

Agenda Item 10 (ii)

Enclosure 9

**Health and Care Professions Council
21 March 2018**

2018/19 budget

For discussion and approval

From Andy Gillies, Director of Finance

Council, 21 March 2018

2018-19 budget

Executive summary and recommendations

Introduction

The draft budget for 2018-19 was presented to Council on 7 February for discussion, including a range of options to meet strategic and/or financial objectives.

The Executive has further reviewed the budget in light of the feedback from Council on 7 February. The updated draft which the Executive recommends to the Council for approval shows a deficit of £95k. The budget schedules do not include the payroll savings expected to result from the proposed EMT restructuring, or show the proposed new departmental structure. The actual financial impact and the new structure are subject to the outcome of the consultation process currently underway. However it is likely that the savings will be greater than £95k, so that the budget, once the process is concluded, would show a small surplus.

Background information

See Appendix 1

Decision

Council is asked to review and approve the budget for 2018-19.

Resource implications

See schedule of employee costs and numbers within Appendix 3

Financial implications

2018-19 budgets

Appendices

Appendix 1: background information

Appendix 2: reconciliation to draft budget presented to Council on 7 February

Appendix 3: 2018-19 budget tables

Appendix 4: expected contracts in 2018-19 (Private paper) Enclosure 20

Date of paper

14 March 2018

Appendix 1: background information

1. Process

- 1.1. The process for the 2018-19 budget has been developed from previous years in order to involve the Audit Committee and Council in earlier stages of the process.
- 1.2. The budget is consistent with the draft corporate plan for 2018-20. Departmental workplans reflecting the corporate plan and the budget will be prepared after the conclusion of the EMT restructuring process and presented to the July Council meeting.
- 1.3. The budget will be updated in 2018-19, possibly for the July Council meeting, to reflect the outcome of the restructuring and, if applicable, new information on the transfer of social workers in England to Social Work England.

2. Transfer of social workers to Social Work England

- 2.1. The budget assumes the transfer of regulation of social workers to SWE takes place on 1 September 2019. On this basis our fee income will be unaffected during 2018-19. The government has agreed in principle to reimburse the costs we incur on the transfer, subject to a cap of £2.4m. We can therefore assume that the transfer of social workers to SWE will have no net effect on the budget for 2018-19.
- 2.2. As has been set out in previous iterations of the 5 year plan, the transfer will have a substantial effect on our finances after the transfer date. One of the projects planned for 2018-19 is a review of our cost base and the expected impact of the transfer of social workers, building on the work done in 2016 when the creation of SWE was first announced. This project is planned to produce a report for Council in July, to enable Council to decide whether to consult on an increase in HCPC fees.

3. Income

- 3.1. Budgeted fee income is £34.5m, which is a £1.1m / 3% increase on the 2017-18 Month 9 forecast. Budgeted income is a product of the registrant number forecast and the fees applicable to each profession.
- 3.2. 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.
- 3.3. 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.

4. Expenditure

- 4.1. The budget does not include the payroll savings expected to result from the proposed EMT restructuring, or show the proposed new departmental structure. The actual financial impact and the new structure are subject to the outcome of the consultation process currently underway. The estimated one off costs of the EMT restructuring including any estimated redundancy and pay in lieu of notice payments will be provided for in 2017-18, so should not impact on the 2018-19 budget.
- 4.2. The budget shows a £1.2m / 4% overall increase in operating costs, from £33.6m in the 2017-18 Month 9 forecast to £34.7m.

Department by department analysis

- 4.3. In the department by department analysis, the figures are not wholly comparable year on year because for 2018-19, training budgets have been centralised to Human Resources, and catering budgets have been centralised to Office Services.
- 4.4. The major year on year changes, compared to the 2017-18 Month 9 forecast outturn, are:
- **Office Services: £357k / 14% increase.** This includes £149k for the fit out of 186 KPR, £40k for relocation of teams within Park House and 186 KPR on completion of the refurbishment, and £44k catering budgets that have been centralised for 2018-19 but which were held by FTP and Registration in 2017-18
 - **FTP: £221k / 1% increase.** Adjusting for the effect of centralising the training and catering budgets, the increase is £321k / 2%. This includes an additional 7 employees on fixed term contracts, which was proposed in the early drafts of the 2018-19 budget, plus the further £250k discussed and agreed at the 7 February meeting. The £250k has been allocated to additional temporary staff and provision for extra outsourced legal support, in order to make progress on the issues identified in the Professional Standards Authority's 2016-17 performance report, as described in a separate paper on Council's agenda
 - **HR: £226k / 22% increase.** This includes £180k of training budgets that have been centralised for 2018-19 but were held by other departments in 2017-18
 - **IT: £270k / 12% increase.** This includes £95k for the IT fit out of 186KPR; £141k of additional software licencing and support costs arising from the Registration Transformation project, the Website project and the intranet project; and £80k for new infrastructure engineers to accelerate our delivery of major projects
 - **Operations Office: £134k / 21% increase.** This includes £173k for new project managers to accelerate our delivery of major projects

