

Council

Meeting Date	30 January 2025
Title	Finance Report – December 2024
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Executive Summary

1. Financial Performance

The December 2024 year to date position is a surplus of £2.6m, which is £465k favourable compared to the forecast of £2.2m.

	December 2024 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	32,256	31,856	400	40,439	42,304	1,865
Total Expenditure	29,625	29,690	65	40,253	41,679	(1,426)
Surplus/(Deficit)	2,631	2,166	465	186	625	439

Forecast vs. Budget

- **Full year surplus:** forecast surplus for the full year is £625k, exceeding the budgeted surplus of £186k by £439k. The January reforecast exercise has commenced with preliminary analysis indicating a potential increase to our surplus from £625k to over £1m (providing additional funds to cover liabilities and financial risks for 2025-26 through building up our operating reserves).
- **Income:** favourable variance of £1.9m is anticipated, due to increased international scrutiny fees.
- **Expenditure:** full year expenditure forecast is £41.7m, significantly above the budget by £1.4m. Key drivers include higher costs associated with legal cases, partners and temporary staff.
- **Higher surplus implications:** increased surplus strengthens financial resilience, enabling management of unforeseen costs or invest in strategic priorities. However, not all funds are immediately bankable, as future costs (e.g. modernisation projects) are often committed against the surplus increases.

- **International application income/costs:** the overall surplus reflects the broader financial position, not international applications specifically. International applications are cost neutral as the fees cover direct (resources), indirect (overheads) and capital (IT systems) costs when assessed via activity-based costing.

2. Major Projects and Investments

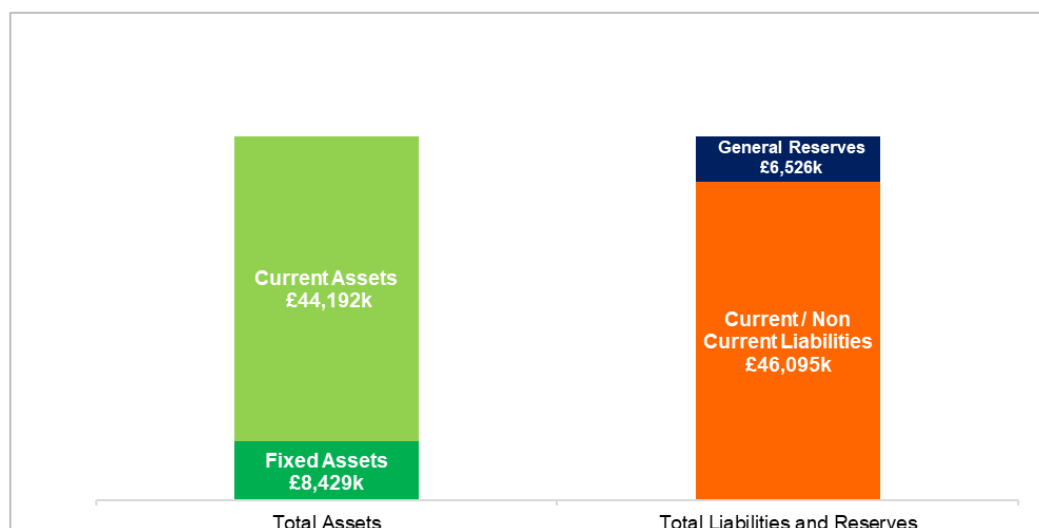
The finance report highlights the ongoing review of capital expenditure for 2024-25, including alignment with the technology roadmap, with total forecast investments of £843k. Due to some of the forecasted spend not yet materialised, there is a high likelihood these will be carried forward to next financial year.

Projects Description	2024-25 Budget £'000	2024-25 Forecast £'000	2024-25 Variance £'000	2024-25 Actuals £'000
FTP Improvements	274	291	(17)	273
Partner Transformation	170	40	130	0
Customer Experience	153	95	58	0
Data and Reporting	113	80	33	0
Business Central	68	83	(15)	18
Policy and Standards	62	25	37	7
Digital Architecture and Security	30	30	0	0
Registration Automation	24	21	3	0
Change Control	21	0	21	0
AI Automation	0	37	(37)	14
Websites & Portals	0	41	(41)	14
Building Renovations	0	100	100	6
Total	915	843	72	332

3. Risks and Opportunities

- **Risks:** finance report identifies several key risks, including the need to build up reserves and increased legal costs due to complex cases.
- **Opportunities:** potential upside from additional international applications, investment income and rental income has been noted.

4. Balance Sheet and Reserves



- **Current Assets:** mainly comprise of ‘cash and cash equivalents’ of around £26m and ‘account receivables’ of around £19m.
- **Liabilities:** mostly relate to ‘deferred income’ of around £42m as a result of registrants paying their fees in advance.
- **Reserves:** general reserves stand at £6.5 million, with realisable net assets at £3.6 m, reflecting approximately one month of operating expenditure. This highlights the importance of further building reserves to meet operational needs.

5. Employee Full Time Equivalents (FTEs)

The report highlights a shortfall in FTEs when compared to the forecast, particularly within the Fitness to Practise and Registrations departments, where vacant posts are anticipated to be filled in Q4.

Employment Type	31 December 2024 Actuals	31 March 2024-25 Forecast	Variance
Permanent/FTC	322	349	27
Agency	9	11	2
Total FTE	331	360	29

Conclusion

December 2024 continues to show a strong financial position year to date with an increased surplus of approximately £100k compared to prior month. We have seen a significant rise in international applications in the month of December (916 actual applications compared to forecast of 500). This may be linked to the upcoming English language proficiency requirements, which takes effect at the end of January 2025. We anticipate a similar rise in applications in January 2025 as more applicants seek to submit their applications before the new requirement begins. The January reforecast exercise has commenced this month to assess our current financial situation in order to update our figures for the next round of reporting.

Action required	The Council is asked to review the information provided and seek clarification on any areas.
Previous consideration	The previous finance report (October 2024) was provided to the Council in December 2024.
Next steps	January reforecast exercise has commenced with updated forecast figures to be included in January 2025 Finance Report.
Financial and resource implications	The implications are set out in the report.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation

Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable
Risk appetite	Financial - measured
Communication and engagement	No direct implications.
Equality, diversity and inclusion (EDI) impact and Welsh language standards	No direct implications.
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

December 2024 Finance Report

COUNCIL
30 JANUARY 2025

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Executive Summary

	December 2024 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	32,256	31,856	400	40,439	42,304	1,865
Total Expenditure	29,625	29,690	65	40,253	41,679	(1,426)
Surplus/(Deficit)	2,631	2,166	465	186	625	439

Note. To view the full year Forecast profile for 2024-25, please refer to 'Appendix 10 – 2024–25 Forecast Profile'.

- **December YTD surplus:** actual surplus of **£2.6m**, which is £465k favourable compared to forecast surplus of **£2.2m**.
- **Full year forecast:** current forecast surplus for 2024-25 of **£625k** (previous forecast assumed £1.3m surplus), which is £439k higher compared to the budget surplus of **£186k**. The January reforecast exercise has commenced with preliminary analysis indicating a potential increase to our surplus from £625k to over £1m (providing additional funds to cover liabilities and financial risks for 2025-26 through building up our operating reserves).
- **Income forecast:** increase in forecast income of **£1.9m** compared to budget is mainly attributable to the upward trend in international application volumes (forecast for 2024-25 was increased to 8,000 from the budget of 6,000). International application volumes for December YTD totalled 6,843 compared to forecast of 6,312. This may be linked to the new English Language proficiency requirement coming into effect at the end of January 2025 (a further increase in applications may occur in January compared to forecast).
- **Expenditure forecast:** increase in forecast expenditure of **£1.4m** compared to budget is mainly due to higher legal costs based on latest legal supplier and additional fees related to complex cases, increase in temporary staff costs, mainly within Fitness to Practise (FTP) to cover critical vacancies pending permanent recruitment, increase in direct costs associated with increase of international applications and additional contingency to cover value for money spend relating to 2025-26 being brought forward into this financial year (to reduce cost pressures and speed up delivery of benefits).
- **Higher surplus implications:** additional surplus enhances our ability to manage unforeseen costs or invest in strategic initiatives, supporting long-term sustainability. The reported surplus does not mean all funds are immediately bankable, as future costs will be committed against it, e.g. income from fees are received upfront, but associated costs, such as modernisation initiatives or implementation of projects may occur later.
- **International application income/costs:** while we are reporting an overall surplus, this reflects the broader financial position, not the specific contribution of international applications. International applications are cost-neutral because the income generated from application fees is balanced by the direct (resources), indirect (overheads) and capital expenditure (IT systems and infrastructure) associated with processing them. When costs are considered using activity-based costing, income from international application fees aligns with the associated expenditure.

Summary Figures – December 2024 YTD

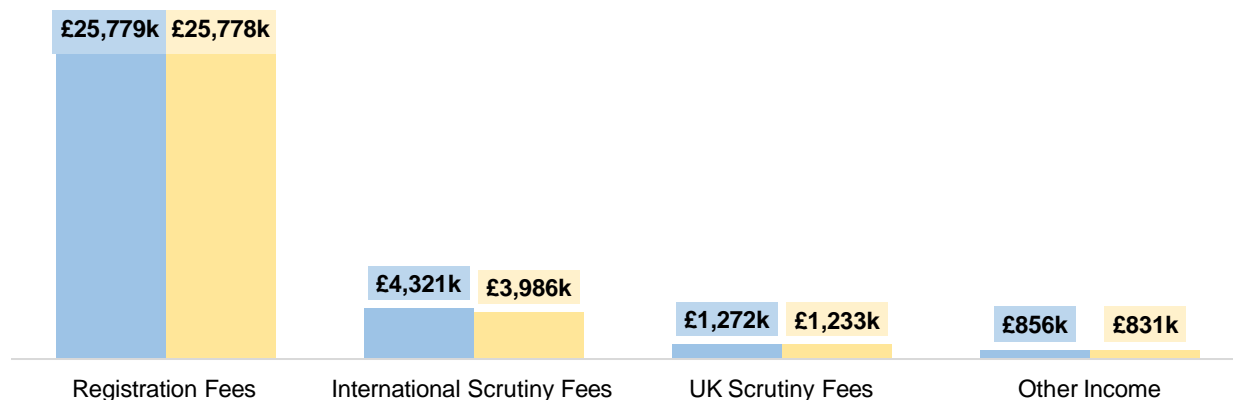
	December 2024 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Income	31,372	30,997	375	39,804	41,169	1,365
Grant Income	28	28	0	0	57	57
Other Income	856	831	25	635	1,078	443
Total Income	32,256	31,856	400	40,439	42,304	1,865
Payroll Costs	12,139	12,233	94	17,235	16,827	408
Other Staff Costs	1,155	1,140	(15)	863	1,460	(597)
Non-Payroll Costs	16,083	16,080	(3)	21,044	22,307	(1,263)
Total Operating Expenditure	29,377	29,453	76	39,142	40,594	(1,452)
Exceptional Costs	248	237	(11)	1,111	1,085	26
Total Expenditure	29,625	29,690	65	40,253	41,679	(1,426)
Total Surplus/(Deficit)	2,631	2,166	465	186	625	439

'Other Staff Costs' includes Temporary Staff, Training, Recruitment Fees and Other Employee Costs e.g. Pension Administration Costs.

