

People and Resources Committee

Meeting Date	13 March 2025
Title	Finance Report
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Executive Sponsor	Alastair Bridges, Executive Director of Resources

Executive Summary

1. Financial Performance

The January 2025 year to date position is a surplus of £3.7 million, which is closely in line with the January forecast of £3.6 million.

	January 2025 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	36,934	36,935	(1)	40,439	43,728	3,289
Total Expenditure	33,274	33,326	52	40,253	42,654	(2,401)
Surplus/(Deficit)	3,660	3,609	51	186	1,074	888

Forecast vs. Budget

- Full Year Surplus:** forecast surplus for the full year is £1.1 million, exceeding the budgeted surplus of £186k by £888k. However, following recent ELT review the provision included in the January forecast for potential case review costs will be deferred to 2025-26 (the full year outturn for 2024-25 will be adjusted in the February 2025 finance report).
- Income:** favourable variance of £3.3 million is anticipated, mainly due to increased international scrutiny fees.

- **Expenditure:** full year expenditure forecast is £42.7 million, significantly above the budget by £2.4m. 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 via activity-based costing.

2. Major Projects and Investments

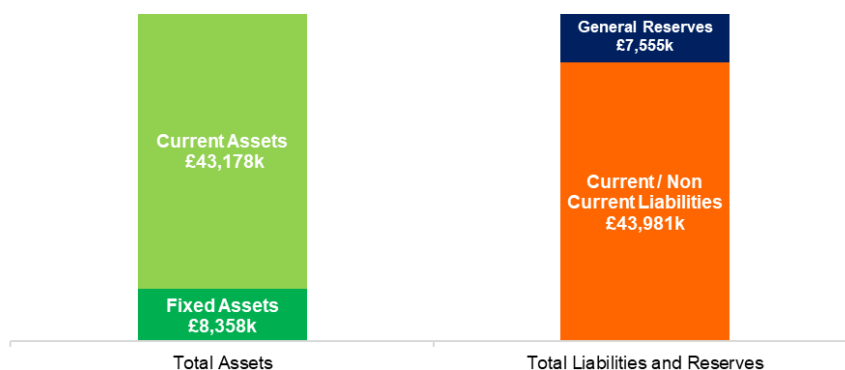
The finance report highlights the ongoing review of capital expenditure for 2024-25, including alignment with the Technology Roadmap, with total forecast investments of £612k. Due to some of the forecasted spend not yet materialised, there is a high likelihood these will be carried forward to next financial 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
Total	915	612	303	385

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 and rental income has been noted.

4. Balance Sheet and Reserves



- **Current Assets:** mainly comprise of ‘cash and cash equivalents’ of around £27m and ‘account receivables’ of around £16m.
- **Liabilities:** mostly relate to ‘deferred income’ of around £39m 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	31 January 2025 Actuals	31 March 2025 Forecast	Variance
Permanent/FTC	329	349	20
Agency	6	11	5
Total FTE	335	360	25

6. Conclusion

January 2025 continues to show a strong financial position year to date with an increase in surplus of approximately £1 million compared to prior month. We have seen another significant increase in international applications in the month of January (2,416 actual applications compared to forecast of 531) which may be due to the English language proficiency requirement, which came into effect at the end of January. We have also revised our full year outturn (reflected in the finance report), which shows a much stronger year end surplus position of £1.1 million compared to October 2024 surplus forecast of £0.6 million with a further expected increase in surplus by £1.5 million.

Action required	The Committee is asked to review the information provided and seek clarification on any areas.
Previous consideration	Previous finance report (September 2024 YTD) provided to the Committee in November 2024.
Next steps	An update will be provided to the Council on 27 March 2025.
Financial and resource implications	The implications are set out in the report.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation
Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable
Risk appetite	Financial - measured
Communication and engagement	Not applicable
Equality, diversity and inclusion (EDI) impact and Welsh language standards	No direct implications.
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

January 2025 Finance Report

PEOPLE AND RESOURCES COMMITTEE

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Executive Summary

	January 2025 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	36,934	36,935	(1)	40,439	43,728	3,289
Total Expenditure	33,274	33,326	52	40,253	42,654	(2,401)
Surplus/(Deficit)	3,660	3,609	51	186	1,074	888

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

- **January year to date (YTD) surplus:** actual surplus of **£3.7m**, which is **£51k** favourable compared to latest January forecast surplus.
- **Full year forecast:** latest forecast indicates a total surplus of **£1.1m** for 2024-25 (surplus increased by approximately **£0.5m** compared to October 2024 forecast of **£625k**). This is mainly driven by the surge in international applications in December and January. Following recent ELT review the provision included in the January forecast for potential case review costs will be deferred to 2025-26 (the full year outturn for 2024-25 will be adjusted in the February 2025 finance report).
- **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). International application volumes for January 2025 YTD totalled 9,259 compared to the YTD budget, which assumed 4,991 applications. This may be linked to the new English Language proficiency requirement that came into effect at the end of January 2025.
- **Expenditure forecast:** increase in forecast expenditure of **£2.4m** 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 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 – January 2025 YTD

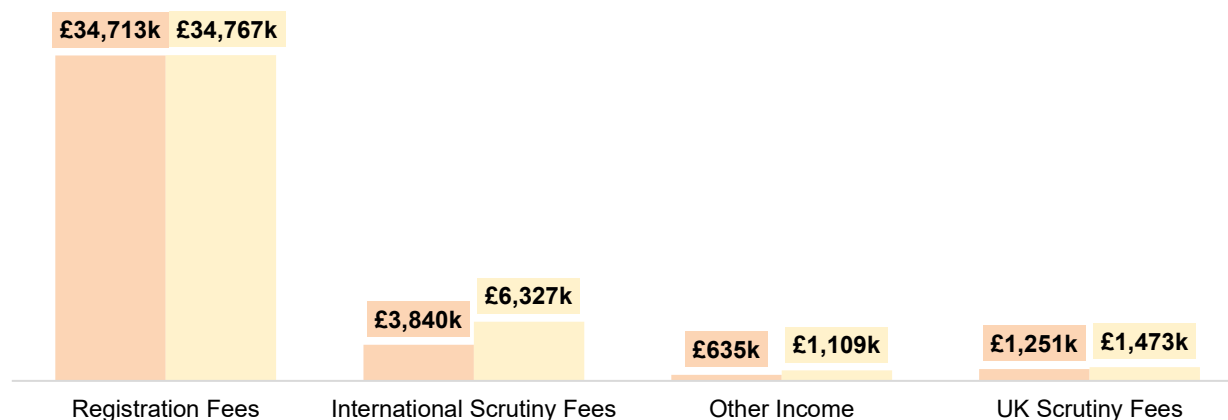
	January 2025 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Income	35,958	35,958	0	39,804	42,566	2,762
Grant Income	33	33	0	0	53	53
Other Income	943	944	(1)	635	1,109	474
Total Income	36,934	36,935	(1)	40,439	43,728	3,289
Payroll Costs	13,573	13,604	31	17,235	16,704	531
Other Staff Costs	1,228	1,231	3	863	1,499	(636)
Non-Payroll Costs	18,193	18,215	22	21,044	22,435	(1,391)
Total Operating Expenditure	32,994	33,050	56	39,142	40,638	(1,496)
Exceptional Costs	280	276	(4)	1,111	2,016	(905)
Total Expenditure	33,274	33,326	52	40,253	42,654	(2,401)
Total Surplus/(Deficit)	3,660	3,609	51	186	1,074	888

