

Council, 7 December 2016

Finance Report

Executive summary and recommendations

Introduction

This report provides the Council with an update into the work of the Finance Department in October. Areas from the report to highlight are as follows:

- The month 6 reforecast (see point 8 in Appendix 1) show Fitness to Practise costs exceeding the original budget, as a result of increases in the volume and complexity of hearings relative to the budget, and additional resources that have been allocated to the FTP directorate to contribute to ensuring the effective progression of cases. The FTP overspend is offset by underspends on Major Projects and in other departments. International scrutiny fees income is ahead of budget with an offsetting overspend on international assessor fees within the Registration department.
- This continues the trend seen since the month 3 management accounts. The reforecast indicates a small surplus for the year, compared to the small (£0.3m) deficit in the original budget.
- The Finance department work plan is on track. See point 9 in Appendix 1.

Decision

The Council is asked to discuss the Finance report.

Appendices

Appendix 1: Finance Narrative Report

Appendix 2: Finance Management Information Pack

Date of paper

24 November 2016

Appendix 1

Finance Department Narrative Report
Andy Gillies, Finance Director
November 2016

1. Core processes

There have been no significant issues with collection of income from registrants or payments to partners or suppliers. We are now proactively paying partners in all areas. In October we started the implementation of direct payment for FTP partners: there are some queries from partners and some issues that we are working on with FTP managers, but overall the new process looks to be on track to deliver the expected benefits.

The month 6 reforecast process began in October and concluded in November, and the results are reported at point 8 below. The budget setting process starts in December.

2. Projects

The PCI DSS consultant returned in October to clarify findings and recommendations on our compliance with the updated Payment Card Industry Data Security Standard. We have received an updated findings report which is being reviewed.

3. Treasury

At the end of October 2016, we had total cash and deposits of £19.37m, of which £10.87m is held in fixed term deposits (see table below) and £8.50m is in instant access accounts. The interest rate on our main instant access account has now been reduced to 0.25%. In November we placed a further £1.5m on deposit with Lloyds for 24 months at 1.1%.

Bank	Deposit amount £m	Term Months	Maturity date	Interest rate %
Barclays	1.00	24	19 December 2016	1.06
Santander	2.02	24	10 March 2017	1.20
Barclays	1.05	12	3 April 2017	0.95
Barclays	2.00	24	19 June 2017	1.12
Santander	2.00	24	22 December 2017	1.50
Lloyds	1.50	24	3 April 2018	1.35
Lloyds	1.30	24	13 July 2018	1.45
Total	10.87			

All of the banks we use meet the minimum credit rating in the investment policy.

4. Procurement

Current and planned procurement activity is outlined below.

Service	Procurement route	Approx value incl VAT	Status
Refurbishment of 186 Kennington Park Road (front and middle sections)	Invitation to tender	£1.35m plus VAT	Pre qualification questionnaire issued 12 September, 13 responses received. ITT to be issued to 5 shortlisted suppliers in November, with responses due and evaluation in December.
External hosting	GCloud framework agreement	£263k	Contract signed by the Chief Executive with the approval of the Chair
Microsoft software licencing	Cloud Transformation Agreement (government pricing framework)	£135k	Contract signed by the Director of IT with the approval of the Chair and Chief Executive
Gas and electricity contracts	Framework agreements (one framework for gas, and one for electricity)	£100k-£120k a year on gas and electricity in aggregate	Contract signed by Chief Exec with the approval of the Chair. Now in process of terminating existing contracts and transferring to framework supplier. Expected savings in the first year up to of 35% of current spend
FTP and Comms printing services	Likely to be framework agreement	£0.25m a year	The framework agreement under which we have contracted for registrant printing and mailing expired 30-4-16. The replacement agreement (RM3781) began on 26 October. Work will start in Q3 with FTP and Comms departments on drawing up our specification ready for the tender
Facilities contracts (cleaning, maintenance, confidential waste etc)	Likely to be framework agreement(s)	£100k-£150k a year	We will work with the Office Services department in Q3 to identify services that can (or must, in order to be compliant) be migrated to the government facilities management framework

5. Audits

The NAO's plan for the 2016-17 audit was presented to the Audit Committee on 22 November.

Grant Thornton have completed three further audits from their 2016-17 programme, which were presented to the Audit Committee on 22 November.

6. Staffing

No issues to report.

7. Management Accounts for the 7 months ending 31 October 2016

Income and expenditure

Year to date results are now compared to the year to date forecast instead of the original budget. This means that there is zero variance after 6 months, and the total variance reported for month 7 onwards arises only from differences between actual and forecast accumulating from month 7 onwards. As a result variances are much smaller in percentage and absolute terms than were reported in the month 5 management accounts, presented to the Council's September meeting.

The month 7 management accounts show an operating surplus for the year to date of £224k, compared to a forecast surplus of £58k.

Income after seven months is £29k / 0.2% ahead of forecast.

Expenditure is £137k / 0.8% under forecast overall. Finance is £28k / 6.5% over forecast, HR is £27k / 7.3% under forecast, Major Projects is £13k / 8.5% under forecast and Registration is £91k / 4.1% under forecast, all due to timing differences. Other departments are within +/-2% of their forecasts. Detailed variance commentary by department is included in Appendix 2.

Balance sheet and cash flow

The cash balance at 31 October was £19.37m. There has been a net cash inflow of £1.75m year to date, compared to forecasted cash inflow of £0.9m, so the cash balance is £0.85m ahead of forecast. This is mainly because actual cash receipts from registrants were £0.74m better than forecast in October. Most of this relates to receipts from social workers, who are currently in renewal. Therefore much of the £0.74m difference is likely to be a timing difference which may at least partly reverse in November's management accounts.

8. Month 6 reforecast

The month 6 reforecast indicates that overall income and expenditure are broadly in line with the original budget for 2016-17. The budget showed a deficit of £298km and the reforecast shows a deficit of £135k. Budget holders will update forecasts in January, based on 9 months' actual spend.