Total Income – Actuals vs Forecast (December 2024 YTD)

Total Income

Actuals Forecast



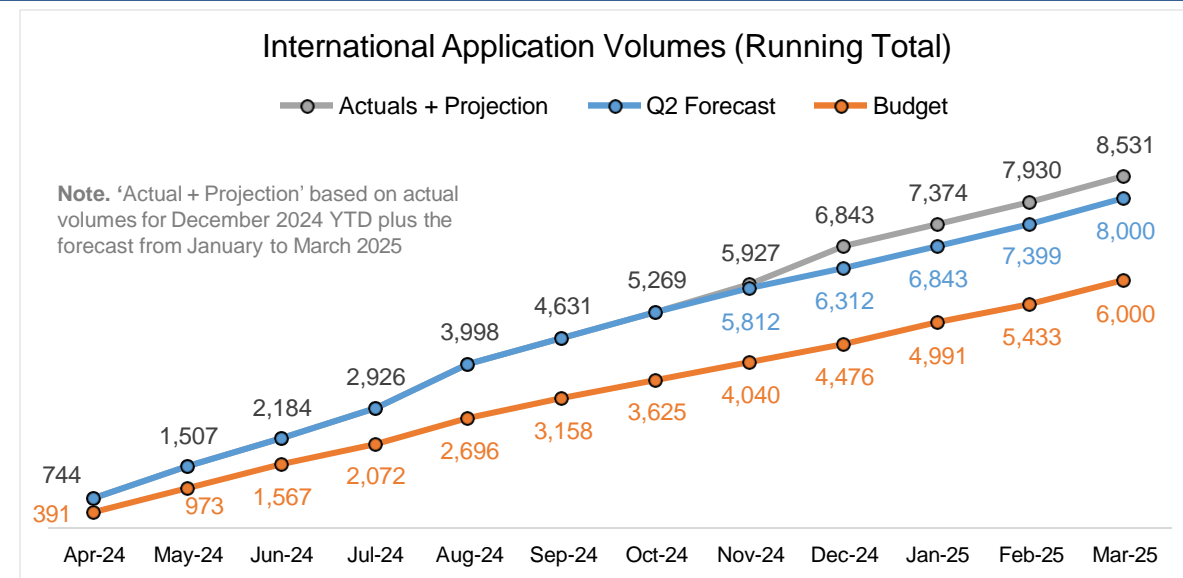
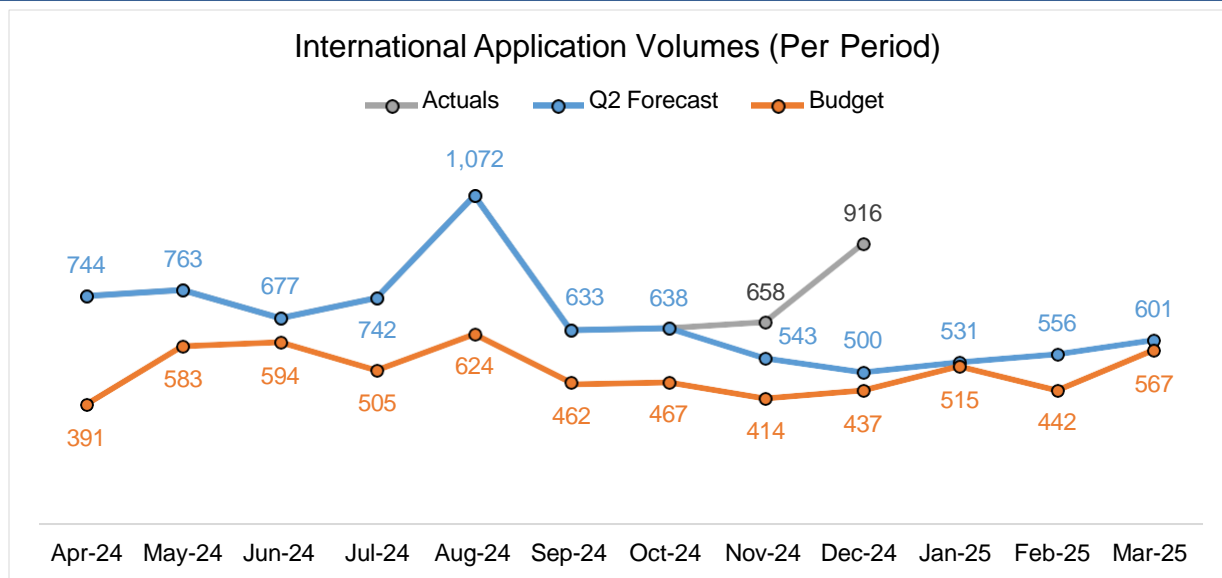
Total Income for December 2024 YTD was £32.3m compared to the forecast of £31.9m, which is **£400k** favourable.

- **International Scrutiny Fees: £335k** favourable due to higher international applications (6,843 actual volume compared to forecast volume of 6,312).
- **UK Scrutiny Fees: £39k** favourable due to an increase in UK applications (actual volumes of 15,615 vs forecast of 15,152).
- **Other Income: £25k** favourable due to increase in bank interest received.

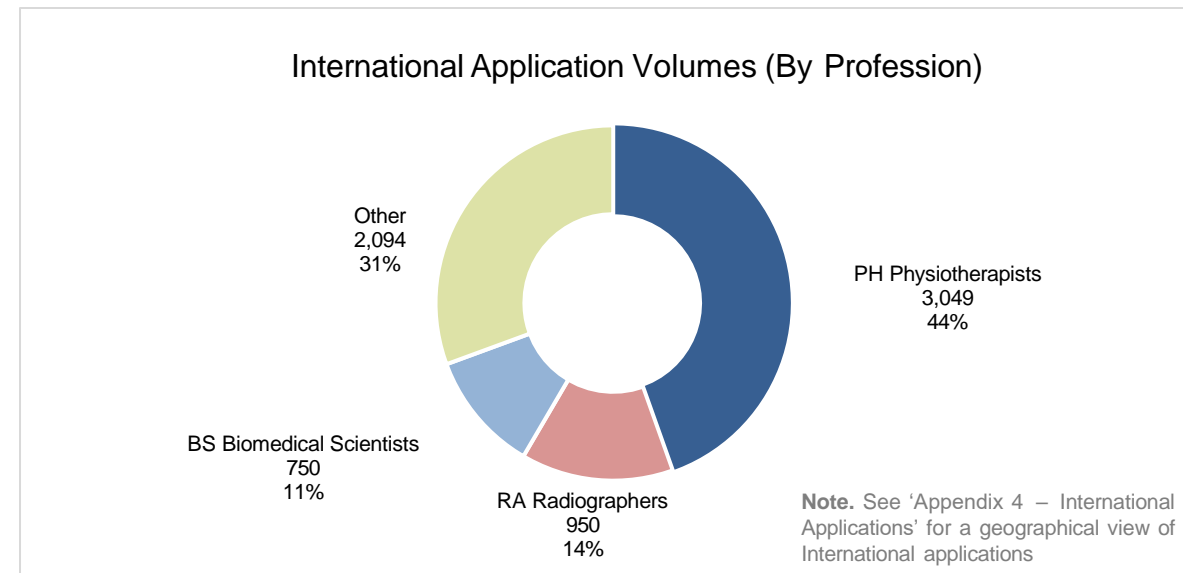
	December 2024 YTD			Full Year Forecast £'000
	Actuals	Forecast	Variance	
	£'000	£'000	£'000	
Registration Fees	25,779	25,778	1	34,696
International Scrutiny Fees	4,321	3,986	335	5,058
UK Scrutiny Fees	1,272	1,233	39	1,415
Other Income	856	831	25	1,078
Grant Income	28	28	0	57
Total Income	32,256	31,856	400	42,304

Note. To view the full year income budget vs forecast, please refer to 'Appendix 1.2 – Total Income – Budget vs Forecast (Full Year)'

International Income – December 2024

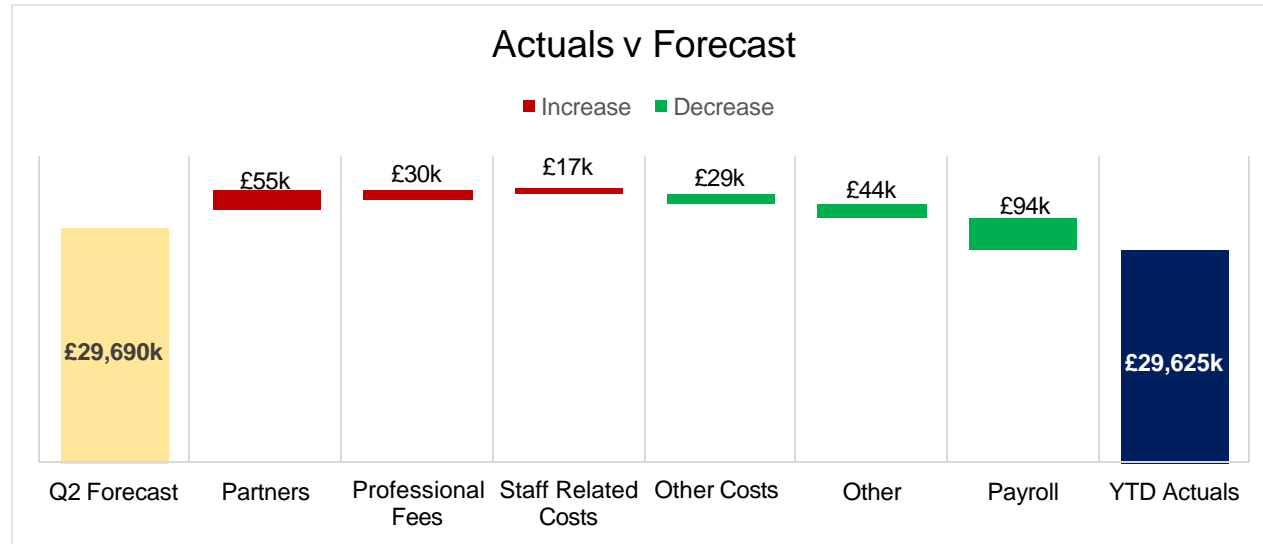


- **December 2024 Period Only:** Actual number of international applications was 916, which is 416 higher than forecast of 500 (83% increase). This may be due to the English language proficiency requirements coming into effect at the end of January 2025.
- **December 2024 YTD:** Actual number of international applications was 6,843 which is 531 higher compared to forecast of 6,312 (2,367 higher compared to budget of 4,476).
- **Full Year Forecast:** We revised our assumptions for the full year to 8,000 to account for the upward trend in applications compared to the original budget of 6,000 applications (around 39% increase). There is a potential opportunity of 500 additional applications, generating further income of around £320k.
- Although we are seeing a significant increase in international income, there is a cost neutral effect due to associated direct costs and other indirect costs.



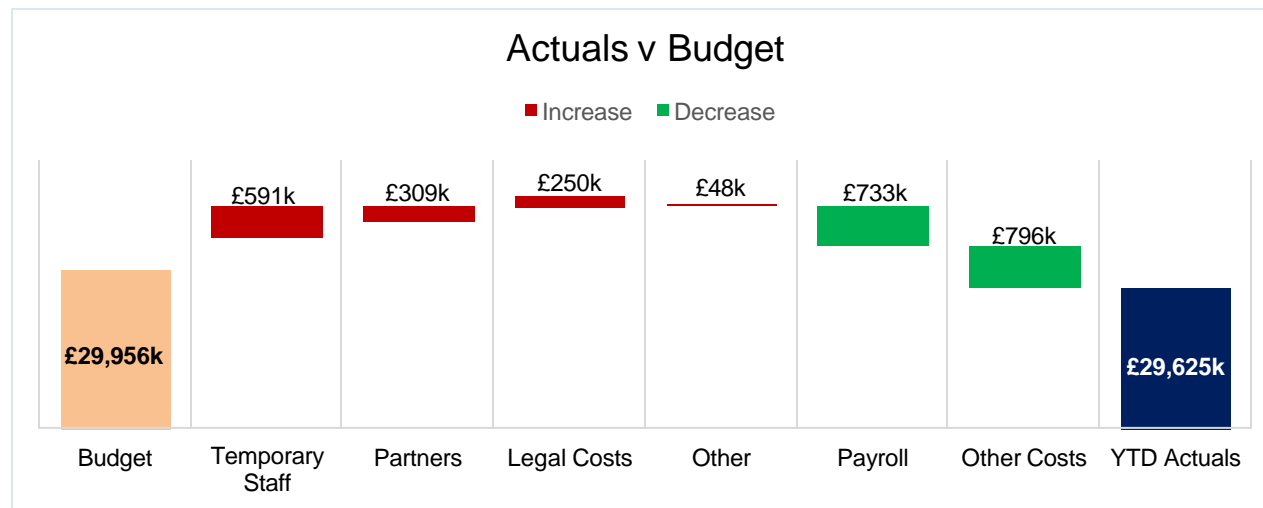
Financial vs Operational Reporting: There will be a slight difference in the reported volumes of international applications, related to recognising applications based on received payments (financial) versus the number of applications processed (operational).