'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

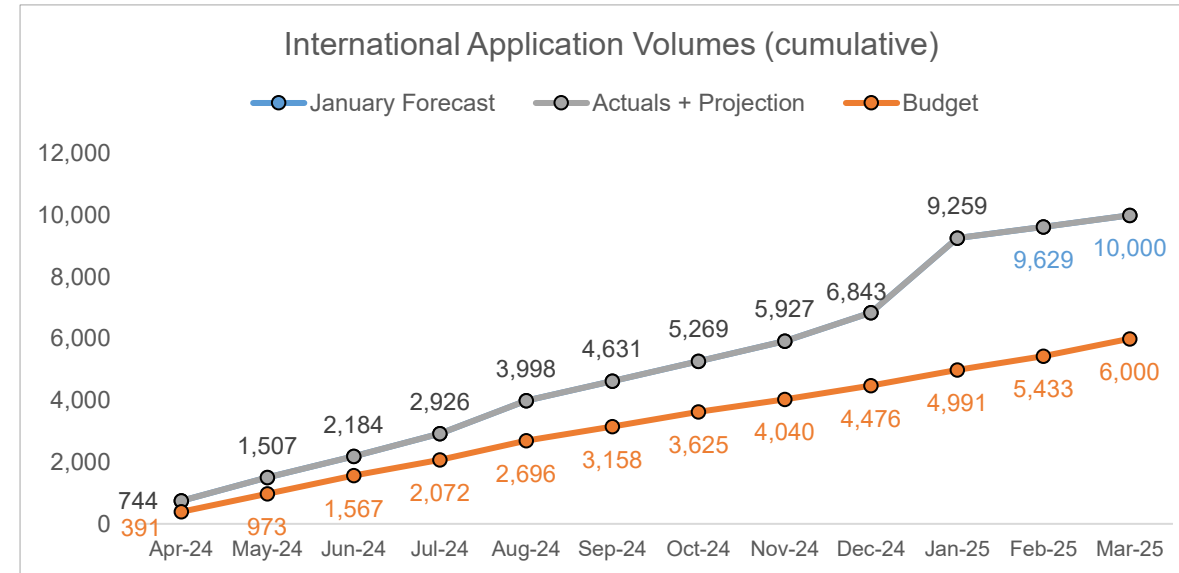
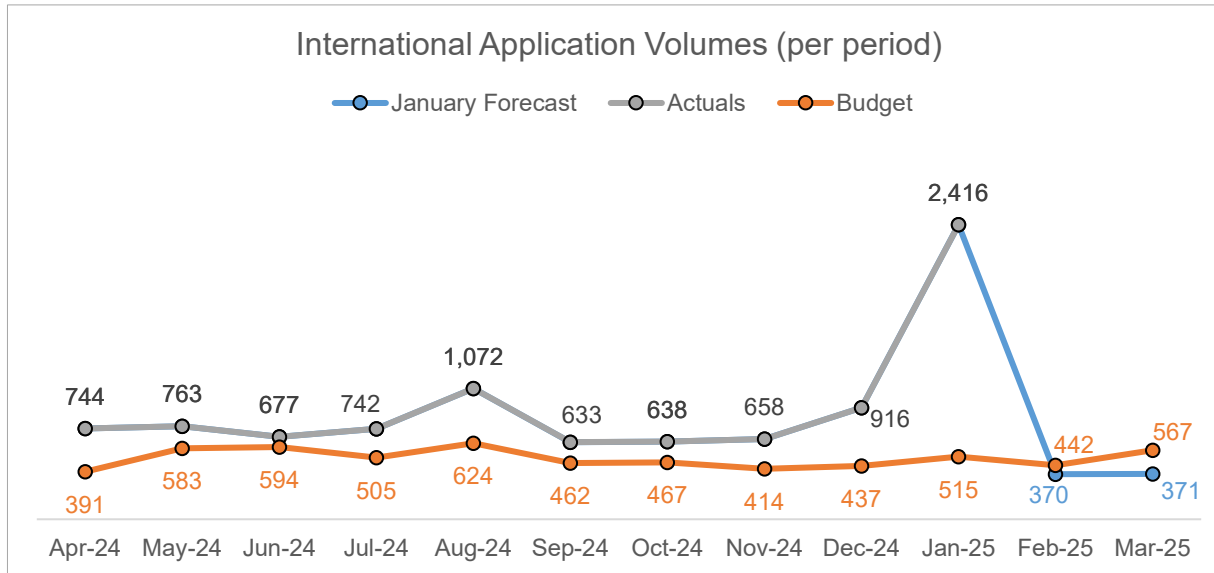


	Full Year 2024-25			October Forecast (£'000)
	Budget	January Forecast	Variance	
	£'000	£'000	£'000	
Registration Fees	34,713	34,766	53	34,696
International Scrutiny Fees	3,840	6,327	2,487	5,058
Other Income	635	1,109	474	1,078
UK Scrutiny Fees	1,251	1,473	222	1,415
Grant Income	0	53	53	57
Total Income	40,439	43,728	3,289	42,304

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).

International Income – January 2025

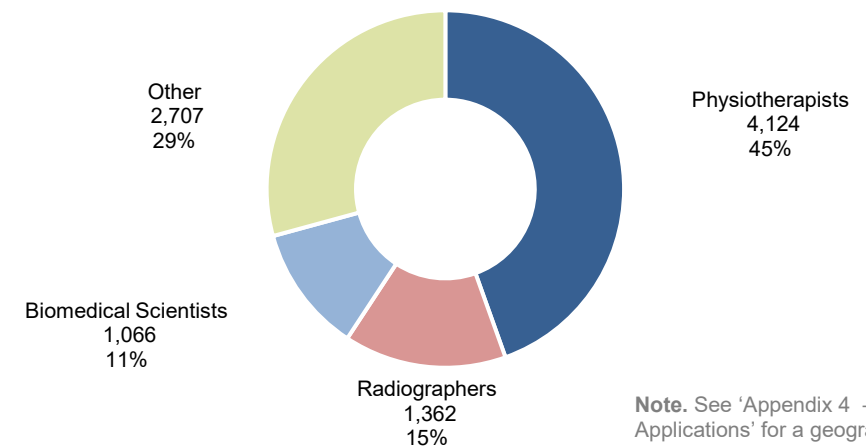


Note: 'Actual + Projection' based on actual volumes for January 2025 YTD plus the forecast from February to March 2025

- **January 2025 Period Only:** Actual number of international applications was 2,416, significantly surpassing October forecast of 531 by 1,885 and the budgeted volume of 515. This may be due to the English Language proficiency requirement which came into effect on 29 January 2025.
- **January 2025 YTD:** Actual number of international applications was 9,259 which is 4,268 higher compared to the budget of 4,991.
- **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.

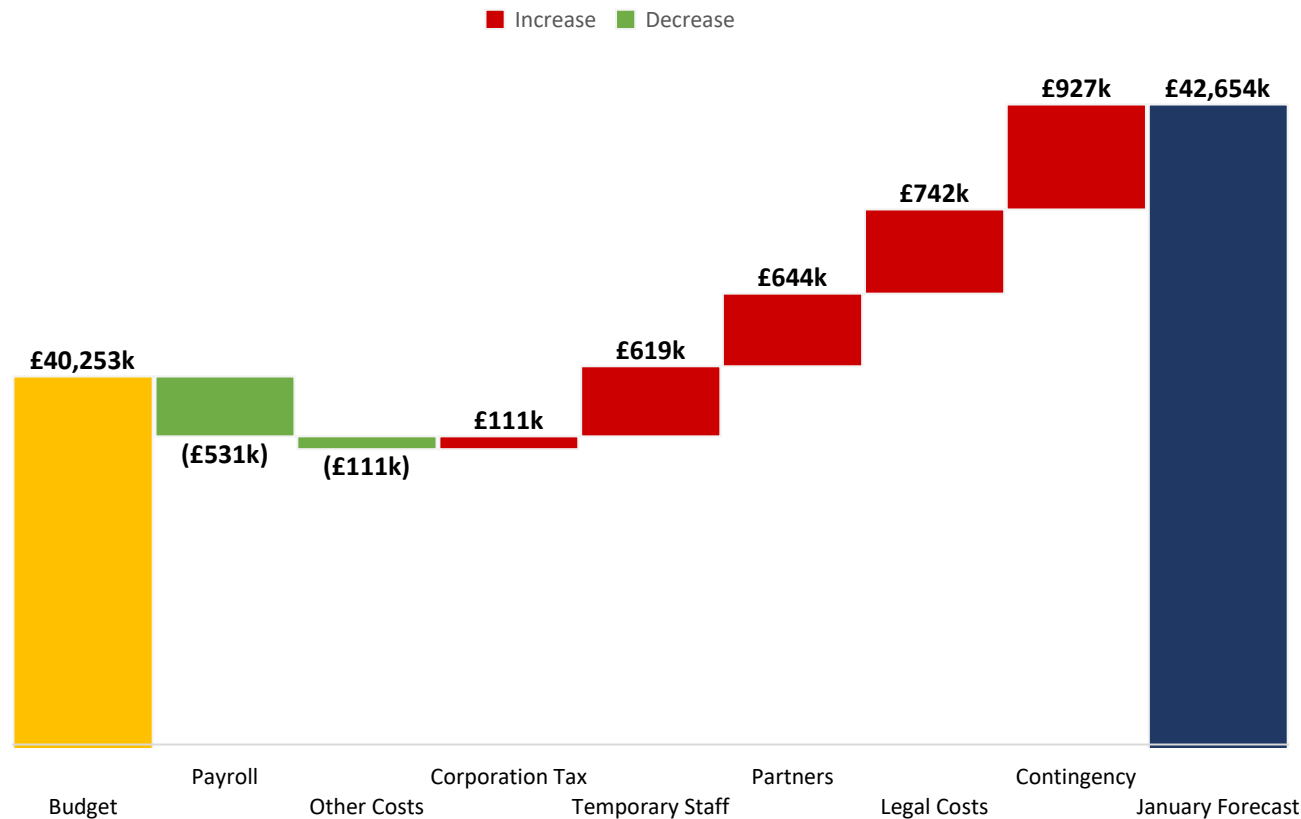
Financial vs Operational Reporting: There will be a slight difference in the reported volumes of international applications, related to recognising applications based on received payments (financial) versus the number of applications processed (operational).

