

Audit Committee, 17 January 2018

Draft budget for 2018-19

Executive summary and recommendations

### **Introduction**

HCPC's draft budget for the year ending 31 March 2019 is attached.

### **Decision**

The Committee is asked to discuss the draft budget and provide feedback for the next stages in preparation of the final budget for approval by Council in March 2018.

### **Background information**

See Appendix 1

### **Resource implications**

None directly

### **Financial implications**

HCPC income and expenditure for the year ending 31 March 2019

### **Appendices**

Appendix 1 Background information

Appendix 2 Budget schedules for the year ending 31 March 2019

Appendix 3 Schedule of expected contracts over £100k (Private)

### **Date of paper**

10 January 2018

## Appendix 1: Background information

### 1. Process for development of the budget

- 1.1. The budget has been developed in parallel with the corporate plan for 2018-20. The first stage in the process was the Council & EMT strategic awayday in October 2017, at which a longlist of priorities for 2018-19 was identified.
- 1.2. In November, the Audit Committee reviewed the 2018-19 income forecast and the 2017-18 month 6 expenditure forecast, in order to gain an early view of the extent of any flexibility in fund allocation to support the achievement of priority objectives in the corporate plan. Also in November, EMT met to discuss outline departmental workplans and major projects for 2018-19. The Chair of Council and the Chair of Audit Committee attended the meeting.
- 1.3. In December, budget holders prepared first draft budgets, which were discussed by EMT before Christmas. This paper presents those budgets as updated for the changes agreed at that meeting.
- 1.4. Following the 17 January meeting of the Audit Committee, budgets will be revised for any feedback from the meeting and reviewed again by EMT on 2 February. The outcome of the 2 February meeting will be the budget that EMT will recommend to Council on 21/22 March.
- 1.5. The draft corporate plan for 2018-20 will be discussed by Council members at a workshop on 18 January, after which it will be developed for planned approval by Council on 21/22 March.

### 2. Income

- 2.1. Budgeted fee income is £34.5m, which is a £1m / 3% increase on the 2017-18 Month 6 forecast. Budgeted income is a product of the registrant number forecast last updated in October 2017 and the fees applicable to each profession. Prior to the finalisation of the budget, the registrant number forecast will be updated with actual registrant numbers to 31 December 2017, but this is not expected to make a significant difference to income.
- 2.2. Since October 2017, all registrants have been paying the current registration fee of £90 per year (recent graduates from approved UK programmes receive a 50% discount for their first two full years of registration). Therefore in the absence of any further increase in fees, our income will now only increase in line with organic growth in the register.
- 2.3. In addition to registrant fee income, we are negotiating with a prospective tenant for a lease of office space in 186 Kennington Park Road once the refurbishment is complete. The budget includes £131k of income from the lease in 2018-19. As in previous years we have not budgeted for bank interest receivable.

### 3. Expenditure

3.1. The budget shows a £1.06m / 3% overall increase in operating costs, from £33.5m in the 2017-18 Month 6 forecast to £34.6m.

3.2. The main changes in departmental totals, compared to 2017-18 month 6 forecast, are:

- Communications, **£111k / 10% reduction in spend** vs 2017-18 month 6 forecast. 2017-18 included the costs of the intranet project, which is due to complete in 2017-18;
- Office Services, **£264k / 10% increase in spend**. However, 2018-19 includes £190k for furniture for 186 KPR and office moves on completion of the 186 KPR project, an extra £48k for catering reflecting the operation of the canteen in 186KPR from the second half of the year, and £44k from the centralisation of catering budgets previously shown in FTP and Council;
- FTP, **£262k / 2% increase in spend**. The 2017-18 month 6 forecast already includes 7 new fixed term posts to address the findings in the Professional Standards Authority's 2016-17 performance report, and those posts extend through 2018-19. The increase is net of the transfer of the budgets for catering for hearings to Office Services, and the transfer of the training budget to HR, so on a like for like basis the increase would be £355k;
- Human Resources has an apparent **£289k / 27% increase in spend**, but £220k of this is the centralisation of employee training budgets previously shown in each individual department; and
- IT, **£322k / 14% increase in spend**, of which £95k is for hardware to fit out 186 KPR, and £141k is additional software licencing and support costs arising from the Registration Transformation project, the Website project and the intranet project.