- **Depreciation: £141k / 17% increase.** This reflects the full year effect of the capital costs of the HR and Partners system now being written off via depreciation. The depreciation budget does not include any allowance for impairment charges on the Park House freehold buildings. The revaluation as at 31 March 2018 should capture the difference between the change in value of Park House and the capital spend on Park House through the refurbishment project, so a significant impairment charge would not be expected in 2018-19 other than through a significant downward movement in market values locally
- **Major Projects operating cost budgets: £186k / 13% decrease.** As recommended by Council in February, contingency has been removed from project budgets. The initial budget is comprised of the following projects:

Project name	2018-19 Budget			2017-18 Month 9 Forecast		
	Opex £000	Capex £000	Total £000	Opex £000	Capex £000	Total £000
Registration transformation	348	882	1230	229	195	424
CPD online service migration	108	211	319	23	64	87
186 KPR refurbishment	420	630	1050	1087	909	1996
Website review and build	104	348	452	89	269	358
FTP CMS Review	182	275	457	-	-	-
Sage and WAP replacement	77	138	215	-	-	-
Education system change	3	169	172	-	-	-
NetRegulate changes (incl GDPR)	20	48	68	-	-	-
HR systems upgrade	1	26	27	-	-	-
Fees and costs review	2	6	8	-	-	-
Other projects	-	-	-	23	80	103
Total	1,265	2,733	3,998	1,451	1,517	2,968

Line by line analysis

4.5. The final three pages of Appendix 3 show the line by line analysis of the budget across all departments. On this basis the significant variances are:

- **Payroll costs: £745k / 6% increase¹.** As noted above, in FTP there are 7 new fixed term posts² plus additional temporary staff in order to make progress on the PSA's recommendations. The increase on the payroll line also includes the additional resource in IT and the Operations Office to implement our major projects. Budgeted salary costs assume a pay award of 1.36%, which is the average overall impact of the option recommended by the Remuneration Committee. As noted above the effect of the proposed EMT restructuring is not included
- **Computer costs: £197k / 17% increase.** This is the increases in the IT department budget described above

¹ The total for payroll costs on the third from last page differs from the total on the schedule headed "Payroll summary" by £0.3m, which is the estimated payroll element of major projects budgets

² Seven fixed term contract posts that were added in the 2017-18 budget in response to the 2015-16 PSA report were converted to permanent posts during 2017-18

- **Office services: £122k / 7% increase.** This includes the furniture and relocation costs following the 186 KPR refurbishment described above. This category includes office costs within other departments' budgets, particularly printing and room hire, which were discussed at Council's 7 February meeting
- **Partner fees and expenses: £423k / 8% reduction.** £82k of the reduction relates to the international assessor fees line, which is budgeted for based on the registration numbers forecast. If numbers of international applicants exceed forecast, this line would be overspent, but there would also be a larger favourable variance on the international assessor fee income line. The rest of the reduction in partner costs is the result of forecast reduced numbers of FTP cases relative to 2017-18, which is in turn a result of the extra processing at the standard of acceptance stage in response to the findings in the PSA's performance report
- **Professional fees: £518k / 8% increase.** This category includes FTP case preparation and presentation costs to which line the larger part of the extra £250k resources agreed at the 7 February meeting has been allocated

5. Surplus / (deficit)

- 5.1. The overall position is a budgeted deficit for 2018-19 of £95k, before any savings in payroll costs resulting from the EMT restructuring. It is likely that the savings will be greater than £95k, so that the budget, once the process is concluded, would show a small surplus.
- 5.2. 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 a small contingency within the HR budget, departments do not hold explicit contingency budgets, and there is no central expenditure contingency.

6. Capital expenditure

- 6.1. Total budgeted capital expenditure is £2,840k, including £630k for the remaining capital cost to completion of the 186 KPR refurbishment project, and £2,103k capital costs on other major projects, detailed in the table at point 4.4 above.

7. Cash flow and balance sheet

- 7.1. The cashflow forecast shows a net cash outflow for the year of £3,291k. Out of this total, £1.3m is a normal cyclical movement on our deferred income balance; ie because of the timing of renewals during this financial year, we expect to collect £1.3m less in cash from registrants than we will credit to income.
- 7.2. We have based the forecast balance sheets at 31 March 2018 and 31 March 2019 on the 2017-18 month 9 forecast and this budget.

7.3. We are required to revalue freehold land and buildings each year for our statutory accounts. The valuation as at 31 March 2018 has been commissioned but is not yet available, the balance sheets therefore do not include adjustment to the 31 March 2018 valuation.

8. Reserves

8.1. Our reserves policy³ aims to ensure HCPC's financial sustainability, and financial fairness between current and future registrants. The policy sets a target range of free reserves of between negative three and zero months' operating costs, which is considered to balance those two objectives. Our projected free reserves at 31 March 2018 are negative 0.9 months operating costs and, based on the 2018-19 operating and capital budgets, will decrease to negative 1.7 months operating costs at 31 March 2019. This is still within the target range.

9. Planned procurement

9.1. The revised procurement policy approved by Council in December 2017 sets different thresholds for approval of contracts according to whether the contract was anticipated within the budget for the year, or not.

