.

Action: To add a risk register deep dive to the ARRC agenda for the May meeting.

Item 7 – any other business

24. JL stated that there was at least one appropriate candidate to fill the Specialist Board vacancy. It was also noted that the new FPHP President Tracey Daszkiewicz is a UKPHR registrant, with Zafar Iqbal former UKPHR Registrar in the Vice President role.

Item 8 – Next meeting 20 March 2025