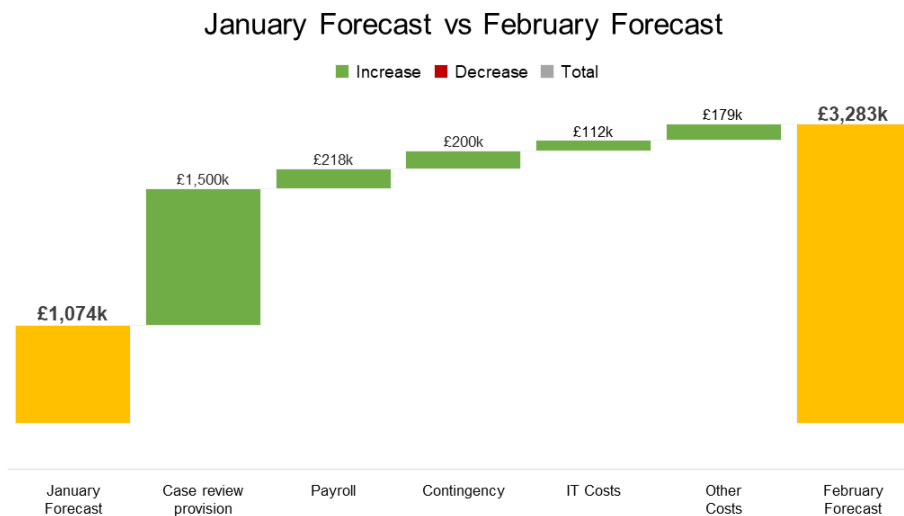


## Council

<b>Meeting Date</b>	27 March 2025
<b>Title</b>	Finance Report – February 2025
<b>Author(s)</b>	James Afolabi, Financial Planning & Analysis Manager Ife Ojo, Commercial Business Partnering Manager Alan Keshtmand, Head of Finance & Commercial
<b>Executive Sponsor</b>	Alastair Bridges, Executive Director of Resources

### Executive Summary

Following our February financial review, this report sets out an updated full-year forecast against budget. We previously forecasted a full-year outturn of £1.1 million in January, however, our February forecast shows an expected surplus of £3.3 million for the year.



### 1. Financial Performance

The February 2025 year to date position is a surplus of £3.7 million, which is closely in line compared with February forecast.

	February 2025 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	40,313	40,321	(8)	40,439	43,728	3,289
Total Expenditure	36,586	36,653	67	40,253	40,445	(192)
<b>Surplus/(Deficit)</b>	<b>3,727</b>	<b>3,668</b>	<b>59</b>	<b>186</b>	<b>3,283</b>	<b>3,097</b>

## Forecast vs. Budget

- **Full year surplus:** forecast surplus for the full year is £3.3 million, exceeding the budgeted surplus of £186k by £3.1 million.
- **Income:** favourable variance of £3.3 million is anticipated, mainly due to increased international scrutiny fees.
- **Expenditure:** full year expenditure forecast is £40.4 million, above the budget by £0.2 million. 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 through 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 £612k. 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)	282
Partner Transformation	170	0	170	0
Customer Experience	153	101	52	0
Data and Reporting	113	0	113	0
Business Central	68	71	(3)	18
Policy and Standards	62	25	37	18
Digital Architecture and Security	30	0	30	0
Registration Automation	24	25	(1)	8
Change Control	21	0	21	0
AI Automation	0	32	(32)	28
Websites & Portals	0	37	(37)	21
Building Renovations	0	30	(30)	10
<b>Total</b>	<b>915</b>	<b>612</b>	<b>303</b>	<b>385</b>

## 3. Risks and Opportunities

- **Risks:** the report identifies a number of remaining risks, although as we approach year-end the potential impact of most risks on the 2024-25 full-year position have been partly or fully mitigated.
- **Opportunities:** potential upside from investment income has been noted.

#### 4. Balance Sheet and Reserves



- **Current assets:** mainly comprise of ‘cash and cash equivalents’ of around £25 million and ‘account receivables’ of around £15 million.
- **Liabilities:** mostly relate to ‘deferred income’ of around £36 million as a result of registrants paying their fees in advance.
- **Reserves:** general reserves stand at £7.6 million, with realisable net assets at £4.6 million, reflecting just over a 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 Registration departments, where vacant posts are anticipated to be filled in Q4.

Employment Type	28 February 2025 Actuals	31 March 2025 Forecast	Variance
Permanent/FTC	330	349	19
Agency	8	11	3
<b>Total FTE</b>	<b>338</b>	<b>360</b>	<b>22</b>

#### Conclusion

We have seen another strong financial performance in February with the surplus staying consistent at £3.7 million month on month. The January forecast projected a full year surplus position of £1.1 million, however, this has been revised to £3.3 million surplus in the February report. This is mainly due to the reversal of the provision included in January’s forecast for possible case review costs, and payroll savings from unfilled vacant posts. As the financial year comes to a close and no additional cost challenges are expected, we have also fully released the remaining contingency fund.

Without additional international applications, our underlying surplus would have been reduced to approximately £1.6 million and, without the fee increase, this would have resulted in a deficit of around £1 million.

<p>We have also seen a significant decrease in international applications in February compared to prior month (338 actual applications compared to 2,416 applications in January). This decline was anticipated and may be due to the new English language requirements that came into effect at the end of January 2025.</p>	
<b>Action required</b>	The Council is asked to review the information provided and seek clarification on any areas.
<b>Previous consideration</b>	The previous finance report (December 2024) was provided to Council in January 2025.
<b>Next steps</b>	Year-end accounts completion. We will collaborate closely with our external auditors to provide them with the necessary information and documentation for their review.
<b>Financial and resource implications</b>	The implications are set out in the report.
<b>Associated strategic priority/priorities</b>	Build a resilient, healthy, capable and sustainable organisation
<b>Associated strategic risk(s)</b>	5.a The resources we require to achieve our strategy are not in place or are not sustainable
<b>Risk appetite</b>	Financial - measured
<b>Communication and engagement</b>	Not applicable
<b>Equality, diversity and inclusion (EDI) impact and Welsh language standards</b>	No direct implications.
<b>Other impact assessments</b>	Not applicable
<b>Reason for consideration in the private session of the meeting (if applicable)</b>	Not applicable

# February 2025 Finance Report

COUNCIL  
27 MARCH 2025

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- **Summary Figures**
- **Total Income - Budget vs Forecast**
- **International Income**
- **Expenditure - Budget vs Forecast**
- **Employee FTEs**
- **Balance Sheet and Reserves**
- **Investment Portfolio**
- **Risks and Opportunities**

## Appendices

1. Income and Expenditure Statements
2. Expenditure (by Category)
3. Key Movements (by Category)
4. International Applications (Geographic Location)
5. Balance Sheet Statement
6. Key Contracts
7. Full Time Equivalents (FTEs)
8. Contingency
9. 2024-25 Budget Profile
10. 2024-25 Forecast Profile
11. 2024-25 Actuals Profile
12. Cashflow Forecast

# Executive Summary

	February 2025 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	40,313	40,321	(8)	40,439	43,728	3,289
Total Expenditure	36,586	36,653	67	40,253	40,445	(192)
<b>Surplus/(Deficit)</b>	<b>3,727</b>	<b>3,668</b>	<b>59</b>	<b>186</b>	<b>3,283</b>	<b>3,097</b>

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

- **February YTD surplus:** actual surplus of **£3.7m**, which is **£59k** favourable compared to latest February forecast surplus.
- **Full year forecast:** latest forecast indicates a total surplus of **£3.3m** for 2024-25. The surplus increased by approximately £2.2m compared to the January 2025 forecast of £1.1m. This is due to reversal of the provision included in the January forecast for potential case review costs which is expected to materialise in 2025-26 and payroll savings due to unfilled vacant posts. Without additional international applications, our underlying surplus would have been reduced to approximately £1.6m and without the fee increase this would have resulted in a deficit of around £1m.
- **Income forecast:** increase in forecast income of **£3.3m** compared to budget is mainly attributable to the upward trend in international application volumes (forecast for 2024-25 was increased to 10,000 from the budget of 6,000). There has been a significant decline in volumes in February compared to prior months. This may be linked to the new English language requirements that came into effect at the end of January 2025.
- **Expenditure forecast:** increase in forecast expenditure of **£192k** compared to budget is mainly due to higher legal costs based on latest legal supplier reports 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 and an increase in direct costs associated with increase of international applications.
- **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 – February 2025 YTD