9.2. Therefore, to enable this aspect of the policy to be applied, Appendix 4 shows the contracts with a lifetime value greater than £100k which the Executive expects to be signed during the upcoming financial year – either new contracts or renewals of existing contracts – and which are included within this budget.

10. Conclusions and recommendation

10.1. The proposed expenditure budget of £34.7m includes increased resources for FTP and to deliver major projects, in accordance with the corporate plan. As discussed in the paper for Council on the Five year plan, Council can be assured that HCPC is a going concern.

10.2. The Executive recommends that Council approves the budget. The Executive will undertake a review of the cost base and the financial impact of the transfer of social workers to SWE, reporting to the July Council meeting. Based on that information, it may be appropriate to revise the budget for 2018-19. The Executive will in any case monitor actual spend against the budget and will reforecast outturn for 2018-19 during the year.

³ <http://www.hcpc-uk.org/assets/documents/100053BCEnc12-ReservesPolicy.pdf>

Appendix 2: Reconciliation to draft budget presented to Council on 7 February

1.1. The budget in Appendix 3 is the draft budget presented to Council on 7 February, updated for the following changes:

	£000
Detailed budgets presented to Audit Committee on 17 January	(256)
Extra resource for FTP as agreed by EMT on 2 February and endorsed in principle by Council	(250)
Impact of Remuneration Committee recommended pay award	(30)
Revision of FTP case progression forecast – extra panel costs	(91)
Revision of Education visits forecast (net of other small changes)	(18)
Remove opex contingency from projects	192
Remove subsidy from 186 KPR eatery & reduce 186 furniture spend	80
Remove Registration temporary staff budget	77
Reduce HR training and other professional fees	70
Chief Exec PA role covered by Governance & Appointments Officer, shared with Secretariat	40
Reduce Council meetings to 1 day	35
Remove home working pilot from IT small project costs	18
Other small changes	38
Deficit per Appendix 3 schedules	(95)

1.2. Department by department, the changes from the 7 February budget are as follows:

Department, and main changes, net of effect of pay award	7-2-18 £000	21-3-18 £000	Change £000
Chief Exec: PA covered by Governance & Appointments Officer, shared with Secretariat	348	309	39
Council & Committees: reduce Council meetings to 1 day	269	235	35
Education: extra visit costs, net of payroll reductions	1,206	1,217	(11)
Office Services: remove eatery subsidy, reduce 186 furniture spend	2,986	2,903	83
Finance: reduce temp staff, discontinue cyber liability insurance	733	720	13
FTP: extra case progression costs	15,417	15,770	(354)
HR: reduce training, reduce other professional fees	1,343	1,274	69
IT: remove home working pilot	2,547	2,532	15
Major projects: remove opex contingency	1,456	1,265	192
Registration: remove temp staff budget	3,564	3,494	70
Secretariat: Chief Exec PA covered by Governance & Appointments Officer, shared with Secretariat	267	255	12
Other departments: no change, or only change being the RemCom recommended pay award	4,759	4,761	(2)
Total expenditure and net change	34,896	34,736	160

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	M9 Reforecast 2017-18 £'000	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000	Variance 2018-19 budget to M9 Reforecast 2017-18 £'000	%	Variance 2018-19 Budget to 2017-18 Budget £'000	%
INCOME									
Graduate Registration Fees	1,805	1,763	1,798	1,861	1,685	42	2%	(56)	(3%)
Readmission fees	232	203	255	214	260	29	14%	18	8%
Renewal Fees	29,851	28,559	28,512	28,481	26,568	1,292	5%	1,370	5%
International scrutiny fees	1,642	1,779	1,787	1,825	1,936	(137)	(8%)	(182)	(10%)
UK scrutiny fees	979	1,104	1,091	1,026	1,002	(125)	(11%)	(47)	(5%)
Registration Income	34,509	33,407	33,444	33,407	31,450	1,102	3%	1,102	3%
Cheque/credit card adjustments	-	-	-	-	(1)	-	0%	-	0%
Other income (Rental)	131	-	-	-	-	131	100%	131	0%
TOTAL INCOME	34,640	33,407	33,444	33,407	31,448	1,233	4%	1,233	4%
EXPENDITURE									
Department Expenses									
Chair	98	93	97	101	113	(6)	(6%)	2	2%
Chief Executive	309	381	361	357	378	72	19%	48	14%
Council, Committees & PLG	235	275	322	303	178	40	15%	69	23%
Communications	1,041	1,114	1,150	1,211	1,054	73	7%	170	14%
Education	1,217	1,135	1,136	1,178	1,113	(83)	(7%)	(39)	(3%)
Office Services	2,903	2,546	2,722	2,921	2,369	(357)	(14%)	18	1%
Finance	720	765	777	846	703	45	6%	126	15%
Fitness to Practise	15,770	15,550	15,154	14,797	14,938	(221)	(1%)	(973)	(7%)
Human Resources	1,274	1,048	1,054	997	750	(226)	(22%)	(277)	(28%)
Human Resources Partners	466	406	418	436	349	(61)	(15%)	(30)	(7%)
IT Department	2,532	2,263	2,225	2,278	1,951	(270)	(12%)	(255)	(11%)
Operations Office	769	635	637	644	618	(134)	(21%)	(125)	(19%)
Policy & Standards	416	417	430	447	395	1	0%	31	7%
Major Projects	1,265	1,451	1,491	1,487	461	186	13%	222	15%
Registration	3,494	3,463	3,512	3,659	3,732	(31)	(1%)	165	5%
Secretariat	255	252	265	272	237	(3)	(1%)	17	6%
Depreciation Expense	996	854	879	906	1,103	(141)	(17%)	(90)	(10%)
PSA Levy	924	879	879	879	859	(45)	(5%)	(45)	(5%)
Apprenticeship Levy	51	34	34	35	0	(17)	(51%)	(15)	(100%)
Impairment of Intangible Assets	0	0	0	0	(6)	-	-	-	0%
Operating Expenses	34,736	33,558	33,544	33,756	31,294	(1,178)	(4%)	(980)	(3%)
Operating Surplus/(Deficit)	(95)	(151)	(100)	(349)	154	55		253	
Other Income									
Investment Income		149	148		164	(149)		-	
TOTAL SURPLUS/(DEFICIT)	(95)	(2)	47	(349)	318	(94)		253	

