

## Finance and Facilities Management Departments – June 2008 Report

### General

Since the last Committee Meeting, the Finance department has produced the March Management Accounts and is currently completing the April Management Accounts.

### Annual Report Process

External audit completed with the audit findings to be presented to the Audit Committee on 26 June. See separate paper on draft 2008 Annual Report itself. This includes input and feedback from Baker Tilly (UK) LLP, the National Audit Office and the Audit Committee members.

### Supplier payments

At the end of March, at least 97% by value of the £486k Creditor payments (March Aged Creditor Listing) are in the 30 days or less category.

### Fee adjustments and income receipts handling

At 6 June, there was a backlog in Registrant direct debit cancellations and amendments of about 1 processing day. We had about 2 days processing backlog on rejected payments/refunds and zero days backlog on mid-cycle lapsing of Registrants. Banking of Registrant cheques and credit card reconciliations were up to date.

### Income Collection cycle

Direct debit collections of Registrants' fees (cover at least 83% of renewal fees by value) are done by the Finance Dept, with collections made two months in advance. PH and DT collections occurred in May. AS and CH collections are scheduled for June. Most of the income comprises Renewal fees collected.

### Pensions

At 31 May, there were 54 active members in the Friends Provident Scheme and 0 active members in the Capita Flexiplan Scheme,

excluding the "notional" members. Note there are also ex employees (CPSM & HPC employees during 1994-07) who have money remaining in the Flexiplan scheme.

The HPC received a letter in early June from Entrust, the Flexiplan profession trustee, advising that they are in the process of obtaining an actuarial valuation of the Flexiplan fund value by approaching the market for pension scheme buy outs and that an Employers Consultative Committee (ECC) has been formed to represent the interests of the Flexiplan employers going forward. The ECC's aims are to liaise with Entrust, give or withhold agreement on behalf of employers in relation to scheme funding matters, act to identify any s75 debt consequences relating to an effective scheme wind up date and resolve how to distribute any surplus upon wind up.

On the HPC's behalf, Sacker and Co, pensions lawyers, are working with Capita Trust Company Ltd ("Capita") to action the winding up of the old CPSM pension scheme. This Scheme is a defined benefit arrangement with Scottish Life, which ceased contributions and commenced winding up with effect from 30 June 1995.

### Funds under Management

At 6 June, the Business Reserve account balance was £511k (just prior to a £200k tax and pensions payrun) earning an interest rate of 2% per annum. A further £3.8M was invested in the Special Interest-bearing Account (SIBA) on a rolling monthly basis, earning 5.25% per annum. NatWest, Barclays and HSBC are active Money Market providers for HPC. The value of our investment portfolio (excluding £193k cash) at the end of May was £1.7M.

Regarding the Reserves Policy, three average 2007/08 budgeted months of Operating Expenses totalled £3.12M. At the end of March, the sum of Investments and Working Capital totalled £4.5M.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-06-06	a	F&R	RPT	Finance and Facilities Management Department Report	Final DD: None	Public RD: None

## **VAT deregistration**

HMRC confirmed that the option to tax will be disapplied, once the Stannary property is first used after the refurbishment and once the 'election to waive exemption' is received. Complications have arisen because the original VAT notification was discovered to be on Purbrooks Worgan St property, not on their 22-26 Stannary St property. Baker Tilly Tax Advisory dept are writing to HMRC on the basis that Stannary St has always been a taxable property and that it was a genuine mistake in the original Purbrooks documentation.

## **Employee training and staffing levels**

Following the June resignation of the Finance Officer, there is a team of seven full-time permanent employees in the Finance department including the Director of Finance and the Procurement Officer. Three Finance employees are enrolled in after hours, part-time professional accountancy qualifications (CIMA, ACCA and CAT) at present. Temp staff are periodically hired to cover for staff on annual or sick leave and to help achieve Finance dept service level targets.

## **Significant Financial Projects/Issues (next few months)**

- Financial System Upgrade Phase Two (Online Purchase Order Processing)
- 2008 Annual Report completion
- Online Renewals project input
- Fee Change 2009 project (in the consultation phase)
- Financial Procedures updating
- Five Year Plan preparation
- 22-26 Stannary St project Phase 2 (rooftop addition)

## **Procurement Report**

Work in progress to update supplier service contracts with assistance from BDB lawyers. Training sessions with supplier managers to follow. Annual supplier spend analysis in progress.

The Co Operative Travel trial is progressing well with few complaints received to date. Trial period ends on 6 August. Intranet travel section created for employees to use. An email link sent to some Council members to trial the Co Operative service. The Extranet update (for Partners and the remaining Council members) to follow if trial is successful.