International Application volumes (By Profession)



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

Expenditure – Full Year Budget vs Forecast (by Category)



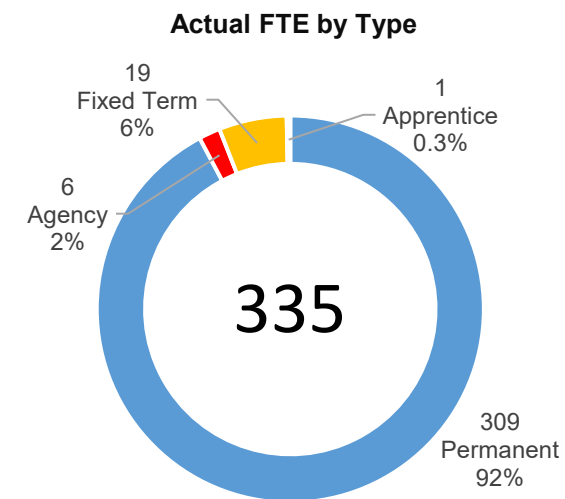
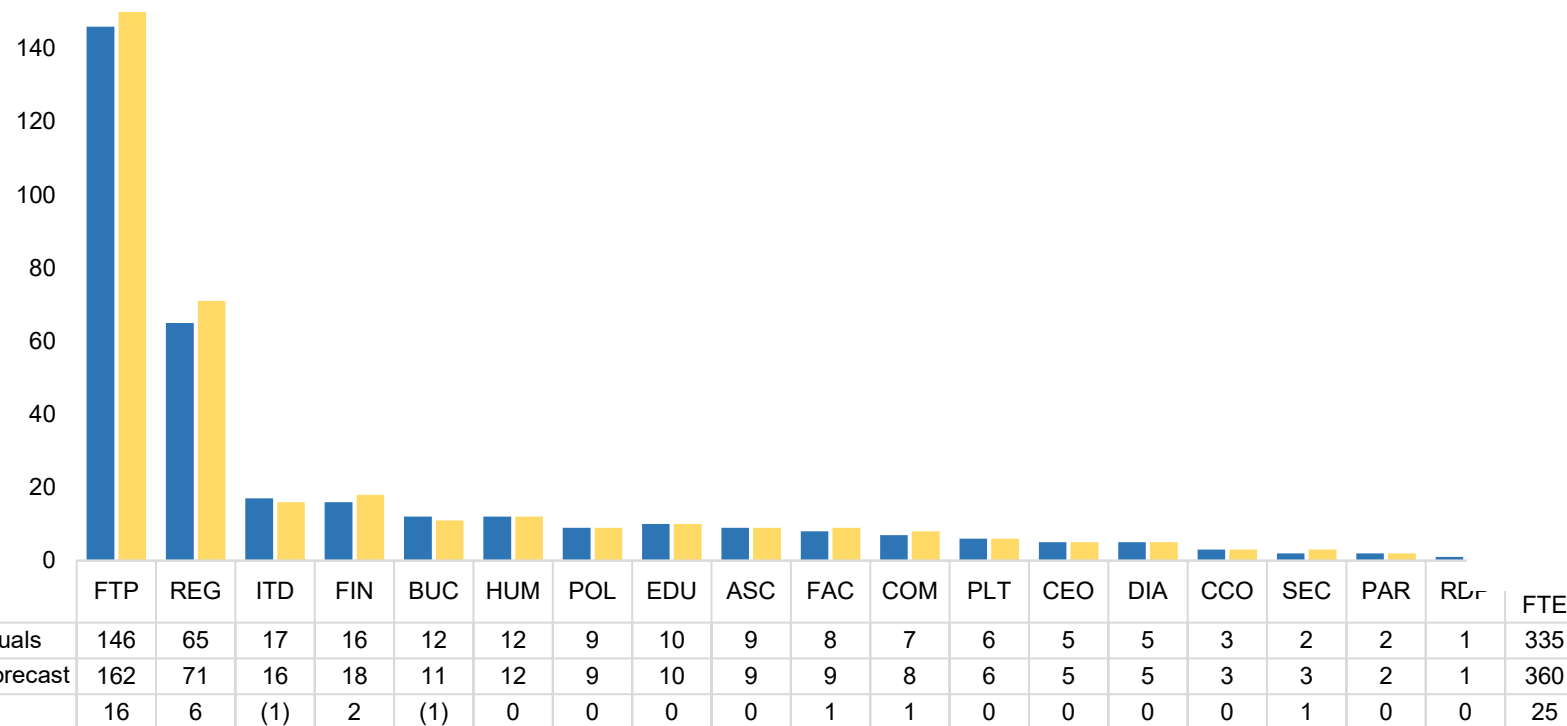
‘Other Costs’ includes categories with variances approximately £15k or less

Total forecast expenditure for the year of £42.7m is **£2.4m** adverse compared to budget expenditure of £40.3m. This largely due to:

- **Payroll: £531k** favourable due to unfilled vacant posts, with majority sitting within Fitness to Practise (FTP).
- **Corporation Tax: £111k** adverse as this is directly associated with the projected increase in investment income.
- **Temporary Staff: £619k** adverse due to extension of FTP temporary staff to cover critical vacancies pending permanent recruitment (contracts extended to December 2024). **Note.** Following current recruitment campaigns, we’ve seen reduced reliance on agency staff.
- **Partners: £644k** 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).
- **Legal Costs: £742k** 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.
- **Contingency: £927k** adverse variance mainly due to management provision added for legal cost.

Note. To view the full year forecast, please refer to ‘Appendix 2 – Expenditure January-25 YTD (by Category)’. For full breakdown of Contingency movement, please refer to ‘Appendix 8 – Contingency’.

Employee FTEs as at 31 January 2025

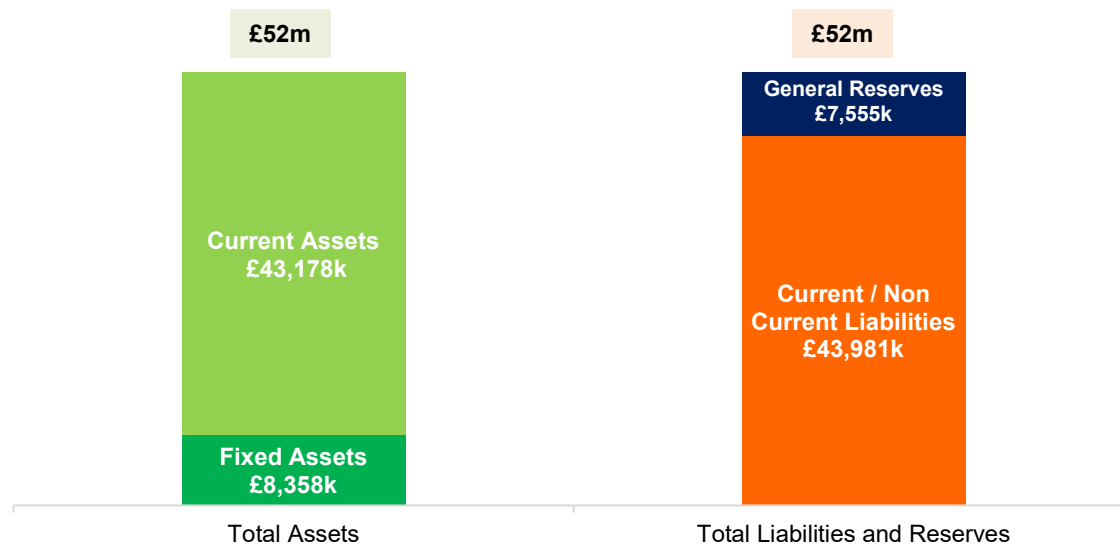


- FTP (Fitness To Practise)
- REG (Registrations)
- ITD (IT and Digital Transformation)
- FIN (Finance and Commercial)
- BUC (Business Change)
- HUM (Human Resources)
- POL (Policy and Standards)
- EDU (Education)
- ASC (Assurance and Compliance)
- FAC (Facilities Management)
- COM (Communications)
- 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):** Unfilled vacant posts (expected to be filled by end of Q4).
- **Registration (REG):** New operating model in progress with vacant posts expected to be filled in Q4.