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

	Budget 2018-19 £'000	M9 Reforecast 2017-18 £'000	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000	Variance 2018-19 budget to M9 Reforecast 2017-18		Variance 2018-19 Budget to 2017-18 Budget	
						£'000	%	£'000	%
Income by Profession									
Arts Therapists	396	371	372	373	345	25	7%	23	6%
Biomedical Scientists	2,114	2,152	2,172	2,184	2,116	(38)	(2%)	(70)	(3%)
Chiropodists/ Podiatrists	1,206	1,184	1,190	1,188	1,141	22	2%	18	2%
Clinical Scientists	547	506	504	512	465	41	8%	36	7%
Dietitians	935	913	913	901	858	21	2%	33	4%
Hearing Aid Dispensers	270	253	250	244	225	18	7%	26	11%
Occupational Therapists	3,597	3,562	3,611	3,602	3,479	35	1%	(5)	(0%)
Operating Department Practitioners	1,241	1,189	1,202	1,184	1,073	52	4%	57	5%
Orthoptists	133	125	126	128	115	8	7%	5	4%
Paramedics	2,463	2,257	2,308	2,259	2,044	207	9%	204	9%
Physiotherapists	5,515	5,299	5,294	5,368	5,125	216	4%	146	3%
Practitioner Psychologists	2,191	2,076	2,076	2,114	1,880	114	6%	77	4%
Prosthetists & Orthotists	102	101	104	98	90	1	1%	4	4%
Radiographers	3,341	3,323	3,255	3,258	3,141	18	1%	83	3%
Speech & Language Therapists	1,511	1,399	1,406	1,445	1,325	112	8%	66	5%
Social Workers	8,947	8,698	8,659	8,549	8,030	250	3%	399	5%
Registration Income	34,509	33,407	33,444	33,407	31,450	1,102	3%	1,102	3%
Cheque/credit card adjustments					(1)	0			
Other income (Rental)	131					131	100%	131	100%
TOTAL INCOME	34,640	33,407	33,444	33,407	31,448	1,233	4%	1,233	4%

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

	Budget 2018-19 £'000	M9 Reforecast 2017-18 £'000	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000	Variance 2018-19 budget to M6 Reforecast 2017-18		Variance 2018-19 Budget to 2017-18 Budget	
						£'000	%	£'000	%
Chief Executive	237	267	273	273	257	31	11%	36	13%
Communications	633	649	647	673	644	16	2%	41	6%
Education	923	868	870	891	865	(56)	(6%)	(32)	(4%)
Office Services	338	304	312	333	311	(34)	(11%)	(5)	(2%)
Finance	495	487	493	497	488	(8)	(2%)	2	0%
Fitness to Practise	5,083	4,797	4,698	4,534	4,383	(286)	(6%)	(549)	(12%)
Human Resources	700	683	731	656	566	(17)	(2%)	(44)	(7%)
Human Resources Partners	157	134	130	126	129	(23)	(17%)	(31)	(25%)
IT Department	936	892	882	875	758	(44)	(5%)	(60)	(7%)
Major projects	303	277	257	163	182	(26)	(9%)	(140)	(100%)
Operations Office	681	536	536	526	532	(145)	(27%)	(155)	(29%)
Policy & Standards	283	279	278	292	265	(5)	(2%)	8	3%
Registration	2,135	1,964	1,927	2,079	2,048	(171)	(9%)	(55)	(3%)
Secretariat	231	226	235	240	209	(5)	(2%)	9	4%
	13,135	12,364	12,269	12,157	11,638	(771)	(6%)	(978)	(8%)

**2018-19 budgeted
FTE**

**2017-18
budgeted FTE**

Permanent FTEs

Chief Executive	2.0	2.0
Council, Committees & PLG		
Communications	12.9	14.2
Education	18.7	18.7
Office Services	8.0	8.0
Finance	10.0	10.0
Fitness to Practise	111.8	97.7
Human Resources	7.8	7.8
Human Resources Partners	3.1	3.2
IT Department	14.0	12.5
Operations Office	7.0	7.4
Policy & Standards	5.0	5.0
Major projects		
Registration	58.2	58.2
Secretariat	4.5	4.5