## **Facilities Management Report**

### **Staffing**

There is a team of six permanent employees including the Facilities Manager. Services provided include Reception, Building Maintenance, Post room, Catering, Health and Safety (jointly with HR), Insurance and Building project liaison.

### **22-26 Stannary St Building Project**

The premises re-stack and redecorating are in the final stages. The Human Resources department and post room are now relocated. Residual snagging jobs are down to approximately 45 items outstanding. The final CFC invoice value is being negotiated on HPC's behalf by the quantity surveyor (Davis Langdon). See separate paper on the Building Valuation details.

### **Health and Safety Issues**

Display Screen Equipment risk assessment of all onsite employee workstations is occurring in June. The implementation of HPC Health & Safety and Fire Safety training to commence in September 2008.

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2008-06-06	a	F&R	RPT	Finance and Facilities Management Department Report	Final DD: None	Public RD: None

Please note: these are not final figures and are subject to change

	2007						2008						Total to Mar £000	Budget Mar £000	Variance £000	Annual Budget £000
	April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000				
<b>INCOME</b>																
Registration Income	835	926	818	994	1,049	950	1,193	717	1,135	987	1,020	1,049	11,674	12,552	(878)	12,552
Department of Health Capital Grant Released	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Income	0	0	20	(20)	0	0	0	6	0	0	0	5	11	0	11	0
<b>TOTAL INCOME*</b>	<b>835</b>	<b>926</b>	<b>838</b>	<b>974</b>	<b>1,049</b>	<b>950</b>	<b>1,193</b>	<b>723</b>	<b>1,135</b>	<b>987</b>	<b>1,020</b>	<b>1,054</b>	<b>11,684</b>	<b>12,552</b>	<b>(868)</b>	<b>12,552</b>
<b>EXPENDITURE</b>																
Approvals & Monitoring	3	60	65	29	32	29	38	34	23	36	40	85	474	657	(183)	657
Chief Executive	21	36	17	19	21	20	24	22	25	22	20	33	281	256	24	256
Committees & PLG	(4)	14	24	(3)	8	21	11	52	(2)	11	20	21	174	396	(222)	396
Communications	19	98	31	34	62	51	34	118	63	80	103	192	886	1,016	(130)	1,016
Council	3	46	47	29	9	19	33	35	(1)	15	9	30	275	423	(148)	423
Facilities Management	102	58	44	65	62	72	74	82	53	60	90	144	905	981	(76)	981
Finance	57	43	34	20	63	17	39	65	51	65	10	49	513	448	65	449
Fitness to Practise	185	273	347	299	351	426	298	368	233	388	349	261	3,780	3,592	188	3,592
Human Resources & Partners	50	77	47	73	37	58	26	50	39	45	39	72	613	491	122	491
IT Department	70	104	62	70	78	51	67	79	57	55	77	207	977	844	133	844
Operations Office	17	20	13	21	27	19	19	20	18	41	29	60	306	259	47	259
Policy & Standards	11	17	16	16	15	18	20	45	27	23	17	29	252	431	(178)	431
President	2	3	2	4	2	2	3	3	3	5	1	10	39	48	(9)	48
Projects	(2)	0	2	3	0	3	4	2	2	30	12	76	132	353	(221)	353
Registration	16	149	160	161	119	137	130	187	147	113	171	205	1,695	2,022	(326)	2,022
Secretariat	38	(2)	15	22	33	30	25	24	11	16	32	16	262	274	(13)	274
<b>TOTAL EXPENDITURE</b>	<b>590</b>	<b>996</b>	<b>927</b>	<b>863</b>	<b>920</b>	<b>973</b>	<b>845</b>	<b>1,187</b>	<b>751</b>	<b>1,004</b>	<b>1,020</b>	<b>1,491</b>	<b>11,565</b>	<b>12,492</b>	<b>(927)</b>	<b>12,493</b>
<b>SURPLUS/(DEFICIT)</b>	<b>245</b>	<b>(70)</b>	<b>(89)</b>	<b>112</b>	<b>129</b>	<b>(23)</b>	<b>348</b>	<b>(464)</b>	<b>384</b>	<b>(17)</b>	<b>0</b>	<b>(436)</b>	<b>119</b>	<b>60</b>	<b>59</b>	<b>59</b>