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 31 January 2025



- **Current assets:** mainly comprise cash and cash equivalents of around £27m and account receivables of around £16m.
- **Liabilities:** mostly relate to deferred income of around £39m 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 £4.6m, calculated by taking our reserves position of approximately £7.6m less our 'intangible assets' of around £3m. This represents approximately 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'.

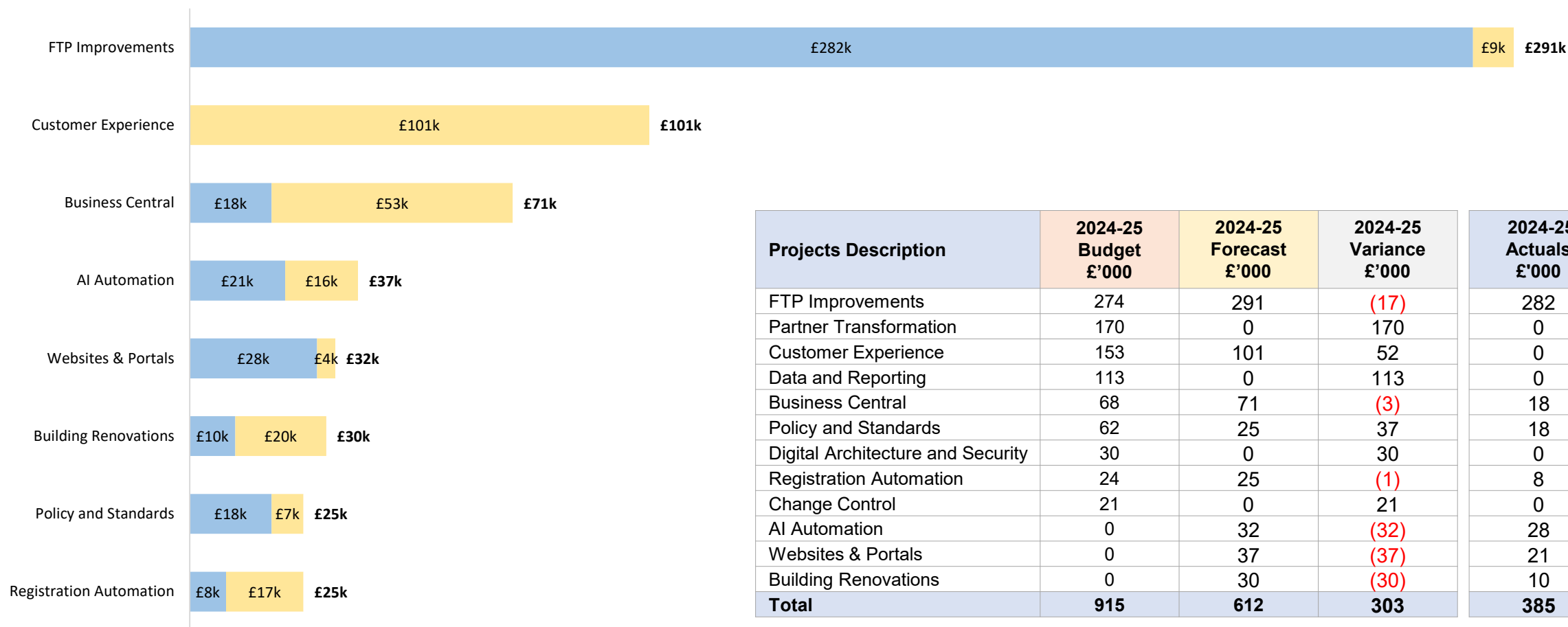
	31 January 2025 Actuals	31 January 2025 Forecast	Variance
	£'000	£'000	£'000
Opening Reserves	3,895	3,895	0
Surplus/(Deficit)	3,660	3,652	8
GENERAL RESERVES	7,555	7,548	7
Realisable Net Assets	4,664	4,665	(1)

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 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
Total	915	612	303	385

Note. As per the actuals for January 2025 YTD, some forecast project spend is yet to materialise. There is a high likelihood these costs will be carried forward to next financial year.

Risks and Opportunities

Risks

Low	Medium	High
Decrease in International Applications: publications shows fall in overseas health and care worker visa applications (£ - TBC)	Legal Provisions: potential legal disputes (£ - TBC)	
	Operating Reserves: augment reserves further in line with policy build-up of depleted reserves (£ - TBC)	

Opportunities

Low	Medium	High
Investment Income: the HCPC holds significant cash balances, with the potential to earn additional interest income (£ - TBC)		
Rental Income: Rental of office and hearing room spaces (£ - TBC)		

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

January 2025 Finance Report

APPENDICES

Appendix 1 – Income and Expenditure (By Department)

	January 2025 YTD			Full Year			Full Year Forecast	Notes
	Actuals	Forecast	Variance	Budget	Forecast	Variance	Actuals	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
Total Income	36,934	36,935	(1)	40,439	43,728	3,289	84%	
Fitness to Practise	16,406	16,402	(4)	19,206	20,170	(964)	81%	1
Registrations	3,729	3,731	2	3,819	4,401	(582)	85%	2
IT and Digital Transformation	2,784	2,790	6	3,427	3,469	(42)	80%	
Chief Executive and Registrar	1,393	1,404	11	1,687	1,693	(6)	82%	
Finance and Commercial	1,273	1,279	6	1,356	1,532	(176)	83%	3
Facilities Management	999	997	(2)	1,566	1,301	265	77%	6
Human Resources	950	960	10	1,297	1,308	(11)	73%	
Depreciation	867	867	0	1,044	1,034	10	84%	
Communications	808	813	5	1,018	1,018	0	79%	
Business Change	662	663	1	823	823	0	80%	
Assurance and Compliance	528	526	(2)	531	638	(107)	83%	5i
Education	499	503	4	625	607	18	82%	
Policy and Standards	449	449	0	711	575	136	78%	
Professional and Upstream Regulation	311	318	7	392	391	1	80%	
Regulatory Development and Performance	250	250	0	98	266	(168)	94%	4
Governance	229	238	9	586	312	274	73%	5ii
Data Insight and Analytics	214	218	4	253	279	(26)	77%	
Chair, Council and Committees	209	210	1	249	258	(9)	81%	
Partners	180	179	(1)	254	255	(1)	71%	
Major Projects	132	130	(2)	200	160	40	83%	
Chair and Chief Executive Office	122	123	1	0	148	(148)	82%	5iii
Total Operating Expenditure	32,994	33,050	56	39,142	40,638	(1,496)	81%	
Operating Surplus/(Deficit)	3,940	3,885	55	1,297	3,090	1,793	128%	
Transformation costs	50	46	(4)	179	46	133	109%	
Contingency	0	0	0	773	1,700	(927)	0%	
Corporation Tax	230	230	0	159	270	(111)	85%	
Total Expenditure	33,274	33,326	52	40,253	42,654	(2,401)	78%	
Total Surplus/(Deficit)	3,660	3,609	51	186	1,074	888	341%	

Budget vs Forecast

- Note 1 (Fitness to Practise): £964k** adverse variance due to:
 - Increase in FTP temporary staff to help cover critical vacancies pending permanent recruitment (two months of costs initially budgeted for 4 individuals, around 10 temporary staff now expected to remain 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): £582k** adverse variance mainly due to increase in international assessors' fees associated with the increase in international application volumes (8,000 applications forecasted for the full year vs prudent budgeted assumption of 6,000 applications).
- Note 3 (Finance and Commercial): £176k** 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 **£19k** favourable.
- Note 6 (Facilities Management): £265k** favourable variance is mainly driven by reclassification of building refurbishments costs as capital related expenditure.