Key Variances by Category – December 2024 YTD



Actuals vs Forecast

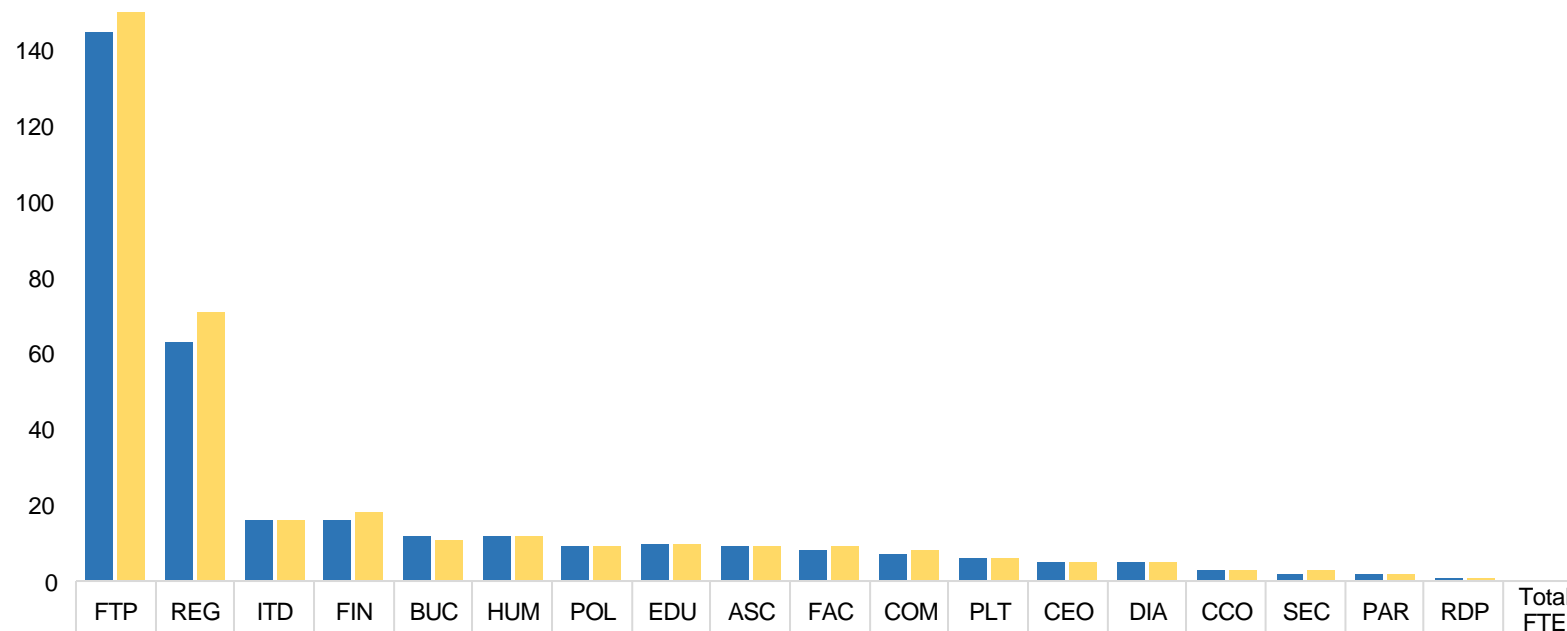
- **Partners:** overspend of **£55k** mainly due to the increase in international applications.
- **Professional Fees:** overspend of **£30k** reflecting an increase in interim orders and review activities.
- **Staff Related Costs:** overspend of **£17k** due to timing of recruitment costs.
- **Other Costs:** underspend of **£29k** due to timing of forecast business as usual (BAU) spend.
- **Payroll:** underspend of **£94k** due to unfilled vacant posts in Fitness to Practise and Registration.



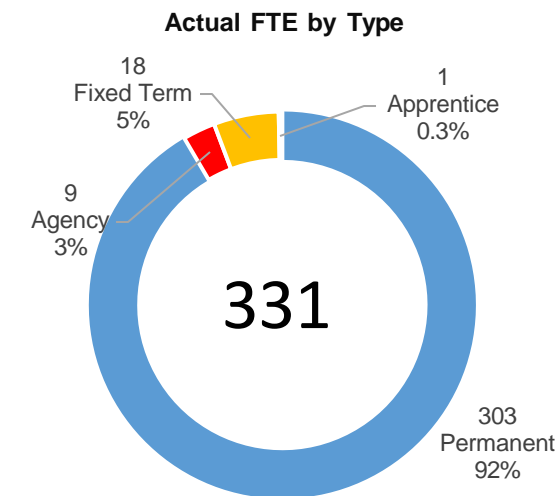
Actuals vs Budget

- **Other Costs:** underspend of **£796k** mainly due to phasing of contingency and policy research costs (two projects were budgeted on a straight-line basis from April 2024, which may be deferred to 2025-26).
- **Payroll:** underspend of **£733k** mainly due to unfilled vacant posts in Fitness to Practise and Registration.
- **Legal Costs:** overspend of **£250k** mainly due to additional costs relating to further progression of cases than anticipated (timing of costs).
- **Partners:** overspend of **£309k** mainly driven by increase in international assessors' fees, in line with the increase in international applications (6,843 actual volume compared to budget volume of 4,476).
- **Temporary Staff:** overspend of **£591k** due to extension of Fitness to Practise temporary staff to cover critical vacancies currently being recruited for (contracts extended to December 2024).

Employee FTEs as at 31 December 2024



	FTP	REG	ITD	FIN	BUC	HUM	POL	EDU	ASC	FAC	COM	PLT	CEO	DIA	CCO	SEC	PAR	RDP	Total FTE
■ Dec-24 Actuals	145	63	16	16	12	12	9	10	9	8	7	6	5	5	3	2	2	1	331
■ 2024/25 Forecast	162	71	16	18	11	12	9	10	9	9	8	6	5	5	3	3	2	1	360
Variance	17	8	0	2	(1)	0	0	0	0	1	1	0	0	0	0	1	0	0	29

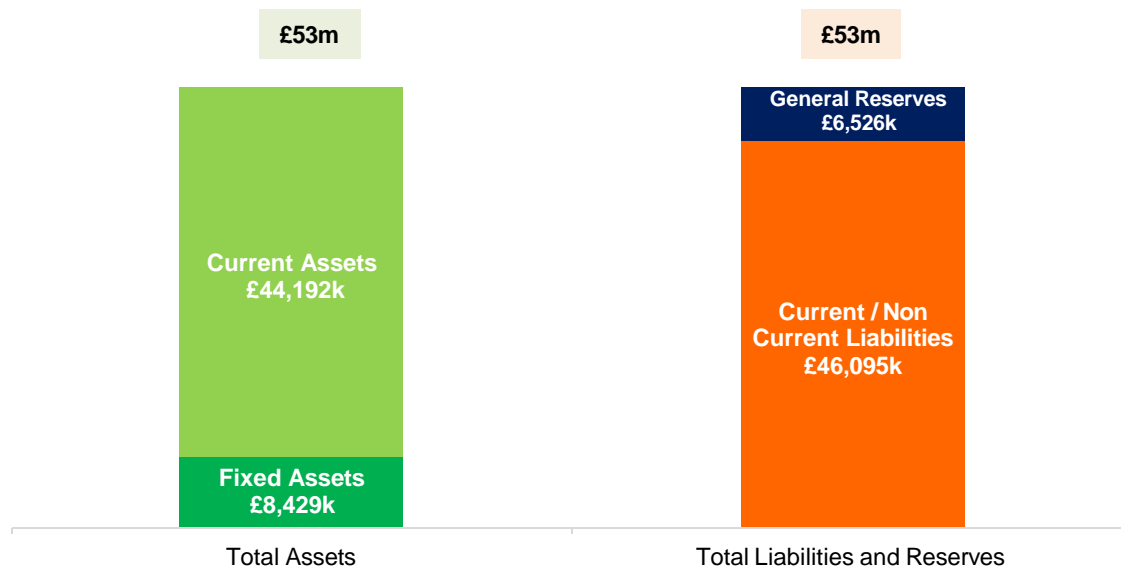


- FTP (Fitness To Practise)
- REG (Registrations)
- ITD (IT and Digital Transformation)
- FIN (Finance and Commercial)
- BUC (Business Change)
- HUM (Human Resources)
- POL (Policy and Standards)
- EDU (Education)
- ASC (Assurance and Compliance)
- FAC (Facilities Management)
- COM (Communications)
- PLT (Professional and Upstream Regulation)
- CEO (Chief Executive and Registrar)
- DIA (Data, Insight and Analytics)
- CCO (Chair and Chief Executive Office)
- SEC (Governance)
- PAR (Partners)
- RDP (Regulatory Development and Performance)

- **Fitness to Practise (FTP):** Unfilled vacant posts (expected to be filled from Q4 onwards).
- **Registration (REG):** New operating model in progress with vacant posts expected to be filled in Q4.

Note. The allocated FTE for 2024-25 budget was 332. Please see 'Appendix 7 – Full Time Equivalents (FTEs)' for a complete breakdown of budgeted vs forecasted FTE.

Balance Sheet and Reserves as at 31 December 2024



- **Current Assets:** mainly comprise cash and cash equivalents of around £26m and account receivables of around £19m.
- **Liabilities:** mostly relate to deferred income of around £42m as a result of registrants paying their fees in advance.
- **General Reserves (or Net Assets):** were approximately £6.5m.
- **Positive Realisable Net Assets:** were around £3.6m, calculated by taking our reserves position of approximately £6.5m less our 'intangible assets' of around £3m. This represents approximately one month of total operating expenditure. **Note.** The HCPC's reserves policy requires us to hold positive Realisable Net Assets
- To view the full Balance Sheet Statement, please refer to 'Appendix 5 – Balance Sheet'.

	31 December 2024 Actuals	31 December 2024 Forecast	Variance
	£'000	£'000	£'000
Opening Reserves	3,895	3,895	0
Surplus/(Deficit)	2,631	2,166	465
GENERAL RESERVES	6,526	6,061	465
Realisable Net Assets	3,578	3,020	558

Operating Reserves (Realisable Net Assets): are essentially the accumulation of surpluses without restrictions that are liquid (as opposed to invested in fixed assets). Having adequate reserves increases our ability to absorb or respond to temporary changes, such as the unanticipated event of significant unforecasted increases in expenditure and/or losses in income.