	February 2025 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Income	39,236	39,251	(15)	39,804	42,566	2,762
Grant Income	43	43	0	0	53	53
Other Income	1,034	1,027	7	635	1,109	474
<b>Total Income</b>	<b>40,313</b>	<b>40,321</b>	<b>(8)</b>	<b>40,439</b>	<b>43,728</b>	<b>3,289</b>
Payroll Costs	14,909	14,910	1	17,235	16,386	849
Other Staff Costs	1,322	1,308	(14)	863	1,478	(615)
Non-Payroll Costs	20,054	20,139	85	21,044	22,265	(1,221)
<b>Total Operating Expenditure</b>	<b>36,285</b>	<b>36,357</b>	<b>72</b>	<b>39,142</b>	<b>40,129</b>	<b>(987)</b>
Exceptional Costs	301	296	(5)	1,111	316	795
<b>Total Expenditure</b>	<b>36,586</b>	<b>36,653</b>	<b>67</b>	<b>40,253</b>	<b>40,445</b>	<b>(192)</b>
<b>Total Surplus/(Deficit)</b>	<b>3,727</b>	<b>3,668</b>	<b>59</b>	<b>186</b>	<b>3,283</b>	<b>3,097</b>

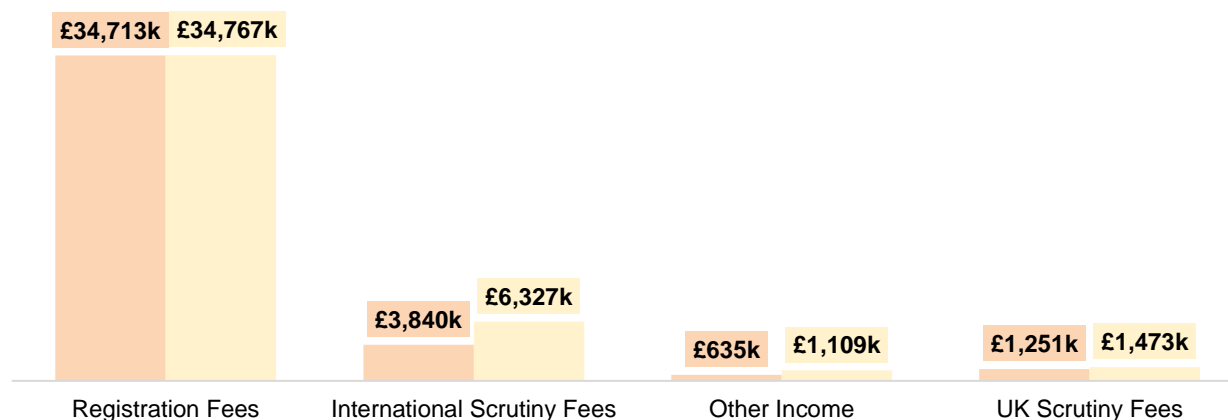
'Other Staff Costs' includes Temporary Staff, Training, Recruitment Fees and Other Employee Costs e.g. Pension Administration Costs.



# Total Income – Full Year Budget vs Forecast

## Total Income

■ Budget ■ Forecast

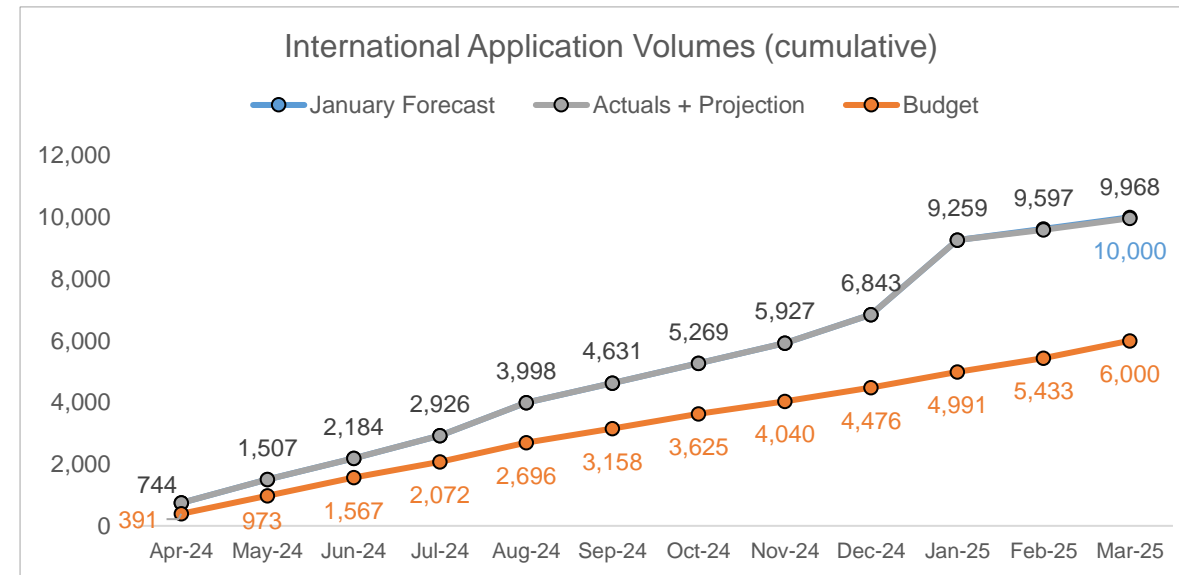
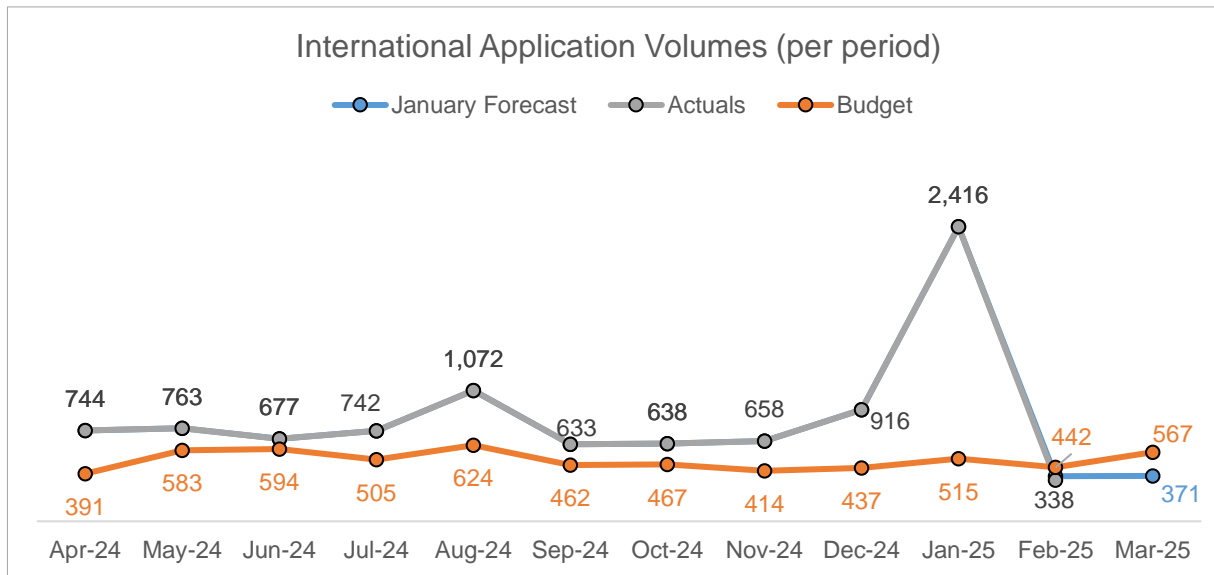


Forecast income for 2024-25 is £43.7m compared to the budget income of £40.4m, which is **£3.3m** favourable.

- **International Scrutiny Fees: £2.5m** favourable due to international applications increase from our budget volume of 6,000 to 10,000 forecast volume. Prudent assumptions were made on budgeted income and costs.
- **Other Income: £474k** 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: £222k** favourable due to an expected increase of 2,730 UK applications.
- **Grant Income: £53k** 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).