Income

- Income is now forecast to be £31.6m for the year, compared to £31.1m originally budgeted. This is an increase of £518k or 2%. The income forecast was generated from the revised registrant numbers forecast, recalculating the income for the second 6 months of the year, which is added to the actual income for the first 6 months.
- The registrant numbers reforecast uplifts international applications for the second 6 months of the year, based on the high rates of international applications experienced in the first 6 months, and this leads to an increase in forecast international scrutiny fee income to £2m, £449k over the original budget. There is a corresponding overspend within the Registration department on international assessor fees.

Operating costs

Total operating costs are forecast to be £31.9m, up from £31.4m budgeted. Within that total, the main departmental variances are:

- Fitness to Practise department is forecasting to spend £1.16m / 9% more than originally budgeted. This is mainly due to:
 - £598k over spend on panel costs due to additional days of hearings and increase in the complexity and volume of hearings compared to budget assumptions, and action taken to maximise hearing throughput during 2016-17
 - £254k over spend on payroll costs, which includes additional resources to maximise hearing throughput and maternity leave costs in the second half of the year
 - £180k over spend in public law costs due to additional High Court activities
- The Registrations department is forecasting £245k / 7% more than originally budgeted, due to the high volume of international applications experienced in the year noted above in relation to the income forecast, which pushes international assessors' fees £264k over budget
- The Major Projects department is forecasting to spend £364k / 27% less than budget, this is mainly caused by a £279k under spend in Registration Transformation project due to the delay in the expected completion of phase one to April 2017. The original budget assumed phase one would complete and the second phase would start within this financial year
- The Operations department is forecasting to spend £123k / 15% less than original budget. The budget included one vacant and one additional project manager posts which have not been filled, leading to an £82k under spend on staff costs. The budget also included £35k for legal costs which has not been required so far and is forecast to be underspent.
- Depreciation is now forecast to be £59k / 7% over budget. The original budget did not allow for the depreciation of the new HR system, which starts when the system comes into use in November.

Investment income

- Investment income (bank deposit interest) is not included in the original budget, but is included in the reforecast, based on the interest received year to date and the amounts due for the second half of the year from current deposits.

Capital expenditure, cash flow and balance sheet

- Forecasted capital expenditure on major projects is expected to be £1,042k less than budget. £217k is due to the delay in the Registration Transformation project referred to above. The 186 KPR refurbishment project and the Website Review and Build project have also slipped relative to the timetable assumed within the original budget leading to underspends of £278k and £300k respectively
- Forecast cash receipts are generated from the 5 year plan model, with updated registrant numbers. The deferred income balance movements are the difference between cash receipts and forecast income receivable each month
- The forecast year end cash balance is just over £18m, and the forecast year end deferred income balance is £20.1m, which shows that all of our cash balance is the result of the requirement for registrants to pay at least six months in advance
- The forecast balance sheet does not include any revaluation of freehold property, but we will have to revalue the freehold properties within the statutory accounts, as in previous years.

9. Progress against the Finance Department work plan 2016-17

Objective	Summary of progress to date
1. Effective day-to-day performance of our business as usual operational processes	See point 1 above.
2. Support the implementation of the new procurement policy and procedures	See point 4 above.
3. Develop the Five Year Plan model	We have worked with the BPI department and Grant Thornton to simplify and improve the registrant numbers module, and we are working with FTP to develop the FTP module, integrating it with FTP's resource planning and management information systems.

Objective	Summary of progress to date
4. Continue work to ensure full realisation of the benefits of the upgraded accounting and purchase ordering systems	Bugs in the current version of the purchase ordering system are limiting the benefits of the 2015 accounting system upgrade. We plan to address those through a further upgrade in 2017-18. Meanwhile, we have continued with other initiatives to improve processes, including direct payment to partners, and recording FTP and Education case numbers within the accounting system, to remove or reduce the need for off line parallel systems to track costs.
5. Complete the PCI DSS project	See point 2 above.
6. Support the Registration Transformation project	Phase 1 of the Registration Transformation project, the building of an online CPD system, does not impact on registrant fee income. Finance will be more extensively involved in supporting phase 2.
7. Review our payroll processes and provider, working with HR	The contracted out payroll bureau service is transferring to the supplier of the HR system, so as to benefit from integration of HR and payroll data and processes. The new service is being tested via a parallel run in November with go live planned for December. HR and Finance are working together to design new processes and controls.
8. Retender our banking and credit card services	Work has started on retender of the credit card services.
9. Formalise the finance strategy	The draft Finance Department strategy is on the agenda for the Council's December meeting.

Management Accounts

31 October 2016

Andy Gillies, Finance Director

Variance Commentary

					October -16 Comments (Actuals vs 2016-17 Budget)		September -16 Comments (Actuals vs 2016-17 Budget)	
Department	Movement YTD	M6 Forecast YTD	Budget Variance	Budget Var %	Variations by Income Type	Variations by Profession	Variations by Income Type	Variations by Profession
Total Income	18,091,040	18,062,437	28,603	0.2	On Target	On Target	Overall income was in line with the budget, with a positive variance of 2.2%. This is mainly caused by increase in the number of international applicants which resulted a favourable variance of £213k against budget. In the first 6 months of the year, 1,942 international applications were received and 2,079 were registered (figure includes application receive in the previous financial year), compared to annual forecasted figures of 3,548 received and 2,617 registered. This favourable variance is netted off by variances in Readmission fees (£20k) which is below budget. Renewal fee and UK scrutiny fees were £142k higher compared to budget.	Variance within income is mainly caused by favourable variance from social workers (£194k) - as social workers are currently in the renewal process, it's too early to conclude on the overall results of the renewal. Radiographers (£86k), Paramedics (£53k) and Operating Department Practitioners (£17k) also have favourable variances to budget. This is netted off by adverse variance to budget from Bio-medical scientists (£34k).
EXPENDITURE								
Department	Movement YTD	M6 Forecast YTD	Variance v Budget	Variance v Budget %	Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
Chair	72,698	72,350	(348)	(0.5)		On Target		On Target
Chief Executive	219,147	222,559	3,412	1.5	On Target	On Target	On Target	On Target
Council	89,832	91,486	1,654	1.8		On Target		On Target
Communications	657,898	674,036	16,138	2.4	On Target	On Target	On Target	£38k underspend on 'Meet the HCPC' events due to phasing - will be reforecast at 6 months. £41k underspend on Web mainly due to the delayed start of the intranet project set up - will be looad at during the 6 month reforecast. £18k overspend on Internal Communications due to phasing and costs budgeted in previous financial year. This should be reversed with underspend on all employee away day & will be corrected during 6 month reforecast.
Education	619,036	620,283	1,247	0.2	On Target	On Target	On Target	£14k under spend on approvals as there were 36% less visits than budget YTD. (28 vs 18 visits). £19k under spend on partner travel, accommodation & subsistence as the costs are linked to approvals. £9k overspend on major change as there have been 96% more submissions than budget YTD. (57 vs 112 cases). £16k underspend on training due to phasing of budget.
Facilities Management	1,345,340	1,365,512	20,172	1.5	On Target	On Target	On Target	Under spend of £25k in electricity mainly due to timing differences, where invoices are received one month in arrears. Also due to lack of historical consumption data for 405 Kennington Road, there have been differences between budgeted costs and actual consumptions. This will be reviewed during the 6 month reforecast. £27k under spend on Rent due to phasing of the budget for 405 Kennington Road, where rent expenses are budgeted quarterly. This will be adjusted during the 6 month reforecast. £32k under spend on maintenance contracts mainly due to less maintenance need in 405 Ken than anticipated. Also there was a reversal of an annual PO which caused the actual spend to appear low. £26k under spend in security due to less requirement for additional security for FTP cases. £25k under spend on stationery due to saving made from change of suppliers, cost may increase later in the year once stock held by each department delete. Under spend in other areas are caused by phasing of budget, which will be corrected in 6 month reforecast.