3.3. The proposed Major Projects budget for 2018-19 is as follows, similar in scale to 2017-18.

Project name	Opex £000	Capex £000	Total £000
Registration transformation	493	882	1,375
186 KPR refurbishment	420	630	1,050
CPD portal migration	128	211	339
Website review and build	116	348	464
Education system change	3	169	172
FTP CMS change	182	275	457
HR system upgrade	1	26	27
NetRegulate changes incl GDPR	23	48	71
Finance system replacement	88	138	226
Costs and fees review	3	6	9
<b>2018-19 budget total</b>	<b>1,456</b>	<b>2,733</b>	<b>4,189</b>
<b>2017-18 forecast total</b>	<b>1,491</b>	<b>2,458</b>	<b>3,949</b>
<b>2017-18 budget total</b>	<b>1,487</b>	<b>3,153</b>	<b>4,640</b>

3.4. As has been noted in previous Council and Committee meetings, the budgets for Major Projects are inherently uncertain, and normally more likely to be overstated (relative to actual costs) than understated. Unlike departmental budgets, there is

no business as usual baseline to use in setting project budgets. Project budgets are usually prepared before the procurement process has started, and include a contingency. The phasing of project costs is based on the best case scenario for the project timetable, so as to ensure that funds are available if all projects proceed to the best case timetable; but this means that if project timetables slip, the overall project budget for the year will be underspent.

- 3.5. At EMT's project prioritisation meeting, it was noted that delivery of all these projects during 2018-19 would require an increase in the capacity of the Projects and IT Infrastructure teams. The extent of the extra capacity needed and the associated extra cost has not yet been fully quantified, but the extra cost in 2018-19 - not yet reflected in this draft - is likely to be in the range £200k to £300k.
- 3.6. Budgeted salary costs assume a 1% pay award. The actual pay award is recommended by the Remuneration Committee and approved by Council. The impact in 2018-19 of each additional 1% pay award is about £120k.
- 3.7. Budgeted partner costs assume the 2% increase in fee rates that was agreed by Council in December 2014. The impact of the 2% increase in fees is about £65k.
- 3.8. Other key assumptions used in setting departmental budgets are as follows.

	<b>Budget assumption 2018-19</b>	<b>Budget assumption 2017-18</b>
<b>Fitness to Practise</b>		
Complaints received, as a percentage of the register	0.62%	0.64%
Complaints received	2240	2259
Case to answer rate: percentage of cases reviewed by an Investigating Committee Panel which the Panel concludes should proceed to a final hearing	75%	65%
Cases considered at ICP	667	693
Cases referred for final hearing	449	433
Average length of final hearing (days)	3	3
<b>Education</b>		
Approval visits	72	60
Annual monitoring assessment days	10	12
Major change assessments	207	249

- 3.9. No adjustments have been made to either income or planned expenditure as a result of the expected transfer of social workers to Social Work England. The earliest expected transfer date falls in 2019-20. We anticipate that any costs HCPC incurs in preparation for the transfer will be funded by a government grant, so the net effect on our budget in 2018-19 will be nil. The impact of the transfer on HCPC's longer term financial sustainability will be assessed as part of the costs and fees review project during 2018-19.

#### **4. Surplus / (deficit)**

4.1. The overall result at this stage of the budget preparation process is a budgeted deficit for 2018-19 of £97k, about a quarter of a per cent of total expenditure.

The overall result will change before finalisation as a consequence of

- Updating the registrant numbers forecast – small impact on income
- The actual pay award recommended by the Remuneration Committee – small impact on expenditure
- Cost of additional project manager resources – £200k to £300k extra expenditure
- Adjustments to project budgets as project plans firm up
- Any other adjustments to departmental budgets proposed and agreed through the review process

4.2. At this stage of the process, the deficit is small enough that we can be confident that we can agree an acceptable overall budget within the timetable including the possible further adjustments listed above.

4.3. We aim to break even over the long term, but we are not required by legislation or our own code of corporate governance to set a break even budget every year. We can budget for a deficit in a given year providing that Council is satisfied that our finances are sustainable. We budgeted for a small deficit in 2017-18 but our forecast including bank interest now indicates a small surplus. We have recorded small surpluses every year since 2011-12.

4.4. As in previous years, we have not budgeted for investment income / bank deposit interest. We aim to break even balancing fee income against total operating costs including depreciation, which ensures that over the long term, capital expenditure is funded from fee income. Bank interest provides a form of contingency, and helps to maintain the real terms value of our reserves. Other than Major Projects and a small contingency within the HR budget, departments do not hold explicit contingency budgets, and there is no central expenditure contingency.

#### **5. Capital expenditure**

5.1. Total budgeted capital expenditure is £2840k, including £2,733k on projects, detailed in the table at point 3.3 above.

#### **6. Cash flow and balance sheet**

6.1. The cashflow forecast shows a net cash outflow for the year of £4,191k, of which £1,342k is a normal cyclical movement in the deferred income balance.

6.2. We have based the forecast balance sheets at 31 March 2018 and 31 March 2019 on the 2017-18 month 6 forecast, reported to Council in December 2017.

6.3. We are required to revalue freehold land and buildings each year for our statutory accounts. The balance sheets do not include any adjustment for the 31 March 2018 valuation.

## **7. Procurement**

7.1. The revised procurement policy agreed by Council in December 2017 introduced a distinction, for the purpose of contract approval thresholds, between new contracts that were included within the budget and new contracts which were not included within the budget. To enable this distinction to be operated, a schedule of new contracts expected to be entered during 2018-19 and included within the budget has been produced, as Appendix 3 to this paper. The information may be commercially prejudicial, so Appendix 3 is a private paper.