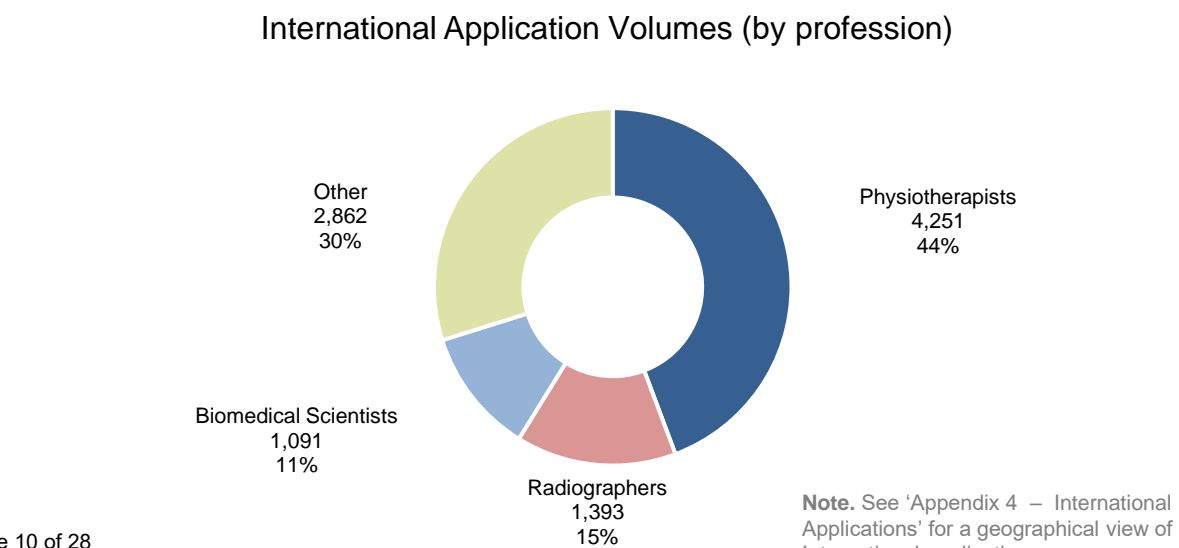
	Full Year 2024-25		
	Budget	February Forecast	Variance
	£'000	£'000	£'000
Registration Fees	34,713	34,766	53
International Scrutiny Fees	3,840	6,327	2,487
UK Scrutiny Fees	1,251	1,473	222
Other Income	635	1,109	474
Grant Income	0	53	53
<b>Total Income</b>	<b>40,439</b>	<b>43,728</b>	<b>3,289</b>

# International Income – February 2025



Note: 'Actual + Projection' based on actual volumes for February 2025 YTD plus March 2025 forecast

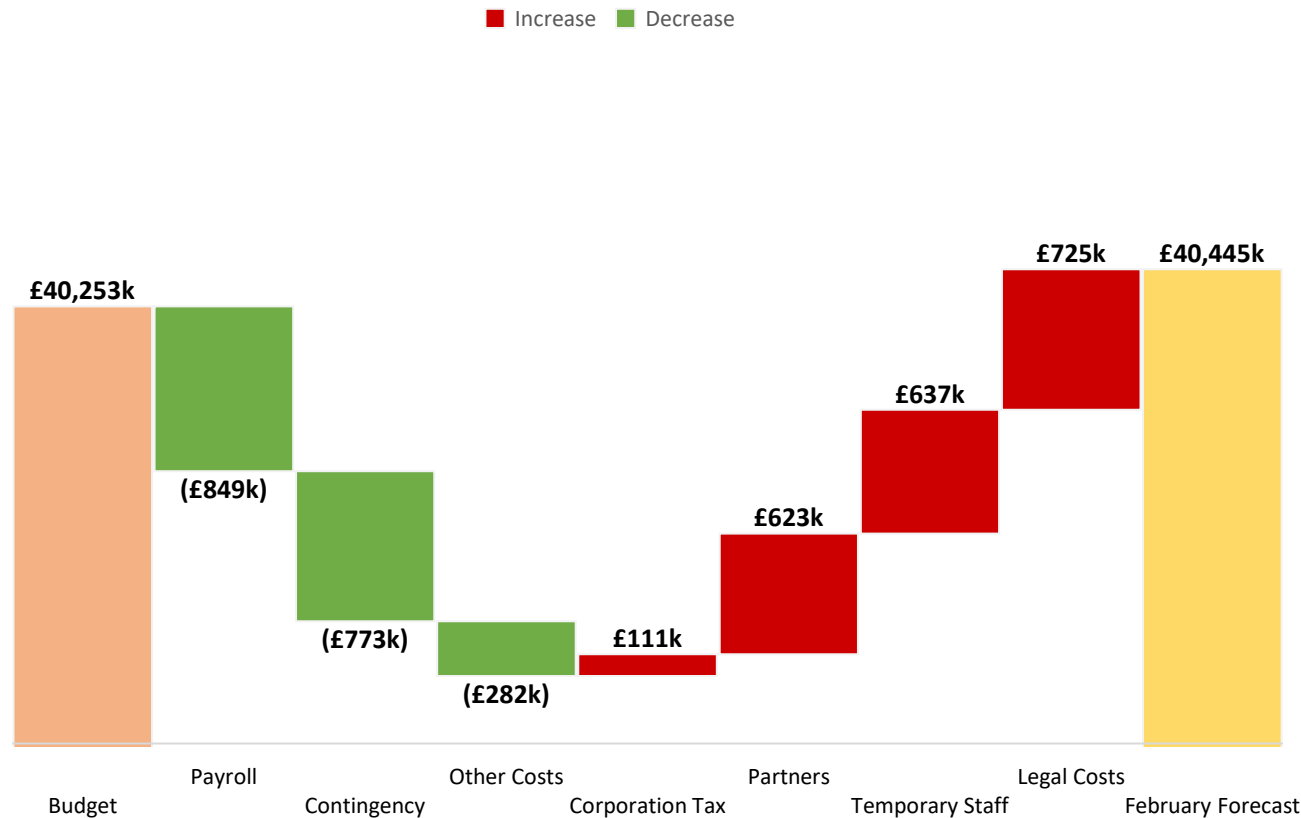
- **February 2025 Period Only:** Actual number of international applications was 338, lower than forecast of 370 by 32. We have seen a significant decrease in volume compared to prior month actuals, with February actuals being the first month to fall below both forecast and budgeted volume. This change in trajectory may be linked to the new English language requirements, which came into effect at the end of January 2025.
- **February 2025 YTD:** Actual number of international applications was 9,597 which is 4,164 higher compared to the budget of 5,433.
- **Full Year Forecast:** We revised our full year forecast to 10,000 to account for the upward trend in applications compared to the original budget of 6,000 applications.
- 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.



Note: See 'Appendix 4 – International Applications' for a geographical view of International applications

**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).

# Expenditure – Full Year Budget vs Forecast (by Category)



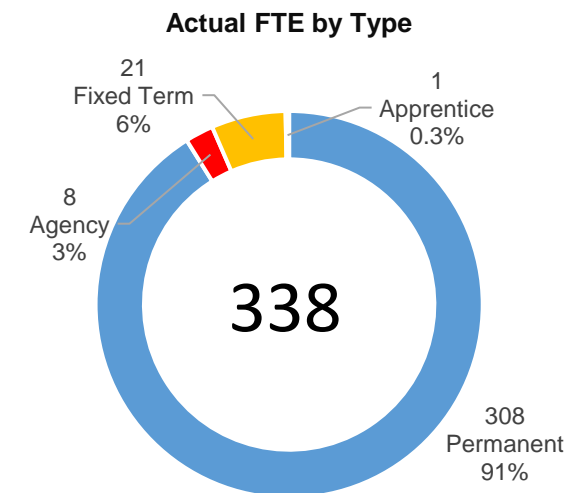
‘Other Costs’ includes categories with variances approximately £60k or less

**Note.** To view the full year forecast, please refer to ‘Appendix 2 – Expenditure February 2025 YTD (by Category)’. For full breakdown of Contingency movement, please refer to ‘Appendix 8 – Contingency’.

Total forecast expenditure for the year of £40.4m is **£192k** adverse compared to budget expenditure of £40.3m. This largely due to:

- **Payroll: £849k** favourable due to unfilled vacant posts, with the majority sitting within FTP.
- **Contingency: £773k** reallocation of contingency funds to cover various cost pressures within the year. As we approach the end of the financial year and no further cost pressures are anticipated, we have fully released the contingency fund to ensure accurate reflection of full year outturn (please refer to ‘Appendix 8 – Contingency’ for full breakdown of contingency movement).
- **Corporation Tax: £111k** adverse as this is directly associated with the projected increase in investment income.
- **Partners: £623k** 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: £637k** adverse mainly due to extension of Fitness to Practise (FTP) temporary staff to cover critical vacancies pending permanent recruitment (contracts extended to December 2024). **Note:** Following current recruitment campaigns, we’ve seen a reduced reliance on agency staff.
- **Legal Costs: £725k** 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.

