

Council, 24 May 2017

Finance Report

Executive summary and recommendations

**Introduction**

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

- Subject to audit, the final result for 2016-17 is a surplus of £228k (see point 7 in appendix 1)

**Decision**

Council is asked to discuss the Finance report.

**Appendices**

Appendix 1: Finance Narrative Report

Appendix 2: Month12 management accounts

**Date of paper**

15 May 2017

Appendix 1

## **Finance Department Narrative Report**

Andy Gillies, Finance Director

May 2017

## 1. Core processes

There have been no significant issues with collection of income from registrants or payments to partners or suppliers.

There was an issue with payroll causing underpayments to six employees in April. The underpayments have been corrected and the cause of the issue is being examined via a near miss report (see the Operations Department report).

## 2. Projects

In response to the consultant's report on our compliance with the updated Payment Card Industry Data Security Standard (PCI DSS) we have implemented a number of recommendations and agreed a timetable for the implementation of the remainder. We expect to be able to self certify our compliance with the standard during 2017-18.

## 3. Treasury

At the end of April 2017, we had total cash and deposits of £19.53m, of which £12.55m is held in fixed term deposits (see table below) and £6.98m is in instant access accounts. The interest rate on our main instant access account is 0.45%.

<b>Bank</b>	<b>Deposit amount £m</b>	<b>Term Months</b>	<b>Maturity date</b>	<b>Interest rate %</b>
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
Lloyds	1.50	24	3 November 2018	1.10
Lloyds	2.00	24	3 February 2019	1.10
Santander	2.25	24	10 March 2019	1.00
<b>Total</b>	<b>12.55</b>			

All of the above banks meet the minimum credit ratings in the investment policy. We also have £53k in instant access accounts with NatWest. NatWest's credit rating from Standard & Poor's is BBB+, whereas the investment policy requires a rating of at least A-. Subject to the discussion on investment policy at the May Council meeting, we will transfer the funds held at NatWest to another bank.

#### 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	£2.4m including VAT	Contractor has been selected and terms agreed, and preliminary work has started, but main contract not yet signed because of party wall issue. Contract expected to be signed in May by the Chief Executive with the approval of the Chair
FTP and Comms printing services	Framework agreement	£0.25m a year	Invitation to tender issued in April and responses now received. Work underway on evaluation. Contract award expected by end of May, with implementation starting in June
Facilities contracts (cleaning, maintenance, confidential waste etc)	Likely to be framework agreement(s)	£100k-£150k a year	We are working with the Office Services department to identify services that can (or must, in order to be compliant) be migrated to the government facilities management framework. Currently focusing on water, air conditioning and similar services, furniture and catering
Banking and merchant /card payment services	Framework agreement or use government banking service	£100k - £170k a year	Following notification from our bank of a proposed significant increase in charges, we are investigating alternative providers
Temporary staff	Framework agreement	£150k-£250k a year	Working with the HR department to review the suitability of the agreement

#### 5. Audits

The NAO's final audit runs from 15-26 May.

Grant Thornton are completing their 2016-17 programme at the June 2017 Audit Committee meeting, including a review of payroll.

## 6. Staffing

No issues to report.

## 7. Management Accounts for the 12 months ended 31 March 2017 (see Appendix 2)

### Income and expenditure

The month 12 management accounts show an operating surplus for the year of £228k, compared to a forecast surplus at month 9 of £48k and an originally budgeted deficit of £298k.

Income almost exactly matches the month 9 forecast. Total income was £357k / 1% ahead of the original budget, because of higher than expected international applications.

Total operating expenditure is £207k / 0.7% under the month 9 forecast overall, and almost exactly matches the original budget. Within this, there are some significant variances for individual departments.

Department	Variance actual vs month 9 forecast		Variance actual vs original budget		Main reasons for the variances
	£000	%	£000	%	
Council & Committees	Not significant		45	20%	Tax charge on home to Park House travel overbudgeted by £29k
Communications	72	6%	232	18%	Underspends on web services, events and subscriptions of £44k vs month 9 forecast and £175k vs original budget in aggregate. Web services underspend was due to deferral of intranet project. The events underspend included not holding budgeted education seminars and savings by negotiating preferential rates with venues
Education	Not significant		115	9%	Underspends vs original budget on payroll costs £30k (overbudgeted) and partners' costs £30k (44 actual approval visits vs 60 budgeted)
Office Services	244	9%	249	9%	Underspends on repairs, refurbishment and equipment lines of £116k vs month 9 forecast due to slippage in planned work. In original budget, utilities and maintenance contracts overestimated by £83k and £52k respectively, partly due to limited historical data for 405 Kennington Road to benchmark the 2016-17 budget on.
Finance	91	11%	153	18%	Underspend vs month 9 forecast due to £74k release of the provision for the Federated Flexiplan pension scheme. Underspend vs original budget includes that plus saving from removing the Finance Business Partner post
Fitness to Practise	Not significant		(1,589)	(12%)	The additional spending relative to the original budget included £287k on payroll costs caused by maternity cover as well as temporary resource to support the

Department	Variance actual vs month 9 forecast		Variance actual vs original budget		Main reasons for the variances
	£000	%	£000	%	
					<p>implementation of the realigned directorate structure and increased volume of hearing activity.</p> <p>FTP partner costs were £709k over the original budget which includes the effect of higher than forecast hearing activity resulting from the focus on concluding the older cases, a 60% increase in interim order applications and a short term increase in the adjournment rate which required cases to be relisted for final hearing. Legal costs were in aggregate £534k above the original budget, which also reflects additional activity to support the progression of cases, plus some exceptional High Court, Court of Appeal and Supreme Court cases</p>
Human Resources	50	6%	150	16%	<p>The net underspend relative to the month 9 forecast includes £57k on training (mostly slippage) offset by a £12k overspend on payroll costs, due to higher than forecast recruitment costs.</p> <p>The underspend vs the original budget includes £78k on professional fees and £39k on training</p>
Partners	Not significant		31	8%	£30k underspend vs original budget on partners training and recruitment costs
Major Projects	36	7%	896	66%	<p>The £36k underspend vs the month 9 forecast is the net effect of HR and Partners (£24k underspent, slippage), Registration transformation project (£71k underspent, slippage), tribunal service (£28k overspent vs forecast, but within original budget), PCI DSS (£25k underspent, slippage) and HCPC website review (£58k overspent, effect of change in opex/capex treatment of research costs).</p> <p>The £896k underspend vs the original budget comes mainly from the 186 KPR refurbishment project (original budget £465k opex, actual £56k opex, variance £439k) plus the registration transformation project (original budget £503k opex, actual £109k opex, variance £394k)</p>
Operations	52	8%	176	22%	<p>Underspend vs the month 9 forecast includes £8k on information security (slippage), £10k on public law (not required) and £11k on small project costs (less FAST review than anticipated).</p> <p>£82k underspend on payroll costs vs original budget due to 2 budgeted posts in projects team not filled</p>