Risks and Opportunities

Risks

Low	Medium	High
Decrease in International Applications: publications shows fall in overseas health and care worker visa applications (£ - TBC)	Legal Provisions: potential legal disputes (£2.1m)	Complex legal cases: potential increase in legal cost for complex cases (£200k – £300k)
	Operating Reserves: augment reserves further in line with policy build-up of depleted reserves (£ - TBC)	Data Manager Contract role (IT): for data quality improvement (£40k - £45k)
	International Application Costs: direct costs associated with increase in volumes are covered through international scrutiny fees (£ - TBC)	

Opportunities

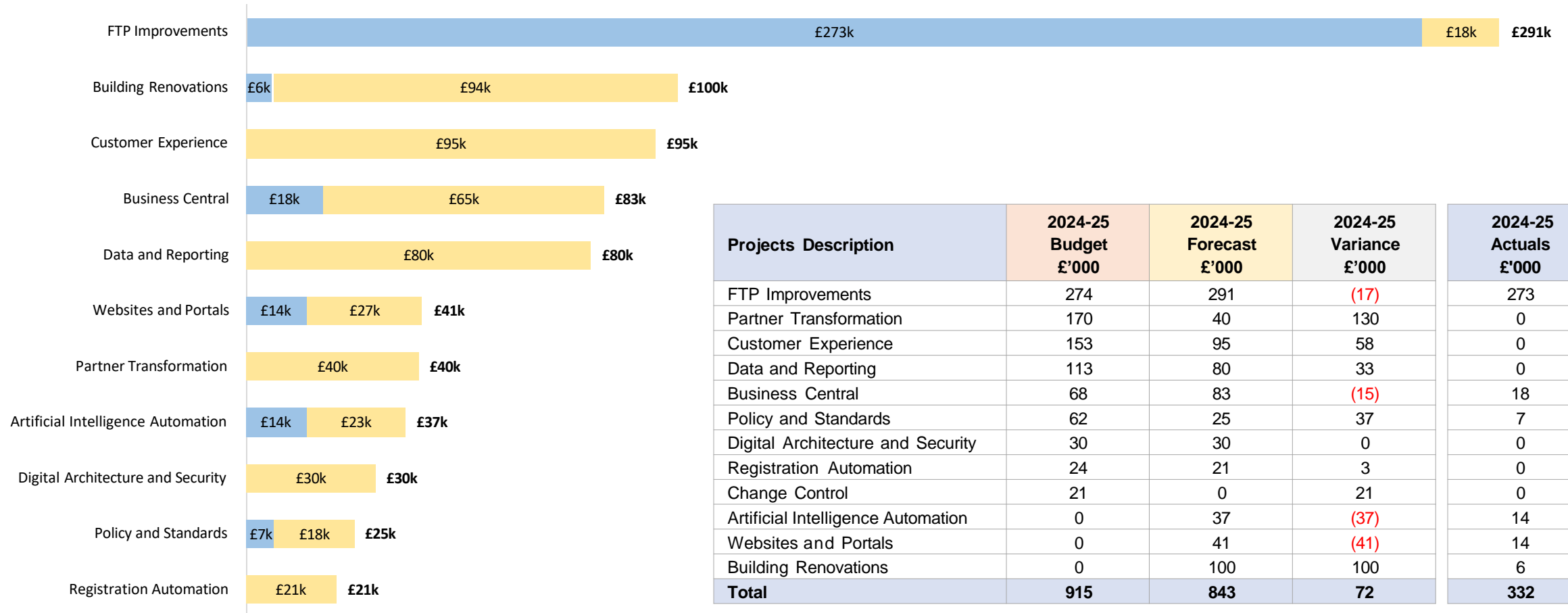
Low	Medium	High
Investment Income: the HCPC holds significant cash balances, with the potential to earn additional interest income (£ - TBC)	Software Licence Costs: review of individual user requirements may reduce BAU costs (£ - TBC)	Increase in International Income: if current YTD actual volumes plus the forecast from January to March 2025 materialise, we would have 8,531 total applications compared to forecast of 8,000 (£340k)
	Rental Income: Rental of office and hearing room spaces (£ - TBC)	Policy Research: research on professional boundaries likely to commence in quarter 1 2025-26 (£55k)
	Increase in International Income: if current run rate is applied, this will result in a total volume of 9,124 compared to forecast of 8,000 (£380k)	

Note. Low/Medium/High Risk categories relate to the likelihood of the risk or opportunity materialising.

Investments Portfolio 2024-25

Investments Portfolio 2024-25

Actuals Forecast



Projects Description	2024-25 Budget £'000	2024-25 Forecast £'000	2024-25 Variance £'000	2024-25 Actuals £'000
FTP Improvements	274	291	(17)	273
Partner Transformation	170	40	130	0
Customer Experience	153	95	58	0
Data and Reporting	113	80	33	0
Business Central	68	83	(15)	18
Policy and Standards	62	25	37	7
Digital Architecture and Security	30	30	0	0
Registration Automation	24	21	3	0
Change Control	21	0	21	0
Artificial Intelligence Automation	0	37	(37)	14
Websites and Portals	0	41	(41)	14
Building Renovations	0	100	100	6
Total	915	843	72	332

Note. As per the actuals for December 2025 YTD, some forecast project spend is yet to materialise. There is a high likelihood these costs will be carried forward to next financial year.

December 2024
Finance Report

APPENDICES

Appendix 1.1 – Income and Expenditure (By Department)

	December 2024 YTD			Full Year			Full Year Forecast	Notes
	Actuals	Forecast	Variance	Budget	Forecast	Variance	Actuals	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
Total Income	32,256	31,856	400	40,439	42,304	1,865	76%	
Fitness to Practise	14,668	14,666	(2)	19,206	20,184	(978)	73%	1
Registration	3,097	3,077	(20)	3,819	4,139	(320)	75%	2
IT and Digital Transformation	2,600	2,612	12	3,427	3,617	(190)	72%	
Chief Executive and Registrar	1,250	1,259	9	1,687	1,693	(6)	74%	
Finance and Commercial	1,151	1,151	0	1,356	1,532	(176)	75%	3
Facilities Management	890	933	43	1,566	1,335	231	67%	6
Human Resources	817	804	(13)	1,297	1,260	37	65%	
Depreciation	789	791	2	1,044	1,034	10	76%	
Communications	743	759	16	1,018	1,033	(15)	72%	
Business Change	591	596	5	823	823	0	72%	
Assurance and Compliance	466	470	4	531	637	(106)	73%	5i
Education	455	467	12	625	607	18	75%	
Policy and Standards	395	388	(7)	711	593	118	67%	
Professional and Upstream Regulation	280	288	8	392	397	(5)	71%	
Regulatory Development and Performance	242	242	0	98	266	(168)	91%	4
Governance	194	198	4	586	312	274	62%	5ii
Data Insight and Analytics	190	190	0	253	271	(18)	70%	
Chair, Council and Committees	183	188	5	249	258	(9)	71%	
Partners	164	153	(11)	254	255	(1)	64%	
Chair and Chief Executive Office	109	111	2	0	148	(148)	74%	5iii
Major Projects	107	110	3	200	200	0	54%	
Total Operating Expenditure	29,381	29,453	72	39,142	40,594	(1,452)	72%	
Operating Surplus/(Deficit)	2,875	2,403	472	1,297	1,710	413	168%	
Transformation costs	36	36	0	179	179	0	20%	
Contingency	0	0	0	773	645	128	0%	
Corporation Tax	208	201	(7)	159	261	(102)	80%	
Total Expenditure	29,625	29,690	65	40,253	41,679	(1,426)	71%	
Total Surplus/(Deficit)	2,631	2,166	465	186	625	439	421%	

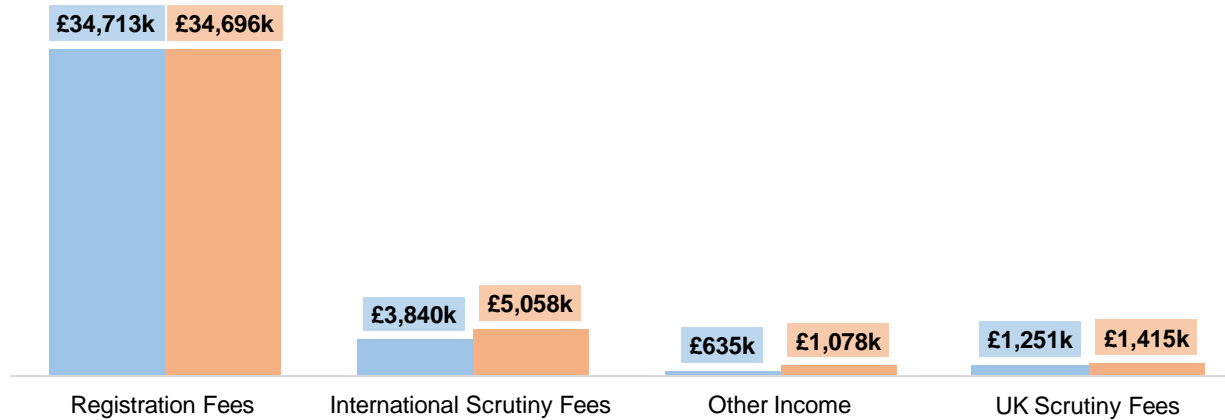
Budget vs Forecast

- Note 1 (Fitness to Practise): £978k** adverse variance due to:
 - Increase in FTP temporary staff to help cover critical vacancies pending permanent recruitment (two months of costs initially budgeted for 4 individuals, around 10 temporary staff now expected to remain until December 2024).
 - Cost pressures related to timing and complexity of legal cases from previous legal provider. The cases were anticipated to have been resolved by March 2024 and are now anticipated for completion in 2024-25.
- Note 2 (Registration): £320k** adverse variance mainly due to increase in international assessors' fees associated with the increase in international application volumes (8,000 applications forecasted for the full year vs prudent budgeted assumption of 6,000 applications).
- Note 3 (Finance and Commercial): £176k** adverse variance mainly due to increase in bank fees for processing transactions associated with the additional volumes of international applications (around £70k) and additional insurance cover for Cyber Security (around £32k).
- Note 4 (Regulatory Development and Performance): £168k** adverse variance due to the international assessment model development workstream.
- Note 5:** Reallocation of resources across Governance, Assurance and Compliance and Chair and Chief Executive Office departments. Overall net variance across the three departments is **£20k** favourable.
- Note 6 (Facilities Management): £231k** favourable variance is mainly driven by reclassification of building refurbishments costs as capital related expenditure.

Appendix 1.2 – Total Income – Budget vs Forecast (Full Year)

Total Income

■ Budget ■ Forecast

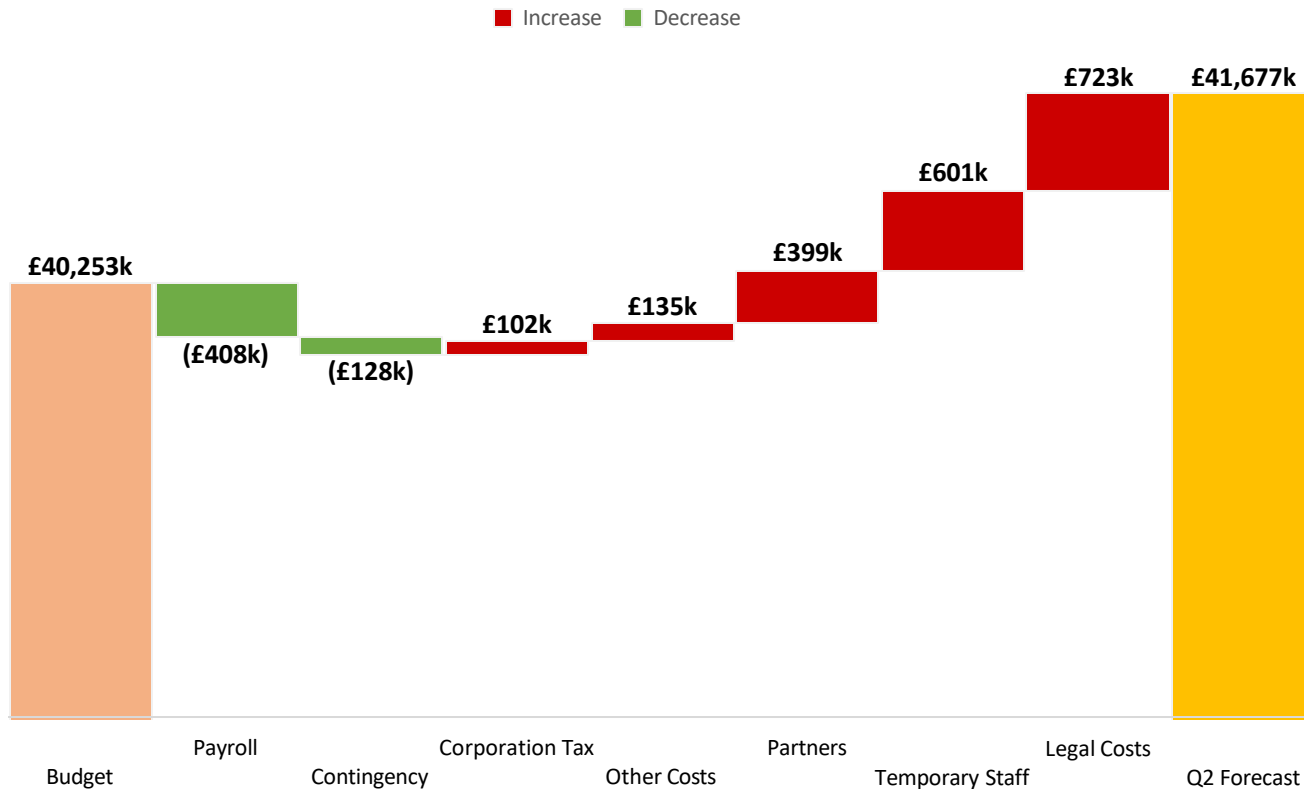


	Full Year 2024-25			Q1 Forecast
	Budget	Forecast	Variance	
	£'000	£'000	£'000	
Registration Fees	34,713	34,696	(17)	34,628
International Scrutiny Fees	3,840	5,058	1,218	5,089
Other Income	635	1,078	443	957
UK Scrutiny Fees	1,251	1,415	164	1,319
Grant Income	0	57	57	0
Total Income	40,439	42,304	1,865	41,993

Forecast income for 2024-25 is **£42.3m** compared to the budget income of £40.4m, which is **£1.9m** favourable.

