

Council, 20 May 2016

Finance Report

Executive summary and recommendations

### **Introduction**

The report sets out the main activities of the Finance Department since the February Council meeting. It includes statistical information and highlights key work undertaken.

### **Decision**

Council is asked to discuss the report.

### **Background information**

See Appendices 1 and 2

### **Resource implications**

The resources for the Department are set out in the annual workplan and budget 2016-17.

### **Financial implications**

HCPC financial results for 2015-16

### **Appendices**

Appendix 1: Finance Report including overview of management accounts

Appendix 2: Detailed schedules and graphs

### **Date of paper**

5 May 2016

Appendix 1

**Finance Department Report and  
Management Information Pack**

Andy Gillies, Finance Director

May 2016

### 1. Core processes

There have been no significant issues with collection of income from registrants or payments to partners or suppliers. We are proactively paying partners in all areas except FTP. Direct payment of FTP partners has slipped and will start in quarter 1 of 2016-17.

### 2. Projects

The PCI/DSS project has started. The project has engaged a consultant to prepare a gap analysis for our current card payment systems vs the updated Payment Card Industry Data Security Standard. The consultant visited on 4 May and his report is expected to find that we substantially comply with the Standard. EMT will then consider what action to take in response to the report.

### 3. Treasury

At the end of April 2016, we had total cash and deposits of £16.4m, of which £12.07m is held in fixed term deposits (see table below) and £4.3m is in instant access accounts. Our main instant access account earns 0.7%.

<b>Bank</b>	<b>Deposit amount £m</b>	<b>Term Months</b>	<b>Maturity date</b>	<b>Interest rate %</b>
Lloyds	1.00	6	2 June 2016	0.80
Lloyds	1.50	7	4 July 2016	0.85
Barclays	1.00	24	19 December 2016	1.06
Santander	2.02	24	10 March 2017	1.20
Barclays	1.05	12	1 April 2017	0.95
Barclays	2.00	24	19 June 2017	1.12
Santander	2.00	24	22 December 2017	1.50
Lloyds	1.50	24	1 April 2018	1.35
<b>Total</b>	<b>12.07</b>			

All of the banks we use meet the minimum credit rating in the investment policy.

**4. Procurement**

Current and planned procurement activity is outlined below.

<b>Service</b>	<b>Procurement route</b>	<b>Approx value incl VAT</b>	<b>Status</b>
Registrant printing and mailing	Framework agreement	£0.5m a year incl postage; 4 year contract with option to extend 1 year	Contract signed by Chief Exec with the approval of the Chair in April. Now entering implementation phase (access to portal, setting up templates, testing etc).
Architect services for 1 <sup>st</sup> phase of 186 Kennington Park Road refurbishment project	Single tender based on prior knowledge of our needs and the building of previous supplier	£20k, one off cost	Work underway with the architects used for previous design work on 186 KPR. They have been appointed via a single tender approach given their prior knowledge of the building and our requirements.
Other professional services for 1 <sup>st</sup> phase of 186 refurbishment project (structural engineers, quantity surveyors etc)	Written quotes	One off services, none expected to cost > £10k including VAT. Total cost of services being procured approx. £40k	Three contracts signed so far in May; fire safety and party wall surveyors to follow
Payroll bureau services	Single tender with supplier of HR & Ptners system based on benefits of integration of payroll and HR systems	£20k a year ongoing cost; 3 year contract. £8k one off set up costs	Contract signed by Chief Exec in April
Utilities contracts	Likely to be framework agreement	£100k-£120k a year on gas and electricity	Suitability of framework agreements and contracts with current providers to be reviewed during Q1
FTP transcription services	Full OJEU compliant process undertaken in 2014	£400k a year between two suppliers appointed on a framework	The original contracts have been extended for a further two years, as envisaged within the original contracts and will now run till August 2018

<b>Service</b>	<b>Procurement route</b>	<b>Approx value incl VAT</b>	<b>Status</b>
FTP and Comms printing services	Likely to be framework agreement	£0.25m a year	The framework agreement under which we have contracted for registrant printing and mailing expired 30-4-16, but a replacement is being set up and expected to go live over the summer. Work will start in Q1 with FTP and Comms departments on drawing up our specification ready for the tender
Research contract into prevalence of FTP cases among Social Workers and Paramedics	Tender	£100k, one off	Contract expected to be signed in May by Chief Exec (just under £100k).