\* Total Income is excluding investment income

	2007									2008			Total to Mar £000	Budget Mar £000	Total Expenditure £000
	April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000			
<b>EXPENDITURE</b>															
Approvals & Monitoring	61	(2)	(2)	14	9	11	21	22	24	17	30	(22)	183	657	474
Chief Executive	0	(15)	4	2	0	1	(2)	(1)	(3)	(1)	2	(12)	(24)	256	281
Committees & PLG	32	22	1	50	16	12	44	(22)	35	14	6	12	222	396	174
Communications	16	(63)	44	30	(33)	95	71	127	(0)	43	(46)	(151)	130	1,016	886
Council	4	1	(41)	116	(3)	3	32	(10)	23	(8)	39	(9)	148	423	275
Facilities Management	(30)	13	29	7	80	45	(2)	(10)	20	12	(18)	(68)	76	981	905
Finance	(21)	(6)	4	17	(26)	21	(2)	(27)	(13)	(28)	27	(12)	(65)	448	513
Fitness to Practise	109	21	(57)	54	(117)	(119)	11	(81)	51	(102)	(65)	108	(188)	3,592	3,780
Human Resources & Partners	(9)	(36)	(6)	(32)	4	(17)	15	(9)	2	(4)	2	(31)	(122)	491	613
IT Department	(1)	(35)	7	(1)	(9)	18	2	(9)	12	14	(8)	(123)	(133)	844	977
Operations Office	4	1	8	0	(6)	3	2	2	3	(19)	(8)	(39)	(47)	259	306
Policy & Standards	25	19	20	20	21	18	15	(9)	9	13	19	7	178	431	252
President	2	1	2	0	2	2	1	1	1	(1)	3	(6)	9	48	39
Projects	9	7	11	10	18	244	4	6	8	(24)	(7)	(67)	221	353	132
Registration	185	38	4	16	46	29	65	(17)	(3)	23	2	(62)	326	2,022	1,695
Secretariat	9	7	7	0	(19)	(4)	(2)	(2)	11	6	(7)	6	13	274	262
<b>TOTAL BUDGET VARIANCE</b>	<b>395</b>	<b>(26)</b>	<b>37</b>	<b>303</b>	<b>(17)</b>	<b>363</b>	<b>275</b>	<b>(41)</b>	<b>178</b>	<b>(44)</b>	<b>(28)</b>	<b>(468)</b>	<b>927</b>	<b>12,492</b>	<b>11,565</b>
<b>TOTAL MONTHLY BUDGET</b>	<b>985</b>	<b>970</b>	<b>963</b>	<b>1,166</b>	<b>904</b>	<b>1,336</b>	<b>1,120</b>	<b>1,146</b>	<b>929</b>	<b>960</b>	<b>992</b>	<b>1,022</b>			<b>12,492</b>
<b>TOTAL EXPENDITURE</b>	<b>590</b>	<b>996</b>	<b>927</b>	<b>863</b>	<b>920</b>	<b>973</b>	<b>845</b>	<b>1,187</b>	<b>751</b>	<b>1,004</b>	<b>1,020</b>	<b>1,491</b>			<b>11,565</b>

\* Total Income is excluding investment income

	<i>Actual Mar 07 £000</i>	2007										2008			<i>Budget Mar 08 £000</i>
		April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000		
<b>FIXED ASSETS</b>															
Tangible Fixed Assets	3,714	3,699	3,720	3,737	3,777	3,831	3,844	3,952	4,174	4,298	4,601	4,738	3,779	5,387	
Investments	1,848	1,945	1,979	1,905	1,850	1,802	1,847	1,977	1,792	1,793	1,649	1,644	1,528	1,786	
<b>TOTAL FIXED ASSETS</b>	<b>5,562</b>	<b>5,644</b>	<b>5,699</b>	<b>5,642</b>	<b>5,627</b>	<b>5,633</b>	<b>5,691</b>	<b>5,929</b>	<b>5,966</b>	<b>6,091</b>	<b>6,250</b>	<b>6,382</b>	<b>5,307</b>	<b>7,173</b>	
<b>CURRENT ASSETS</b>															
Debtors	240	209	195	197	162	165	214	212	254	209	237	244	213	89	
Bank & Cash	4,049	3,620	3,032	2,520	2,886	2,964	4,129	4,641	4,269	4,030	4,047	3,613	4,899	2,436	
<b>CURRENT LIABILITIES</b>															
Creditors and accrued expenses	(1,840)	(1,176)	(1,349)	(1,297)	(1,281)	(1,293)	(1,338)	(1,291)	(1,673)	(1,362)	(1,586)	(1,496)	(2,105)	(1,117)	
<b>WORKING CAPITAL</b>	<b>2,449</b>	<b>2,653</b>	<b>1,878</b>	<b>1,420</b>	<b>1,767</b>	<b>1,836</b>	<b>3,005</b>	<b>3,562</b>	<b>2,850</b>	<b>2,877</b>	<b>2,698</b>	<b>2,361</b>	<b>3,007</b>	<b>1,408</b>	
<b>LOANS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Deferred income	(5,429)	(5,399)	(4,705)	(4,257)	(4,528)	(4,490)	(5,678)	(6,034)	(5,939)	(5,690)	(5,752)	(5,551)	(6,810)	(6,056)	
<b>NET ASSETS</b>	<b>2,582</b>	<b>2,898</b>	<b>2,872</b>	<b>2,805</b>	<b>2,866</b>	<b>2,979</b>	<b>3,018</b>	<b>3,457</b>	<b>2,877</b>	<b>3,278</b>	<b>3,196</b>	<b>3,192</b>	<b>1,504</b>	<b>2,525</b>	
Represented by:															
Revaluation Reserve	651	651	651	651	651	651	651	651	651	651	651	651	651	651	
Income and expenditure account	1,931	2,247	2,221	2,154	2,215	2,328	2,367	2,806	2,226	2,627	2,545	2,541	853	1,874	
	<b>2,582</b>	<b>2,898</b>	<b>2,872</b>	<b>2,805</b>	<b>2,866</b>	<b>2,979</b>	<b>3,018</b>	<b>3,457</b>	<b>2,877</b>	<b>3,278</b>	<b>3,196</b>	<b>3,192</b>	<b>1,504</b>	<b>2,525</b>	