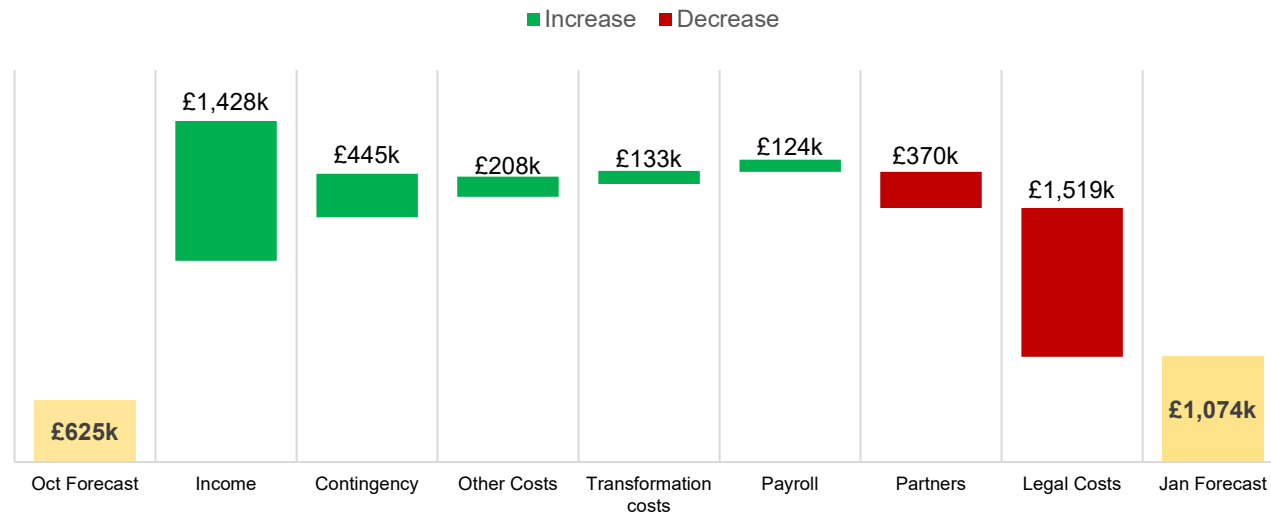
Appendix 2 – Expenditure January 2025 YTD (by Category)

	January 2025 YTD			Full Year	Full Year Forecast
	Actuals	Forecast	Variance	Forecast	% of Actuals
	£'000	£'000	£'000	£'000	%
Payroll	13,573	13,604	31	16,704	81%
Legal Costs	8,944	8,949	5	11,095	81%
Partners	4,196	4,201	5	4,873	86%
IT Costs	1,761	1,762	1	2,168	81%
Depreciation	867	867	0	1,034	84%
Temporary Staff	806	801	(5)	855	94%
Professional Fees	769	754	(15)	920	84%
Staff Related Costs	422	430	8	644	66%
Office Services	414	409	(5)	586	71%
Property Costs	333	333	0	441	76%
Other Costs	331	346	15	2,271	15%
Communication Costs	293	298	5	379	77%
Utilities	258	259	1	311	83%
Corporation Tax	230	230	0	270	85%
Travel & Subsistence	77	83	6	103	75%
Total Expenditure	33,274	33,326	52	42,654	78%

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

Appendix 3 – Key Movements (October Forecast vs January Forecast)

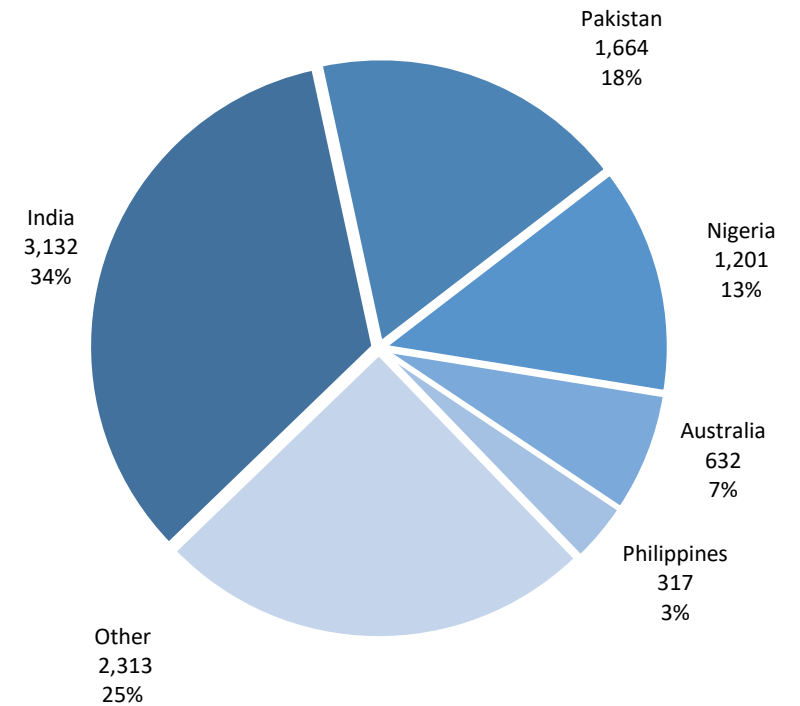
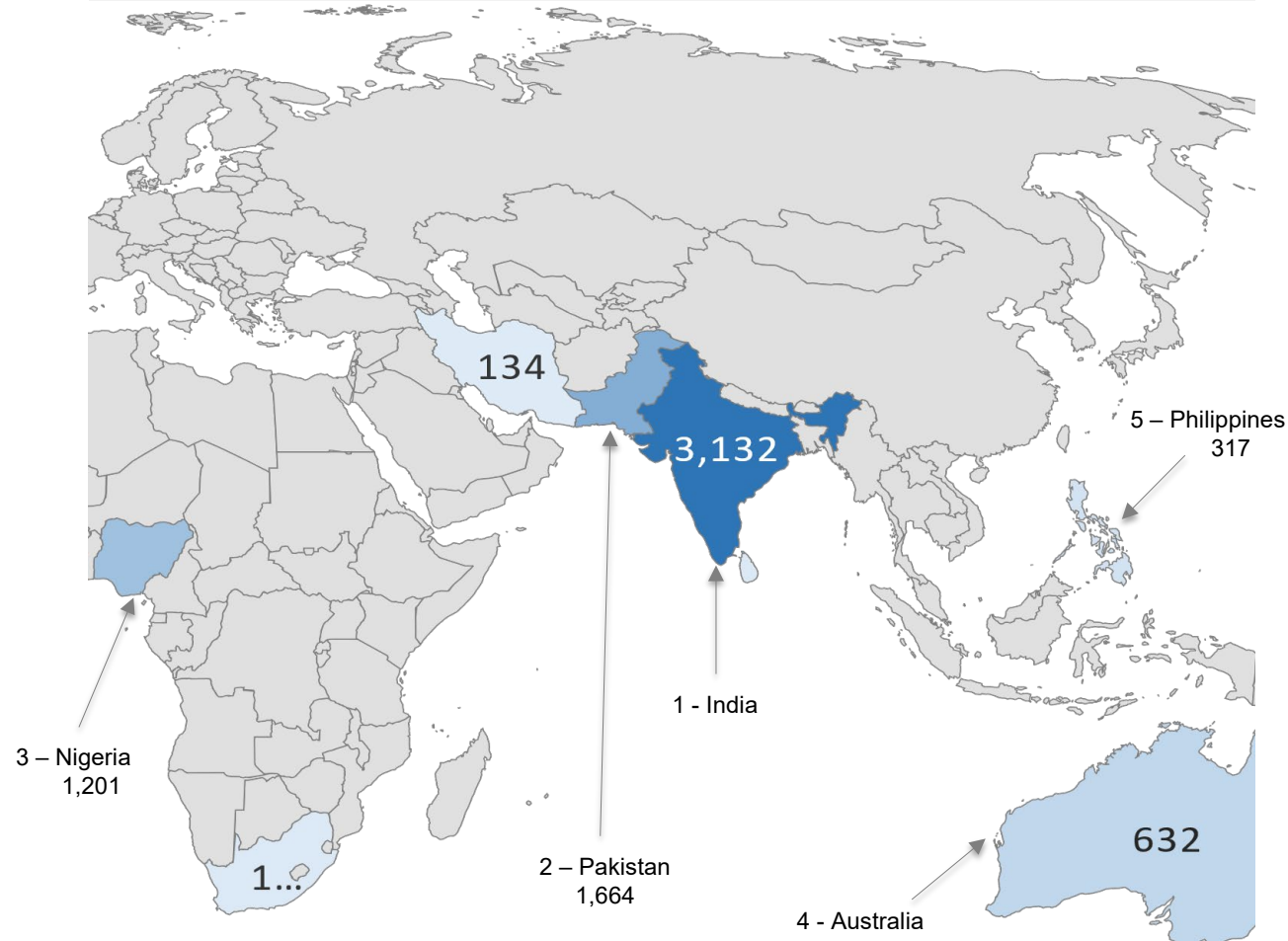
October Forecast vs January Forecast