## **8. Reserves**

8.1. HCPC's Reserves Policy, approved at the May 2017 Council meeting, is as follows:

*HCPC is required to meet its costs from the fees charged to registrants and so must manage its finances on a sustainable basis. We should not hold or accumulate excessive surpluses or deficits, as that would imply current registrants subsidising future registrants or vice versa.*

*In order to ensure financial sustainability and fairness between current and future registrants, HCPC has a target range of free reserves. Free reserves are reserves that are not tied up in fixed assets. They are available to use as a source of working capital or to fund new investment. The target range for the period to 31 March 2022 recognises the likely financial impact on HCPC of the government's plans to establish a new regulator for social workers in England. The target range also recognises that our liquidity is provided by the requirement for registrants to pay their fees in advance. Because of this requirement, HCPC is able to operate with negative free reserves.*

*The upper limit of our target range is zero free reserves, and the lower limit is negative free reserves equivalent to three months of budgeted operating expenses.*

8.2. Based on the 2018-19 budget, at 31 March 2019, HCPC would have negative free reserves equivalent to 2.2 months of operating expenditure, which is within the target range set in the policy.

## **9. Conclusions and recommendation**

9.1. Audit Committee is asked to discuss the draft budget and provide feedback for the next stages in preparation of the final budget for approval by Council in March 2018.

**HEALTH AND CARE PROFESSIONS COUNCIL**

**2018-19 DRAFT BUDGET**

HEALTH AND CARE PROFESSIONS COUNCIL  
2018-19 DRAFT BUDGET

INCOME AND EXPENDITURE

	Budget 2018-19 £'000	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000	Variance 2018-19 budget to M6 Reforecast 2017-18 £'000	%	Variance 2018-19 Budget to 2017-18 Budget £'000	%
<b>INCOME</b>								
Graduate Registration Fees	1,838	1,798	1,861	1,685	40	2%	(23)	(1%)
Readmission fees	232	255	214	260	(24)	(9%)	18	8%
Renewal Fees	29,798	28,512	28,481	26,568	1,286	5%	1,317	5%
International scrutiny fees	1,623	1,787	1,825	1,936	(164)	(9%)	(202)	(11%)
UK scrutiny fees	971	1,091	1,026	1,002	(121)	(11%)	(56)	(5%)
<b>Registration Income</b>	<b>34,461</b>	<b>33,444</b>	<b>33,407</b>	<b>31,450</b>	<b>1,018</b>	<b>3%</b>	<b>1,054</b>	<b>3%</b>
<b>Cheque/credit card adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>
<b>Other income (Rental)</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>0%</b>	<b>131</b>	<b>0%</b>
<b>TOTAL INCOME</b>	<b>34,592</b>	<b>33,444</b>	<b>33,407</b>	<b>31,448</b>	<b>1,149</b>	<b>3%</b>	<b>1,185</b>	<b>4%</b>
<b>EXPENDITURE</b>								
<b>Department Expenses</b>								
Chair	98	97	101	113	(1)	(1%)	2	2%
Chief Executive	348	361	357	378	14	4%	10	3%
Council, Committees & PLG	269	322 v	303	178	53	16%	34	11%
Communications	1,039	1,150	1,211	1,054	111	10%	173	14%
Education	1,206	1,136	1,178	1,113	(71)	(6%)	(28)	(2%)
Office Services	2,986	2,722	2,921	2,369	(264)	(10%)	(65)	(2%)
Finance	733	777	846	703	44	6%	113	13%
Fitness to Practise	15,417	15,154	14,797	14,938	(262)	(2%)	(620)	(4%)
Human Resources	1,343	1,054	997	750	(289)	(27%)	(346)	(35%)
Human Resources Partners	466	418	436	349	(48)	(12%)	(30)	(7%)
IT Department	2,547	2,225	2,278	1,951	(322)	(14%)	(269)	(12%)
Operations Office	598	637	644	618	39	6%	46	7%
Policy & Standards	415	430	447	395	15	3%	32	7%
Major Projects	1,456	1,491	1,487	461	35	2%	30	2%
Registration	3,564	3,512	3,659	3,732	(51)	(1%)	96	3%
Secretariat	267	265	272	237	(2)	(1%)	5	2%
Depreciation Expense	996	879	906	1,103	(116)	(13%)	(90)	(10%)
PSA Levy	890	879	879	859	(11)	(1%)	(11)	(1%)
Apprenticeship Levy	51	34	35	0	(17)	(48%)	(15)	(100%)
Impairment of Intangible Assets	0	0	0	(6)	-	-	-	0%
<b>Operating Expenses</b>	<b>34,690</b>	<b>33,544</b>	<b>33,756</b>	<b>31,294</b>	<b>(1,146)</b>	<b>(3%)</b>	<b>(934)</b>	<b>(3%)</b>
<b>Operating Surplus/(Deficit)</b>	<b>(97)</b>	<b>(100)</b>	<b>(349)</b>	<b>154</b>	<b>3</b>		<b>251</b>	
<b>Other Income</b>								
Investment Income		148		164	(148)		-	
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>(97)</b>	<b>47</b>	<b>(349)</b>	<b>318</b>	<b>(144)</b>		<b>251</b>	