- **International Scrutiny Fees: £1.2m** favourable due to international applications increase from our budget volume of 6,000 to 8,000. Prudent assumptions were made on budgeted income and costs.
- **Other Income: £443k** favourable to reflect increase in principal amount held in our cash deposit accounts (budget assumed £25m vs forecast of £32m). This is driven by an increase in deferred income from renewals of Physiotherapist and Radiographer professions.
- **UK Scrutiny Fees: £164k** favourable due to an expected increase of roughly 2,000 UK applications (budget assumed 15,358 vs forecast of 17,380).
- **Grant Income: £57k** favourable due to approved grant from NHS England (NHSE) for the development of resources to support Allied Health Professionals (AHPs) and their employers in optimising their scope of practice in relation to advanced practice (18 month contract with a total grant of £170k).

Appendix 1.3 – Expenditure – Full Year Budget vs Forecast (by Category)



‘Other Costs’ includes categories with variances approximately £25k or less

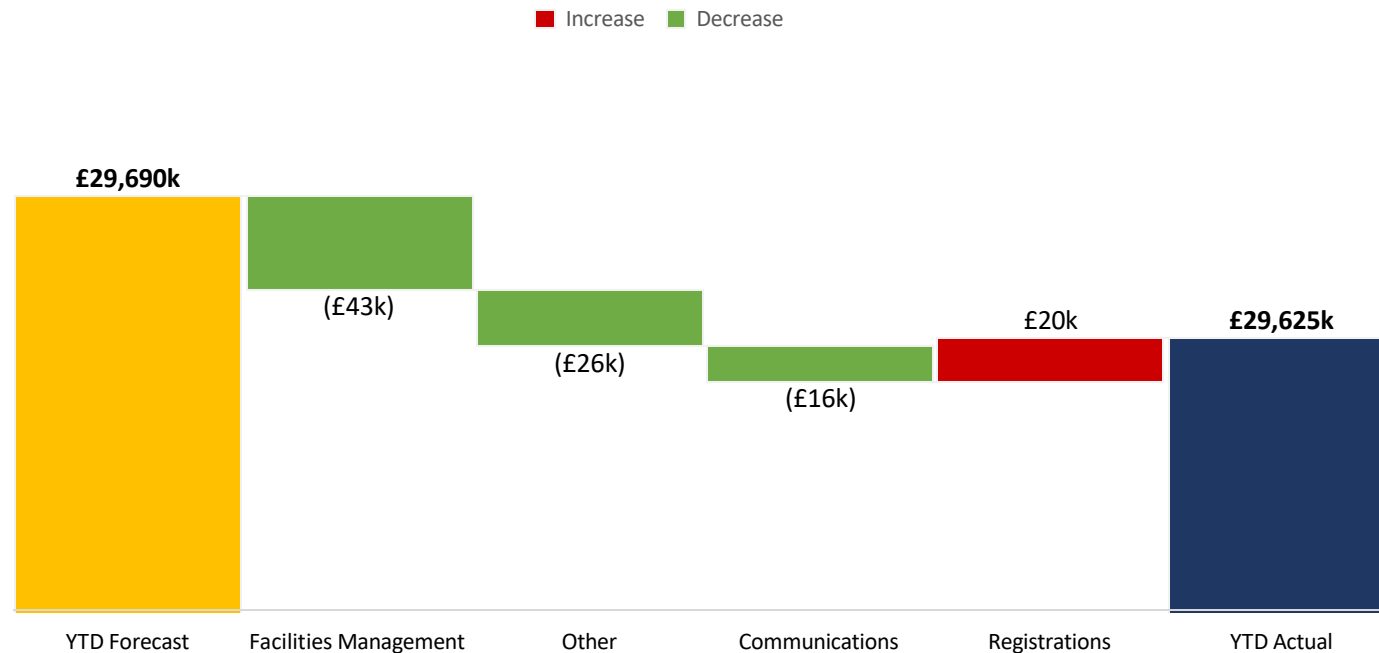
Note. To view the full year forecast, please refer to ‘Appendix 3 – Expenditure December-24 YTD (by Category)’. For full breakdown of Contingency movement, please refer to ‘Appendix 8 – Contingency’.

Total forecast expenditure for the year of £41.7m is **£1.5m** adverse compared to budget expenditure of £40.3m. This largely due to:

- **Payroll: £408k** favourable due to unfilled vacant posts, with majority sitting within Fitness to Practise (FTP).
- **Contingency: £128k** favourable variance mainly due to reallocation of contingency funds across multiple departments.
- **Corporation Tax: £102k** adverse as this is directly associated with the projected increase in investment income.
- **Partners: £399k** adverse variance mainly driven by increase in international assessors’ fees in line with the increase in international applications (this is covered by income from international scrutiny fees).
- **Temporary Staff: £601k** adverse due to extension of FTP temporary staff to cover critical vacancies pending permanent recruitment (contracts extended to December 2024). **Note.** Following current recruitment campaigns, we’ve seen reduced reliance on agency staff.
- **Legal Costs: £723k** adverse due to **£500k** additional costs relating to further progression of cases than anticipated (timing of costs) based on legal suppliers’ reports and **£220k** of additional fees related to complex cases.

Appendix 2 – Key Variances by Department (December 2024 YTD)

Total Expenditure Variances - Actual vs Forecast



- **Facilities Management: £43k** underspend mainly due to timing of BAU projects.
- **Communications: £16k** underspend due to timing of web and brand development costs.
- **Registration: £20k** overspend mainly due to increase in international applications, which is significantly offset by payroll savings as a result of unfilled vacant posts.

Note. 'Other' includes departments with variances approximately £15k or less

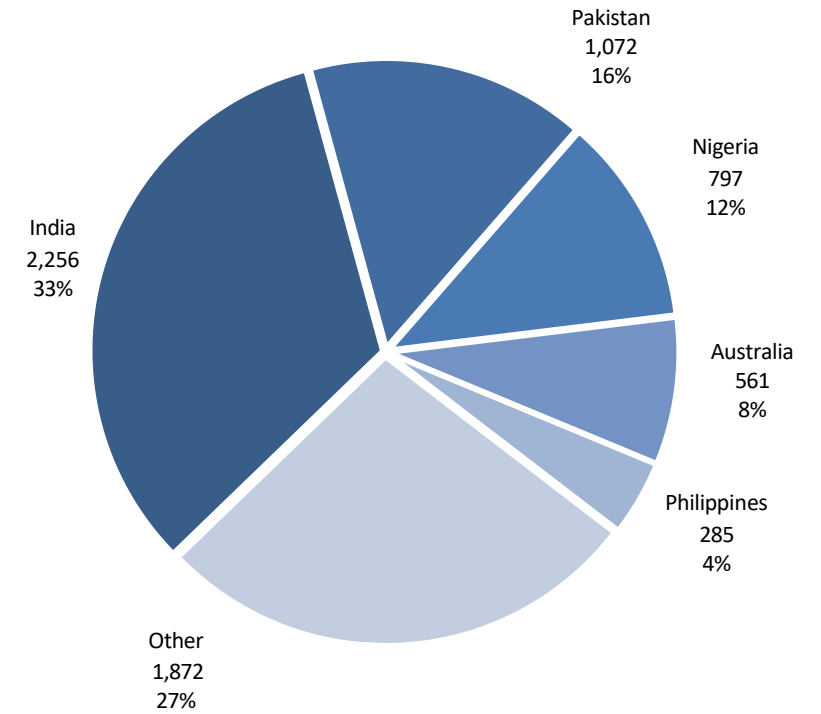
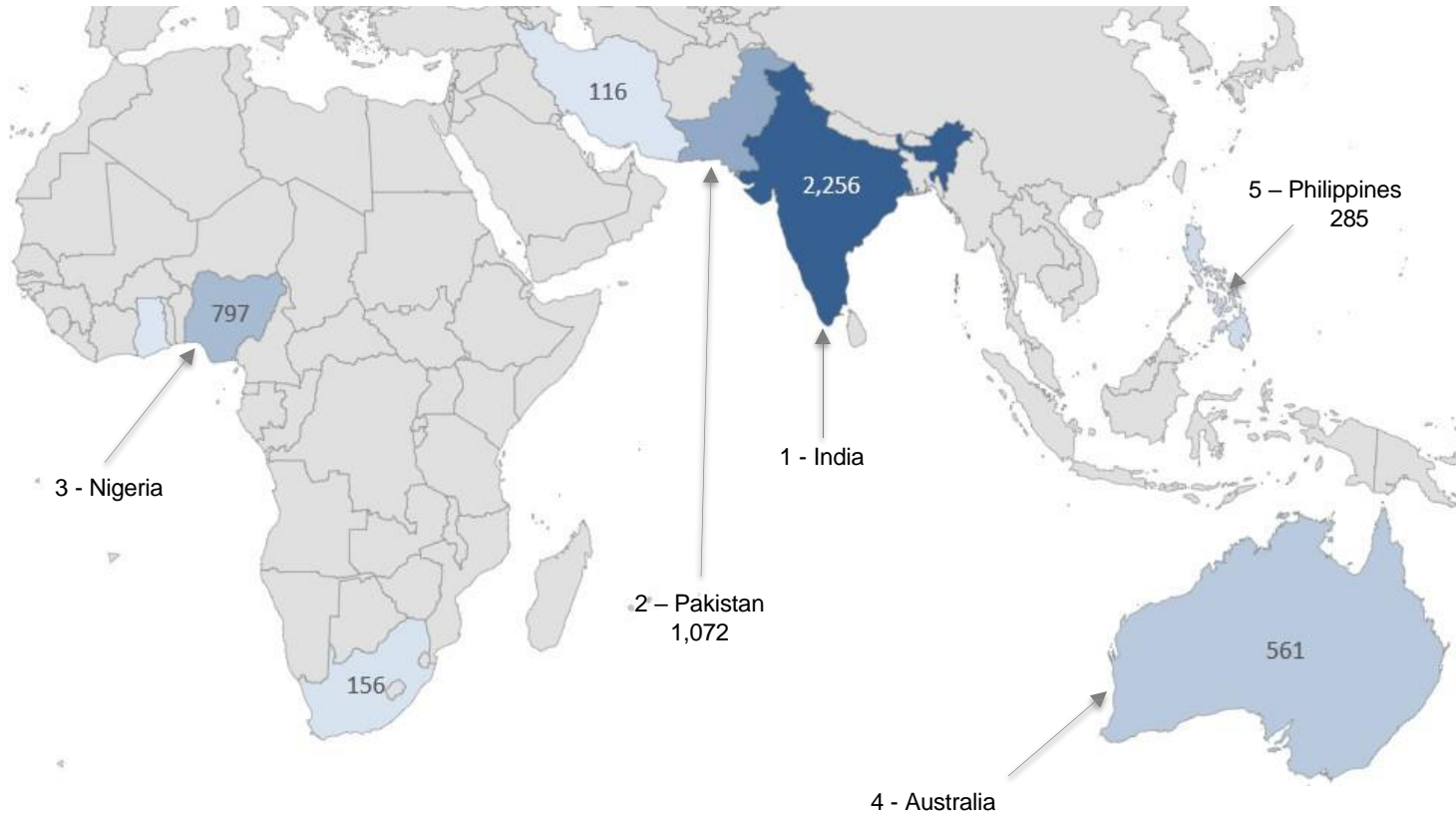
Appendix 3 – Expenditure December 2024 YTD (by Category)