Department	Variance actual vs month 9 forecast		Variance actual vs original budget		Main reasons for the variances
	£000	%	£000	%	
Registration	Not significant		(285)	(8%)	Higher than expected international applications (original forecast 3158, actual 5526) meant that international assessor fees were £668k, vs £351k original budget
Depreciation	(212)	(25%)	(271)	(34%)	Extra charge of £240k to write off "phase 1" systems research projects as recommended by NAO audit

### Balance sheet and cash flow

The cash balance at 31 March was £19.53m. There was a net cash inflow of £1.9m in the year. Our deferred income balance (registrants' fees in advance) was £20.75m, and that also increased by £1.9m over the year.

The book value of fixed assets is £6.97m. The net increase in book value of £0.5m is made up of capital expenditure of £1.2m, plus a net upwards revaluation of the freehold property of £0.2m, less depreciation of £0.9m.

### 8. Progress against the Finance Department work plan 2016-17

Objective	Summary of progress
1. Effective day-to-day performance of our business as usual operational processes	Achieved. Few issues or complaints during the year. Some further work to do in 2017-18 on the direct partner payment process for FTP partners, with FTP, and on the contracted out payroll process, with HR
2. Support the implementation of the new procurement policy and procedures	Achieved. Uptake of framework agreements has increased over the year, including gas and electricity supplies and (pending award) FTP and Comms department printing. Also supported the extension of transcription services contract and the 186 KPR refurbishment tender
3. Develop the Five Year Plan model	Achieved. Functionality of the model improved, which will support analysis of the budgetary impact of the transfer of social workers. Grant Thornton's audit recommendations implemented. Further work to do in 2017-18 on the development of the FTP module, integrating it with FTP's resource planning and management information systems

Objective	Summary of progress
4. Continue work to ensure full realisation of the benefits of the upgraded accounting and purchase ordering systems	<p>Partly achieved. Upgrade of Sage and WAP systems was planned for 2016-17 but deferred because of higher priority calls on project management and IT resources. Upgrade now planned for 2017-18, together with a research project to scope future replacement of the Sage and WAP systems.</p> <p>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</p>
5. Complete the PCI DSS project	Partly achieved. The project is still in progress. Several recommendations have been implemented and the control environment has been improved but some recommendations carried forward to 2017-18
6. Support the Registration Transformation project	Achieved, although the level of involvement was more limited than expected, because the project is still in phase 1. Finance will be more extensively involved in supporting the gateway review at the end of phase 1, and phase 2, during 2017-18
7. Review our payroll processes and provider, working with HR	Partly achieved. The contracted out payroll bureau service has transferred to CoreHR, so as to benefit from integration of HR and payroll data and processes. The new payroll service went live in December. HR and Finance are working together to finalise new processes and controls, and to resolve certain issues with the performance of the service
8. Retender our banking and credit card services	Not achieved. Initial review of options undertaken, but procurement and implementation carried forward to 2017-18
9. Formalise the finance strategy	Achieved. The Finance Department strategy was approved by Council in December



**Management Accounts**  
**31 March 2017**  
Andy Gillies, Finance Director

Variance Commentary

Department	Movement YTD	M9 Forecast YTD	Forecast Variance	Forecast Var %	March -17 Comments (Actuals vs 2016-17 M9 Forecast)		February -17 Comments (Actuals vs 2016-17 M9 Forecast)	
					Variations by Income Type	Variations by Profession	Variations by Income Type	Variations by Profession
<b>Total Income</b>	31,448,391	31,459,716	(11,325)	(0.0)	On Target	On Target	On Target	On Target
<b>EXPENDITURE</b>								
Department	Movement YTD	M9 Forecast YTD	Variance v Forecast	Variance v Forecast %	Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
<b>Chair</b>	112,502	94,418	(18,084)	(19.2)		Chair Fee is £17k higher than forecast due to under accrual in the previous financial year.		On Target
<b>Chief Executive</b>	377,698	390,316	12,618	3.2	£36k underspend as no employer pension contribution were made to the Chief Executive for the year.	On Target	On Target	On Target
<b>Council</b>	178,056	176,368	(1,689)	(1.0)		On Target		On Target
<b>Communications</b>	1,054,115	1,126,603	72,488	6.4	On Target	£26k subscriptions and £8k conference costs are held within prepayments and being carried forward to the next financial year. £22k underspend on web and meet the HCPC events due to less webcasts and seminars being done than previously anticipated. Also included are savings from all employee away day.	On Target	£21k underspend in subscriptions due to annual licenses being carried forward in prepayments. £19k underspend on events costs due to less webcasts and seminars being done than previously anticipated. Also included are savings from all employee away day.
<b>Education</b>	1,113,386	1,125,760	12,374	1.1	On Target	On Target	On Target	On Target
<b>Facilities Management</b>	2,461,950	2,706,386	244,436	9.0	On Target	£33k underspend in Repair and Maintenance and £53k underspend in Building Refurbishment due to slippage in the planned work, this will now take place in 2017-18. The department also received £16k from building insurance company to reimburse damage caused by the flood. £24k savings in cleaning costs and servicing of coffee machines as 186 KPR is undergoing construction work. Other lines include mixture of timing differences which reverse in 2016-17, slippage to 2017-18, and permanent savings	On Target	£44k underspend in Repairs and Maintenance, and £40k underspend in Building Refurbishment due to slippage in the planned work. This will now take place in 2017-18. Other lines include mixture of timing differences which reverse in 2016-17, slippage to 2017-18, and permanent savings

