

Health Professions Council
Finance and Resources Committee Meeting – 27th April 2006

ANNUAL BUDGET 2006/07 UPDATE - PUBLIC PAPER

Executive Summary and Recommendations

1. Introduction

This paper presents the Annual Budget for the 2006/07 year and an analysis of the Fitness to Practise costs embedded in the Budget (refer action pt 6.4 from last meeting).

2. Decision

The Committee is asked to agree the following:

- That the proposed Annual Budget for 2006/07 covering the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and Capital Budget be approved.

3. Background information

The Annual Budget is compiled in January/February each year for the forthcoming financial year, commencing 1st April. This process is managed by the Management Accountant (Finance Department) and involves compiling “bottom up” budget submissions from HPC budget-centre managers, inclusive of their operations and project plans. It also involves detailed income modeling, based on renewal cycles and fees charged. Budget Centre managers include EMT members and some non EMT managers e.g. the Office Services Manager and Partner Manager.

Typically the Budget is compiled in three distinct iterations; Version One, Version Two and Version Three (the final version), with Version Three (V3) presented in late March to the Finance and Resources Committee for their formal approval.

Version One is typically completed in January and reviewed by the Chief Executive, including broad assumptions and linkage to the Five Year Plan.

Version Two is typically completed in late January, leaving approximately a month to re-work some of the assumptions, provide greater transparency in the comments, alter the timing of projects etc before presentation of Version Three to the Committee. Additional Budgets are also presented at Version Three for the Balance Sheet and Cash Flow Statement.

After Version Three approval by the Committee and Council, the approved annual budget is phased into its monthly components and loaded into the General Ledger (GL). Once loaded into the GL, the approved Budget is reported against actuals on a monthly basis, in the Management Accounts. This financial variance information then gets reported, at subsequent Council and Committee meetings.

Version Three was presented to the 22nd March Finance and Resources Committee for review and approval. A further amendment was requested by the Committee to the Budget, relating to increasing Council and Committee member fees (overall budget-bottom line neutral) – refer Finance and Resources Committee minutes from the 22nd March meeting, Item 6.06/49,

pt 6.6. This has now been done, mostly by re-allocating funds from the Communications budget to Council budget. The revised Budget is attached.

In response to a further query from the last Finance and Resources Committee meeting (Minutes, Item 6.06/49, pt 6.4), there is a separate paper showing Fitness to Practise Budget analysis in more depth. The results show the average Hearing cost per case that goes to an Investigation panel and then to a full hearing at £13,652 per case. The average cost per Appeals case is £769. No survey has yet been done on similar Fitness to Practise costs per case elsewhere in the sector.

4. Resource implications

Nil

5. Financial implications

Nil

6. Background papers

Version Three of the Budget 2006-07 for HPC as a whole. It includes a Key Assumptions page and several pages of notes.

Fitness to Practise Analysis of 2006/07 Budget

7. Appendices

Nil

8. Date of paper

18th April 2006