Variance Commentary

Department	Movement YTD	M6 Forecast YTD	Variance v Budget	Variance v Budget %	October -16 Comments (Actuals vs 2016-17 Budget)		September -16 Comments (Actuals vs 2016-17 Budget)	
					Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
Finance	456,754	429,074	(27,680)	(6.5)	On Target	£25k overspend on Internal Audit which is a timing difference. Three audits were progressed and billed in October but the forecast anticipated the costs from November onwards	On Target	Non-payroll costs net £59k underspent, but this includes c£40k timing differences that should reverse later in year £18k underspend on other professional fees and procurement legal advice partly due to phasing. Work carried out by Grant Thornton on 5 year plan, and by BDB on proforma contracts, but not yet billed. Further work may be commissioned. £22k underspend on internal audit wholly due to phasing. Work underway in October, full programme still expected to be completed in year. £15k underspend on bank charges is mainly phasing - last month's bank charges not accrued, and charges expected to be higher in Q3 due to SW renewal. £8k permanent overspend on insurance. Did not budget for increase in premium due to claims and increase in insurance premium tax rate
Fitness to Practise	8,489,896	8,490,556	661	0.0	On Target	On Target	On Target	£67k underspend on FTP staff which reflects the higher number of vacancies within the department than originally anticipated. £165k overspend on FTP temps higher than expected vacancies have resulted in a higher than originally forecast number of temps. It is anticipated that the spend on temporary staff will be higher than originally forecast to ensure forecast activity continues without delay. However, we expect the size of the variance to reduce as permanent vacancies are filled. £92k underspend on ADJ staff which reflects the higher number of vacancies within the adj function than originally anticipated. This is netted off with the £92k overspend in temporary staff costs.
Human Resources	339,521	366,188	26,667	7.3	£23k underspend on staff recruitment, which is a timing difference	On Target	On Target	£34k under spend in staff recruitment, of which £8k was due to reversal of annual PO from accruals. Overall under spend was resulted from more staff getting recruited internally and through company website than recruitment agency. Delay in FTP permanent staff recruitment also contributes to this. £21k reimbursement from insurance company relating to solicitor defence cost for employment tribunal
Human Resources Partners	189,288	183,145	(6,143)	(3.4)	On Target	On Target	On Target	£17k under spend in other professional fees and pension administration due timing of invoices. £25k under spend in legal expenses due to less legal advice required than anticipated. £17k under spend in organisational training due to timing of training events.
IT Department	1,133,693	1,127,919	(5,773)	(0.5)	On Target	On Target	On Target	£11k under spend in partner recruitment and interviews due to phasing, higher costs is expected for January, when a large recruitment campaign is planned. £25k under spend in partner training as most training events are expected in October, November and December (4,3,2 events planned respectively). Partner travel/accommodation/subsistence due to phasing of the training and recruitment events. £55k under spend on general software support and maintenance due to delays in delivery of Major projects into support which will be rectified at the 6 month reforecast and phasing. This is netted off with the over spending in small project costs of £10k, which was mainly due to the upgrade of work mobile phones.

Variance Commentary

Department	Movement YTD	M6 Forecast YTD	Variance v Budget	Variance v Budget %	October -16 Comments (Actuals vs 2016-17 Budget)		September -16 Comments (Actuals vs 2016-17 Budget)	
					Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
Major Projects	134,418	146,977	12,559	8.5	On Target	On Target	£55k under spend due delays and under spend in several projects, see comments on the right.	<p>£89k underspend on HR and Partners is mainly due to withholding payment of £47k from the contractor until certain work satisfactorily completed. Also no legal advice is required as anticipated, resulting in savings of £20k. In addition, £13k of contingency spend was yet to be used.</p> <p>£145k underspend on Registration Transformation project due to delays currently being experienced on both the development of the portal and the overall architecture build. As a result, anticipated costs for legal, SMS service, licensing and hosting were yet to be spend. £61k contingency spend was also untouched.</p> <p>£95k underspend on Tribunal Service due to delay in the project to allow for introductory papers to be approved by Council. Work has commenced on the website and recruiting committee. Costs are to be seen from October onwards.</p> <p>£50k underspend on PCI DSS is slippage from original timetable. New cost predictions will be available in 3 months time.</p> <p>£446k underspend on 186 KPR Refurbishment project due to delays in start date and change of scope. This project has now started, with design plans submitted to Lambeth planning department and contractor tenders started in September. Budget will be adjusted during the 6 month reforecast process.</p>
Operations Office	356,406	358,400	1,994	0.6	On Target	On Target	£46k under spend in payroll due to vacancies in the department for both permanent and temporary roles.	<p>£18k underspend on public law due to phasing.</p> <p>£20k underspend on Information Security due to CBT training invoice for Bob's Business yet to come in.</p> <p>£13k underspend on disaster recovery plan partly due to over accrual in 2015-16. £12k annual invoice for disaster recovery plan has been prepaid and apportioned over the 2016/17 financial year.</p>
Policy	235,546	235,481	(65)	(0.0)	On Target	On Target	On Target	On Target
Registration	2,158,797	2,250,635	91,838	4.1	On Target	£71k under spend in Printing and postage costs due to timing difference for supplier invoices.	On Target	<p>£80k under spend in Printing and postage costs due to phasing differences, this will be corrected in the 6 month reforecast</p> <p>£219k overspend on International Assessors Fees due to the volume of assessments submitted (£88k fees in period 5).</p>
Secretariat	130,753	131,108	355	0.3	On Target	On Target	On Target	On Target
Depreciation	472,975	472,978	3	0.0		On Target		On Target
PSA levy	858,973	858,973	1,027	0.1		On Target		On Target
Total expenditure	17,960,971	18,097,662	137,718	0.8				