Variance Commentary

Department	Movement YTD	M9 Forecast YTD	Variance v Forecast	Variance v Forecast %	March -17 Comments (Actuals vs 2016-17 M9 Forecast)		February -17 Comments (Actuals vs 2016-17 M9 Forecast)	
					Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
Finance	703,072	793,631	90,559	11.4	On Target	£81k underspend mainly due to reversal of a £74k provision for the Federated Flexiplan, our defined benefit pension scheme. We have been informed by the provider that no further contribution is required from us.	On Target	On Target
Fitness to Practise	14,937,502	14,778,130	(159,372)	(1.1)	On Target	On Target	On Target	On Target
Human Resources	750,382	800,390	50,008	6.2	On Target	£57k underspend on organisational training - £16k of budgeted costs on this line were actually charged in 2015-16. The rest of the underspend is due to a number of events being postponed to 2017-18 due to time constraints. £9k underspend on other professional fee due to less professional service required than budgeted.	On Target	£42k underspend on organisational training - £16k of budgeted costs on this line were actually charged in 2015-16. The rest of the underspend is due to a number of events being postponed to 2017-18 due to time constraints
Human Resources Partners	348,757	333,721	(15,036)	(4.5)	On Target	On Target	On Target	On Target
IT Department	1,950,801	2,010,158	59,357	3.0	On Target	£27k underspend on Small Projects due to postponed implementation of firewall upgrade to next financial year. £22k underspend on Manage Web/Internet, due to reversal of accrual and £10k contingency for unpredicted change during the year not used £20k underspend on General support and maintenance, this is made up of £13k duplicate entry in the forecasted contract list and £7k permanent savings.	On Target	£31k underspend on Managed Web/Internet is timing difference due to incorrect reversal of an accrual and February Rackspace invoices not posted £21k underspend on General Software Support line is also a timing difference due to February CoreHR costs not posted

Variance Commentary

Department	Movement YTD	M9 Forecast YTD	Variance v Forecast	Variance v Forecast %	March -17 Comments (Actuals vs 2016-17 M9 Forecast)		February -17 Comments (Actuals vs 2016-17 M9 Forecast)	
					Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
Major Projects	461,030	497,104	36,074	7.3	On Target	On Target	On Target	<p>£17k underspend in HR &amp; Partners build project due to delays in second phase of the project, where resource are being occupied with go live of the HR system and payroll.</p> <p>£75k underspend in Reg Transformation and improvement project is partly due to phasing of the project, which accounts for £52k of the underspend to date. £13k relates to delays in processing of the invoices and £14k is due to delays in invoicing by the supplier.</p> <p>£10k underspend in Tribunal project due to rescheduling of non-critical activities now that the project team has a better understanding of the activities required. This is likely to result in permanent saving on the overall project costs.</p>
Operations Office	618,334	670,451	52,117	7.8	On Target	<p>£8k under spend due to timing of work to commence on information security activity.</p> <p>£10k under spend in Public Law as no high profile legal advice needed in the last quarter of the year.</p> <p>£11k under spend in small project costs due to less need for FAST review than anticipated.</p>	On Target	<p>£17k under spend due to timing of work to commence on information security activity.</p> <p>£10k under spend in Public Law as no high profile legal advice needed in Jan or Feb.</p>
Policy	394,964	404,819	9,855	2.4	On Target	On Target	On Target	On Target
Registration	3,731,877	3,711,816	(20,061)	(0.5)	£64k underspend due to ongoing permanent vacancies which are yet to be filled.	<p>£54k overspend in international assessors fees due to more applications than expected.</p> <p>£60k overspend on printing due to the timing of print jobs, also during March 17, the department has spent approx. £35k on secure destruction and scanning of archive boxes.</p>	£48k underspend due to ongoing permanent vacancies which are yet to be filled.	£67k overspend in international assessors fees due to more applications than expected.
Secretariat	236,721	229,933	(6,788)	(3.0)	On Target	On Target	On Target	On Target
Depreciation	1,067,062	855,353	(211,709)	(24.8)		Increase in depreciation due to write off of project costs for the review phase of HR, Education and Registration projects.		On Target
PSA levy	858,973	858,973	0	0.0		On Target		On Target
<b>Total expenditure</b>	<b>31,357,183</b>	<b>31,564,330</b>	<b>207,147</b>	<b>0.7</b>				