# Employee FTEs as at 28 February 2025

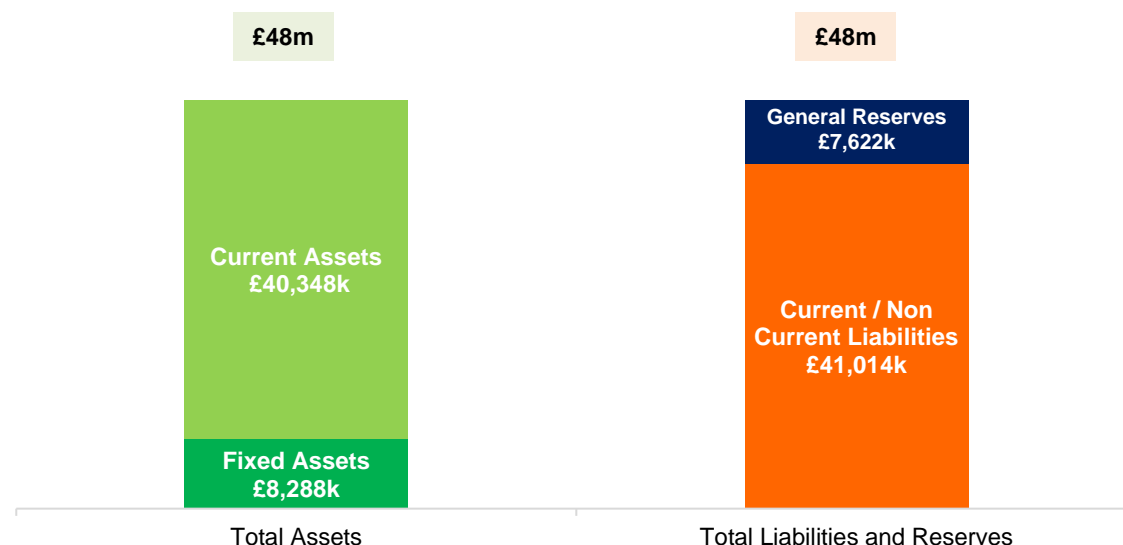


FTP (Fitness To Practise)  
 REG (Registrations)  
 ITD (IT and Digital Transformation)  
 FIN (Finance and Commercial)  
 BUC (Business Change)  
 HUM (Human Resources)  
 POL (Policy and Standards)  
 EDU (Education)  
 ASC (Assurance and Compliance)  
 FAC (Facilities Management)  
 COM (Communications)  
 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):** lower actual FTE due to unfilled vacant posts. Recruitment for these posts have been paused with recruitment campaign now focused on sourcing resources for the potential case review work to commence in 2025-26.
- **Registration (REG):** New operating model in progress with vacant posts expected to be filled by end of March 2025.

**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 28 February 2025



- **Current assets:** mainly comprise cash and cash equivalents of around £25m and account receivables of around £15m.
- **Liabilities:** mostly relate to deferred income of around £36m as a result of registrants paying their fees in advance.
- **General reserves (or net assets):** were approximately £7.6m.
- **Positive realisable net assets:** were around £4.8m, calculated by taking our reserves position of approximately £7.6m less our 'intangible assets' of around £2.8m. This represents just over 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'.

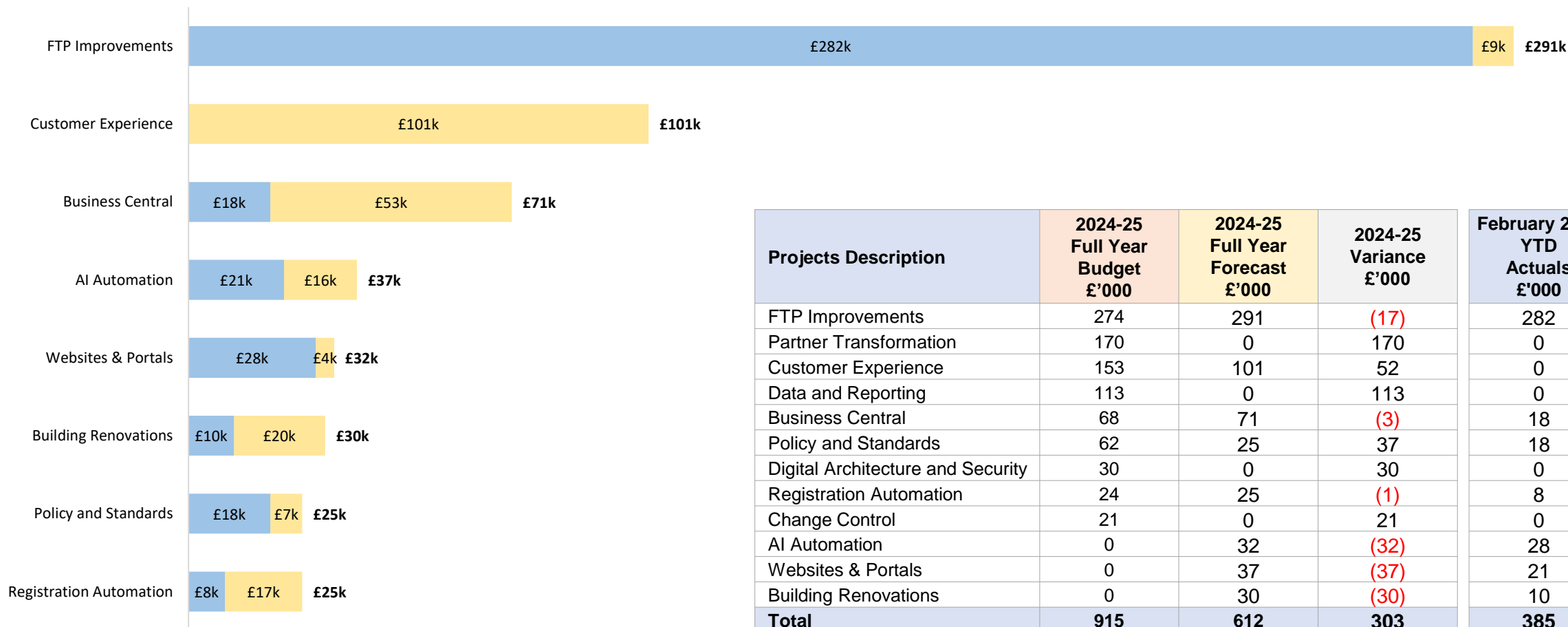
	28 February 2025 Actuals	28 February 2025 Forecast	Variance
	£'000	£'000	£'000
Opening Reserves	3,895	3,895	0
Surplus/(Deficit)	3,727	3,668	59
<b>GENERAL RESERVES</b>	<b>7,622</b>	<b>7,563</b>	<b>59</b>
<b>Realisable Net Assets</b>	<b>4,788</b>	<b>4,613</b>	<b>175</b>

**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.

# Investments Portfolio 2024-25

## Investments Portfolio 2024-25

Actuals Forecast



Projects Description	2024-25 Full Year Budget £'000	2024-25 Full Year Forecast £'000	2024-25 Variance £'000	February 2025 YTD Actuals £'000
FTP Improvements	274	291	(17)	282
Partner Transformation	170	0	170	0
Customer Experience	153	101	52	0
Data and Reporting	113	0	113	0
Business Central	68	71	(3)	18
Policy and Standards	62	25	37	18
Digital Architecture and Security	30	0	30	0
Registration Automation	24	25	(1)	8
Change Control	21	0	21	0
AI Automation	0	32	(32)	28
Websites & Portals	0	37	(37)	21
Building Renovations	0	30	(30)	10
<b>Total</b>	<b>915</b>	<b>612</b>	<b>303</b>	<b>385</b>

**Note.** As per the actuals for February 2025 YTD, some forecast project spend is yet to materialise. Further review of investment portfolio planned in March 2025 with a high likelihood of some of these costs being carried forward to next financial year.

# Risks and Opportunities

## Risks

Low	Medium	High
<p><b>Decrease in International Applications:</b> February actual volumes lower than forecast with March's current outlook showing similar trend (£ - TBC)</p>		

## Opportunities

Low	Medium	High
<p><b>Investment Income:</b> the HCPC holds significant cash balances, with the potential to earn additional interest income (£ - TBC)</p>		

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

# February 2025 Finance Report

# APPENDICES



# Appendix 1 – Income and Expenditure (By Department)

	February 2025 YTD			Full Year			Full Year Forecast	Notes
	Actuals	Forecast	Variance	Budget	Forecast	Variance	Actuals	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
<b>Total Income</b>	<b>40,313</b>	<b>40,321</b>	<b>(8)</b>	<b>40,439</b>	<b>43,728</b>	<b>3,289</b>	<b>92%</b>	
Fitness to Practise	18,252	18,212	(40)	19,206	20,015	(809)	91%	1
Registrations	4,004	4,011	7	3,819	4,343	(524)	92%	2
IT and Digital Transformation	2,958	2,990	32	3,427	3,342	85	89%	
Chief Executive and Registrar	1,537	1,543	6	1,687	1,688	(1)	91%	
Finance and Commercial	1,382	1,390	8	1,356	1,517	(161)	91%	3
Facilities Management	1,081	1,087	6	1,566	1,263	303	86%	6
Human Resources	1,039	1,057	18	1,297	1,264	33	82%	
Depreciation	944	951	7	1,044	1,034	10	91%	
Communications	894	911	17	1,018	1,006	12	89%	
Business Change	746	743	(3)	823	823	0	91%	
Assurance and Compliance	578	582	4	531	638	(107)	91%	5i
Education	545	548	3	625	603	22	90%	
Policy and Standards	505	509	4	711	575	136	88%	
Professional and Upstream Regulation	340	350	10	392	387	5	88%	
Governance	285	267	(18)	586	301	285	95%	5ii
Regulatory Development and Performance	258	258	0	98	266	(168)	97%	4
Data Insight and Analytics	238	239	1	253	267	(14)	89%	
Chair, Council and Committees	225	227	2	249	252	(3)	89%	
Partners	205	213	8	254	243	11	84%	
Chair and Chief Executive Office	135	135	0	0	148	(148)	91%	5iii
Major Projects	134	134	0	200	154	46	87%	
<b>Total Operating Expenditure</b>	<b>36,285</b>	<b>36,357</b>	<b>72</b>	<b>39,142</b>	<b>40,129</b>	<b>(987)</b>	<b>90%</b>	
<b>Operating Surplus/(Deficit)</b>	<b>4,028</b>	<b>3,964</b>	<b>64</b>	<b>1,297</b>	<b>3,599</b>	<b>2,302</b>	<b>113%</b>	
Transformation costs	46	46	0	179	46	133	100%	
Contingency	0	0	0	773	0	773	0%	
Corporation Tax	255	250	(5)	159	270	(111)	94%	
<b>Total Expenditure</b>	<b>36,586</b>	<b>36,653</b>	<b>67</b>	<b>40,253</b>	<b>40,445</b>	<b>(192)</b>	<b>90%</b>	
<b>Total Surplus/(Deficit)</b>	<b>3,727</b>	<b>3,668</b>	<b>59</b>	<b>186</b>	<b>3,283</b>	<b>3,097</b>	<b>114%</b>	