Income and Expenditure

31 October 2016

	Period 7	Year to date				Full Year Forecast (M6)	Full Year Budget
	Actual	Actual	M6 Reforecast	Variance	Variance %		
Income by Activity							
Graduate Registration Fees	149,673	976,661	984,597	(7,936)	(0.8)	1,714,821	1,693,787
Readmission Fees	14,445	132,825	133,293	(468)	(0.4)	342,637	356,752
Renewal Fees	2,207,558	15,171,563	15,125,491	46,072	0.3	26,505,656	26,536,000
International Scrutiny Fees	155,430	1,066,545	1,075,444	(8,899)	(0.8)	1,993,487	1,544,684
UK Scrutiny Fees	118,566	743,627	743,792	(165)	(0.0)	1,053,115	959,823
Registration Income	2,645,672	18,091,220	18,062,617	28,603	0.2	31,609,716	31,091,046
Cheque/credit card write offs	0	(180)	(180)	(0)	0.0	(180)	0
Total Income	2,645,672	18,091,040	18,062,437	28,603	0.2	31,609,536	31,091,046
Chair	1,398	72,698	72,350	(348)	(0.5)	95,948	96,999
Chief Executive	22,494	219,147	222,559	3,412	1.5	1,244,039	379,573
Council & Committee	13,905	89,832	91,486	1,654	1.8	181,262	222,963
Communications	75,614	657,898	674,036	16,138	2.4	1,240,078	1,285,841
Education	85,290	619,036	620,283	1,247	0.2	1,139,502	1,229,017
Facilities Management	201,763	1,345,340	1,365,512	20,172	1.5	2,715,647	2,710,638
Finance	95,117	456,754	429,074	(27,680)	(6.5)	804,331	856,356
Fitness to Practise	1,283,839	8,489,896	8,490,556	661	0.0	14,513,281	13,351,668
Human Resources	38,215	339,521	366,188	26,667	7.3	835,178	900,693
Human Resources Partners	62,468	189,288	183,145	(6,143)	(3.4)	330,537	379,757
IT Department	148,700	1,133,693	1,127,919	(5,773)	(0.5)	1,944,830	2,026,822
Major Projects	15,630	134,418	146,977	12,559	8.5	993,232	1,357,298
Operations Office	48,150	356,406	358,400	1,994	0.6	671,121	794,171
Policy	21,335	235,546	235,481	(65)	(0.0)	403,720	451,531
Registration	244,848	2,158,797	2,250,635	91,838	4.1	3,692,163	3,446,833
Secretariat	14,794	130,753	131,108	355	0.3	237,191	242,828
Depreciation	67,028	472,975	472,978	3	0.0	855,353	796,319
PSA Levy		858,973	858,973	0	0.0	0	860,000
Operating expenditure	2,440,589	17,960,971	18,097,662	136,691	0.8	31,897,415	31,389,307
Operating surplus/(deficit)	205,084	130,069	(35,224)	165,294	(469)	(287,879)	(298,261)
Other income							
Investment Income	13,515	94,195	93,332	863	0.9	152,420	0
	13,515	94,195	93,332	863	0.9	152,420	0
Total surplus/(deficit)	218,599	224,264	58,108	166,156	286	(135,459)	(298,261)

Payroll costs

31 October 2016

	Period 7	Year to date				Full Year Forecast	Full Year Budget
	Actual	Actual	M6 Reforecast	Variance	Variance %		
Chief Executive	20,935	151,550	152,050	500	0.3	292,565	288,873
Communications	56,078	392,386	391,878	(508)	(0.1)	664,728	654,841
Education	68,698	509,548	512,304	2,756	0.5	877,141	904,734
Facilities Management	29,114	173,697	173,083	(614)	(0.4)	315,583	327,464
Finance	40,361	293,570	293,685	115	0.0	496,717	526,877
Fitness to Practise	359,256	2,403,505	2,403,505	0	0.0	4,353,931	4,099,815
Human Resources	24,928	252,977	275,721	22,744	8.2	559,821	597,553
Human Resources Partners	9,991	71,405	71,661	255	0.4	124,968	132,760
IT Department	55,837	391,601	385,192	(6,409)	(1.7)	665,447	654,953
Major Projects	13,699	96,487	98,522	2,036	2.1	197,978	259,797
Operations Office	43,967	313,198	312,912	(287)	(0.1)	531,313	613,689
Policy	19,444	150,771	150,705	(66)	(0.0)	264,538	284,987
Registration	183,985	1,203,589	1,222,679	19,089	1.6	2,135,395	2,101,744
Secretariat	13,030	117,400	117,297	(104)	(0.1)	207,314	201,393
Payroll costs	939,322	6,521,685	6,561,193	39,508	0.6	11,687,437	11,649,479