## Income and Expenditure

31 March 2017

	Period 12	Year to date				Full Year	Full Year
	Actual	Actual	M9 Reforecast	Variance	Variance %	Forecast (M9)	Budget
<b>Income by Activity</b>							
Graduate Registration Fees	140,107	1,684,739	1,714,821	(30,083)	(1.8)	1,714,821	1,693,787
Readmission Fees	19,710	259,575	192,637	66,938	34.7	192,637	356,752
Renewal Fees	2,312,025	26,567,549	26,505,656	61,893	0.2	26,505,656	26,536,000
International Scrutiny Fees	202,400	1,935,865	1,993,487	(57,622)	(2.9)	1,993,487	1,544,684
UK Scrutiny Fees	38,003	1,002,146	1,053,115	(50,969)	(4.8)	1,053,115	959,823
<b>Registration Income</b>	<b>2,712,244</b>	<b>31,449,873</b>	<b>31,459,716</b>	<b>(9,843)</b>	<b>(0.0)</b>	<b>31,459,716</b>	<b>31,091,046</b>
Cheque/credit card write offs	(1,482)	(1,482)		(1,482)			0
<b>Total Income</b>	<b>2,710,762</b>	<b>31,448,391</b>	<b>31,459,716</b>	<b>(11,325)</b>	<b>(0.0)</b>	<b>31,459,716</b>	<b>31,091,046</b>
Chair	19,323	112,502	94,418	(18,084)	(19.2)	94,418	96,999
Chief Executive	38,913	377,698	390,316	12,618	3.2	390,316	379,573
Council & Committee	30,003	178,056	176,368	(1,689)	(1.0)	176,368	222,963
Communications	103,363	1,054,115	1,126,603	72,488	6.4	1,126,603	1,285,841
Education	125,645	1,113,386	1,125,760	12,374	1.1	1,125,760	1,229,017
Facilities Management	266,277	2,461,950	2,706,386	244,436	9.0	2,706,386	2,710,638
Finance	(676)	703,072	793,631	90,559	11.4	793,631	856,356
Fitness to Practise	1,576,152	14,937,502	14,778,130	(159,372)	(1.1)	14,778,130	13,351,668
Human Resources	129,177	750,382	800,390	50,008	6.2	800,390	900,693
Human Resources Partners	45,843	348,757	333,721	(15,036)	(4.5)	333,721	379,757
IT Department	210,622	1,950,801	2,010,158	59,357	3.0	2,010,158	2,026,822
Major Projects	213,367	461,030	497,104	36,074	7.3	497,104	1,357,298
Operations Office	51,937	618,334	670,451	52,117	7.8	670,451	794,171
Policy	60,034	394,964	404,819	9,855	2.4	404,819	451,531
Registration	344,311	3,731,877	3,711,816	(20,061)	(0.5)	3,711,816	3,446,833
Secretariat	25,051	236,721	229,933	(6,788)	(3.0)	229,933	242,828
Depreciation	307,285	1,067,062	855,353	(211,709)	(24.8)	855,353	796,319
PSA Levy		858,973	858,973	0	0.0	858,973	860,000
<b>Operating expenditure</b>	<b>3,546,627</b>	<b>31,357,183</b>	<b>31,564,330</b>	<b>207,147</b>	<b>0.7</b>	<b>31,564,330</b>	<b>31,389,307</b>
<b>Operating surplus/(deficit)</b>	<b>(835,865)</b>	<b>91,208</b>	<b>(104,614)</b>	<b>195,822</b>	<b>(187)</b>	<b>(104,614)</b>	<b>(298,261)</b>
<b>Other expenditure</b>							
Impairment on Freehold land and buildings	(6,375)	(6,375)	0	6,375		0	0
Corporation Tax	32,780	32,780	0	(32,780)		0	0
	<b>26,405</b>	<b>26,405</b>	<b>0</b>	<b>(26,405)</b>		<b>0</b>	<b>0</b>
<b>Other income</b>							
Investment Income	12,698	163,943	152,420	11,523	7.6	152,420	0
Grant Income	0	0	0	0		0	0
	<b>12,698</b>	<b>163,943</b>	<b>152,420</b>	<b>11,523</b>	<b>7.6</b>	<b>152,420</b>	<b>0</b>
<b>Revaluation</b>							
Revaluation on Freehold land and buildings	6,375	6,375	0	(6,375)		0	0
	<b>6,375</b>	<b>6,375</b>	<b>0</b>	<b>(6,375)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total surplus/(deficit)</b>	<b>(849,571)</b>	<b>228,747</b>	<b>47,806</b>	<b>233,750</b>	<b>489</b>	<b>47,806</b>	<b>(298,261)</b>

## Payroll costs

31 March 2017

	Period 12	Year to date				Full Year Forecast	Full Year Budget
	Actual	Actual	M9 Reforecast	Variance	Variance %		
Chief Executive	21,575	256,864	292,565	35,701	12.2	292,565	288,873
Communications	54,433	644,465	654,411	9,946	1.5	654,411	654,841
Education	68,880	864,695	876,908	12,213	1.4	876,908	904,734
Facilities Management	28,768	311,498	321,832	10,334	3.2	321,832	327,464
Finance	37,452	487,628	497,627	9,999	2.0	497,627	526,877
Fitness to Practise	420,389	4,383,237	4,334,925	(48,312)	(1.1)	4,334,925	4,099,815
Human Resources	91,482	566,291	545,369	(20,922)	(3.8)	545,369	597,553
Human Resources Partners	12,937	129,166	127,066	(2,099)	(1.7)	127,066	132,760
IT Department	88,570	757,741	749,973	(7,769)	(1.0)	749,973	654,953
Major Projects	24,173	182,044	191,715	9,671	5.0	191,715	259,797
Operations Office	45,364	532,076	530,884	(1,193)	(0.2)	530,884	613,689
Policy	22,890	264,889	266,556	1,667	0.6	266,556	284,987
Registration	173,172	2,048,261	2,123,076	74,815	3.5	2,123,076	2,101,744
Secretariat	18,965	208,796	208,653	(143)	(0.1)	208,653	201,393
<b>Payroll costs</b>	<b>1,109,050</b>	<b>11,637,652</b>	<b>11,721,560</b>	<b>83,908</b>	<b>0.7</b>	<b>11,721,560</b>	<b>11,649,479</b>

## Non-payroll costs

31 March 2017

	Period 12	Year to date				Full year	
	Actual	Actual	M9 Reforecast	Variance	Variance %	Full Year Forecast (M9)	Full Year Budget
Chair	19,323	112,502	94,418	(18,084)	(19.2)	94,418	96,999
Chief Executive	17,338	120,834	97,751	(23,083)	(23.6)	97,751	90,700
Council & Committee	30,003	178,056	176,368	(1,689)	(1.0)	176,368	222,963
Communications	48,930	409,650	472,192	62,542	13.2	472,192	631,000
Education	56,765	248,691	248,852	161	0.1	248,852	324,282
Facilities Management	237,509	2,150,452	2,384,554	234,102	9.8	2,384,554	2,383,174
Finance	(38,128)	215,445	296,004	80,560	27.2	296,004	329,480
Fitness to Practise	1,155,763	10,554,265	10,443,206	(111,060)	(1.1)	10,443,206	9,251,854
Human Resources	37,695	184,091	255,021	70,930	27.8	255,021	303,140
Human Resources Partners	32,907	219,591	206,654	(12,937)	(6.3)	206,654	246,997
IT Department	122,052	1,193,060	1,260,185	67,125	5.3	1,260,185	1,371,868
Major Projects	189,194	278,986	305,389	26,404	8.6	305,389	1,097,501
Operations Office	6,573	86,258	139,567	53,309	38.2	139,567	171,482
Policy	37,144	130,075	138,263	8,188	5.9	138,263	166,544
Registration	171,139	1,683,616	1,588,740	(94,876)	(6.0)	1,588,740	1,345,090
Secretariat	6,086	27,925	21,280	(6,645)	(31.2)	21,280	41,435
PSA Levy		858,973	858,973	0	0.0	858,973	860,000
<b>Non-payroll costs</b>	<b>2,130,292</b>	<b>18,652,469</b>	<b>18,987,417</b>	<b>334,948</b>	<b>1.8</b>	<b>18,987,417</b>	<b>18,934,508</b>

