

Council meeting – Thursday 26 March 2009

Budget for year 1 April 2009 to 31 March 2010

Executive summary and recommendations

### **Introduction**

A copy of HPC's annual budget for the year ending 31 March 2010 is attached. The Budget was reviewed by the Finance and Resources Committee on Monday 16 March 2009. The Committee agreed to recommend to the Council that the budget is approved.

### **Decision**

The Council is asked to approve the Annual Budget for the year ending 31 March 2010.

### **Background information**

The budget for year ended 31 March 2010 has been produced in accordance with the budget process and budget timetable. The budget has been prepared using the bottom up approach with each budget holder submitting their budget to the Finance department for consolidation. The current 5 year plan, which was approved by the council on 11 December 2008, has been used as a basis for producing the budget, both by the budget holders and Finance department.

The budget incorporates a number of key assumptions. They are as follows:

- HPC will undertake in 8 major projects including On-line renewals, Practitioner Psychologists and FTP case management system
- The register will open for Practitioner Psychologists on 1 July 2009
- 8 professions will commence a new 2 year cycle
- There will be 70 approval visit and 6 annual monitoring assessment days
- The total number of FTP cases we will instruct will be approximately 447 cases in 2009/10, including 188 cases for 08/9. There will be 637 days of hearings (including reviews, appeals and ICP's)
- The number of employees will increase to 132 as at 31.03.10, an increase of 7 from 01.04.09
- The average annual salary increase is 2.13% (as agreed by the Remuneration Committee)
- Phase 2 of the 22-26 Stannary Street project is complete in October 2009, giving us a total capacity of 131 desks.
- 85% of attendants claim for council and committee meetings
- There will be 3 Professional Liaison Group meetings held during the year
- 2 BSI assessment visits will take place during the year

### **Resource implications**

Budget holders time creating and delivering the budget

**Financial implications**

Nil

**Appendices**

Appendix 1 – Budget for year ended 31 March 2010 Version 6

Appendix 2 – Commentary for budget for year ended 31 March 2010

**Date of paper**

16 March 2009

**HEALTH PROFESSIONS COUNCIL**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**Introduction**

The budget for year ended 31 March 2010 has been produced in accordance with the budget process and budget timetable. The budget has been prepared using the bottom up approach with each budget holder submitting their budget to the Finance department for consolidation. The current 5 year plan, which was approved by the Council on 11 December 2008, has been used as a basis for producing the budget, both by the budget holders and Finance department.

The budgeted financial year to 31 March 2010 there will be both fee rises for registrants, partners and council members. The details can be found on page 13 of appendix 1.

**Detailed Summary**

The budget is showing a surplus of £12,694 at the end of the financial year to 31 March 2010, compared to a reforecast surplus of £496,754 at the end of the current financial year.

The budget is showing total income of £15,559,811 and operating expenses of £15,547,117, giving us a budgeted surplus of £12,694.

**Income**

The income has been budgeted using the registrant number forecasts agreed by the Finance and Resources committee on 11 November 2008 and also includes the registrant fee rise increase from 1 April 2009 .The budget shows total income of £15,559,811 compared to a reforecast £13,696,481, an increase of £13.6 %

Summary of registrant numbers

	Budget 2009/10	Reforecast 2008/09
UK applications	9,714	10,690
International Applications	2,230	1,700
Readmission	4,822	3,206
Grandparenting	337	Nil
Number of registrants as at 31.03	202,136	184,612

The budget shows a decrease of 976 UK applications being received compared to the reforecast, a decrease of £48K. The budget shows an increase of 530 (211K) International applications being received, this includes 275 applications received from the Practitioner psychologists.

At the end of the financial year to 31 March 2010 the register will have increased by 17,524 registrants, an increase of 9.5%. This includes 10,068 of Practitioner Psychologists, which will be transferred when the register opens for them 1 July 2009. The budget also shows 337 grand parenting applications being received for the Practitioner Psychologists during the year.

### **Expenditure**

The budget shows expenditure of £15,547,117 for financial year ended 31 March 2010 compared to a reforecast expenditure of £13,199,726, an increase of 17.78%

#### Fitness to Practise Department

The budget shows expenditure of £5,582K, an increase of 22.47% from 2008/09. During the year, the FTP department will manage 817 allegations, resulting in 637 days of hearings. By the end of the financial year 31 members of staff will be employed by the department an increase of 4 from 2008/09. The legal expenses will increase from £1,812,636 in 2008/09 to £2,273,950 in 2009/10, an increase of 25.4%.

#### Registration Department

The budget shows expenditure of £2,024K, an increase of 24.47% from the 2008/09 reforecast. During the year, 8 professions will commence their new 2 year renewal cycle and 275 grand parenting applications forms will be processed for the Practitioner Psychologists. The budget shows no increase in the number of staff with additional costs being allocated for staff overtime. The total number of staff employed is 37. There will be 2616 CPD assessments assessed during the year. The small projects include increasing the registration number to 6 digits and counter fraud vetting.