Non-payroll costs

31 October 2016

	Period 7	Year to date				Full year	
	Actual	Actual	M6 Reforecast	Variance	Variance %	Full Year Forecast (M6)	Full Year Budget
Chair	1,398	72,698	72,350	(348)	(0.5)	95,948	96,999
Chief Executive	1,560	67,597	70,509	2,912	4.1	951,473	90,700
Council & Committee	13,905	89,832	91,486	1,654	1.8	181,262	222,963
Communications	19,535	265,511	282,158	16,647	5.9	575,350	631,000
Education	16,592	109,488	107,979	(1,509)	(1.4)	262,361	324,282
Facilities Management	172,648	1,171,643	1,192,429	20,786	1.7	2,400,064	2,383,174
Finance	54,756	163,184	135,389	(27,795)	(20.5)	307,614	329,480
Fitness to Practise	924,584	6,086,391	6,087,051	661	0.0	10,159,350	9,251,854
Human Resources	13,287	86,545	90,468	3,923	4.3	275,358	303,140
Human Resources Partners	52,477	117,883	111,485	(6,398)	(5.7)	205,570	246,997
IT Department	92,863	742,092	742,727	636	0.1	1,279,383	1,371,868
Major Projects	1,931	37,931	48,454	10,523	21.7	795,254	1,097,501
Operations Office	4,183	43,208	45,488	2,281	5.0	139,809	171,482
Policy	1,891	84,775	84,776	1	0.0	139,183	166,544
Registration	60,864	955,207	1,027,957	72,749	7.1	1,556,769	1,345,090
Secretariat	1,764	13,353	13,812	459	3.3	29,877	41,435
PSA Levy		858,973	858,973	0	0.0	0	860,000
Non-payroll costs	1,434,239	10,966,311	11,063,491	97,180	0.9	19,354,624	18,934,508

Income by profession

31 October 2016

	Period 7	Year to date				Full year	
	Actual	Actual	M6 Forecast	Variance	Variance %	M6 Forecast	Budget
Arts Therapists	32,744	197,503	196,378	1,125	0.6	333,848	339,938
Bio-medical Scientists	176,619	1,227,062	1,224,154	2,908	0.2	2,129,535	2,201,226
Chiropodists	99,883	659,065	657,698	1,367	0.2	1,134,634	1,155,974
Clinical Scientists	39,932	261,665	264,081	(2,416)	(0.9)	459,132	457,303
Dietitians	71,157	497,273	499,419	(2,146)	(0.4)	850,423	860,769
Hearing Aid Dispensers	19,954	125,746	124,856	889	0.7	214,829	214,345
Occupational Therapists	292,867	2,008,609	1,997,790	10,820	0.5	3,475,700	3,492,170
Operating Department Practitioners	88,449	606,528	606,949	(421)	(0.1)	1,084,097	1,067,825
Orthoptists	10,076	68,504	68,850	(346)	(0.5)	116,494	113,333
Paramedics	167,284	1,143,694	1,161,987	(18,293)	(1.6)	2,076,217	1,941,213
Physiotherapists	435,115	2,972,485	2,964,949	7,536	0.3	5,082,111	5,028,000
Practitioner Psychologists	177,722	1,092,541	1,090,102	2,439	0.2	1,867,382	1,835,850
Prosthetists & Orthotists	7,175	51,247	53,272	(2,025)	(3.8)	92,006	85,859
Radiographers	258,293	1,837,892	1,835,566	2,326	0.1	3,147,715	2,997,758
Social Workers	653,903	4,575,657	4,537,833	37,825	0.8	8,213,255	7,976,133
Speech & Language Therapists	114,500	765,750	778,735	(12,985)	(1.7)	1,332,338	1,323,350
Registration Income	2,645,672	18,091,220	18,062,617	28,603	0.2	31,609,716	31,091,047
Cheque/credit card adjustments	0	(180)	(180)	(0)			
Total income	2,645,672	18,091,040	18,062,437	28,603	0.2	31,609,716	31,091,047

Statement of Financial Position

31 October 2016

	Actual Period 7	M6 Forecast YTD	M6 Forecast 31 March 2017	Budget 31 March 2017	Actual 31 March 2016
Non-current assets					
Land & buildings, at cost or valuation	4,242,408	4,259,557	4,434,655		4,140,000
Land & buildings depreciation	(24,150)	(24,150)	(41,400)		(0)
	4,218,258	4,235,407	4,393,255		4,140,000
Computer equipment, at cost	482,449	482,449	511,615		462,322
Computer equipment depreciation	(344,519)	(344,519)	(380,530)		(287,301)
	137,930	137,929	131,085		175,021
Office furniture and equipment, at cost	990,101	990,101	990,101		992,861
Office equipment depreciation	(310,398)	(310,395)	(376,992)		(217,147)
	679,703	679,706	613,109		775,714
Intangible assets	6,935,292	6,954,268	7,684,867		6,559,098
Intangible depreciation	(5,494,541)	(5,494,545)	(5,757,063)		(5,196,184)
	1,440,751	1,459,723	1,927,804		1,362,914
Total non-current assets	6,476,642	6,512,765	7,065,253	7,957,000	6,453,649
Current assets					
Other current assets	711,926	778,509	1,648,889	758,000	1,597,897
Cash & cash equivalents	19,367,843	18,516,160	18,049,885	17,929,000	17,615,332
	20,079,769	19,294,669	19,698,774	18,687,000	19,213,229
Total assets	26,556,411	25,807,433	26,764,027	26,644,000	25,666,878
Current liabilities					
Trade and other payables	365,220	493,876	493,876	965,000	506,583
Other liabilities	1,768,991	1,798,748	1,798,748		1,900,927
Deferred income	19,738,320	18,997,084	20,147,245	22,730,000	18,799,751
	21,872,530	21,289,708	22,439,869	23,695,000	21,207,262
Total assets less liabilities	4,683,881	4,517,725	4,324,158	2,949,000	4,459,616
General fund b/fwd	(3,869,791)	(3,869,791)	(3,869,791)	(3,247,000)	(3,869,791)
Rev Res - Land & Building	(589,826)	(589,826)	(589,826)		(589,826)
This periods profit/loss	(224,264)	(58,108)	135,459	298,000	
General fund c/fwd	(4,683,881)	(4,517,725)	(4,324,158)	(2,949,000)	(4,459,616)