## Income by profession

31 March 2017

	Period 12	Year to date				Full year	
	Actual	Actual	M9 Forecast	Variance	Variance %	M9 Forecast	Budget
Arts Therapists	27,530	344,777	337,820	6,957	2.1	337,820	339,938
Bio-medical Scientists	183,097	2,115,812	2,126,855	(11,044)	(0.5)	2,126,855	2,201,226
Chiroprodists	95,054	1,141,051	1,144,209	(3,157)	(0.3)	1,144,209	1,155,974
Clinical Scientists	41,254	464,863	461,003	3,860	0.8	461,003	457,303
Dietitians	79,372	858,022	855,857	2,165	0.3	855,857	860,769
Hearing Aid Dispensers	19,881	225,260	218,860	6,400	2.9	218,860	214,345
Occupational Therapists	295,064	3,478,717	3,478,301	417	0.0	3,478,301	3,492,170
Operating Department Practitioners	94,929	1,072,542	1,074,088	(1,546)	(0.1)	1,074,088	1,067,825
Orthoptists	9,071	115,288	116,354	(1,066)	(0.9)	116,354	113,333
Paramedics	181,390	2,043,567	2,049,317	(5,750)	(0.3)	2,049,317	1,941,213
Physiotherapists	445,282	5,124,552	5,116,551	8,001	0.2	5,116,551	5,028,000
Practitioner Psychologists	155,242	1,880,166	1,879,440	726	0.0	1,879,440	1,835,850
Prosthetists & Orthotists	8,563	89,812	90,642	(830)	(0.9)	90,642	85,859
Radiographers	263,936	3,140,996	3,169,625	(28,629)	(0.9)	3,169,625	2,997,758
Social Workers	697,069	8,029,685	8,018,931	10,753	0.1	8,018,931	7,976,133
Speech & Language Therapists	115,512	1,324,764	1,321,865	2,899	0.2	1,321,865	1,323,350
<b>Registration Income</b>	<b>2,712,244</b>	<b>31,449,873</b>	<b>31,459,716</b>	<b>(9,843)</b>	<b>(0.0)</b>	<b>31,459,716</b>	<b>31,091,047</b>
Cheque/credit card adjustments	(1,482)	(1,482)	0	(1,482)			
<b>Total income</b>	<b>2,710,762</b>	<b>31,448,391</b>	<b>31,459,716</b>	<b>(11,325)</b>	<b>(0.0)</b>	<b>31,459,716</b>	<b>31,091,047</b>



## Statement of Financial Position

31 March 2017

	Actual Period 12	M9 Forecast YTD	M9 Forecast 31 March 2017	Budget 31 March 2017	Actual 31 March 2016
<b>Non-current assets</b>					
Land & buildings, at cost or valuation	4,615,000	4,359,538	4,359,538		4,140,000
Land & buildings depreciation	(0)	(43,050)	(43,050)		(0)
	4,615,000	4,316,488	4,316,488		4,140,000
Computer equipment, at cost	499,535	499,949	499,949		462,322
Computer equipment depreciation	(382,705)	(386,668)	(386,668)		(287,301)
	116,829	113,281	113,281		175,021
Office furniture and equipment, at cost	1,020,063	990,101	990,101		992,861
Office equipment depreciation	(377,630)	(384,264)	(384,264)		(217,147)
	642,434	605,837	605,837		775,714
Intangible assets	7,116,711	7,682,178	7,682,178		6,559,098
Intangible depreciation	(5,675,325)	(5,742,004)	(5,742,004)		(5,196,184)
	1,441,386	1,940,174	1,940,174		1,362,914
<b>Total non-current assets</b>	<b>6,815,649</b>	<b>6,975,780</b>	<b>6,975,780</b>	<b>7,957,000</b>	<b>6,453,649</b>
<b>Current assets</b>					
Other current assets	1,991,864	1,782,872	1,782,872	758,000	1,597,897
Cash & cash equivalents	19,528,831	18,922,361	18,922,361	17,929,000	17,615,332
	<b>21,520,695</b>	<b>20,705,234</b>	<b>20,705,234</b>	<b>18,687,000</b>	<b>19,213,229</b>
<b>Total assets</b>	<b>28,336,344</b>	<b>27,681,014</b>	<b>27,681,014</b>	<b>26,644,000</b>	<b>25,666,878</b>
<b>Current liabilities</b>					
Trade and other payables	430,848	329,697	329,697	965,000	506,583
Other liabilities	2,206,432	1,798,859	1,798,859		1,900,927
Deferred income	20,749,474	21,045,035	21,045,035	22,730,000	18,799,751
	<b>23,386,754</b>	<b>23,173,591</b>	<b>23,173,591</b>	<b>23,695,000</b>	<b>21,207,262</b>
<b>Total assets less liabilities</b>	<b>4,949,590</b>	<b>4,507,423</b>	<b>4,507,423</b>	<b>2,949,000</b>	<b>4,459,616</b>
General fund b/fwd	(3,869,791)	(3,869,790)	(3,869,790)	(3,247,000)	(3,869,791)
Rev Res - Land & Building	(851,052)	(589,826)	(589,826)		(589,826)
This periods profit/loss	(228,747)	(47,807)	(47,807)	298,000	
General fund c/fwd	<b>(4,949,590)</b>	<b>(4,507,423)</b>	<b>(4,507,423)</b>	<b>(2,949,000)</b>	<b>(4,459,616)</b>