Total permanent FTEs 263.0

249.3

Fixed term contract FTEs

Education	2.0	2.0
Fitness to Practise	8.0	15.0
Human Resources	3.0	1.0
Human Resources Partners	1.0	0.0
Major projects	3.0	4.0
Registration	1.7	2.9
Office Services	2.0	2.0
Total fixed term contract FTEs	20.7	26.9

Total FTEs 283.7

276.2

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

	Budget 2018-19 £'000	M9 Reforecast 2017-18 £'000	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000	Variance 2018-19 budget to M6 Reforecast 2017-18		Variance 2018-19 Budget to 2017-18 Budget	
						£'000	%	£'000	%
Chair	98	93	97	101	113	(6)	(6%)	2	2%
Chief Executive	72	113	88	84	121	41	36%	12	15%
Council & Committee	235	275	322	303	178	40	15%	69	23%
Communications	408	466	502	538	410	57	12%	130	24%
Education	294	267	266	287	249	(27)	(10%)	(7)	(2%)
Office Services	2,565	2,242	2,409	2,588	2,058	(323)	(14%)	24	1%
Finance	225	278	284	349	215	53	19%	124	36%
Fitness to Practise	10,687	10,753	10,456	10,263	10,554	65	1%	(424)	(4%)
Human Resources	574	364	323	341	184	(210)	(58%)	(233)	(68%)
Human Resources Partners	309	271	288	311	220	(38)	(14%)	1	0%
IT Department	1,597	1,371	1,343	1,403	1,193	(226)	(16%)	(194)	(14%)
Major projects	962	1,173	1,234	1,324	279	212	18%	363	27%
Operations Office	88	99	101	118	86	11	11%	30	26%
Policy & Standards	132	138	152	155	130	6	4%	23	15%
Registration	1,359	1,499	1,585	1,580	1,684	140	9%	220	14%
Secretariat	25	26	29	33	28	1	5%	8	25%
PSA Levy	924	879	879	879	859	(45)	(5%)	(45)	(5%)
Apprenticeship Levy	51	34	34	35	-	(17)	(51%)	(15)	(100%)
Impairment of Intangible Asset:	-	-	-	-	(6)				
	20,605	20,340	20,395	20,693	18,553	(265)	(1%)	88	0%

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

	Budget as at 31 March 2019	Month 9 Reforecast as at 31 March 2018	Month 6 Reforecast as at 31 March 2018	Budget as at 31 March 2018	Actual as at 31 March 2017
Non-current assets					
Land & buildings, at cost or valuation	6,154	5,524	5,953	6,210	4,615
Land & buildings depreciation	(95)	(46)	(46)	(105)	0
	6,059	5,478	5,907	6,105	4,615
Computer equipment, at cost	636	529	539	592	500
Computer equipment depreciation	(489)	(450)	(450)	(464)	(383)
	147	79	90	128	117
Office furniture and equipment, at cost	1,183	1,183	1,183	990	1,184
Office equipment depreciation	(750)	(586)	(586)	(541)	(414)
	433	597	597	449	770
Intangible assets	9,867	7,764	8,267	8,984	7,117
Intangible depreciation	(6,988)	(6,245)	(6,270)	(6,352)	(5,675)
	2,880	1,520	1,997	2,632	1,441
Total non-current assets	9,518	7,674	8,591	9,315	6,943
Current assets					
Other current assets	1,948	1,930	2,055	1,800	1,994
Cash & cash equivalents	15,550	18,841	18,709	17,902	19,529
	17,498	20,771	20,764	19,702	21,523
Total assets	27,017	28,445	29,355	29,018	28,466
Current liabilities					
Trade and other payables	167	167	624	330	431
Other liabilities	1,435	1,435	1,597	1,636	2,116
Deferred income	20,343	21,676	21,918	22,730	20,749
	21,945	23,278	24,139	24,696	23,297
Non-current liabilities					
Liabilities greater than one year	163	163	163	163	163
Total assets less liabilities	4,909	5,004	5,053	4,159	5,006
General fund b/fwd	(4,153)	(4,155)	(4,155)	(3,918)	(3,871)
Rev Res - Land & Building	(851)	(851)	(851)	(590)	(851)
This periods (profit)/loss	95	2	(47)	349	(284)
Grant income					
General fund c/fwd	(4,909)	(5,004)	(5,053)	(4,159)	(5,006)

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

CAPITAL EXPENDITURE

	Budget 2018-19 £'000	M9 Reforecast 2017-18 £	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000
<u>Project expenditure</u>	<u>2,103</u>	<u>608</u>	<u>1,120</u>	<u>1,302</u>	<u>526</u>
<u>Computer Equipment</u>					
Software licences	-	40	30	-	31
Hardware new services	107	29	40	92	38
	<u>107</u>	<u>69</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>909</u>	<u>1,338</u>	<u>1,851</u>	<u>249</u>
<u>Dilapidation</u>					<u>163</u>
Total Capital expenditure	<u>2,840</u>	<u>1,586</u>	<u>2,528</u>	<u>3,245</u>	<u>1,034</u>