**HEALTH AND CARE PROFESSIONS COUNCIL  
2018-19 DRAFT BUDGET  
INCOME**

	<b>Budget 2018-19 £'000</b>	<b>M6 Reforecast 2017-18 £'000</b>	<b>Budget 2017-18 £'000</b>	<b>Actual 2016-17 £'000</b>	<b>Variance 2018-19 budget to M6 Reforecast 2017-18</b>		<b>Variance 2018-19 Budget to 2017-18 Budget</b>	
					<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
<b>Income by Profession</b>								
Arts Therapists	399	372	373	345	27	7%	26	7%
Biomedical Scientists	2,190	2,172	2,184	2,116	18	1%	6	0%
Chiropodists/ Podiatrists	1,219	1,190	1,188	1,141	29	2%	32	3%
Clinical Scientists	527	504	512	465	23	5%	16	3%
Dietitians	939	913	901	858	25	3%	38	4%
Hearing Aid Dispensers	268	250	244	225	18	7%	24	10%
Occupational Therapists	3,663	3,611	3,602	3,479	52	1%	61	2%
Operating Department Practitioners	1,253	1,202	1,184	1,073	51	4%	68	6%
Orthoptists	136	126	128	115	10	8%	7	6%
Paramedics	2,526	2,308	2,259	2,044	218	9%	266	12%
Physiotherapists	5,472	5,294	5,368	5,125	178	3%	104	2%
Practitioner Psychologists	2,180	2,076	2,114	1,880	104	5%	65	3%
Prosthetists & Orthotists	109	104	98	90	5	4%	11	11%
Radiographers	3,270	3,255	3,258	3,141	16	0%	13	0%
Speech & Language Therapists	1,457	1,406	1,445	1,325	51	4%	13	1%
Social Workers	8,853	8,659	8,549	8,030	194	2%	305	4%
<b>Registration Income</b>	<b>34,461</b>	<b>33,444</b>	<b>33,407</b>	<b>31,450</b>	<b>1,018</b>	<b>3%</b>	<b>1,054</b>	<b>3%</b>
<b>Cheque/credit card adjustments</b>				<b>(1)</b>	<b>0</b>			
Other income (Rental)	131				131	100%	131	100%
<b>TOTAL INCOME</b>	<b>34,592</b>	<b>33,444</b>	<b>33,407</b>	<b>31,448</b>	<b>1,149</b>	<b>3%</b>	<b>1,185</b>	<b>4%</b>

**HEALTH AND CARE PROFESSIONS COUNCIL  
2018-19 DRAFT BUDGET  
PAYROLL SUMMARY**

	<b>Budget 2018-19 £'000</b>	<b>M6 Reforecast 2017-18 £'000</b>	<b>Budget 2017-18 £'000</b>	<b>Actual 2016-17 £'000</b>	<b>Variance 2018-19 budget to M6 Reforecast 2017-18</b>		<b>Variance 2018-19 Budget to 2017-18 Budget</b>	
					<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Chief Executive	276	273	273	257	(2)	(1%)	(3)	(1%)
Communications	631	647	673	644	17	3%	43	6%
Education	930	870	891	865	(60)	(7%)	(39)	(4%)
Office Services	337	312	333	311	(25)	(8%)	(4)	(1%)
Finance	499	493	497	488	(5)	(1%)	(2)	(0%)
Fitness to Practise	4,986	4,698	4,534	4,383	(288)	(6%)	(452)	(10%)
Human Resources	699	731	656	566	32	4%	(43)	(7%)
Human Resources Partners	156	130	126	129	(27)	(21%)	(31)	(25%)
IT Department	932	882	875	758	(50)	(6%)	(57)	(7%)
Major projects	273	257	163	182	(16)	(6%)	(110)	(100%)
Operations Office	507	536	526	532	29	5%	19	4%
Policy & Standards	282	278	292	265	(5)	(2%)	9	3%
Registration	2,204	1,927	2,079	2,048	(278)	(14%)	(125)	(6%)
Secretariat	243	235	240	209	(7)	(3%)	(3)	(1%)
	<b>12,955</b>	<b>12,269</b>	<b>12,157</b>	<b>11,638</b>	<b>(686)</b>	<b>(6%)</b>	<b>(798)</b>	<b>(7%)</b>