Projects

		Opex			Capex			Opex & Capex			Opex	Capex	Opex	Capex
		Actual	M9 Forecast	Variance	Actual	M9 Forecast	Variance	Actual	M9 Forecast	Variance	M9 Forecast	M9 Forecast	Budget	Budget
		YTD £	2016/17 YTD £	£	YTD £	2016/17 YTD £	£	YTD £	2016/17 YTD £	£	2016/17 Full Year £	2016/17 Full Year £	Full Year £	Full Year £
HR and Partners Build	P78	136,717	160,492	23,774	132,019	345,555	213,536	268,737	506,047	237,310	160,492	345,555	165,838	304,003
Stakeholder Relationship Mgmt System	P80	0	0	0		0	0	0	0	0	0	0	21,906	0
Reg Transformation and Improvement	P85	109,095	180,289	71,194	568,008	559,248	(8,760)	677,103	739,537	62,434	180,289	559,248	503,481	850,226
Establishing the new Tribunal Service	P86	68,994	40,503	(28,490)	66,043	67,947	1,904	135,037	108,451	(26,587)	40,503	67,947	102,023	118,068
PCI/DSS	P87	1,841	26,841	25,000		0	0	1,841	26,841	25,000	26,841	0	50,000	0
HCPC website review and build	P90	95,850	38,249	(57,602)	0	68,546	68,546	95,850	106,795	10,944	38,249	68,546	30,333	385,156
Net Regulate Changes	P88	1,257	2,157	900	47,757	47,364	(393)	49,013	49,521	507	2,157	47,364	2,000	80,000
186 Kennington Park Road renovation	P89	25,787	27,084	1,298	240,077	219,590	(20,487)	265,864	246,674	(19,190)	27,084	219,590	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
		<b>461,030</b>	<b>497,104</b>	<b>36,074</b>	<b>1,057,489</b>	<b>1,311,834</b>	<b>254,345</b>	<b>1,518,519</b>	<b>1,808,938</b>	<b>290,420</b>	<b>497,104</b>	<b>1,311,834</b>	<b>1,357,298</b>	<b>2,438,289</b>

## Capital expenditure

	Actual YTD £	M9 Forecast 2016/17 YTD £	Variance £	M9 Forecast 2016/17 Full Year £	Budget 2016/17 Full Year £
<u>Land &amp; Buildings</u>	8,773	0	(8,773 )	0	0
	<b>8,773</b>	<b>0</b>	<b>(8,773 )</b>	<b>0</b>	<b>0</b>
<u>Information Technology</u>					
Software Licences	30,782	30,782	(0)	30,782	13,570
Office Furniture	27,203	(2,760)	(29,963)	(2,760)	
Hardware Replacement	37,212	37,628	416	37,627	70,000
	<b>95,198</b>	<b>65,650</b>	<b>(29,548)</b>	<b>65,649</b>	<b>83,570</b>
<u>Projects</u>					
Capital Expenditure	1,057,489	1,311,834	254,345	1,311,834	2,438,289
Write off of review projects	(290,634)				
<b>Total Capital Expenditure</b>	<b>870,826</b>	<b>1,377,484</b>	<b>216,025</b>	<b>1,377,483</b>	<b>2,521,859</b>