- **Income: £1,428k** favourable variance mainly due to increase in international scrutiny fees as a result of increased international applications.
- **Contingency: £445k** favourable due to reduction of contingency funds (previous fund £645k).
- **Transformation Costs: £133k** favourable due to savings based on revised costs for the year.
- **Payroll: £124k** favourable due to savings in unfilled vacant posts mainly within Registration.
- **Partners: £370k** 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).
- **Legal Costs: £1,519k** adverse due to management provision for potential costs to investigate and rectify international application process.

Appendix 4 – International Applications (Geographic Location)

**International Application Volumes – January 2025 YTD
(By Geographic Location)**



Appendix 5 – Balance Sheet (as at 31 January 2025)

	31 January 2025 Actuals	31 January 2025 Forecast	Variance	31 March 2025 Forecast
	£'000	£'000	£'000	£'000
Property, Plant and Equipment	5,467	5,467	0	5,504
Intangible Assets	2,891	2,882	9	2,999
Total Fixed Assets	8,358	8,349	9	8,503
Current Assets				
Trade and Other Receivables	15,717	15,717	0	3,592
Cash and Cash Equivalents	27,461	27,461	0	31,185
Total Current Assets	43,178	43,178	0	34,777
Total Assets	51,536	51,527	9	43,281
Current Liabilities				
Deferred Income	38,642	38,641	(1)	31,525
Trade and Other Payables	5,262	5,261	(1)	5,217
Total Current Liabilities	43,904	43,902	(2)	36,742
Non-Current Liabilities	77	77	0	1,568
Total Liabilities	43,981	43,979	(2)	38,310
NET ASSETS	7,555	7,548	7	4,971
Opening Reserves	3,895	3,895	0	3,895
Surplus/(Deficit)	3,660	3,652	8	1,076
GENERAL RESERVES	7,555	7,548	7	4,971
Realisable Net Assets	4,664	4,665	(1)	1,972

Appendix 6 – Key Contracts (as at January 2025 YTD)

Department	Description of service	Contract Value	Contract Length	Supplier	Procurement Route
Facilities Management	Sustainability Advisory Agreement	£36,930	12 months	Acclaro Advisory Ltd	Finalising Contract Documents
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	£201,384	12 months	ShareDo	Contract Extension
Fitness to Prctise	The execution of the Portal work stream within the Online Concerns project	£28,560	12 months	Synchronicity Technology Solutions Ltd	Direct Award
Information Technology	Licenses and support for the CoreHR employee and partner systems	£454,088	36 months	Access Group	Direct Award
Information Technology	ShareDo Subscription	£318,470	24 months	Slicedbread	Direct Award
Information Technology	Website Content Management System and Hosting	£219,455	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	HCPC Service Desk Ticket Management Software	£73,425	36 months	SolarWinds	Direct Award
Information Technology	Automating requests resolution processes (PoC)	£41,004	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	Twintysix-DX	Contract Extension
Information Technology	Check Point Support Services	£27,054	12 months	Camwey Technology	Direct Award
Information Technology	Hypercare Support for the Education System	£25,920	12 months	Synchronicity Technology Solutions Ltd	Direct Award
Regulatory Development and Performance	International Application Standardised Assessment – Design Phase	£168,000	Based on proposed project duration	PWC	Public Tender

Note. This is a list of key contracts above £25k

Appendix 7.1 – Full Time Equivalents (FTEs)

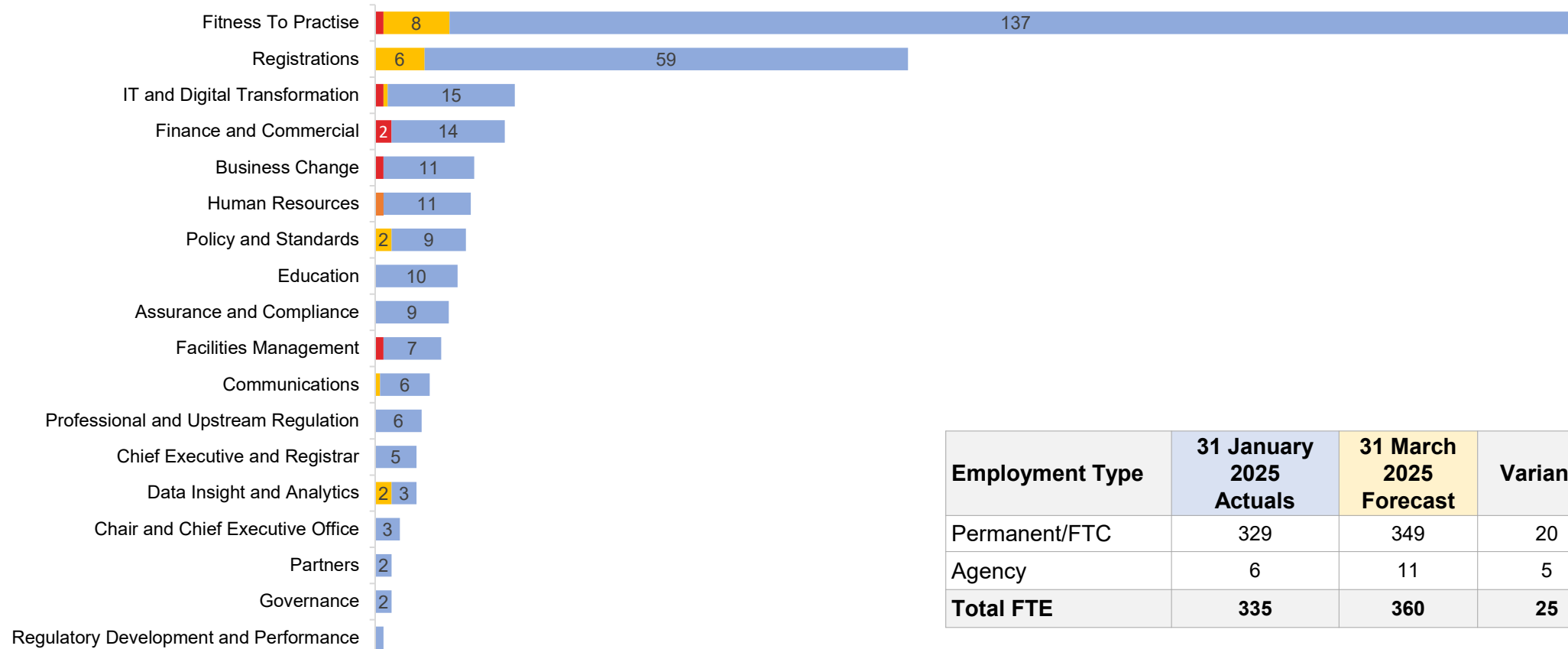
Department	2024-25 Budget			2024-25 Forecast			Variance
	Permanent/FTC	Temporary	Total	Permanent/FTC	Temporary	Total	
Fitness To Practise	143	1	144	153	9	162	(18)
Registrations	61	3	64	71	0	71	(7)
Finance and Commercial	15	1	16	17	1	18	(2)
IT and Digital Transformation	15	1	16	16	0	16	0
Human Resources	12	0	12	12	0	12	0
Business Change	11	0	11	11	0	11	0
Education	11	0	11	10	0	10	1
Assurance and Compliance	7	0	7	9	0	9	(2)
Facilities Management	8	0	8	9	0	9	(1)
Policy and Standards	9	0	9	9	0	9	0
Communications	8	0	8	7	1	8	0
Professionalism and Upstream Regulation	6	0	6	6	0	6	0
Chief Executive and Registrar	5	0	5	5	0	5	0
Data Insight and Analytics	4	0	4	5	0	5	(1)
Chair and Chief Executive Office	0	0	0	3	0	3	(3)
Partners	2	0	2	2	0	2	0
Governance	8	0	8	3	0	3	5
Regulatory Development and Performance	1	0	1	1	0	1	0
Total Full Time Equivalents	326	6	332	349	11	360	(28)