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

	Budget 2018-19 £'000	M9 Reforecast 2016-17 £'000	M6 Reforecast 2017-18 £'000	Budget 2017-18 £'000	Actual 2016-17 £'000
Cash flows from operating activities					
Operating surplus/(deficit)	(95)	(151)	(100)	(388)	119
Depreciation and amortisation	996	854	879	906	1,103
Decrease/(increase) in debtors & prepayments	(18)	64	(61)	(15)	(396)
Increase/(decrease) in creditors	0	(944)	(326)	72	298
(Decrease)/increase in deferred income	(1,333)	926	1,168	1,685	1,950
Net cash in/(out)flow from operating activities	(451)	750	1,560	2,260	3,074
Return on investments and servicing of finance					
Investment income	-	149	148	-	164
Capital expenditure and financial investments					
Purchase of tangible and intangible assets	(2,840)	(1,586)	(2,528)	(3,245)	(1,324)
Increase in cash	(3,291)	(687)	(820)	(985)	1,913
Opening cash	18,841	19,529	19,529	19,529	17,615
Closing cash	15,550	18,841	18,709	18,543	19,529
Cash movement	(3,291)	(687)	(820)	(985)	1,913

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

	2016-17	2017-18	2017-18	2016-17	2018-19 MONTHLY DRAFT BUDGET (£'000)													
	Actual ('000)	Budget ('000)	M6 Forecast ('000)	M9 Forecast ('000)	Budget	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	
Basic Pay-Fixed Term Contract	282	626	1,202	1,193	593	57	62	51	48	48	48	47	47	47	47	47	47	44
Basic Pay-Permanent	8,515	9,129	8,166	8,109	9,694	798	802	798	806	810	809	806	807	812	814	816	817	817
NI ER-Fixed Term Contract	29	75	121	122	71	7	7	6	6	6	6	6	6	6	6	6	6	5
NI ER-Permanent	934	1,103	917	912	1,161	95	96	96	97	97	97	97	97	97	97	97	97	98
Overtime-Fixed Term Contract	3	15	15	14	9	1	1	1	1	1	1	1	1	1	1	1	1	1
Overtime-Permanent	134	137	110	131	144	6	5	7	17	11	17	31	30	4	7	5	5	5
Pension ER-Fixed Term Contract	6	18	30	36	35	3	4	3	3	3	3	3	3	3	3	3	3	3
Pension ER-Permanent	501	528	512	528	572	47	47	47	48	48	48	48	48	48	48	48	48	48
Medical insurance	4	5	3	3	5	5												
Payroll contingency	(11)	25	5	20	25								10					15
Staff Recruitment	163	165	228	186	228	19	19	19	19	19	19	19	19	19	19	19	19	19
Temporary Staff	897	184	704	831	295	32	29	32	32	26	29	22	25	19	14	16	19	19
PayrollSubtotal	11,456	11,994	12,013	12,087	12,832	1,071	1,072	1,060	1,076	1,068	1,076	1,078	1,091	1,055	1,056	1,057	1,074	1,074
Conferences	4	11	5	2	7			1			1			1				1
Council & Committee Training	10	10	6	6	5							3			3			
Council Meetings Fee	174	166	166	173	152	3	7	5	24	2	10	31	8	4	23	10	26	26
Council Meetings T&S	67	91	80	73	69	3	4	3	17	2	5	14	5	3	3	6	4	4
Taxation	15	56	41	32	40	1	3	2	3	1	4	11	3	2	2	4	3	3
CouncilCommitteeCostsSubtotal	270	334	298	286	274	8	15	10	44	6	21	59	17	8	31	21	35	35
EMT fares, accommodation & subsistence	44	46	55	51	33	2	2	5	4	1	1	9	2	1	2	2	2	2
Accommodation	44	35	33	33	36	3	3	3	3	1	3	4	4	1	2	3	4	4
Conferences	1	8	7	4	10	2			1				2		2	1	1	1
Hospitality	3	1	1	1	2													
Subsistence & others	14	17	13	14	14	1	1	1	1	1	1	1	1	3	1	1	1	1
Travel & Fare	83	94	80	77	98	8	9	9	8	7	9	8	9	7	8	9	9	9
TravelSubsistenceSubtotal	190	202	188	179	193	16	16	19	17	10	16	21	18	13	15	15	17	17
General software support & maintenance	318	569	542	524	672	56	56	56	56	56	56	56	56	56	56	56	56	56
Hardware <£5000	34	19	19	23	23			2		4		16		2				
Hardware maintenance	95	128	126	108	135	11	11	11	11	11	11	11	11	11	11	11	11	11
IT Consumerables	4	2			2			1			1				1			
IT Hardware Disposals	1		1		1													1
Managed Web/Internet Services	378	278	260	257	287	24	24	24	24	24	24	24	24	24	24	24	24	24
NetRegulate software support and maintenar	205	198	194	191	194	16	16	16	16	16	16	16	16	16	16	16	16	16
Offsite tape data archive	2	2	2	2	2													
Specialist External Support IT	23	15	26	40	27		3	2	3	2	3	2	3	2	3	2	2	2
ComputerCostsSubtotal	1,059	1,213	1,170	1,145	1,342	107	110	112	110	113	111	126	110	111	111	109	109	109
Catering	130	144	135	124	140	11	12	11	12	11	12	11	12	11	12	12	12	12
Mobile Phone & Blackberry	35	39	31	28	32	3	3	3	3	3	3	3	3	3	3	3	3	3
Postage	494	530	243	231	199	21	21	16	16	16	16	16	16	16	16	16	16	16
Printing & Stationery	682	635	828	761	776	56	60	45	42	44	139	132	64	50	42	41	61	61
Room Hire	326	276	295	342	291	25	25	23	23	25	24	24	25	22	24	25	25	25
Relocation costs					40			20	20									
Video Conferencing	44	6	58	59	42	4	4	4	4	4	4	4	4	4	4	4	4	4
Couriers	30	31	31	35	32	1	3	3	3	1	3	3	3	1	3	3	3	3
Office equipment < £5000	35	50	71	16	150	50	76	10	2	2	2	2	2	2	2	2	2	2
Office Equipment Disposals		4	3	3	6	2		2										
Office equipment rental	2	4	4	3	4									2				
Other Office Services	14																	
Telephone	38	40	30	29	39	3	3	3	3	3	7	3	3	3	3	3	3	3
Publications		2	1		2			1			1			1				
OfficeServicesSubtotal	1,828	1,759	1,729	1,630	1,752	176	205	141	126	108	209	197	133	113	108	109	127	127