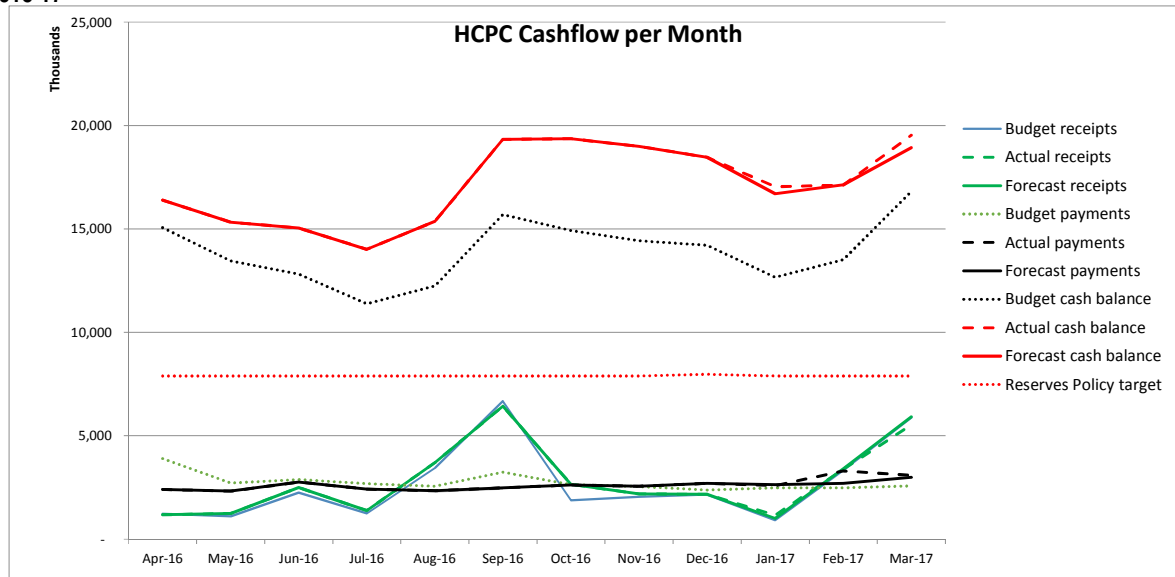
## Cash flow statement

From 1 April 2016

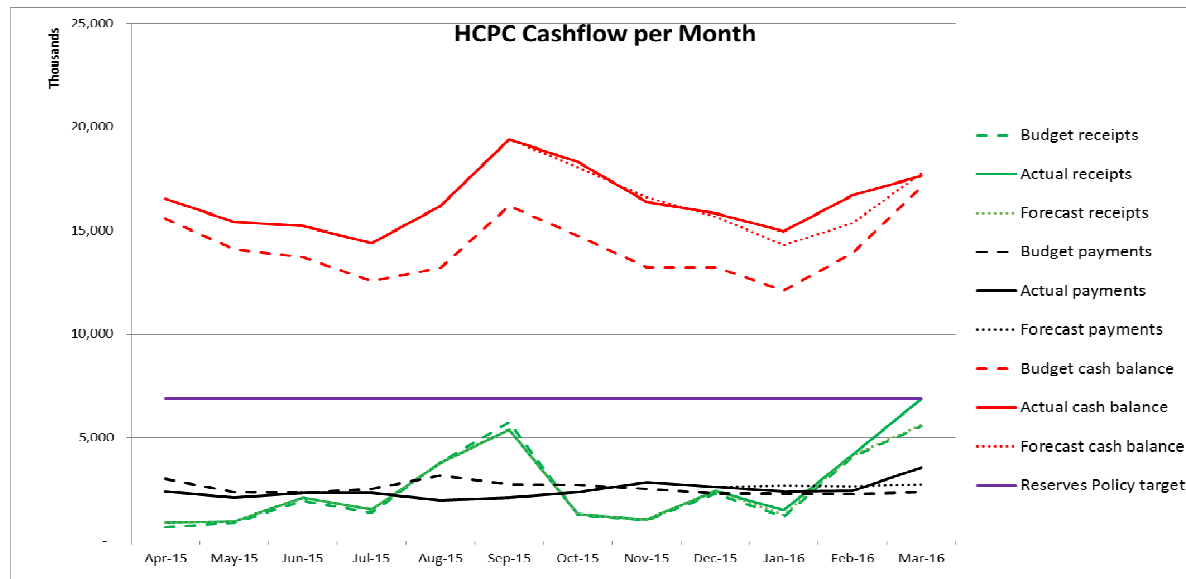
	Year to date actual £	Year to date M9 Forecast £	Full year M9 forecast £	Full year budget £
Operating surplus/(deficit)	91,208	(104,614)	(104,614)	(298,260)
Add: Corporation tax	(32,780)			
Less: Depreciation	1,067,062	855,353	855,353	796,319
Decrease/(increase) in debtors & prepayments	(393,967)	(184,975)	(184,976)	
Increase/(decrease) in creditors	229,769	(278,955)	(278,955)	
(Decrease)/increase in deferred income	1,949,723	2,245,284	2,245,284	1,103,462
<b>Net cash in/(out)flow from operating activities</b>	<b>2,911,015</b>	<b>2,532,094</b>	<b>2,532,093</b>	<b>1,601,521</b>
<b>Return on investments and servicing of finance</b>				
Investment Income	163,943	152,420	152,420	
<b>Capital expenditure and financial investments</b>				
Purchase of Fixed Assets	(1,161,460)	(1,377,484)	(1,377,483)	(2,521,859)
<b>Increase/(decrease) in cash</b>	<b>1,913,499</b>	<b>1,307,029</b>	<b>1,307,029</b>	<b>(920,338)</b>
Cash at beginning of period	17,615,332	17,615,332	17,615,332	17,615,332
Cash at end of period	19,528,831	18,922,361	18,922,361	16,694,994
<b>Cash movement</b>	<b>1,913,499</b>	<b>1,307,029</b>	<b>1,307,029</b>	<b>(920,338)</b>

Graphs - Cashflow

2016-17

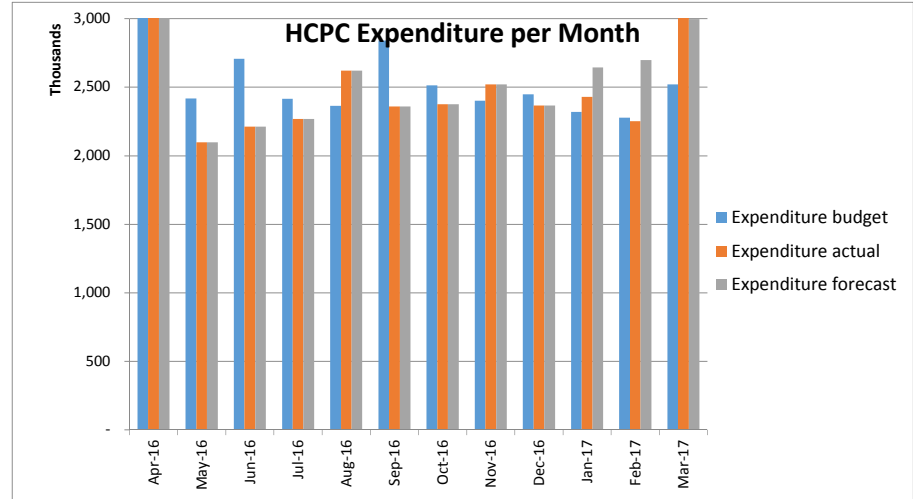
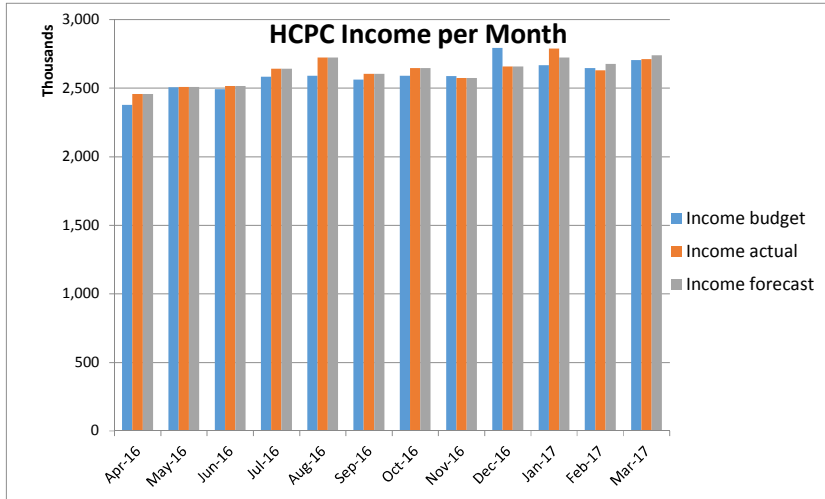