**HEALTH AND CARE PROFESSIONS COUNCIL  
2018-19 DRAFT BUDGET  
Non-Payroll costs**

	<b>Budget 2018-19 £'000</b>	<b>M6 Reforecast 2017-18 £'000</b>	<b>Budget 2017-18 £'000</b>	<b>Actual 2016-17 £'000</b>	<b>Variance 2018-19 budget to M6 Reforecast 2017-18</b>		<b>Variance 2018-19 Budget to 2017-18 Budget</b>	
					<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Chair	98	97	101	113	(1)	(1%)	2	2%
Chief Executive	72	88	84	121	16	19%	12	15%
Council & Committee	269	322	303	178	53	16%	34	11%
Communications	408	502	538	410	94	19%	130	24%
Education	277	266	287	249	(11)	(4%)	11	4%
Office Services	2,649	2,409	2,588	2,058	(239)	(10%)	(60)	(2%)
Finance	234	284	349	215	49	17%	115	33%
Fitness to Practise	10,431	10,456	10,263	10,554	25	0%	(168)	(2%)
Human Resources	644	323	341	184	(321)	(99%)	(303)	(89%)
Human Resources Partners	309	288	311	220	(21)	(7%)	1	0%
IT Department	1,615	1,343	1,403	1,193	(271)	(20%)	(212)	(15%)
Major projects	1,184	1,234	1,324	279	51	4%	140	11%
Operations Office	91	101	118	86	10	10%	27	23%
Policy & Standards	132	152	155	130	19	13%	23	15%
Registration	1,359	1,585	1,580	1,684	226	14%	220	14%
Secretariat	25	29	33	28	5	17%	8	25%
PSA Levy	890	879	879	859	(11)	(1%)	(11)	(1%)
Apprenticeship Levy	51	34	35	-	(17)	(100%)	(15)	(100%)
Impairment of Intangible Asset	-	-	-	(6)				
	<b>20,739</b>	<b>20,395</b>	<b>20,693</b>	<b>18,553</b>	<b>(327)</b>	<b>(2%)</b>	<b>(30)</b>	<b>(0%)</b>

**HEALTH AND CARE PROFESSIONS COUNCIL**  
**2018-19 DRAFT BUDGET**  
**Statement of Financial Position (£'000)**

	<b>Budget as at 31 March 2019</b>	<b>Month 6 Reforecast as at 31 March 2018</b>	<b>Budget as at 31 March 2018</b>	<b>Actual as at 31 March 2017</b>
<b>Non-current assets</b>				
Land & buildings, at cost or valuation	6,583	5,953	6,210	4,615
Land & buildings depreciation	(95)	(46)	(105)	0
	<b>6,488</b>	<b>5,907</b>	<b>6,105</b>	<b>4,615</b>
Computer equipment, at cost	647	539	592	500
Computer equipment depreciation	(489)	(450)	(464)	(383)
	<b>157</b>	<b>90</b>	<b>128</b>	<b>117</b>
Office furniture and equipment, at cost	1,183	1,183	990	1,184
Office equipment depreciation	(750)	(586)	(541)	(414)
	<b>433</b>	<b>597</b>	<b>449</b>	<b>770</b>
Intangible assets	10,369	8,267	8,984	7,117
Intangible depreciation	(7,013)	(6,270)	(6,352)	(5,675)
	<b>3,357</b>	<b>1,997</b>	<b>2,632</b>	<b>1,441</b>
<b>Total non-current assets</b>	<b>10,435</b>	<b>8,591</b>	<b>9,315</b>	<b>6,943</b>
<b>Current assets</b>				
Other current assets	2,963	2,055	1,800	1,994
Cash & cash equivalents	14,517	18,709	17,902	19,529
	<b>17,480</b>	<b>20,764</b>	<b>19,702</b>	<b>21,523</b>
<b>Total assets</b>	<b>27,916</b>	<b>29,355</b>	<b>29,018</b>	<b>28,466</b>
<b>Current liabilities</b>				
Trade and other payables	624	624	330	431
Other liabilities	1,597	1,597	1,636	2,116
Deferred income	20,576	21,918	22,730	20,749
	<b>22,797</b>	<b>24,139</b>	<b>24,696</b>	<b>23,297</b>
<b>Non-current liabilities</b>				
Liabilities greater than one year	163	163	163	163
<b>Total assets less liabilities</b>	<b>4,956</b>	<b>5,053</b>	<b>4,159</b>	<b>5,006</b>
General fund b/fwd	(4,202)	(4,155)	(3,918)	(3,871)
Rev Res - Land & Building	(851)	(851)	(590)	(851)
This periods profit/loss	97	(47)	349	(284)
Grant income				
General fund c/fwd	<b>(4,956)</b>	<b>(5,053)</b>	<b>(4,159)</b>	<b>(5,006)</b>