Projects

		Opex			Capex			Opex & Capex			Opex	Capex	Opex	Capex
		Actual YTD £	M6 Forecast 2016/17 YTD £	Variance £	Actual YTD £	M6 Forecast 2016/17 YTD £	Variance £	Actual YTD £	M6 Forecast 2016/17 YTD £	Variance £	M6 Forecast 2016/17 Full Year £	M6 Forecast 2016/17 Full Year £	Budget Full Year £	Budget Full Year £
HR and Partners Build	P78	44,814	45,145	331	65,217	88,652	23,435	110,031	133,797	23,767	162,289	339,313	165,838	304,003
Stakeholder Relationship Mgmt System	P80	0	0	0	0	0	0	0	0	0	0	0	21,906	0
Reg Transformation and Improvement	P85	56,738	56,579	(159)	239,919	254,439	14,519	296,657	311,017	14,361	224,206	532,718	503,481	850,226
Establishing the new Tribunal Service	P86	138	(882)	(1,020)	19,954	2,259	(17,695)	20,092	1,377	(18,715)	47,424	86,243	102,023	118,068
PCI/DSS	P87	1,772	917	(855)	0	0	0	1,772	917	(855)	25,917	0	50,000	0
HCPC website review and build	P90	0	0	0	0	0	0	0	0	0	41,095	85,223	30,333	385,156
Net Regulate Changes	P88	98	1,955	1,858	23,133	21,849	(1,284)	23,231	23,804	574	2,855	54,300	2,000	80,000
186 Kennington Park Road renovation	P89	9,369	21,773	12,404	102,460	119,609	17,149	111,829	141,382	29,553	467,956	294,707	464,967	573,031
Education System Build	P64	0	0	0	4,361	4,361	0	4,361	4,361	0	0	4,361	0	15,000
Telephone Credit Card Automation	P82	14,220	14,220	0	(996)	(996)	0	13,224	13,224	0	14,220	(996)	0	0
Fees Review 2015	P83	0	0	0	272	272	0	272	272	0	0	272	0	0
Kennington Road Fit Out	P84	212	212	(0)	0	0	0	212	212	(0)	212	0	0	0
FTP CMS Review (MP91)	CMS	0	0	0	0	0	0	0	0	0	0	0	16,750	98,850
Restack	Restack	7,057	7,057	0	(52)	(52)	0	7,005	7,005	0	7,057	(52)	0	13,955
		134,418	146,977	12,559	454,268	490,393	36,124	588,686	637,369	48,683	993,232	1,396,090	1,357,298	2,438,289

Capital expenditure

	Actual YTD £	M6 Forecast 2016/17 YTD £	Variance £	M6 Forecast 2016/17 Full Year £	Budget 2016/17 Full Year £
<u>Land & Buildings</u>	0	0	0	0	0
	0	0	0	0	0
<u>Information Technology</u>					
Software Licences	24,334	24,333	(1)	24,333	13,570
Office Furniture	(2,760)	(2,760)	0	(2,760)	
Hardware Replacement	20,127	20,127	0	49,294	70,000
	41,700	41,700	(1)	70,867	83,570
<u>Projects</u>					
Capital Expenditure	454,268	490,393	36,124	1,396,090	2,438,289
Total Capital Expenditure	495,969	532,093	36,124	1,466,957	2,521,859