2015-16

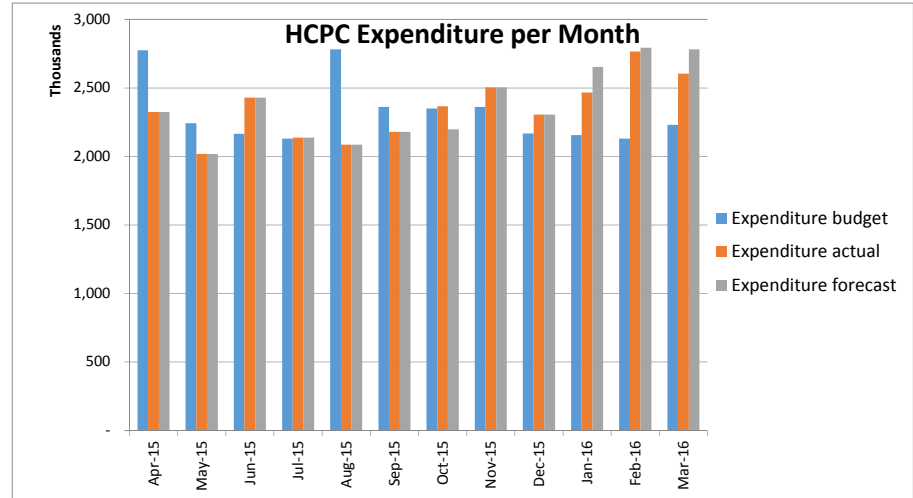
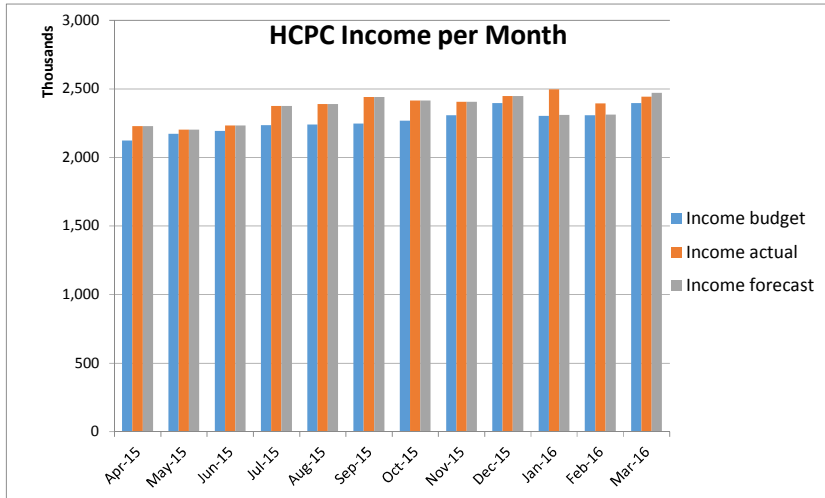


**Graphs**

**2016-17**

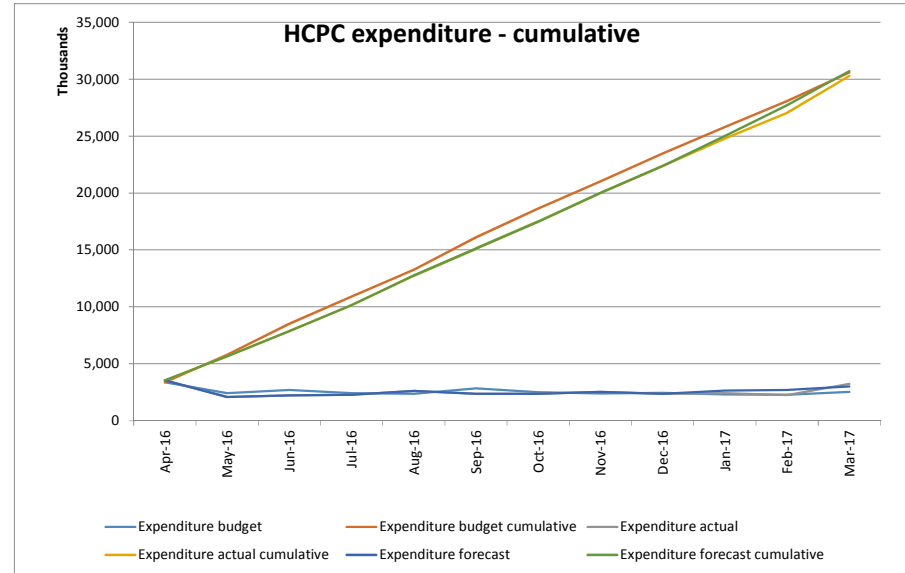
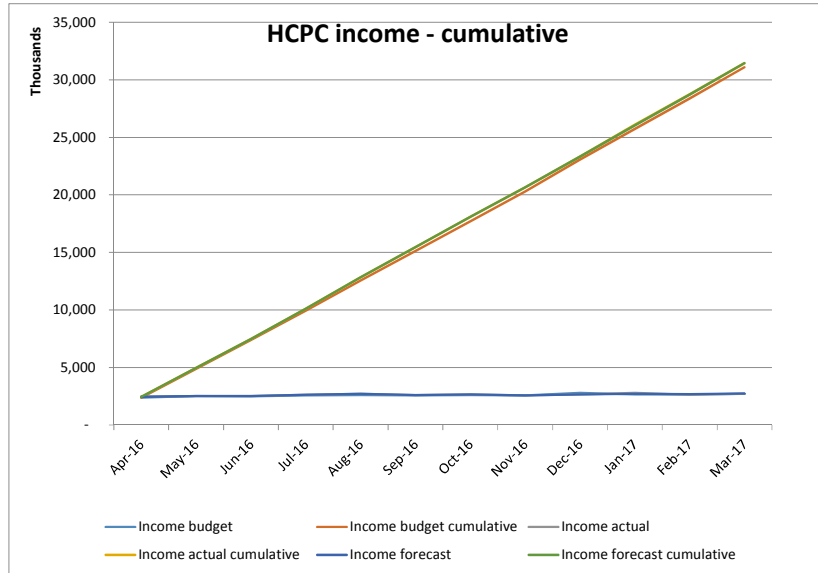


**2015-16**



Graphs - cumulative

2016-17



2015-16