**HEALTH AND CARE PROFESSIONS COUNCIL  
2018-19 DRAFT BUDGET**

**CAPITAL EXPENDITURE**

	<b>Budget 2018-19 £'000</b>	<b>M6 Reforecast 2017-18 £'000</b>	<b>Budget 2017-18 £'000</b>	<b>Actual 2016-17 £'000</b>
<u>Project expenditure</u>	<u>2,103</u>	<u>1,120</u>	<u>1,302</u>	<u>526</u>
<u>Computer Equipment</u>				
Software licences	-	30	-	31
Hardware new services	107	40	92	38
	<u>107</u>	<u>70</u>	<u>92</u>	<u>68</u>
<u>Office equipment</u>				
Office furniture	-	-	-	27
<u>Land and building</u>	<u>630</u>	<u>1,338</u>	<u>1,851</u>	<u>249</u>
<u>Dilapidation</u>				<u>163</u>
<b>Total Capital expenditure</b>	<b><u>2,840</u></b>	<b><u>2,528</u></b>	<b><u>3,245</u></b>	<b><u>1,034</u></b>

**HEALTH AND CARE PROFESSIONS COUNCIL**  
**2018-19 DRAFT BUDGET**  
**Cash Flow Statement**  
**31 March 2019**

	<b>Budget 2018-19 £'000</b>	<b>M6 Reforecast 2017-18 £'000</b>	<b>Budget 2017-18 £'000</b>	<b>Actual 2016-17 £'000</b>
<b>Cash flows from operating activities</b>				
Operating surplus/(deficit)	(97 )	(100 )	(388 )	119
Depreciation and amortisation	996	879	906	1,103
Decrease/(increase) in debtors & prepayments	(908 )	(61 )	(15 )	(396 )
Increase/(decrease) in creditors	0	(326 )	72	298
(Decrease)/increase in deferred income	(1,342 )	1,168	1,685	1,950
<b>Net cash in/(out)flow from operating activities</b>	<b>(1,351 )</b>	<b>1,560</b>	<b>2,260</b>	<b>3,074</b>
<b>Return on investments and servicing of finance</b>				
Investment income	-	148	-	164
<b>Capital expenditure and financial investments</b>				
Purchase of tangible and intangible assets	(2,840 )	(2,528 )	(3,245 )	(1,324 )
<b>Increase in cash</b>	<b>(4,191 )</b>	<b>(820 )</b>	<b>(985 )</b>	<b>1,913</b>
Opening cash	18,709	19,529	19,529	17,615
Closing cash	14,517	18,709	18,543	19,529
<b>Cash movement</b>	<b>(4,191 )</b>	<b>(820 )</b>	<b>(985 )</b>	<b>1,913</b>

HEALTH AND CARE PROFESSIONS COUNCIL  
2018-19 DRAFT BUDGET  
Expenditure By Month