	December-24 YTD			Full Year	Full Year Forecast
	Actuals	Forecast	Variance	Forecast	% of Actuals
	£'000	£'000	£'000	£'000	%
Payroll	12,139	12,233	94	16,827	72%
Legal Costs	8,010	8,020	10	11,076	72%
Partners	3,436	3,381	(55)	4,628	74%
IT Costs	1,651	1,659	8	2,243	74%
Temporary Staff	806	808	2	837	96%
Depreciation	789	791	2	1,034	76%
Professional Fees	683	653	(30)	843	81%
Office Services	443	435	(8)	681	65%
Staff Related Costs	349	332	(17)	623	56%
Property Costs	289	304	15	441	66%
Other Costs	283	312	29	1,408	20%
Communication Costs	266	281	15	386	69%
Utilities	233	239	6	330	71%
Corporation Tax	208	202	(6)	261	80%
Travel and Subsistence	40	40	0	59	68%
Total Expenditure	29,625	29,690	65	41,677	71%

Note. 'Other Costs' includes Bank Charges and Contingency. 'Staff Related Costs' includes Training, Recruitment Fees and Pension Administration Costs.

Appendix 4 – International Applications (Geographic Location)

**International Application Volumes – December 2024 YTD
(By Geographic Location)**



Appendix 5 – Balance Sheet (as at 31 December 2024)

	31 December 2024 Actuals	31 December 2024 Forecast	Variance	31 March 2025 Forecast
	£'000	£'000	£'000	£'000
Property, Plant and Equipment	5,481	5,481	0	5,504
Intangible Assets	2,948	3,042	(94)	3,054
Total Fixed Assets	8,429	8,523	(94)	8,558
Current Assets				
Trade and Other Receivables	18,514	17,660	854	2,086
Cash and Cash Equivalents	25,678	26,911	(1,233)	30,520
Total Current Assets	44,192	44,571	(379)	32,606
Total Assets	52,621	53,094	(473)	41,164
Current Liabilities				
Deferred Income	41,616	41,211	(405)	30,490
Trade and Other Payables	4,402	5,753	1,351	6,085
Total Current Liabilities	46,018	46,964	946	36,575
Non-Current Liabilities	77	68	(9)	68
Total Liabilities	46,095	47,032	937	36,643
NET ASSETS	6,526	6,061	465	4,521
Opening Reserves	3,895	3,895	0	3,895
Surplus/(Deficit)	2,631	2,166	465	625
GENERAL RESERVES	6,526	6,061	465	4,521
Realisable Net Assets	3,578	3,020	558	1,467

Appendix 6 – Key Contracts (December 2024 YTD)

Department	Description of service	Contract Value	Contract Length	Supplier	Procurement Route
Facilities Management	Sustainability Advisory Agreement	£37k	12 months	Acclaro Advisory Ltd	Finalising Contract
Fitness to Practise	Case Management and Legal Services	£5.76m	24 months	Blake Morgan	Contract Extension
Fitness to Practise	Case Management and Legal Services	£5.76m	24 months	Capsticks	Contract Extension
Fitness to Practise	Recording & Transcription Services	£375k	18 months	MWC and Ubiquis	Contract Extension
Fitness to Practise	Frontloading Project	£201k	12 months	ShareDo	Contract Extension
Fitness to Prctise	Portal Workstream within Online Concerns project	£29k	12 months	Synchronicity Technology Solutions Ltd	Direct Award
Information Technology	Licences and Support for CoreHR Employee and Partners Systems	£454k	36 months	Access Group	Direct Award
Information Technology	ShareDo Subscription	£319k	24 months	Slicedbread	Direct Award
Information Technology	Website Content Management System and Hosting	£220k	24 months	Optimizely AB	Direct Award
Information Technology	Licences and Support for Perform and Perform Plus Solutions (FTP)	£180k	36 months	PWC	Direct Award
Information Technology	HCPC Service Desk Ticket Management Software	£74k	36 months	SolarWinds	Direct Award
Information Technology	Automating Requests Resolution Processes (PoC)	£41k	12 months	EmailTree	Direct Award
Information Technology	NetApp Support	£29k	15 months	Logicalis UK Ltd	Direct Award
Information Technology	Website Support and Development Capacity	£28k	12 months	Twintysix-DX	Contract Extension
Information Technology	Check Point Support Services	£27k	12 months	Camwey Technology	Direct Award
Information Technology	Hypercare Support for Education System	£26k	12 months	Synchronicity Technology Solutions Ltd	Direct Award
Regulatory Development and Performance	International Application Standardised Assessment – Design Phase	£168k	Based on proposed project duration	PwC	Public Tender

Note. This is a list of key contracts above £25k

Appendix 7.1 – Full Time Equivalents (FTEs)

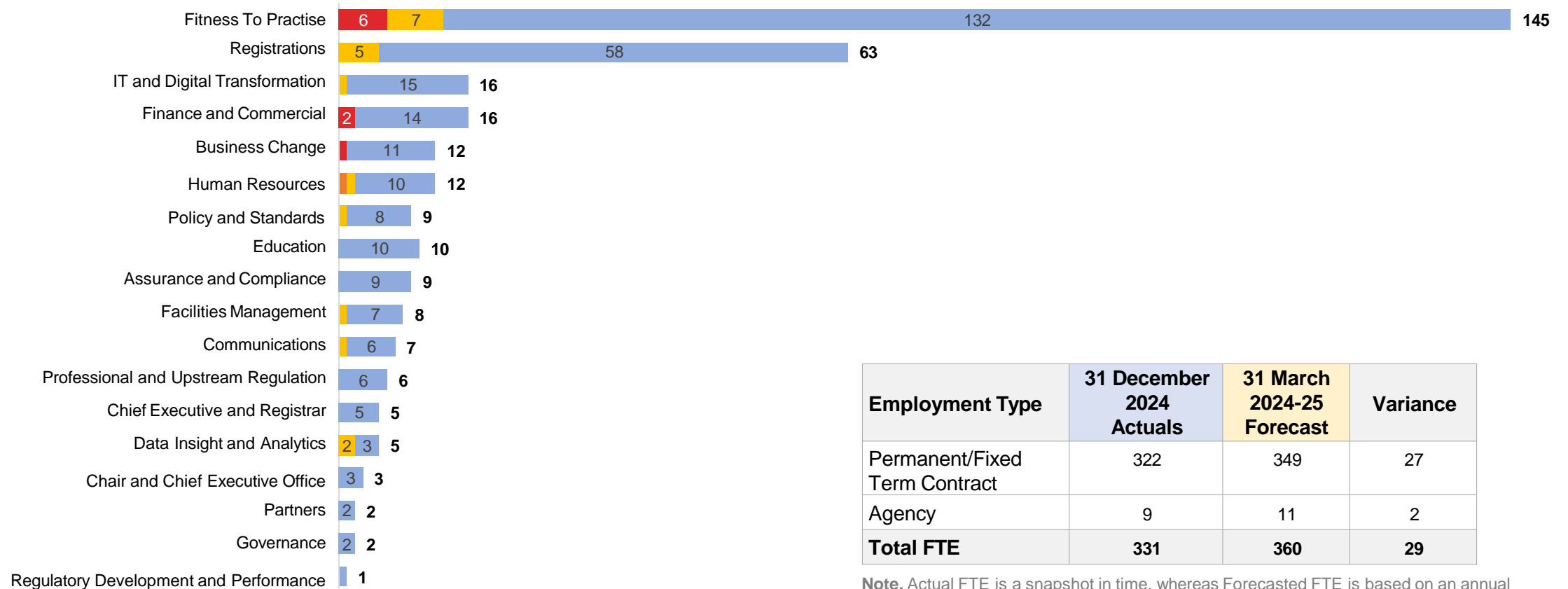
Department	2024-25 Budget			2024-25 Forecast			Variance
	Permanent/Fixed Term Contract	Temporary	Total	Permanent/Fixed Term Contract	Temporary	Total	
Fitness To Practise	143	1	144	153	9	162	(18)
Registrations	61	3	64	71	0	71	(7)
Finance and Commercial	15	1	16	17	1	18	(2)
IT and Digital Transformation	15	1	16	16	0	16	0
Human Resources	12	0	12	12	0	12	0
Business Change	11	0	11	11	0	11	0
Education	11	0	11	10	0	10	1
Assurance and Compliance	7	0	7	9	0	9	(2)
Facilities Management	8	0	8	9	0	9	(1)
Policy and Standards	9	0	9	9	0	9	0
Communications	8	0	8	7	1	8	0
Professionalism and Upstream Regulation	6	0	6	6	0	6	0
Chief Executive and Registrar	5	0	5	5	0	5	0
Data Insight and Analytics	4	0	4	5	0	5	(1)
Chair and Chief Executive Office	0	0	0	3	0	3	(3)
Partners	2	0	2	2	0	2	0
Governance	8	0	8	3	0	3	5
Regulatory Development and Performance	1	0	1	1	0	1	0
Total Full Time Equivalents	326	6	332	349	11	360	(28)

Note. Negative variance shows increase in FTE

Appendix 7.2 – FTEs as at 31 December 2024

Actual FTE by Employment Type

■ Agency ■ Apprentice ■ Fixed Term ■ Permanent



Employment Type	31 December 2024 Actuals	31 March 2024-25 Forecast	Variance
Permanent/Fixed Term Contract	322	349	27
Agency	9	11	2
Total FTE	331	360	29

Note. Actual FTE is a snapshot in time, whereas Forecasted FTE is based on an annual view. For example, if an employee was hired on a 6-month contract at the beginning of the financial year, forecasted FTE would be shown as **0.5**, however, Actuals will be shown as **1.0**.