## Budget vs Forecast

- Note 1 (Fitness to Practise): £809k** adverse variance due to:
  - Increase in FTP temporary staff to help cover critical vacancies pending permanent recruitment (two months of costs initially budgeted for four individuals, around seven temporary staff remained 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 (Registrations): £524k** adverse variance mainly due to increase in international assessors' fees associated with the increase in international application volumes (10,000 applications forecasted for the full year vs prudent budgeted assumption of 6,000 applications).
- Note 3 (Finance and Commercial): £161k** 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 **£30k** favourable.
- Note 6 (Facilities Management): £303k** favourable variance is mainly driven by reclassification of building refurbishments costs as capital related expenditure.

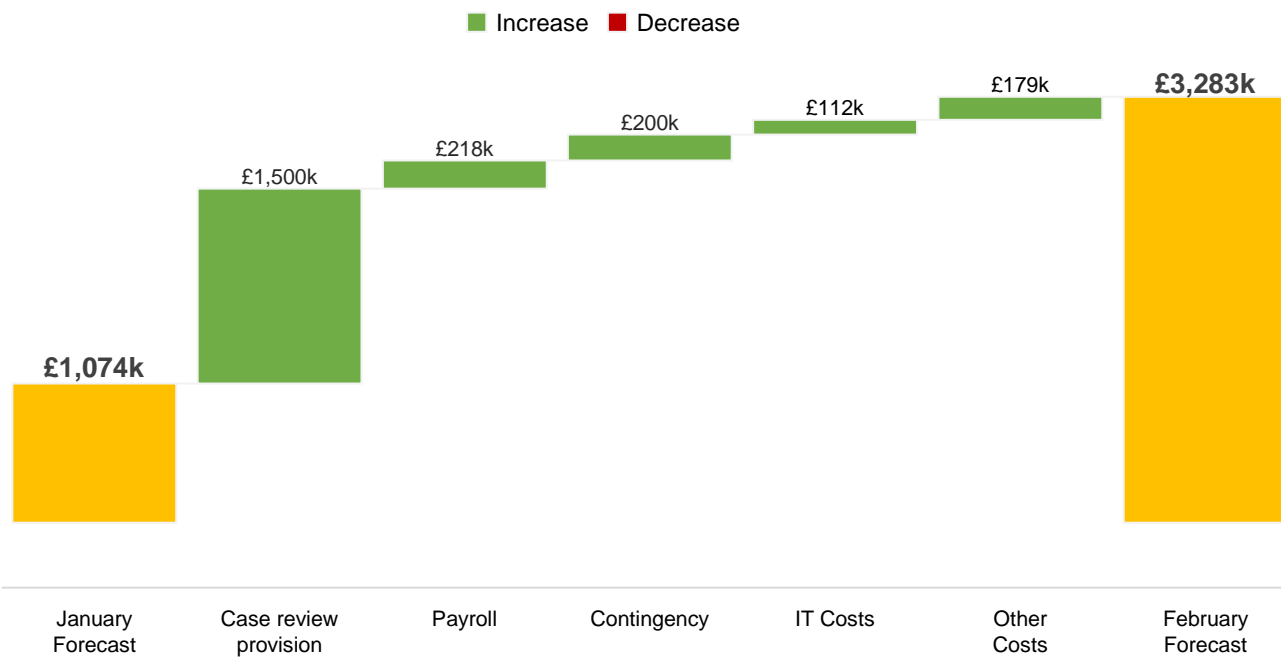
# Appendix 2 – Expenditure February 2025 YTD (by Category)

	February 2025 YTD			Full Year	Full Year Forecast
	Actuals	Forecast	Variance	Forecast	% of Actuals
	£'000	£'000	£'000	£'000	%
Payroll	14,909	14,910	1	16,386	91%
Legal Costs	10,003	10,005	2	11,078	90%
Partners	4,593	4,516	(77)	4,852	95%
IT Costs	1,825	1,854	29	2,057	89%
Depreciation	944	951	7	1,034	91%
Professional Fees	896	891	(5)	963	93%
Temporary Staff	866	839	(27)	873	99%
Office Services	465	481	16	582	80%
Staff Related Costs	456	469	13	605	75%
Property Costs	349	356	7	432	81%
Other Costs	344	417	73	520	66%
Communication Costs	319	336	17	379	84%
Utilities	285	285	0	311	92%
Corporation Tax	251	250	(1)	270	93%
Travel & Subsistence	81	93	12	103	79%
<b>Total Expenditure</b>	<b>36,586</b>	<b>36,653</b>	<b>67</b>	<b>40,445</b>	<b>90%</b>

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

# Appendix 3 – Key Movements (January Forecast vs February Forecast)

## January Forecast vs February Forecast

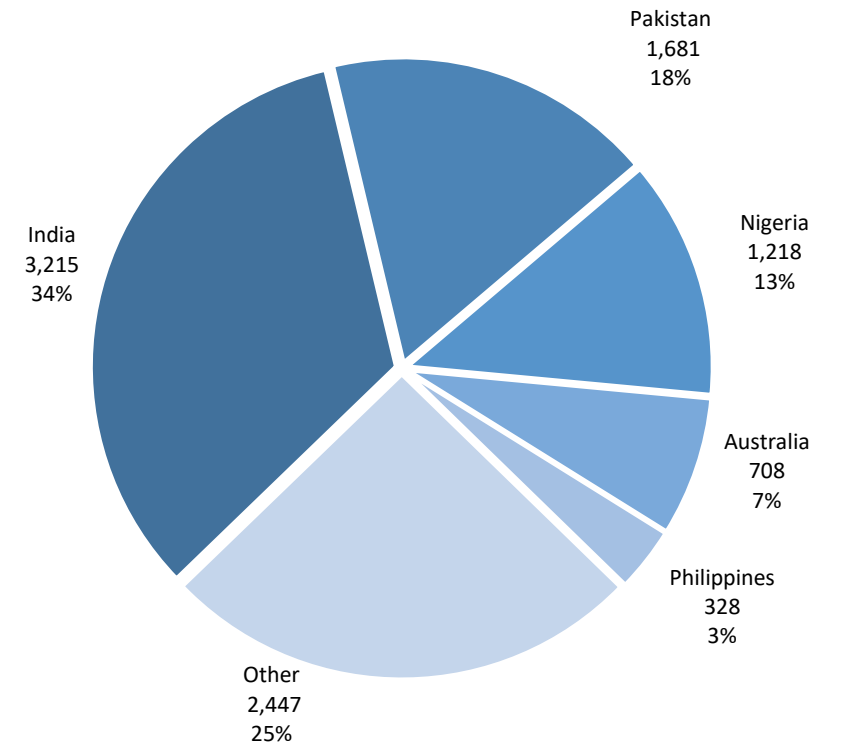
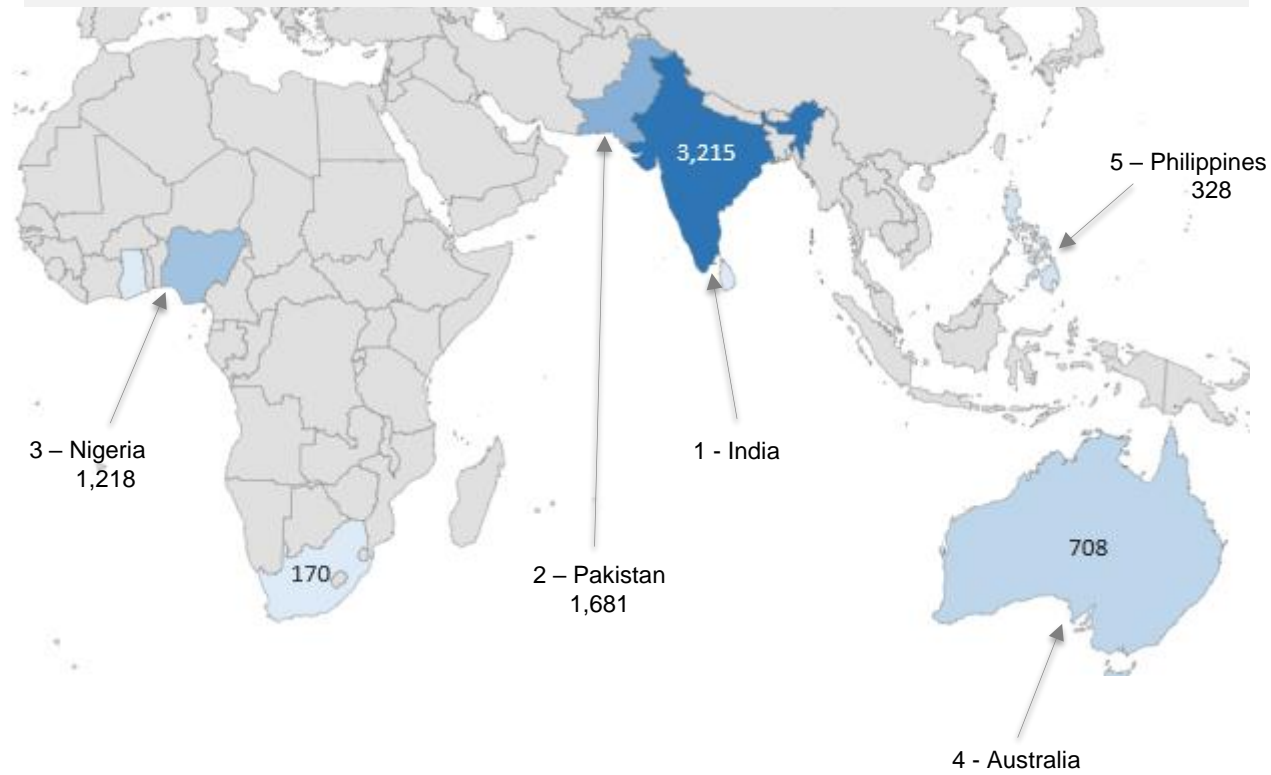