			2016-17	2017-18	2017-18	2018-19 MONTHLY DRAFT BUDGET (£'000)														
			Actual ('000)	Budget ('000)	M6 Forecast ('000)	Budget	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR		
Payroll	Basic Pay-Fixed Term Contract	282	626	1,202	451	50	50	39	36	36	36	34	34	34	34	34	34	34	32	
	Basic Pay-Permanent	8,515	9,129	8,166	9,698	798	803	798	806	810	809	807	807	812	814	816	816	817	817	
	NI ER-Fixed Term Contract	29	75	121	54	6	6	5	4	4	4	4	4	4	4	4	4	4	4	4
	NI ER-Permanent	934	1,103	917	1,162	95	96	96	97	97	97	97	97	97	97	97	97	97	97	98
	Overtime-Fixed Term Contract	3	15	15	9	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Overtime-Permanent	134	137	110	144	6	5	7	17	11	17	31	30	5	7	5	5	5	5	5
	Pension ER-Fixed Term Contract	6	18	30	27	3	3	2	2	2	2	2	2	2	2	2	2	2	2	2
	Pension ER-Permanent	501	528	512	584	47	47	47	48	48	48	48	48	48	48	48	48	48	48	60
	Medical insurance	4	5	3	5	5	5													
	Payroll contingency	(11)	25	5	25										10					15
	Staff Recruitment	163	165	228	228	19	19	19	19	19	19	19	19	19	19	19	19	19	19	19
	Temporary Staff	897	184	704	295	24	21	24	24	24	18	21	28	32	25	29	22	22	26	26
	<b>PayrollSubtotal</b>	<b>11,456</b>	<b>11,994</b>	<b>12,013</b>	<b>12,682</b>		<b>1,050</b>	<b>1,038</b>	<b>1,054</b>	<b>1,046</b>	<b>1,054</b>	<b>1,070</b>	<b>1,084</b>	<b>1,047</b>	<b>1,057</b>	<b>1,049</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>
Council Committee Co	Conferences	4	11	5	7			1			1				1				1	
	Council & Committee Training	10	10	6	5								3			3				
	Council Meetings Fee	174	166	166	177	3	10	5	27	2	14	31	8	7	27	14	29	29	29	
	Council Meetings T&S	67	91	80	73	3	5	3	18	2	6	14	5	3	4	6	5	5	5	
	Taxation	15	56	41	46	1	4	2	4	4	5	11	3	2	3	5	4	4	4	
<b>CouncilCommitteeCostsSubtotal</b>	<b>270</b>	<b>334</b>	<b>298</b>	<b>308</b>	<b>8</b>	<b>20</b>	<b>10</b>	<b>49</b>	<b>6</b>	<b>26</b>	<b>59</b>	<b>17</b>	<b>13</b>	<b>36</b>	<b>26</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	
Travel & Subsistence	EMT fares, accommodation & subsistence	44	46	55	33	2	2	5	4	1	1	9	2	1	2	2	2	2	2	
	Accommodation	44	35	33	36	3	4	3	3	1	4	3	4	2	3	3	3	3	4	
	Conferences	1	8	7	10	2			1				2		2	1	1	1	1	
	Hospitality	3	1	1	2															
	Subsistence & others	14	17	13	17	1	1	2	1		1	1	3	3	1	1	1	1	1	
	Travel & Fare	83	94	80	98	8	9	8	8	6	9	8	9	7	8	9	9	9	9	9
	<b>TravelSubsistenceSubtotal</b>	<b>190</b>	<b>202</b>	<b>188</b>	<b>195</b>	<b>16</b>	<b>16</b>	<b>19</b>	<b>17</b>	<b>9</b>	<b>17</b>	<b>21</b>	<b>20</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
Computer Costs	General software support & maintenance	318	569	542	672	56	56	56	56	56	56	56	56	56	56	56	56	56	56	
	Hardware <£5000	34	19	19	23			2		4		16	2							
	Hardware maintenance	95	128	126	135	11	11	11	11	11	11	11	11	11	11	11	11	11	11	
	IT Consummerables	4	2		2			1				1								
	IT Hardware Disposals		1	1	1														1	
	Managed Web/Internet Services	378	278	260	287	24	24	24	24	24	24	24	24	24	24	24	24	24	24	
	NetRegulate software support and maintena	205	198	194	194	16	16	16	16	16	16	16	16	16	16	16	16	16	16	
	Offsite tape data archive	2	2	2	2															
	Software Licences																			
	Specialist External Support IT	23	15	26	27		3	2	3	2	3	2	3	2	3	2	3	2	2	2
<b>ComputerCostsSubtotal</b>	<b>1,059</b>	<b>1,213</b>	<b>1,170</b>	<b>1,342</b>	<b>107</b>	<b>110</b>	<b>112</b>	<b>110</b>	<b>113</b>	<b>111</b>	<b>126</b>	<b>110</b>	<b>111</b>	<b>109</b>	<b>111</b>	<b>109</b>	<b>109</b>	<b>109</b>	<b>109</b>	
Office Services	Catering	130	144	135	196	11	12	11	12	11	20	19	20	19	20	20	20	20	20	
	Mobile Phone & Blackberry	35	39	31	32	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
	Postage	494	530	243	199	21	21	16	16	16	16	16	16	16	16	16	16	16	16	
	Printing & Stationery	682	635	828	776	56	60	45	42	45	139	132	64	50	42	41	61	61	61	
	Room Hire	326	276	295	292	26	25	24	23	25	24	24	25	22	24	25	25	25	25	
	Relocation costs				40			20	20											
	Video Conferencing	44	6	58	42	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
	Couriers	30	31	31	32	1	3	3	3	1	3	3	3	1	3	3	3	3	3	
	Office equipment < £5000	35	50	71	174	50	100	10	2	2	2	2	2	2	2	2	2	2	2	
	Office Equipment Disposals		4	3	6															
	Office equipment rental	2	4	4	4															
	Other Office Services	14																		
	Photocopying																			
	Telephone	38	40	30	39	3	3	3	3	3	7	3	3	3	3	3	3	3	3	
	Publications	2	2	1	2			1			1									
	<b>OfficeServicesSubtotal</b>	<b>1,828</b>	<b>1,759</b>	<b>1,729</b>	<b>1,833</b>	<b>176</b>	<b>229</b>	<b>142</b>	<b>126</b>	<b>109</b>	<b>217</b>	<b>205</b>	<b>141</b>	<b>121</b>	<b>116</b>	<b>117</b>	<b>135</b>	<b>135</b>	<b>135</b>	<b>135</b>