	2016-17	2017-18	2017-18	2016-17	2018-19	MONTHLY DRAFT BUDGET (£'000)											
	Actual ('000)	Budget ('000)	M6 Forecast ('000)	M9 Forecast ('000)	Budget	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Security	44	63	67	65	57	4	10	4	4	4	4	4	7	4	4	4	4
Building Refurbishment	(8)	85	98	74	98	5	9	9	9	9	9	9	9	9	9	9	9
Business Rates	293	426	421	421	421	35	35	35	35	35	35	35	35	35	35	35	35
Cleaning Contractors	137	149	130	114	150	13	13	13	13	13	13	13	13	13	13	13	13
Cleaning Materials	9	13	10	13	13	1	1	1	1	1	1	1	1	1	1	1	1
Electricity	86	86	51	44	54	5	5	5	5	5	5	5	5	5	5	5	5
Gas	17	16	7	8	8	1	1	1	1	1	1	1	1	1	1	1	1
Maintenance contracts	51	113	108	98	120	10	10	10	10	10	10	10	10	10	10	10	10
Repairs&Maintenance	121	66	73	77	62	5	5	5	5	5	5	5	5	5	5	5	5
Waste Disposal	12	29	30	29	36	3	3	3	3	3	3	3	3	3	3	3	3
Water	6	10	8	5	7	1	1	1	1	1	1	1	1	1	1	1	1
Rent	812	809	794	794	809	67	67	67	67	67	67	67	67	67	67	67	67
Service Charge	29	32	31	35	32	3	3	3	3	3	3	3	3	3	3	3	3
Dilapidations	(19)	74	5	5	5												
PropertyServicesSubtotal	1,591	1,971	1,834	1,780	1,873	152	162	156	156	156	156	156	159	156	156	156	156
Annual Reports	6	6	7	3	7						3	4					
Brochures	60	52	60	63	54	4	10			10			10		13		4
Campaigns	73	57	51	48	52	1	1	10	1	10	1	1	13	3	1	12	1
Conferences & Exhibitions	25	30	21	22	25		5		2	2	6					5	5
Internal Communications	85	48	14	16	17	10			7								
Marketing & Promotions	1	2	2	2													
Meet the HPC events	31	71	61	55	50	5	5	5	5	5	5	5	5		5	5	5
Public Affairs & Stakeholder	30	38	53	53	41	2	9	5	5	2	6	4	3	3	5	3	5
Translations	3	3	4	4	3												
Web	3	37	19	16	35		5	10	10						5	5	
Research	93	103	93	76	100	15	35				35			15			
Standards of Proficiency	2																
CommunicationsSubtotal	411	446	384	355	383	35	63	34	30	22	51	16	31	21	29	30	20
Panels Fees - Panel members	885	813	854	924	791	71	62	62	64	63	64	64	67	58	72	72	73
Panels Fees - Legal Assessor	1,162	1,214	1,208	1,292	1,153	106	92	91	93	91	93	92	97	83	104	106	106
Panels Fees - Panel chair	651	681	710	756	665	60	52	52	53	53	54	54	56	49	60	61	61
Registration Appeals Travel & Subsistence	4	8	8	9	9	1	1	1	1	1	1	1	1	1	1	1	1
Registration Appeals - Fees chair	6	5	5	6	5												
Registration Appeals - Panel member	5	8	8	7	9	1	1	1	1	1	1	1	1	1	1	1	1
Registration Appeals - Legal Assessor	4	9	8	7	9	1	1	1	1	1	1	1	1	1	1	1	1
Witness Travel and Subsistence	193	183	168	175	153	12	12	12	12	12	13	13	13	11	14	15	14
Witness Experts	23																
Annual Monitoring (fees)	29	31	22	22	23	5		3	1					3	3	4	4
Approvals (fees)	55	75	80	75	104	12	14	14	3	5	14	5	6	3	5	10	13
Major change (fees)	32	34	24	22	22	2	2	2	2	3	2	1	2	1	2	1	2
Partners travel	509	527	533	554	565	52	46	46	43	43	47	45	49	44	49	49	50
Partners accomodation	683	682	688	742	690	65	56	56	52	53	57	55	59	51	61	62	64
Partners subsistence	71	68	61	65	65	6	6	6	5	5	6	5	6	5	5	5	6
Partners Recruitment & Interviews	37	32	40	38	49	6	11	4			6	5			11	6	
Partners Training	115	168	160	160	167	14	14	14	14	14	14	14	14	14	14	14	14
CPD Assessments	150	151	136	136	165	26	14	13	10	6	12	15	44	17	9		1
International Assessors Fees	668	579	597	588	506	42	42	42	42	42	42	42	42	42	42	42	42
Test of Competence & Aptitude Test	6	26	18	17	20	2	2	2	2	2	2	2	2	2	2	2	2
PartnersSubtotal	5,288	5,293	5,328	5,595	5,172	483	426	420	398	394	427	414	460	384	457	452	455