'Other' includes departments with variances approximately £50k or less

- **Case review provision: £1.5m** favourable variance due to reversal of the provision included in the January forecast for potential case review costs. This is now expected to materialise in 2025-26.
- **Payroll: £218k** favourable due to savings in unfilled vacant posts mainly within Fitness to Practise.
- **Contingency: £200k** favourable due to release of remaining contingency fund as no further cost pressures anticipated for the remainder of the year.
- **IT Costs: £112k** favourable due to readjustment of IT cost accruals to align with expected costs.

# Appendix 4 – International Applications (Geographic Location)

International Application Volumes – February 2025 YTD  
(By Geographic Location)



# Appendix 5 – Balance Sheet (as at 28 February 2025)

	28 February 2025 Actuals	28 February 2025 Forecast	Variance	31 March 2025 Forecast
	£'000	£'000	£'000	£'000
Property, Plant and Equipment	5,454	5,452	2	5,506
Intangible Assets	2,834	2,950	(116)	2,999
<b>Total Fixed Assets</b>	<b>8,288</b>	<b>8,403</b>	<b>(115)</b>	<b>8,505</b>
<b>Current Assets</b>				
Trade and Other Receivables	15,362	16,054	(692)	5,220
Cash and Cash Equivalents	24,986	25,276	(290)	27,493
<b>Total Current Assets</b>	<b>40,348</b>	<b>41,330</b>	<b>(982)</b>	<b>32,712</b>
<b>Total Assets</b>	<b>48,636</b>	<b>49,733</b>	<b>(1,097)</b>	<b>41,218</b>
<b>Current Liabilities</b>				
Deferred Income	35,819	37,765	1,946	28,944
Trade and Other Payables	5,136	4,346	(790)	5,037
<b>Total Current Liabilities</b>	<b>40,955</b>	<b>42,111</b>	<b>1,156</b>	<b>33,981</b>
Non-Current Liabilities	59	59	0	59
<b>Total Liabilities</b>	<b>41,014</b>	<b>42,170</b>	<b>1,156</b>	<b>34,040</b>
<b>NET ASSETS</b>	<b>7,622</b>	<b>7,563</b>	<b>59</b>	<b>7,178</b>
Opening Reserves	3,895	3,895	0	3,895
Surplus/(Deficit)	3,727	3,668	59	3,283
<b>GENERAL RESERVES</b>	<b>7,622</b>	<b>7,563</b>	<b>59</b>	<b>7,178</b>
<b>Realisable Net Assets</b>	<b>4,788</b>	<b>4,613</b>	<b>175</b>	<b>4,179</b>

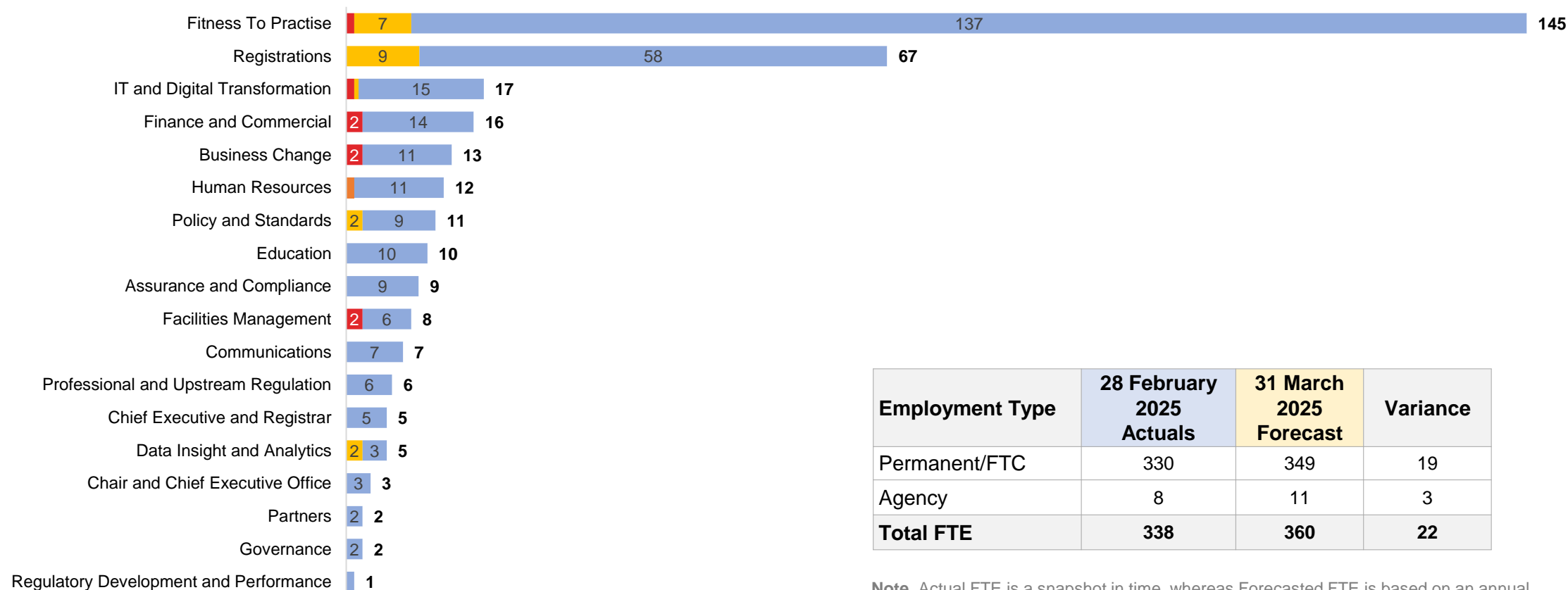
# Appendix 6 – Key Contracts (as at February 2025 YTD)