		2016-17	2017-18	2017-18	2018-19 MONTHLY DRAFT BUDGET (£'000)												
		Actual ('000)	Budget ('000)	M6 Forecast ('000)	Budget	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Property Services	Security	44	63	67	57	4	10	4	4	4	4	4	7	4	4	4	4
	Building Refurbishment	(8)	85	98	102	9	9	9	9	9	9	9	9	9	9	9	9
	Business Rates	293	426	421	421	35	35	35	35	35	35	35	35	35	35	35	35
	Cleaning Contractors	137	149	130	150	13	13	13	13	13	13	13	13	13	13	13	13
	Cleaning Materials	9	13	10	13	1	1	1	1	1	1	1	1	1	1	1	1
	Electricity	86	86	51	54	5	5	5	5	5	5	5	5	5	5	5	5
	Gas	17	16	7	8	1	1	1	1	1	1	1	1	1	1	1	1
	Maintenance contracts	51	113	108	120	10	10	10	10	10	10	10	10	10	10	10	10
	Repairs&Maintenance	121	66	73	62	5	5	5	5	5	5	5	5	5	5	5	5
	Waste Disposal	12	29	30	36	3	3	3	3	3	3	3	3	3	3	3	3
	Water	6	10	8	7	1	1	1	1	1	1	1	1	1	1	1	1
	Rent	812	809	794	809	67	67	67	67	67	67	67	67	67	67	67	67
	Service Charge	29	32	31	32	3	3	3	3	3	3	3	3	3	3	3	3
	Dilapidations	(19)	74	5	5	5											
	<b>PropertyServicesSubtotal</b>	<b>1,591</b>	<b>1,971</b>	<b>1,834</b>	<b>1,877</b>	<b>156</b>	<b>162</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>159</b>	<b>156</b>	<b>156</b>	<b>156</b>
	Communications	Annual Reports	6	6	7	7						3	4				
		Brochures	60	52	60	54	4	10			10			10		13	
Campaigns		73	57	51	52	1		10	1	10	1	1	13		3	1	12
Conferences & Exhibitions		25	30	21	25		5				2	6					5
Internal Communications		85	48	14	17	10			7								
Marketing & Promotions		1	2	2													
Media Relations																	
Meet the HPC events		31	71	61	50	5		5	5			5	5		5	5	5
Public Affairs & Stakeholder		30	38	53	41		2	9	5	5		2	6	4	3	5	3
Translations		3	3	4	3												
Web		3	37	19	35		5	10	10						5	5	
Research		93	103	93	100	15	35					35			15		
Standards of Proficiency		2															
<b>CommunicationsSubtotal</b>		<b>411</b>	<b>446</b>	<b>384</b>	<b>383</b>	<b>35</b>	<b>63</b>	<b>34</b>	<b>30</b>	<b>22</b>	<b>51</b>	<b>16</b>	<b>31</b>	<b>21</b>	<b>29</b>	<b>30</b>	<b>20</b>
Partners	Panels Fees -Panel members	885	813	854	777	62	62	62	63	64	64	66	67	58	70	70	70
	Panels Fees - Legal Assessor	1,162	1,214	1,208	1,136	93	91	91	92	93	94	94	97	83	102	103	102
	Panels Fees - Panel chair	651	681	710	653	52	52	52	53	53	54	55	56	49	59	59	59
	Registration Appeals Travel & Subsistence	4	8	8	9	1	1	1	1	1	1	1	1	1	1	1	1
	Registration Appeals - Fees chair	6	5	5	5												
	Registration Appeals - Panel member	5	8	8	9	1	1	1	1	1	1	1	1	1	1	1	1
	Registration Appeals - Legal Assessor	4	9	8	9	1	1	1	1	1	1	1	1	1	1	1	1
	Witness Travel and Subsistence	193	183	168	153	12	12	12	12	12	12	13	13	13	11	14	15
	Witness Experts	23															
	Complaints																
	Annual Monitoring (fees)	29	31	22	23	5		3	1					3	3	4	4
	Approvals (fees)	55	75	80	91	11	17	10	4	1	8	2	4	4	6	10	14
	Major change (fees)	32	34	24	27	3	2	2	2	2	2	2	2	4	1	2	3
	Partners travel	509	527	533	544	48	47	45	43	42	44	43	47	43	48	47	49
	Partners accommodation	683	682	688	674	57	58	55	53	52	55	54	57	50	60	61	62
	Partners subsistence	71	68	61	62	5	6	5	5	5	5	5	5	5	5	5	5
	Partners Recruitment & Interviews	37	32	40	49	6	11	4			6	5			11	6	
	Partners Training	115	168	160	167	14	14	14	14	14	14	14	14	14	14	14	14
	CPD Assessments	150	151	136	165	26	14	13	10	6	12	15	44	17	9		1
	Grandparenting Assessments																
International Assessors Fees	668	579	597	506	42	42	42	42	42	42	42	42	42	42	42	42	
Test of Competence & Aptitude Test	6	26	18	20	2	2	2	2	2	2	2	2	2	2	2	2	
<b>PartnersSubtotal</b>	<b>5,288</b>	<b>5,293</b>	<b>5,328</b>	<b>5,081</b>	<b>441</b>	<b>432</b>	<b>416</b>	<b>398</b>	<b>390</b>	<b>416</b>	<b>414</b>	<b>454</b>	<b>383</b>	<b>450</b>	<b>441</b>	<b>445</b>	