Note. Negative variance shows increase in FTE

Appendix 7.2 – FTEs (as at 31 January 2025)

Actual FTE by Employment Type

■ Agency ■ Apprentice ■ Fixed Term ■ Permanent



Employment Type	31 January 2025 Actuals	31 March 2025 Forecast	Variance
Permanent/FTC	329	349	20
Agency	6	11	5
Total FTE	335	360	25

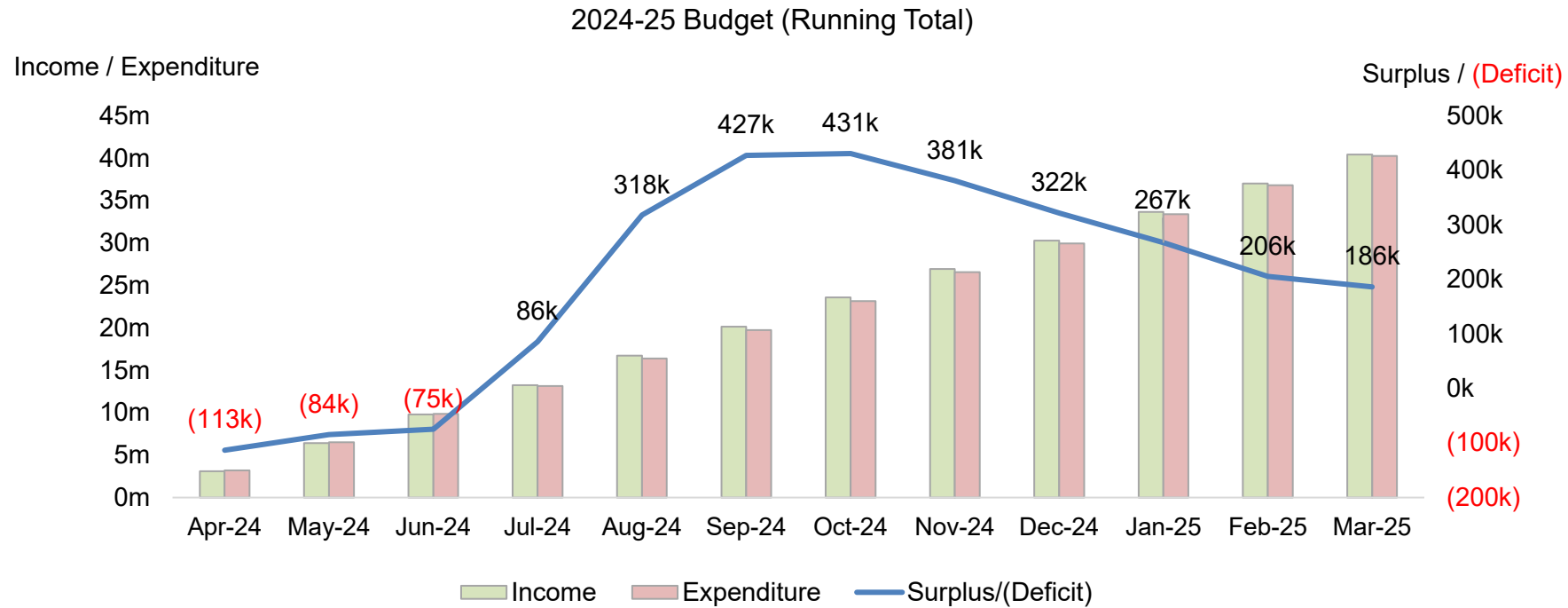
Note. Actual FTE is a snapshot in time, whereas Forecasted FTE is based on an annual view. For example, if an employee was hired on a 6-month contract at the beginning of the financial year, forecasted FTE would be shown as 0.5, however, Actuals will be shown as 1.0.

Appendix 8 – Contingency (as at 31 January 2025)

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

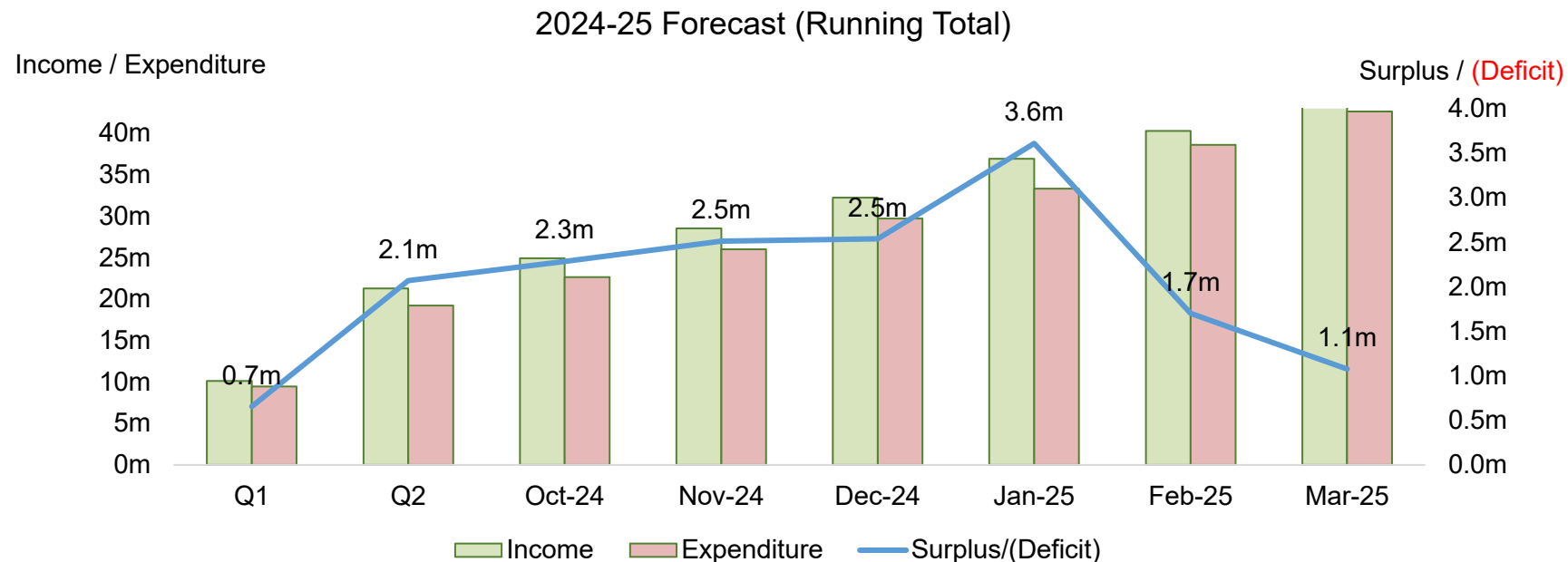
Budget Contingency. The previously allocated ring-fenced contingency of £597k for Partners' ongoing holiday pay and pension costs for 2024-25, has been deferred to the 2025-26 financial year. This deferral has effectively increased the general contingency pot, allowing for the reallocation of funds to cover these critical expenses without impacting overall financial stability.

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 January forecast, due to it being a busier period with greater influx of international applications, reaching its peak in December 2024 and January 2025.