#### Communications Department

The budget shows expenditure of £1,076, an increase of 5.44% from the 2008/09 reforecast. During the year, one additional member of staff will be employed increasing the total to nine. There will be £210K spent on campaigns, an increase of 50K, due an increase in distribution of public information and GP and referrals campaign. There will be 8 listening events held during the year and attendance at all party political conferences.

#### IT Department

The budget shows expenditure of £944K, an increase of 20.22%. During the year, additional costs of approximately £105K will be incurred to support the on-line renewals. The total number of staff employed in the IT department will be 5. The small projects consist of Laptop refresh, Backup encryption review, Network drive and removable media encryption review and Network segmentation implementation. Depreciation has been taken out of the IT department budget and is now shown separately.

### Facilities Management Department

The budget shows expenditure of £912K, a decrease of 6.65%. During the year the department will employ 6 members of staff. The building refurbishment work includes redecoration of 20 Stannary Street and mezzanine, replacement of windows and doors in Park house kitchen. The buildings refurbishment cost also includes the cabling for Phase 2 of 22-26 Stannary Street. The room hire costs of £25K include storage at Red Devil Storage and room hire at the Evangelical Alliance. The Postage costs relate to the franking machine and Printing and Stationery costs refer to general stationery and printed material such as headed paper. All other Postage, printing and Stationery costs are budgeted by separate departments. Depreciation has been taken out of the Facilities Management department budget and is now shown separately.

### Education Department

The budget shows expenditure of £766K, an increase of 33.23%. During the year the department will undertake 70 visits and 6 annual monitoring assessment days, as well as 6 Education seminars. The department will be made of 13 employees with a provision made for maternity and sick leave.

### Finance department

The budget shows expenditure of £635K, an increase of 2.13%. During the year the department will employ 8 members of staff. The increase in external audit fees is due to the extra audit to audit the shadow accounts, which will be prepared under IFRS. Included in Other professional fees is the cost to value the buildings at the year end, as required under IFRS. The small project costs relate to enhancements to Sage 200.

### Council, Committee and PLG's

The budget shows expenditure of £448K, a decrease of 11%. The decrease is mainly due to the change in the recruitment process for council members, with it being done by the Appointments Commission instead of by Elections. There have been no changes to the number of meetings held each year, with 7 council meetings being held.

### Operations Department

The budget shows expenditure of £451K, an increase of 12.45%. During the year the department will employ 6 members of staff including the project department. The ISO 9001 cost of £16K includes 2 BSI audits during the year and attendance at the all staff training day. The Disaster recovery cost of £17K includes the costs of 10 desks offsite at Uxbridge. The small projects include Information security, Geoplan software and Ideagen software for QMS.

### Policy and Standards Department

The budget shows expenditure of £417K, an increase of 26.55%. During the year the department will employ 5 members of staff including 1 new Policy manager. Included in the Printing and Stationery costs is the costs for printing consultation documents and plain English editing. There is also Research costs of £60K in relation to two pieces of research.

### Human Resources Department

The budget shows expenditure of £367K, a decrease of 10.49%. The department will employ three members of staff during the year. The staff recruitment cost of £100K is based 8 new posts during the year and staff turnover. The organisational training of £40k includes individual training identified during the performance review process and computer training.

### Human Resources Partners Department

The budget shows expenditure of £376K and increase of 28.39%. The department will employ two staff members during the year. The recruitment costs of £53K include the costs of recruiting visitors, Independent assessors, Registration assessors and CPD assessors. The training costs of £246K include the costs of assessor training, Visitor training; panel chairs training, panel training and legal assessor training.

### Secretariat Department

The budget shows expenditure of £304K, an increase of 10.75%. The department will employ three members of staff and one new member half the way through the financial year. The printing and stationery costs of £46K relate to the printing of council and committee papers. The small project costs are in relation to Data protection.

### Chief Executive

The budget shows expenditure of £322K, an increase of 4.73%. The department will employ two members of staff during the year. The travel and subsistence costs includes to travelling done to various working groups and attendance at conferences.

### Depreciation

The budget shows expenditure of £452K, an increase of 41.34%. The depreciation includes Property Depreciation, Office equipment depreciation, Computer Equipment and Computer Software Depreciation.

### Major Projects

The budget shows operating expenditure of £420K, an increase of 186.25%. There are 8 major projects being undertaken in this financial year. These being Online renewals, Practitioner Psychologists, Hearing Aid Council, Independent Safeguarding Authority, FTP Case management system phase 1, Renewals cycle review, IT external hosting transfer to new provider and the Fee Rise 2011.

## **Balance sheet**

The budget shows the working capital to be £2,510K as at the 31 March 2010, this is a decrease of £454K from 31 March 2009. This is due to the decrease in cash of £48K and an increase in creditors of £405K.

The budget shows the tangible fixed assets of £7,508K an increase of 14.9%. This is due to capital expenditure of £1,428K being budgeted for during the year. This is made up of £731K relating to major projects, £76K relating to computer equipment, £575K relating to phase 2 of 22/26 Stannary Street and £46K relating to office equipment. There is also depreciation charged during the year, totalling £452K.

The budget shows that net assets to be £2,589K as at 31 March 2010, an increase of 188K (7.8%).