Department	Description of service	Contract Value	Contract Length	Supplier	Procurement Route
Facilities Management	Sustainability Advisory Agreement	£37,000	12 months	Acclaro Advisory Ltd	Direct Award
Fitness to Practise	Case Management & Legal Services	£5,760,000	24 months	Blake Morgan	Contract Extension
Fitness to Practise	Case Management & Legal Services	£5,760,000	24 months	Capsticks	Contract Extension
Fitness to Practise	Recording & Transcription Services	£375,000	18 months	MWC and Ubiquis	Contract Extension
Fitness to Practise	Frontloading Project A Variation Order was agreed with impact in Scope, Time & Cost	£201,000	12 months	ShareDo	Contract Extension
Fitness to Practise	The execution of the portal work stream within the Online Concerns project	£29,000	12 months	Synchronicity Technology Solutions Ltd	Direct Award
Fitness to Practise	Registrant Emotional Support Service	£54,000	12 months	Cnlr Horizons Limited (Cic)	Direct Award
Information Technology	Licenses and support for the CoreHR employee and partner systems	£454,000	36 months	Access Group	Direct Award
Information Technology	ShareDo Subscription	£318,000	24 months	Slicedbread	Direct Award
Information Technology	Website Content Management System and Hosting	£220,000	24 months	Optimizely AB	Direct Award
Information Technology	Licenses and support for the Perform and Perform Plus solutions for FTP	£180,000	36 months	PWC	Direct Award
Information Technology	People XD Project Implementation, Management & DocuSign Integration	£70,000	2 months	Access Group	Direct Award
Information Technology	HCPC Service Desk Ticket Management Software	£73,000	36 months	SolarWinds	Direct Award
Information Technology	PeopleXD EVO - Enhanced Payroll (partners)	£52,000	12 months	Access Group	Contract Extension
Information Technology	Automating requests resolution processes (PoC)	£41,000	12 months	EmailTree	Direct Award
Information Technology	NetApp Support	£29,000	15 months	Logicalis UK Ltd	Direct Award
Information Technology	Website support and development capacity	£28,000	12 months	Twentysix-DX	Contract Extension
Information Technology	Check Point Support Services	£27,000	12 months	Camwey Technology	Direct Award
Information Technology	Hypercare Support for the Education System	£26,000	12 months	Synchronicity Technology Solutions Ltd	Direct Award
Regulatory Development and Performance	International Application Standardised Assessment – Design Phase	£168,000	3 months	PWC	Public Tender

# Appendix 7 – FTEs (as at 28 February 2025)

## Actual FTE by Employment Type

■ Agency ■ Apprentice ■ Fixed Term ■ Permanent



Employment Type	28 February 2025 Actuals	31 March 2025 Forecast	Variance
Permanent/FTC	330	349	19
Agency	8	11	3
<b>Total FTE</b>	<b>338</b>	<b>360</b>	<b>22</b>

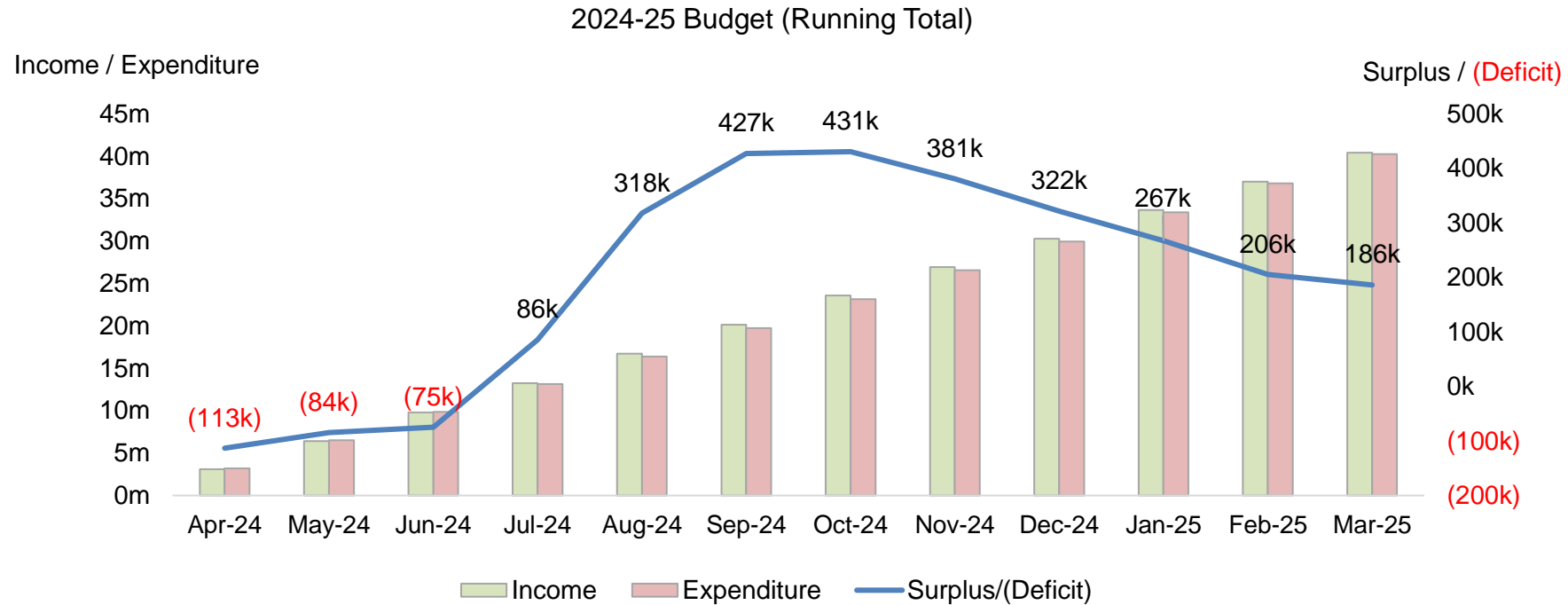
**Note.** Actual FTE is a snapshot in time, whereas Forecasted FTE is based on an annual view. For example, if an employee was hired on a 6-month contract at the beginning of the financial year, forecasted FTE would be shown as **0.5**, however, Actuals will be shown as **1.0**.

# Appendix 8 – Contingency (as at 28 February 2025)

Description	£'000
General contingency	176
Ring-fenced annual partners and pension	597
<b>2024-25 budget contingency</b>	<b>773</b>
Online register (one-off)	(15)
Cyber security cost	(32)
FTP temporary staff costs	(450)
<b>Total contingency as at 30 September 2024</b>	<b>276</b>
Data storage, IT telephony and firewall costs	(148)
Data insight and analytics secondment position	(15)
International assessment model development	(168)
Contingency increase	700
<b>Total contingency as at 31 December 2024</b>	<b>645</b>
Contingency decrease	(445)
<b>Total contingency as at 31 January 2025</b>	<b>200</b>
Contingency released	(200)
<b>Total contingency remaining</b>	<b>0</b>

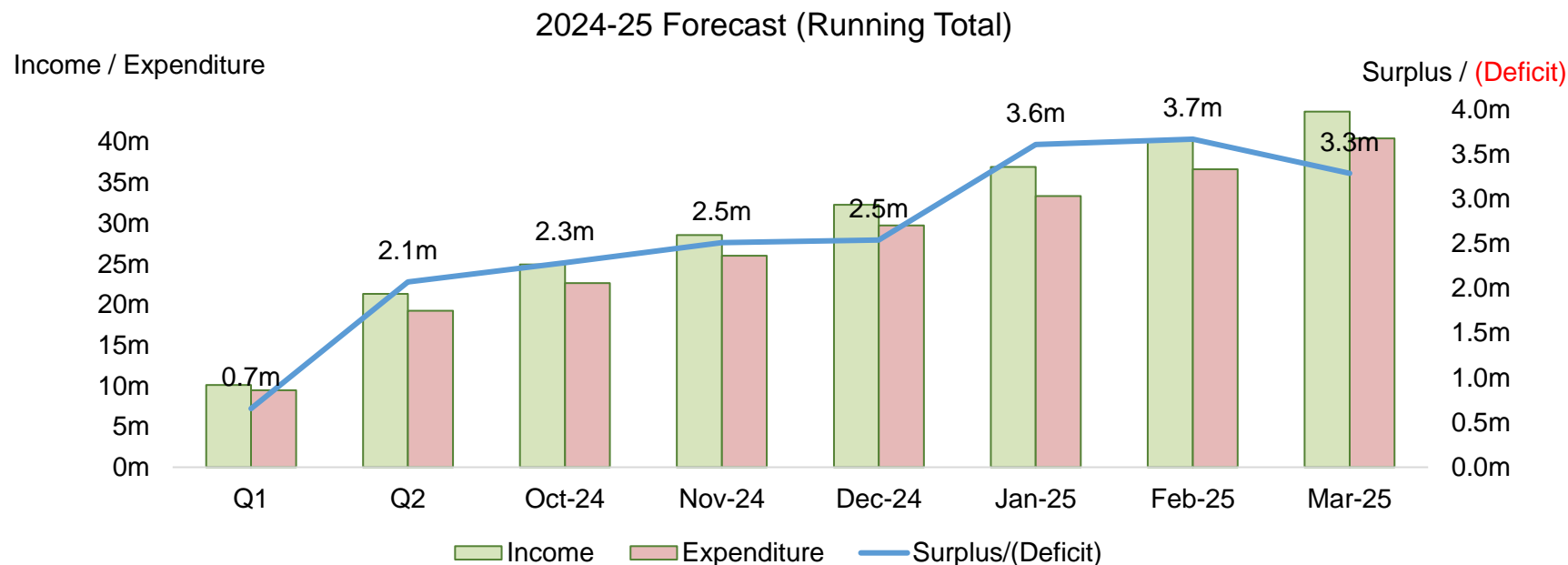


# Appendix 9 – 2024–25 Budget Profile



- The 2024-25 budget assumes a deficit position in the first quarter, followed by a steady surplus trend for the remainder of the year.
- Income is budgeted to be lower for Q1 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 Q2, due to it being a busier period with a greater influx of graduate applications, reaching its peak around October. This is followed by a decline in applications from November.