	2016-17	2017-18	2017-18	2016-17	2018-19	MONTHLY DRAFT BUDGET (£'000)											
	Actual ('000)	Budget ('000)	M6 Forecast ('000)	M9 Forecast ('000)	Budget	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
Transcription Writer	496	505	477	439	518	45	42	42	42	43	43	43	43	41	44	44	44
FTP Preparation and Presentation	4,366	4,396	4,466	4,468	4,821	416	411	423	411	411	423	383	383	396	383	383	396
Other Legal Costs	57	68	35	32	61	9	3	3	9	3	3	9	3	3	9	3	9
Legal Advice	976	778	928	952	913	73	88	73	70	72	70	75	96	72	80	73	71
Other Professional Fees	54	133	178	116	153	8	3	23	3	9	26	4	21	27	4	4	22
External Audit Fees	39	39	29	29	31	3	3	3	3	3	3	3	3	3	3	3	3
Internal Audit	51	48	51	52	55	5	5	5	5	5	5	5	5	5	5	5	5
Pension Administration	(73)	2	2	2	2												
Pension Administration	18	20	23	32	25			5				10			5		5
Employee Assistance Programme	9	12	12	11	13					5		5					4
Legal Expenses	3	35	15	18	30	3	3	3	3	3	3	3	3	3	3	3	3
Reward Data	31	25	23	23	60												
Information Security	6	16	16	4	18	4			12								2
ISO 9001 Certification	3	6	6	9	6	1	2								1		
ISO 27001 Certification	5	3	4	7	8	8											
ISO 10002 Certification	8	4	4	4	3	1										2	
ProfessionalFeesSubtotal	6,049	6,089	6,269	6,199	6,717	574	559	579	557	552	605	540	556	578	535	519	563
Small Project Costs	59	254	272	266	247	24	24	26	19	19	20	21	19	19	21	19	20
SmallProjectsSubtotal	59	254	272	266	247	24	24	26	19	19	20	21	19	19	21	19	20
Training	262	299	225	208													
EMT Training	30	17	11	6													
Appointments	14	16	27	29													
Subscriptions	50	89	91	82	85	12	6	6	6	6	8	9	6	7	6	6	7
Training - Managers	20																
Health & Safety	36	41	41	64	64	4	4	20	4	4	4	4	4	4	4	4	4
Bank Charges	87	148	91	93	83	7	7	7	7	7	7	7	7	7	7	7	7
General Insurance	65	66	84	83	70	70											
Organisational Training	73	169	175	219	369	25	46	31	30	24	27	24	27	26	35	26	50
Archive Storage	16	18	17	16	18	2	2	2	1	1	1	1	2	2	2	2	2
Disaster Contingency Plan	20	26	8	13	19												19
Procurement - Legal Advice	1	6	4	4	6			2			2			2			2
SpecificDepartmentCostsSubtotal	675	895	775	817	714	120	65	67	48	42	48	45	45	48	53	44	89
MajorProjectsSubtotal	461	1,487	1,491	1,451	1,265	158	170	177	185	72	124	124	88	61	56	25	24
Total	29,338	31,936	31,752	31,791	32,765	2,924	2,886	2,802	2,766	2,563	2,864	2,797	2,727	2,566	2,627	2,555	2,688
Reconciliation to income & expenditure:																	
Depreciation	1,103	906	879	854	996												
PSA Levy	859	879	879	879	924												
Apprenticeship levy		35	34	34	51												
Impairment of Intangible Assets	(6)																
	31,294	33,756	33,544	33,558	34,736												