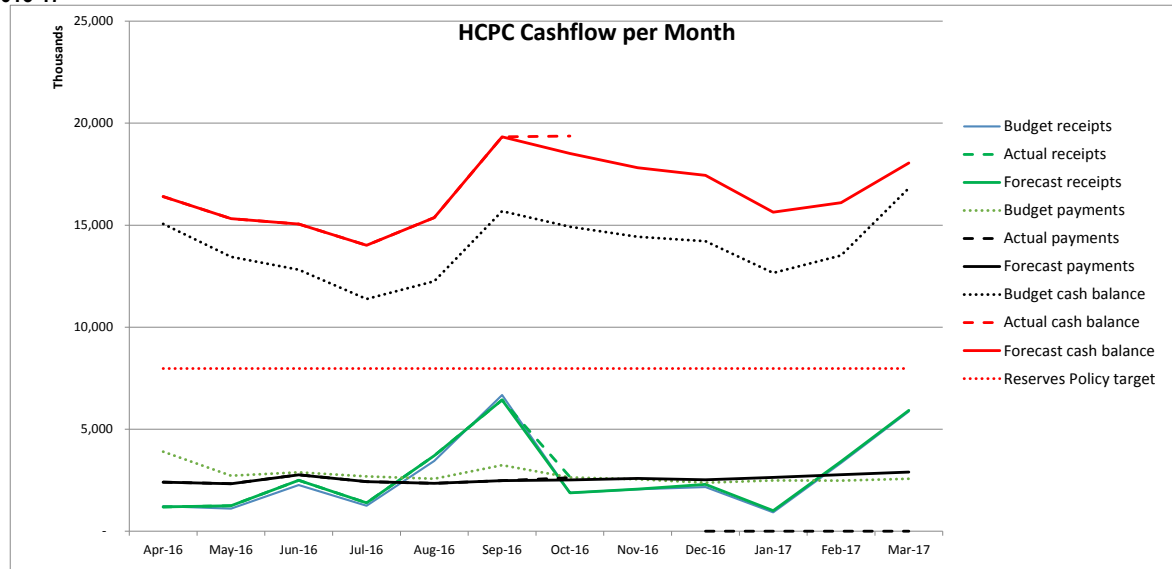
Cash flow statement

From 1 April 2016

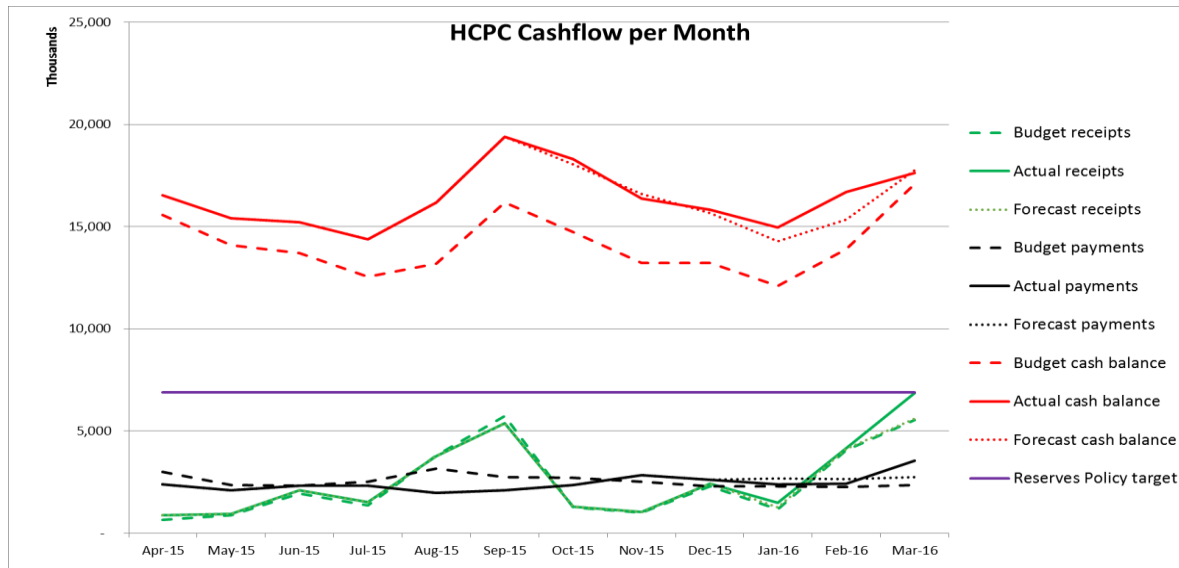
	Year to date actual £	Year to date M6 Forecast £	Full year M6 forecast £	Full year budget £
Operating surplus/(deficit)	130,069	(35,224)	(287,879)	(298,260)
Less: Depreciation	472,975	472,978	855,353	796,319
Decrease/(increase) in debtors & prepayments	885,971	819,388	(50,993)	
Increase/(decrease) in creditors	(273,300)	(114,887)	(114,887)	
(Decrease)/increase in deferred income	938,569	197,333	1,347,494	1,103,462
Net cash in/(out)flow from operating activities	2,154,284	1,339,588	1,749,089	1,601,521
Return on investments and servicing of finance				
Investment Income	94,195	93,332	152,420	
Capital expenditure and financial investments				
Purchase of Fixed Assets	(495,968)	(532,094)	(1,466,957)	(2,521,859)
Increase/(decrease) in cash	1,752,511	900,827	434,552	(920,338)
Cash at beginning of period	17,615,332	17,615,332	17,615,332	17,615,332
Cash at end of period	19,367,843	18,516,160	18,049,885	16,694,994
Cash movement	1,752,511	900,828	434,553	(920,338)

Graphs - Cashflow

2016-17

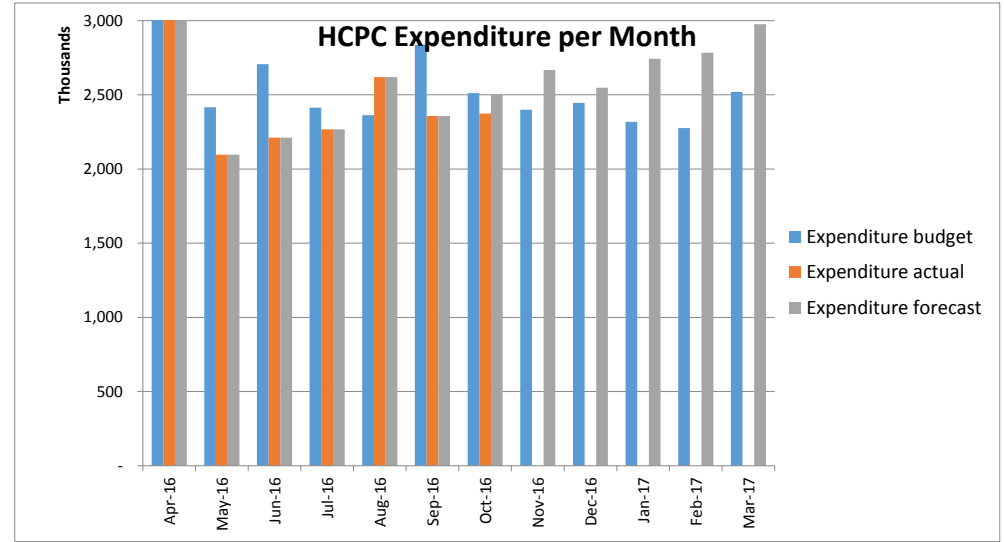
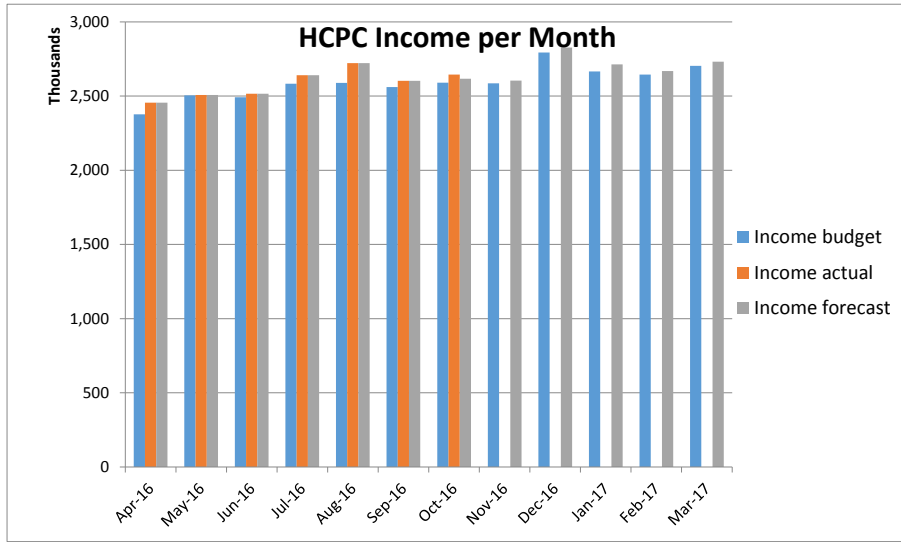