# Appendix 10 – 2024-25 Forecast Profile



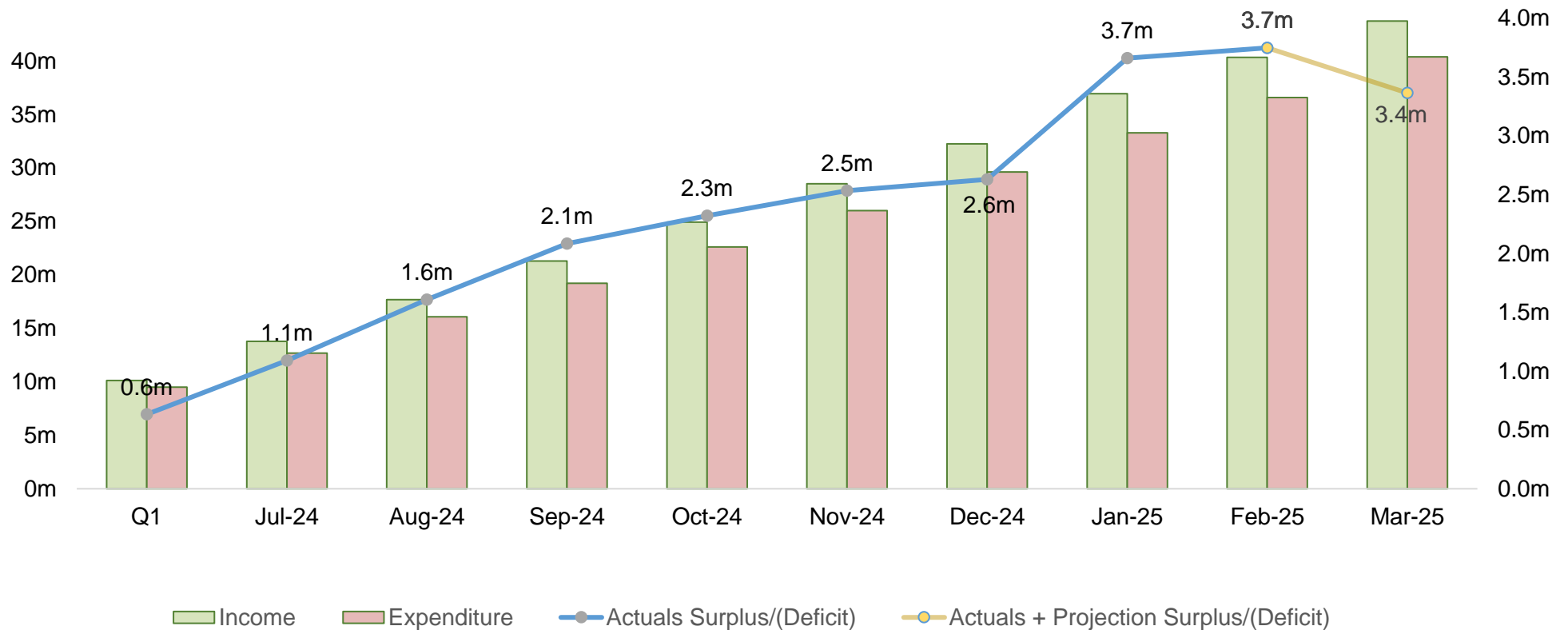
- The surplus at the end of the second quarter of 2024-25 was £2.1m, surpassing the budget by £1.7m. The forecast full year surplus of £3.3m is £3.1m favourable compared to budget.
- The forecast shows a £3.3m surplus at the end of the financial year compared to the previous January forecast of £1.1m.
- There has been significant increase to International Scrutiny fees in December 2024 and January 2025 thereby increasing total forecasted income.
- Although we are seeing a surplus of £3.7m in February, a decrease in surplus is anticipated by end of Q4 due to majority of business as usual (BAU) projects anticipated to be completed by this period.

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

2024-25 Forecast (Running Total)

Income / Expenditure

Surplus / (Deficit)

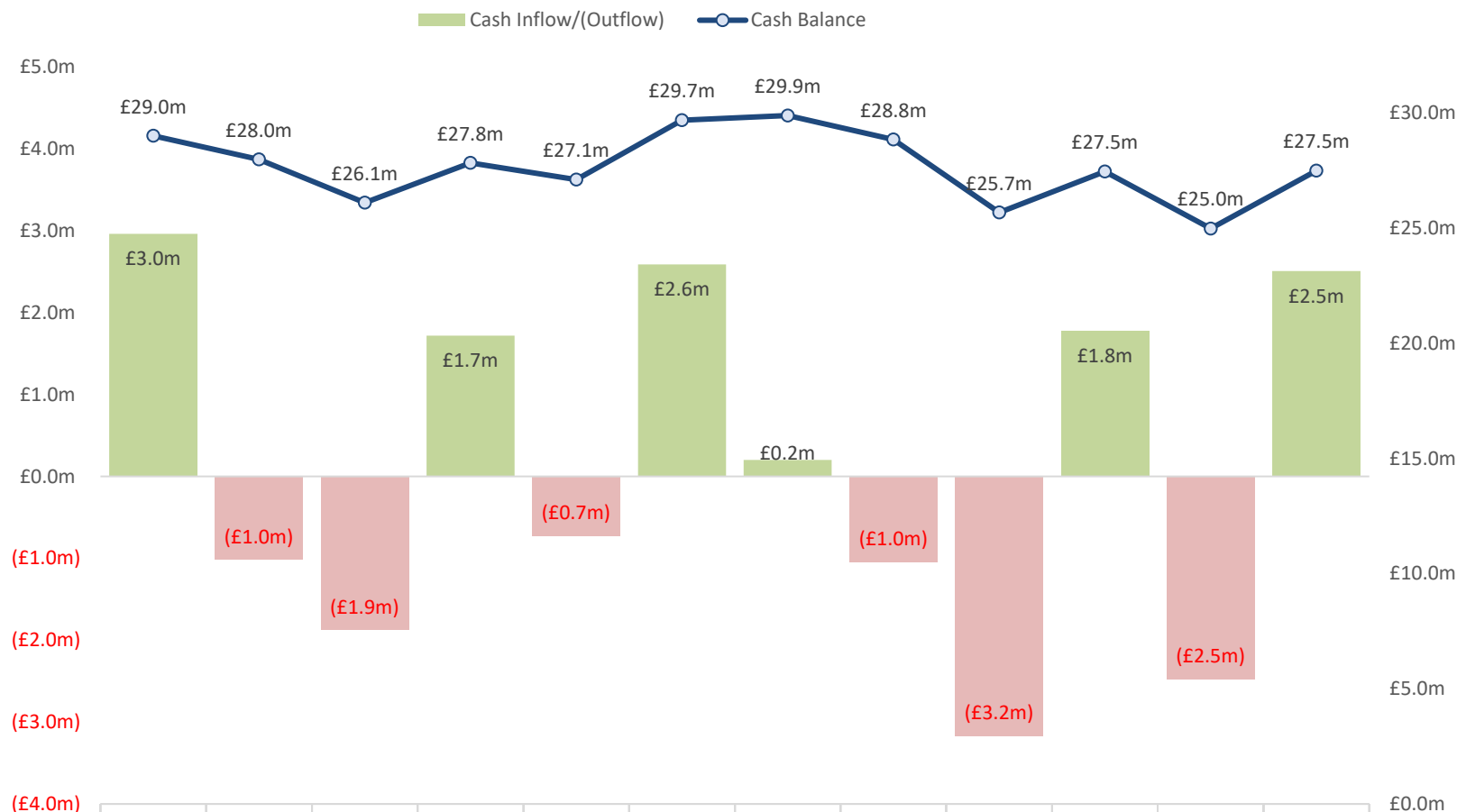


The above shows a projected surplus of £3.4m if we take the February 2025 year-to-date position with the forecasts for the rest of the year.

**Note.** Actual + Projection is based on February 2025 YTD actuals plus forecast

# Appendix 12 – Cashflow Forecast (as at 28 February 2025)

### 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 Actuals	Feb-25 Actuals	Mar-25 Forecast
Cash Inflow/(Outflow)	£2.96m	(£1.02m)	(£1.88m)	£1.72m	(£0.73m)	£2.59m	£0.20m	(£1.04m)	(£3.17m)	£1.78m	(£2.47m)	£2.51m
Cash Balance	£29.01m	£27.99m	£26.11m	£27.83m	£27.10m	£29.69m	£29.89m	£28.85m	£25.68m	£27.46m	£24.99m	£27.49m