\* Balance sheet includes investment income

	Actual Mar 07 £000	2007										2008			Total 12 Months £000
		April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000		
<b>Opening Balance (1st)</b>		4,050	3,620	3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,047	3,612		
Registration Income		834	925	818	994	1,049	950	1,192	717	1,136	987	1,020	1,049	11,671	
Investment Income		2	8	44	4	5	44	5	5	13	49	3	54	236	
Investment Sales		0	20	84	0	27	0	25	90	17	30	13	61	367	
Deferred Income Movements		(29)	(694)	(447)	271	(37)	1,187	356	(96)	(247)	62	(201)	1,259	1,384	
Bank Loan													49		
Miscellaneous Income				20	(20)				6				5	11	
<b>Total Cash Receipts</b>		<b>807</b>	<b>259</b>	<b>519</b>	<b>1,249</b>	<b>1,044</b>	<b>2,181</b>	<b>1,578</b>	<b>722</b>	<b>919</b>	<b>1,128</b>	<b>835</b>	<b>2,477</b>	<b>13,718</b>	
Expenditure		590	996	927	863	920	974	845	1,187	750	1,003	1,020	1,491	11,566	
Depreciation		(15)	(14)	(17)	(3)	(17)	(12)	(16)	(17)	(17)	(16)	(17)	(19)	(180)	
Asset disposal / writeoff		0	0	0	0	0	0	0	0	0	0	0	0	0	
Aged Cred / Accrual Movements		664	(171)	51	16	(12)	(47)	48	(383)	313	(226)	90	(574)	(231)	
Debtor Movements		(31)	(15)	3	(34)	2	49	(3)	43	(48)	31	8	(33)	(28)	
<b>Payments to Creditors</b>		<b>1,208</b>	<b>796</b>	<b>964</b>	<b>842</b>	<b>893</b>	<b>964</b>	<b>874</b>	<b>830</b>	<b>998</b>	<b>792</b>	<b>1,101</b>	<b>865</b>	<b>11,127</b>	
Capital Expenditure		0	35	33	58	71	29	128	238	141	320	155	329	1,537	
Capital write-off		0	0	0	(14)	0	(4)	(3)	0	0	(1)	0	0	(22)	
Investment Purchases		29	16	32	0	0	27	70	26	17	0	14	(4)	227	
Loan Repayments		0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Other Payments</b>		<b>29</b>	<b>51</b>	<b>65</b>	<b>44</b>	<b>71</b>	<b>52</b>	<b>195</b>	<b>264</b>	<b>158</b>	<b>319</b>	<b>169</b>	<b>325</b>	<b>1,742</b>	
<b>Closing Balance</b>	<b>4,050</b>	<b>3,620</b>	<b>3,032</b>	<b>2,522</b>	<b>2,885</b>	<b>2,965</b>	<b>4,130</b>	<b>4,639</b>	<b>4,267</b>	<b>4,030</b>	<b>4,047</b>	<b>3,612</b>	<b>4,899</b>		
<b>Budgeted Closing Balance</b>															
<b>Variance</b>			3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,047	3,612	4,899		

\* Cash flow includes investment income