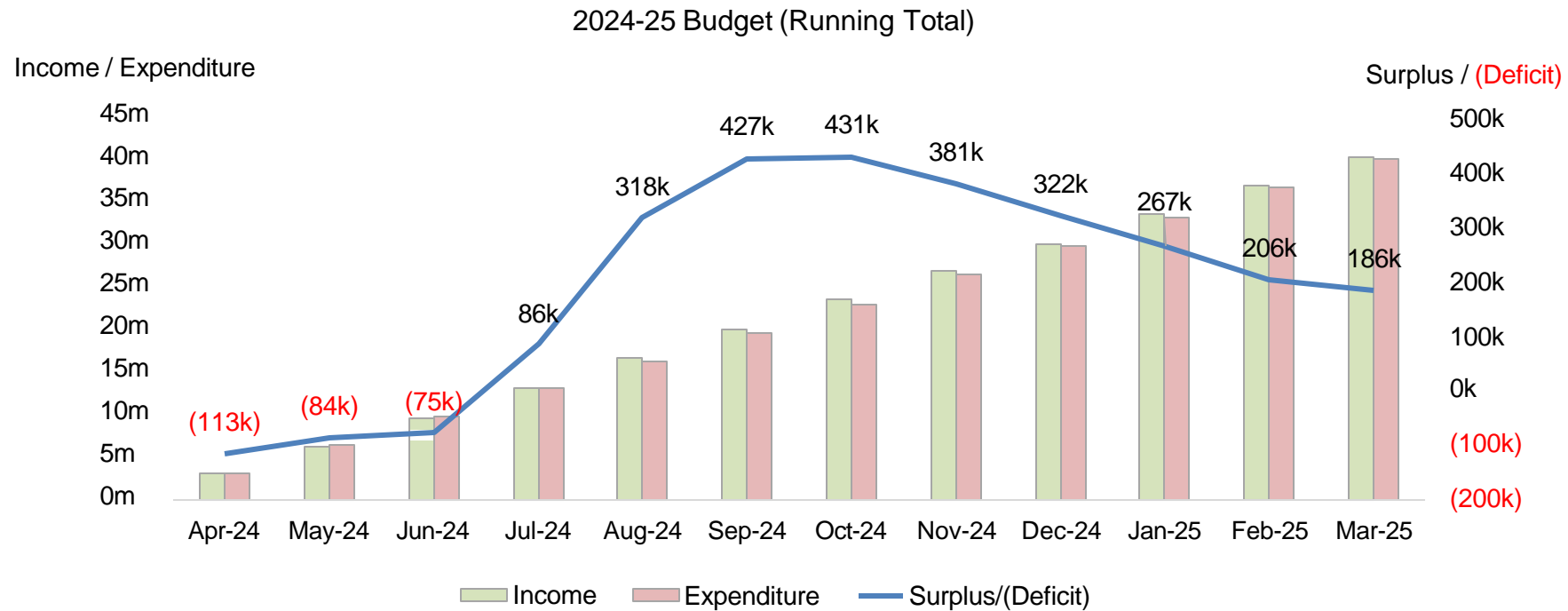
Appendix 8 – Contingency (as at 31 December 2024)

Description	£'000
General contingency	176
Ring-fenced annual partners and pension	597
2024-25 budget contingency	773
Online register (one-off)	(15)
Cyber security cost	(32)
FTP temporary staff costs	(450)
Total contingency as at 30 September 2024	276
Data storage, IT telephony and firewall costs	(148)
Data insight and analytics secondment position	(15)
International assessment model development	(168)
Contingency increase	700
Total contingency remaining	645

Budget Contingency. The previously allocated ring-fenced contingency of £597k for Partners' ongoing holiday pay and pension costs for 2024-25, has been deferred to the 2025-26 financial year. This deferral has effectively increased the general contingency pot, allowing for the reallocation of funds to cover these critical expenses without impacting overall financial stability.

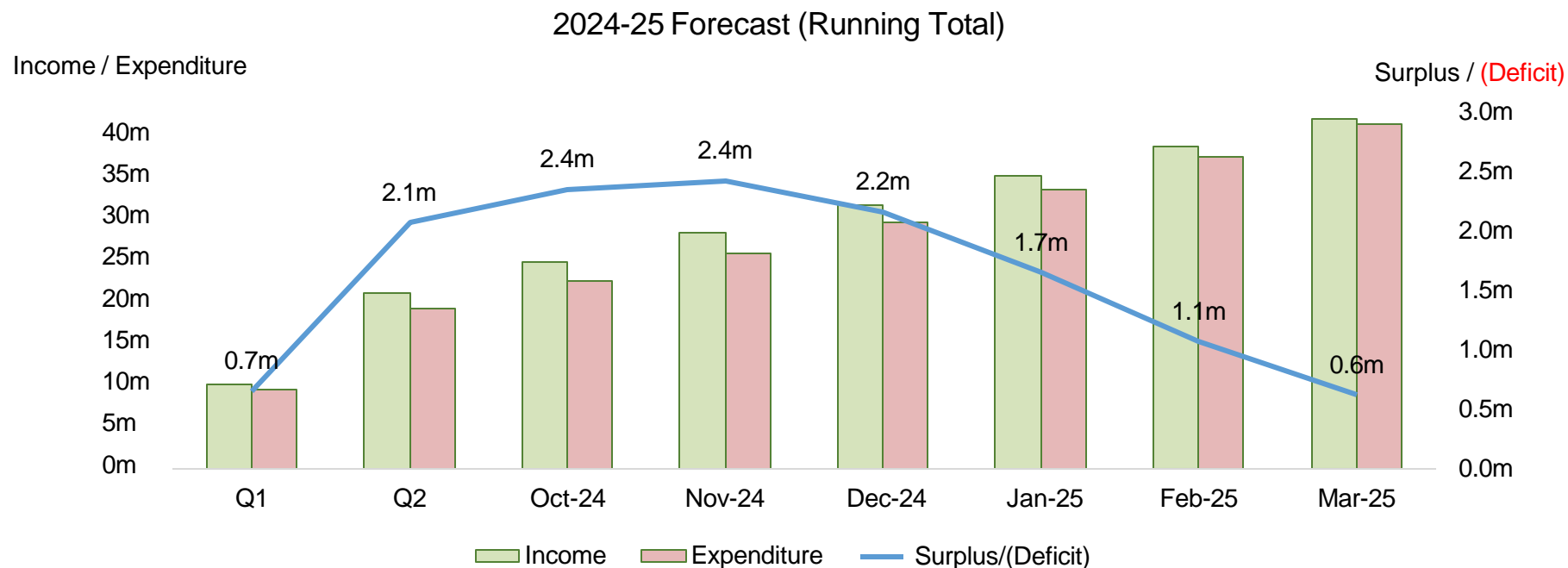
Forecast Contingency. Split between ring-fenced funds of £300k to cover 2025-26 brought forward spend into this financial year, £200k for complex legal cases and £145k of general contingency. January reforecast exercise has commenced and will include a review of contingency (likely decrease in contingency funds).

Appendix 9 – 2024–25 Budget Profile



- The 2024-25 budget assumes a deficit position in the first quarter of 2024-25, followed by a steady surplus trend for the remainder of the year.
- Income is budgeted to be lower for the first quarter of 2024-25 compared to later periods, whilst expenditure remains relatively consistent across the periods. The budgeted income for 2024-25 was profiled based on prior year actuals.
- The general trend seen in prior years suggests an increase in income from the second quarter of 2024-25, due to it being a busier period with greater influx of UK graduate applications, reaching its peak around October 2024. This is followed by a decline in applications from November 2024.

Appendix 10 – 2024-25 Forecast Profile

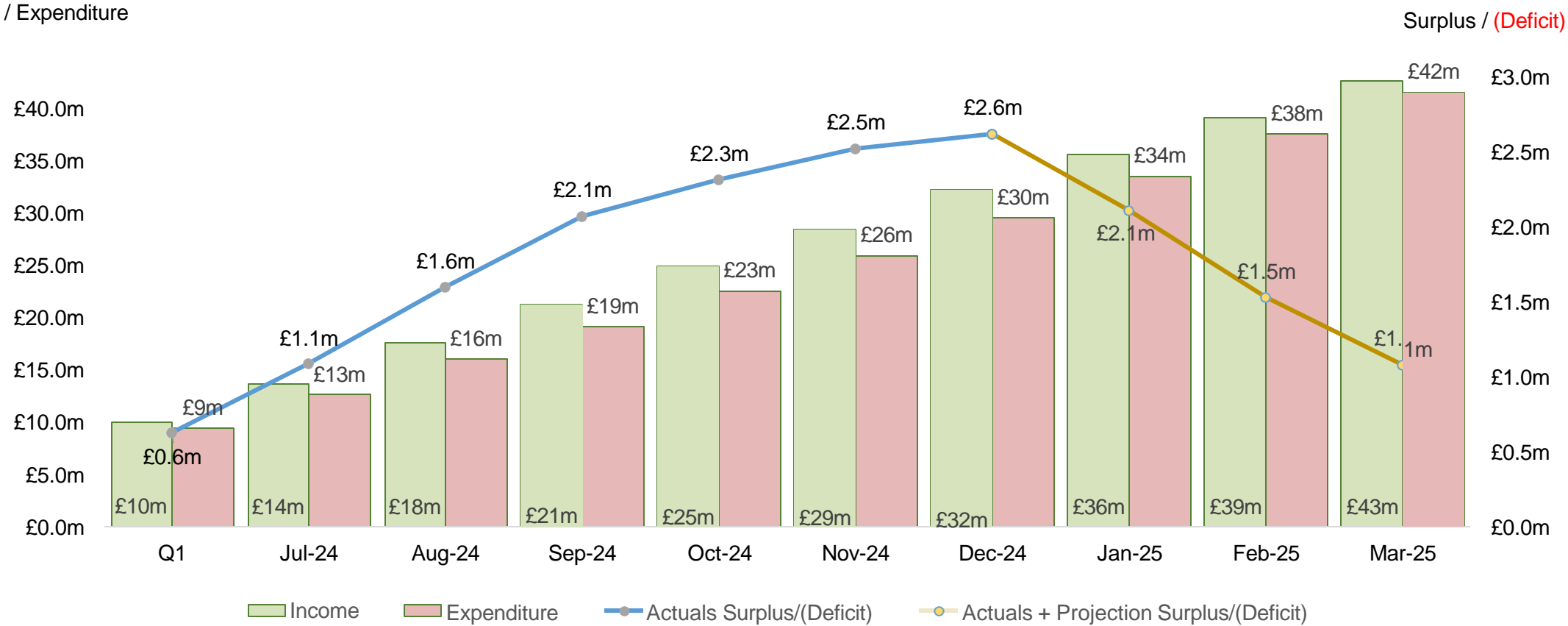


- The surplus at the end of the second quarter of 2024-25 was £2.1m, surpassing the budget by £1.7m. The forecast full year surplus of £0.6m is £0.4m favourable compared to budget.
- The forecast shows a £0.6m surplus at the end of the financial year compared to the previous forecast of £1.3m.
- There has been further increase to UK scrutiny fees and registration income to account for current upward trends in UK applications. Investment income has also been revised due to higher principal amounts held in our cash deposit accounts. The forecast also includes NHS England grant income for the development of resources to support allied health professionals and their employers in optimising their scope of practice in relation to advanced practice. This is offset by additional cost pressures expected later in the year.
- Although the surplus peaked at around £2.4m in the third quarter of 2024-25, a decrease in surplus is anticipated in the fourth quarter due to majority of BAU projects anticipated to be complete by this period.