Appendix 10 – 2024-25 Forecast Profile



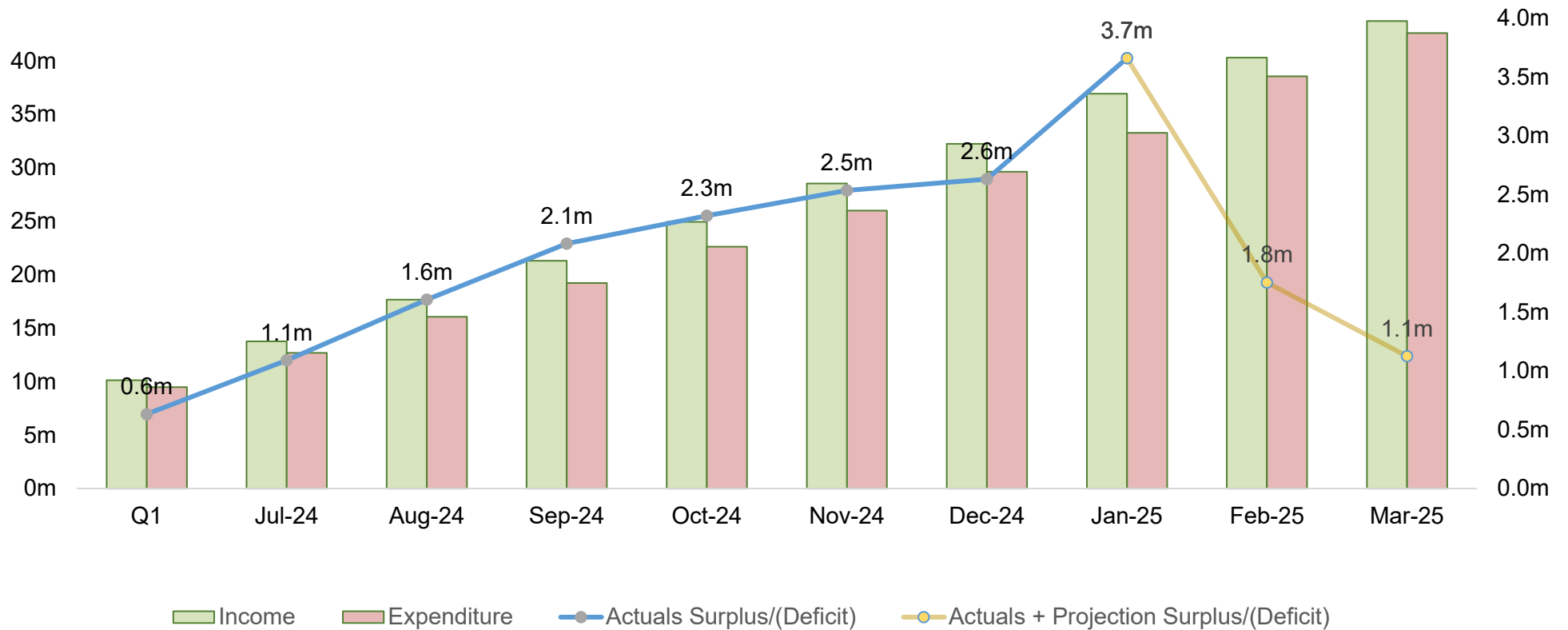
- The surplus at the end of the second quarter of 2024-25 was £2.1m, surpassing the budget by £1.7m. The forecast full year surplus of £1.1m is £0.9m favourable compared to budget.
- The forecast shows a £1.1m surplus at the end of the financial year compared to the previous forecast of £0.6m.
- There has been significant increase to International Scrutiny fees in December 2024 and January 2025 thereby increasing total forecasted income.
- Although we are seeing a peaked surplus of 3.6m, a decrease in surplus is anticipated by end of Q4 due to majority of BAU projects anticipated to be completed by this period.

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

2024-25 Forecast (Running Total)

Income / Expenditure

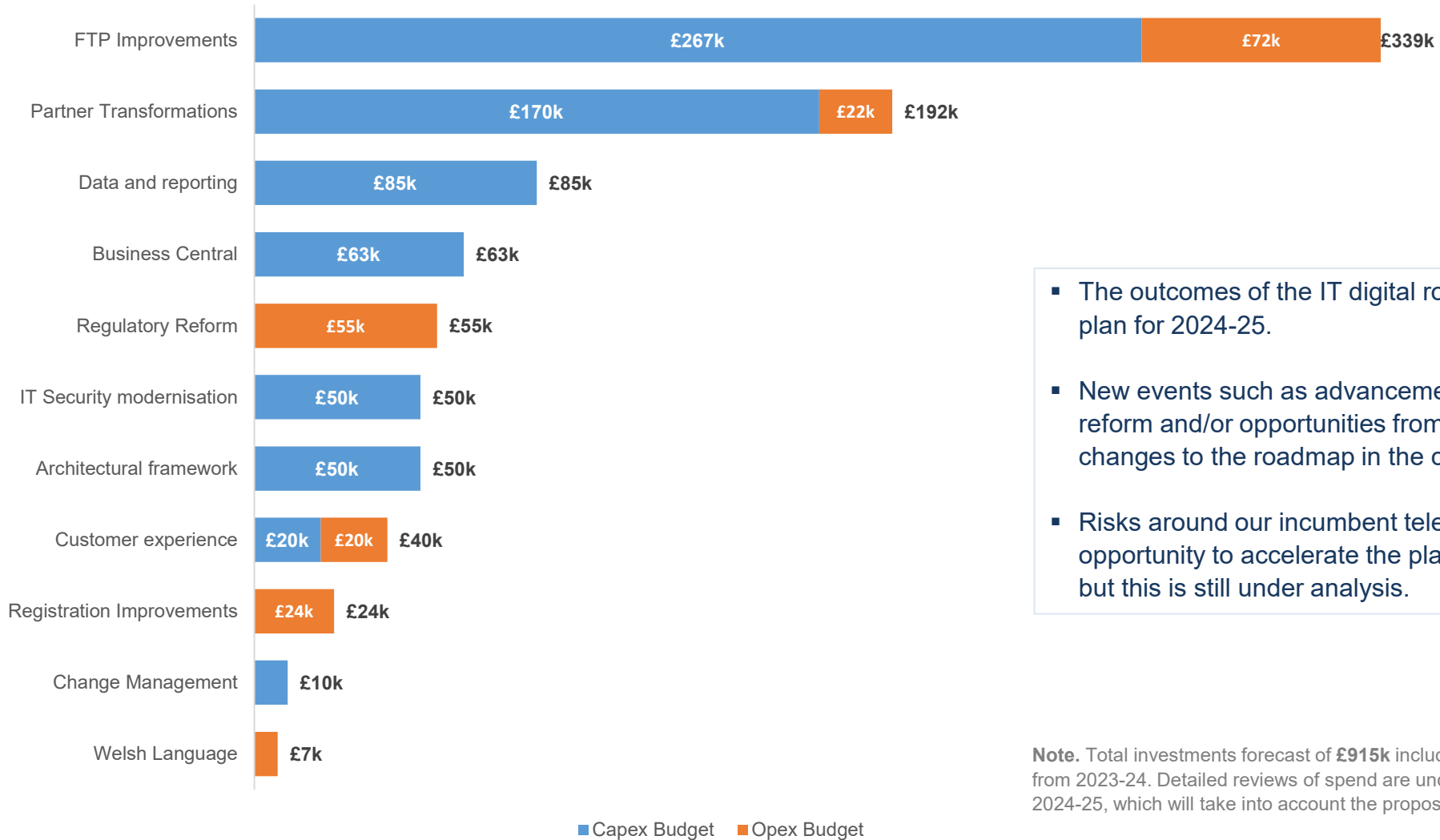
Surplus / (Deficit)



The above shows a projected surplus of £1.1m if we take the January 2025 year-to-date position with the forecasts for the rest of the year.

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

Appendix 12 – Investments Portfolio 2024-25 Budget



- The outcomes of the IT digital roadmap is aligned to the investment plan for 2024-25.
- New events such as advancements in the schedule for regulatory reform and/or opportunities from the partners review, may inform changes to the roadmap in the coming months.
- Risks around our incumbent telephony provider may create an opportunity to accelerate the plan for the omni-channel contact centre, but this is still under analysis.

Note. Total investments forecast of £915k includes an approved amount of 215k brought forward from 2023-24. Detailed reviews of spend are underway to capture latest spend projections for 2024-25, which will take into account the proposals around the IT Digital Roadmap.

Appendix 13 – Cashflow Forecast (as at 31 January 2025)

2024-25 Cashflow Forecast