2015-16

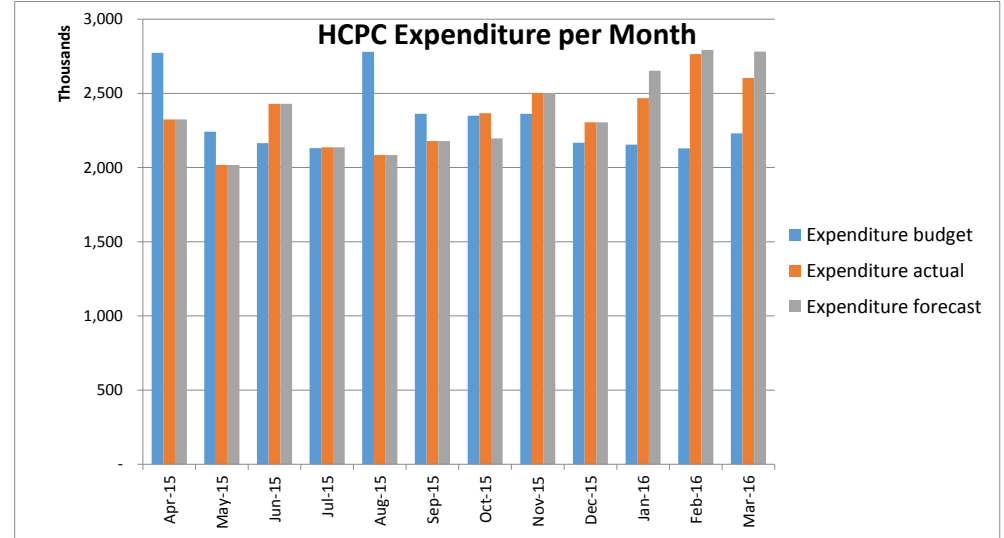
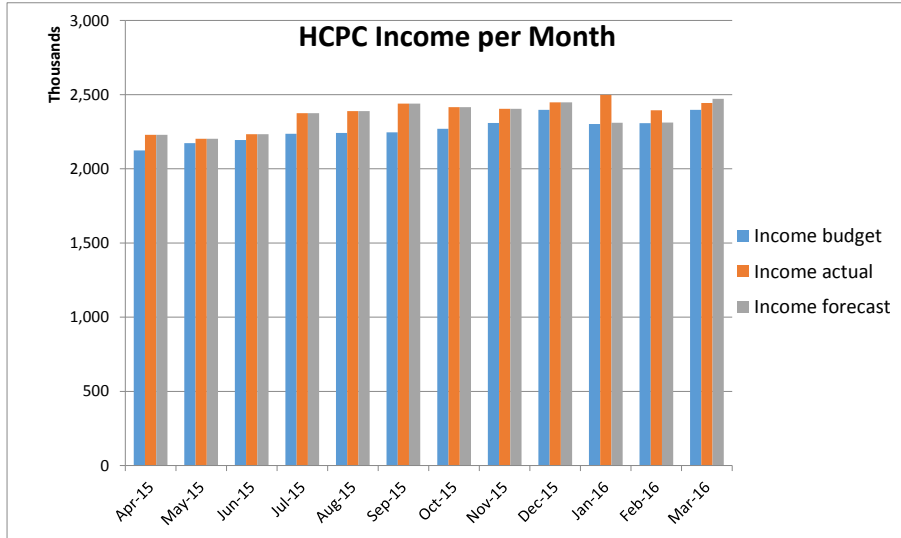


Graphs

2016-17

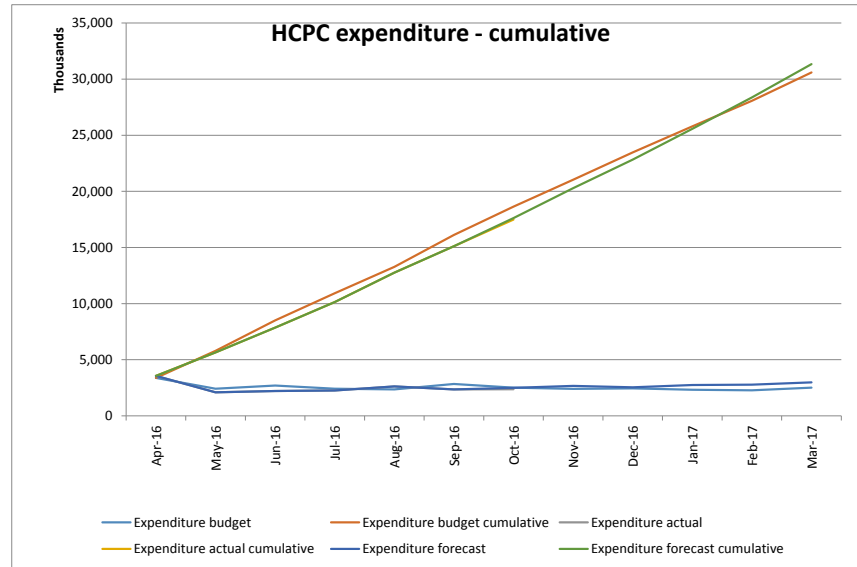
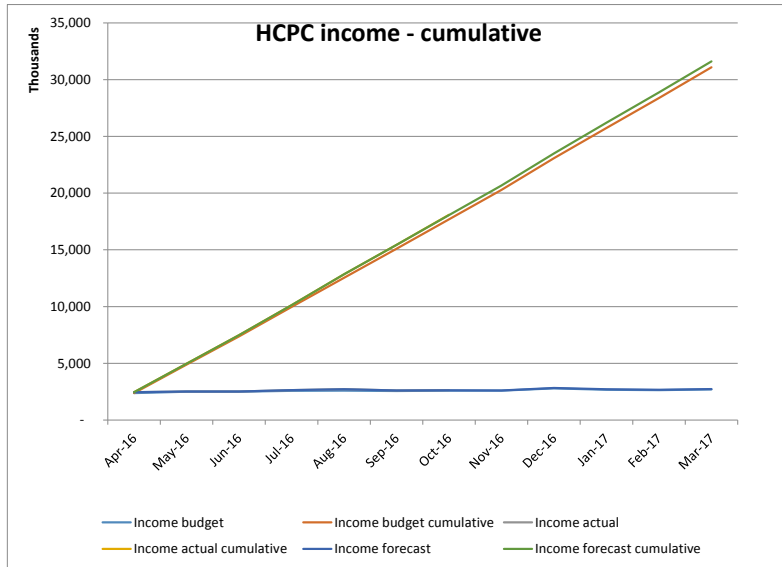


2015-16



Graphs - cumulative

2016-17



2015-16