Appendix 11 – 2024-25 YTD Actuals (By Period)

2024-25 Actuals (Running Total)

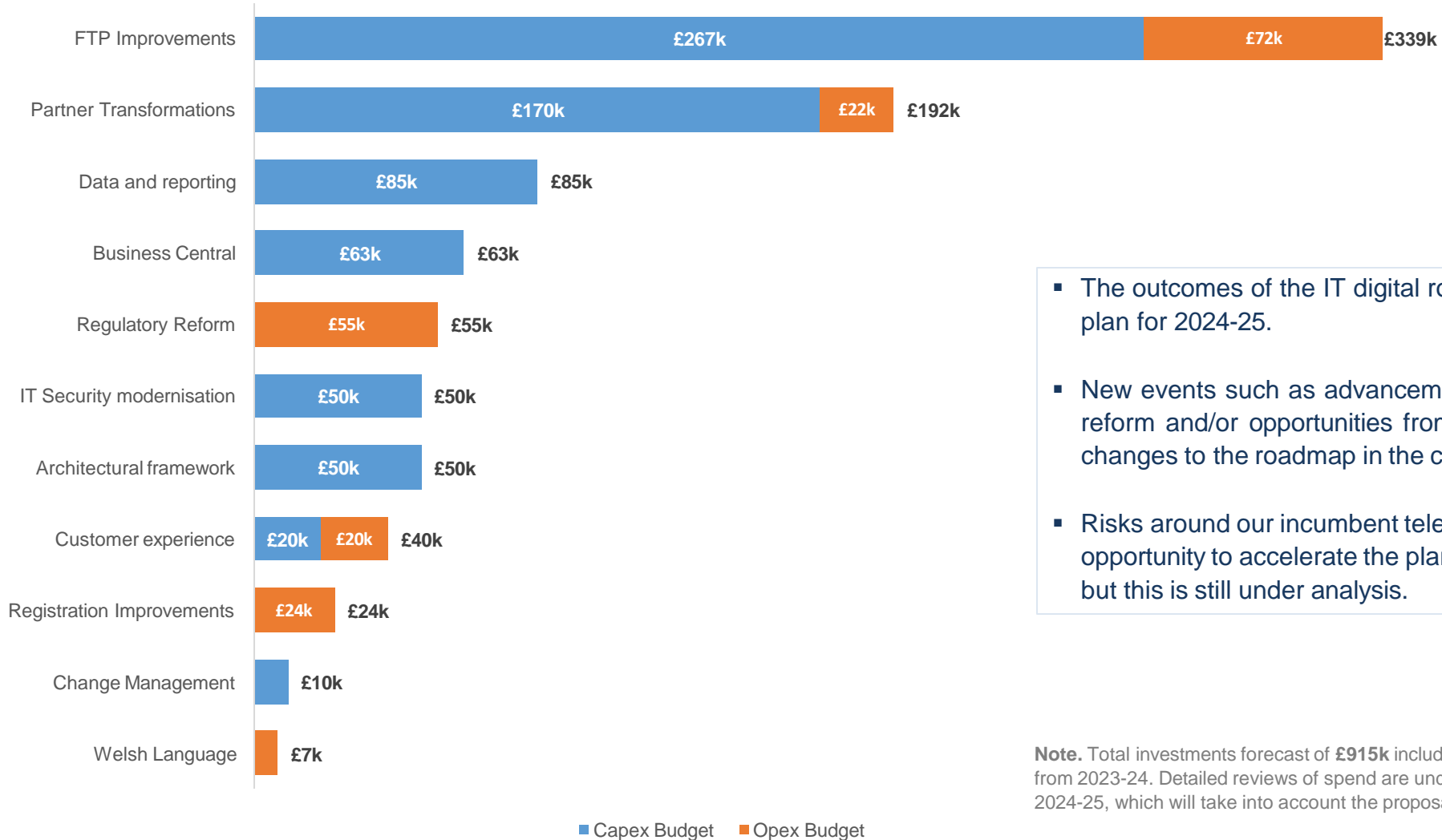
Income / Expenditure



Note. Actual + Projection is based on December 2024 YTD actuals plus forecast

The above shows a projected surplus of £1.1m if we take the December 2024 year-to-date position with the forecasts for the rest of the year.

Appendix 12 – Investments Portfolio 2024-25 Budget



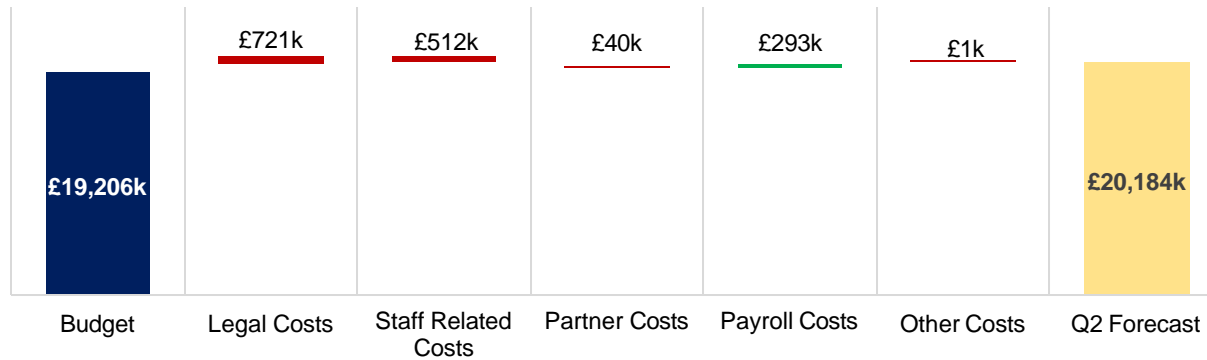
- The outcomes of the IT digital roadmap is aligned to the investment plan for 2024-25.
- New events such as advancements in the schedule for regulatory reform and/or opportunities from the partners review, may inform changes to the roadmap in the coming months.
- Risks around our incumbent telephony provider may create an opportunity to accelerate the plan for the omni-channel contact centre, but this is still under analysis.

Note. Total investments forecast of £915k includes an approved amount of 215k brought forward from 2023-24. Detailed reviews of spend are underway to capture latest spend projections for 2024-25, which will take into account the proposals around the IT Digital Roadmap.

Appendix 13 – Fitness to Practise

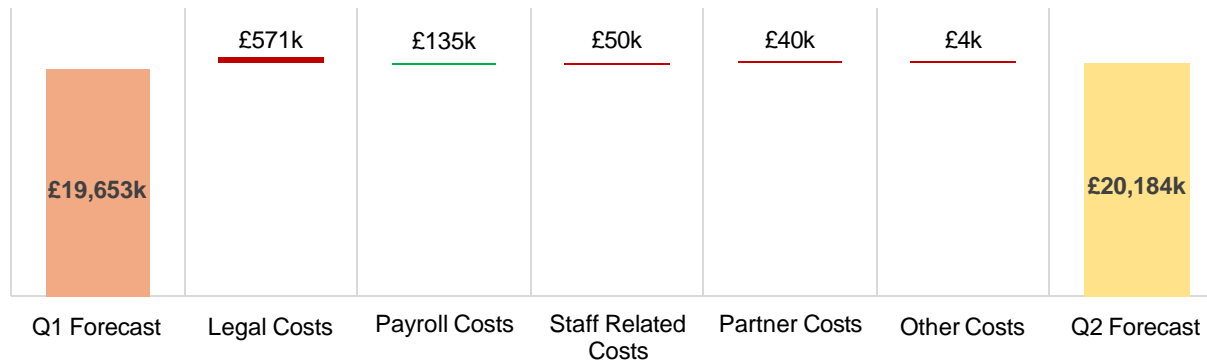
Budget v Forecast

■ Increase ■ Decrease



Prior v Current Forecast

■ Increase ■ Decrease



Budget vs Forecast

Adverse movement of around **£980k**. This comprises of the following:

- **Legal costs – £720k**
 - Additional costs related to our current legal providers of **£500k** due to timing of the progression of cases as well as additional fees related to complex cases.
 - Costs of legacy cases totalling **£220k** anticipated to have been completed last financial year.
- **Staff related costs – £510k** of additional costs related to the extension of temporary staff through to December 2024 (original contracts budgeted to end in May 2024).
- **Payroll Costs – £290k** favourable variance due to savings from unfilled vacant posts.

Prior vs Current Forecast

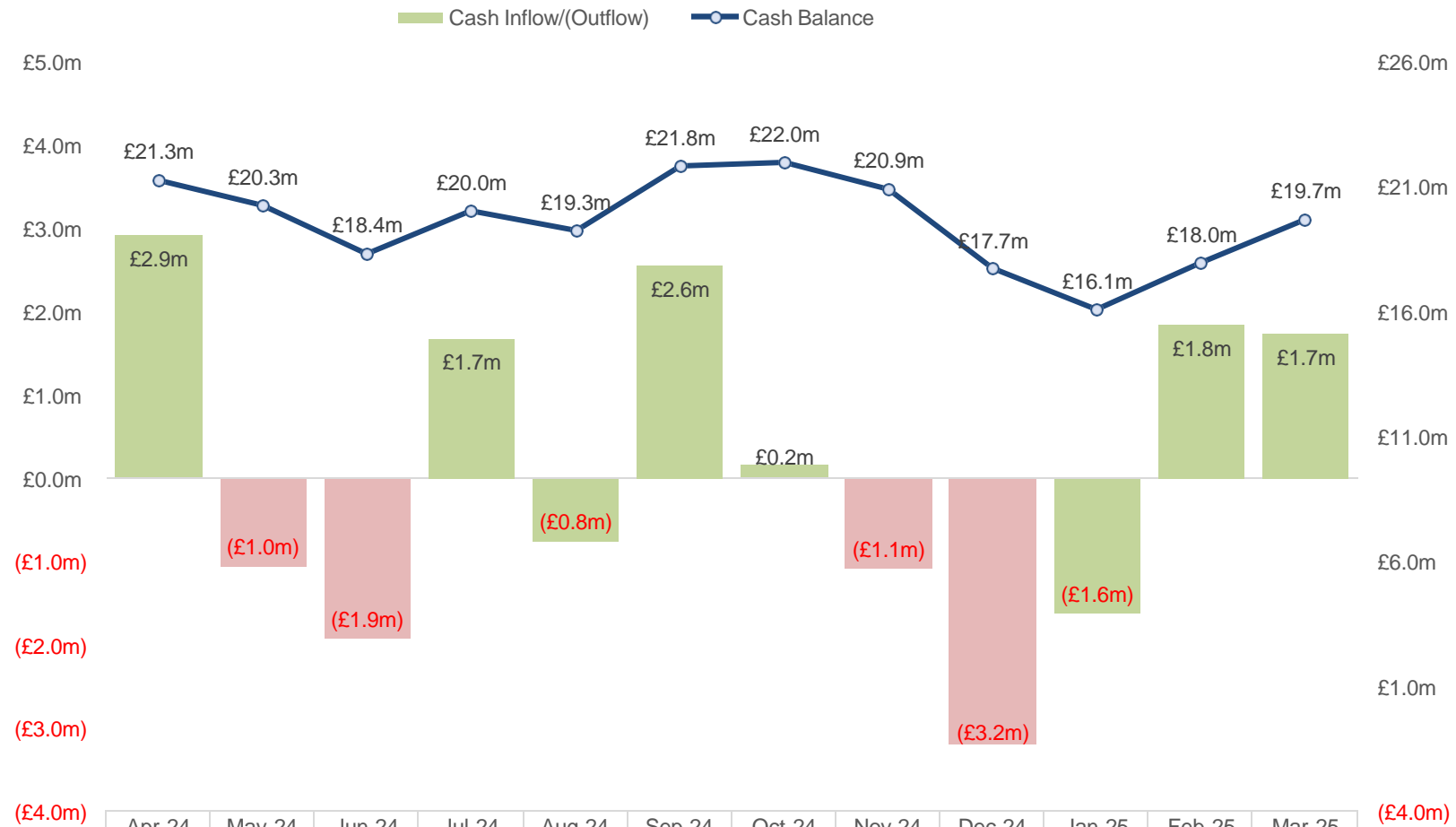
The quarter 1 forecast compared to latest projections indicate an adverse movement of around **£530k**.

- **Legal costs – £570k** mostly due to updating of legal costs from latest supplier reports and costs of complex cases being higher than anticipated.
- **Payroll Costs – £135k** favourable movement due to unfilled vacant posts.

Note. There are two practical measures in place to reduce the further increase in FTP costs; a gated system for cases being assigned to legal providers and recruitment of in-house lawyers to examine cases as part of the frontloading initiative.

Appendix 14 – Cashflow Forecast as at 31 December 2024

2024-25 Cashflow Forecast



	Apr-24 Actuals	May-24 Actuals	Jun-24 Actuals	Jul-24 Actuals	Aug-24 Actuals	Sep-24 Actuals	Oct-24 Actuals	Nov-24 Actuals	Dec-24 Actuals	Jan-25 Forecast	Feb-25 Forecast	Mar-25 Forecast
Cash Inflow/(Outflow)	£2.93m	(£1.05m)	(£1.91m)	£1.69m	(£0.76m)	£2.56m	£0.17m	(£1.07m)	(£3.20m)	(£1.61m)	£1.85m	£1.74m
Cash Balance	£21.32m	£20.27m	£18.36m	£20.05m	£19.29m	£21.84m	£22.01m	£20.94m	£17.74m	£16.13m	£17.98m	£19.72m