## 5. Audits

Grant Thornton's audit of core financial controls for 2015-16 takes place in the week beginning 16 May. GT's programme for 2016-17 was discussed at the March 2016 Audit Committee. Two audits were agreed for the first quarter of 2016-17 – staff recruitment and retention, and control over non-FTP legal costs. The programme for the rest of 2016-17 will be decided at the June Audit Committee.

BSI audited Finance's compliance with ISO9001 on 21 April. There were no non-conformances.

The NAO's external audit is on track. Their final audit visit is planned for 9-16 May.

## 6. Staffing

The new Head of Financial Accounting, Tian Tian, and the new Finance and Procurement Officer, Antonio Pinheiro, started on 4 April. Kirsty Cameron will continue as Interim Finance Business Partner until the end of May, but the permanent FBP post has been deleted, and instead, the FBP duties have been reallocated between other members of the team.

## **7. Management Accounts for the year ending 31 March 2016**

### **Income and expenditure**

Subject to the NAO's audit, the result for the year is a surplus of £414k, compared to the £314k deficit in the Month 9 forecast.

The £414k surplus includes a £267k impairment reversal credit on the revaluation of 186 KPR. Previous valuations of 186 KPR had written it down below historical cost (historical cost is the sum of purchase price plus accumulated capital expenditure), which at the time had led to an impairment charge through the Income and Expenditure account; those losses have been partially reversed, which leads to a credit through the Income and Expenditure account. The impairment reversal credit was not part of the M9 forecast so excluding that, the result is only £461k different from forecast.

Income was 1% better than forecast, and total operating expenditure was less than 1% under forecast. The accuracy of individual departments' forecasts ranged from 17% under M9 forecast to 10% over M9 forecast, with FTP, Registration and Facilities all achieving variances of 1% or less. Detailed variance commentary by department is included in Appendix 2.

### **Balance sheet and cash flow**

The cash balance at 31 March was £17.6m. There has been a net cash outflow of £0.4m in 2015-16. In March, we paid the £0.9m PSA levy for 2016-17, which is reflected in the increase in "Other current assets" on the balance sheet from £0.8m last year to £1.6m this year.

The freehold properties are revalued each year for the statutory accounts. The valuers' final report showed a 22% increase, from £3.4m to £4.14m. This is based on increased market rents for comparable commercial properties in the area. As noted above, the increase in value on 186 KPR reverses previous impairment losses on 186 KPR and so that credit goes through the Income and Expenditure account. Park House is valued above its historical cost so any further increases in value go to a revaluation reserve on our balance sheet. £486k of the overall revaluation gain is on Park House and goes to the revaluation reserve in this way.

The annual report and accounts will be presented to the Audit Committee on 15 June and to Council on 6 or 7 July.

# **Management Accounts**

## **31 March 2016**

Andy Gillies, Finance Director

Variance Commentary

INCOME					Mar-16 Comments		Feb-16 Comments	
Department	Movement YTD	Forecast YTD	Forecast Variance	Forecast Var %	Variations by Income Type	Variations by Profession	Variations by Income Type	Variations by Profession
<b>Total Income</b>	<b>28,308,849</b>	<b>28,019,380</b>	<b>289,469</b>	<b>1.0%</b>	Overall income was in line with the M9 Reforecast Figure, with the overall variance being 1.0%. International Scrutiny Fees ended up being £246k (16.0%) ahead of forecast, and Readmission Fees were £20k (9.4%) ahead of forecast. The only income type which was below forecast for the financial year was UK Scrutiny Fees at <b>£39k (3.8%)</b> .	The only professions which ended the financial year with a variance to M9 Reforecast of 3% or more were Paramedics - ahead of forecast by £108k (6.0%), and Hearing Aid Dispensers - ahead of forecast by £7k (3.8%).	Overall income is on target. International Scrutiny Fees have increased to be £373,075 (29.8%) ahead of forecast. Readmission Fees are behind forecast by £57,533 (21.20%), this is less than prior periods.	Hearing Aid Dispensers £16,630 (10.2%) and Paramedics £180,451 (11.5%) remain the most ahead of forecast. The rest of the professions continue to be in line with Forecast.
EXPENDITURE					Mar-16 Comments		Feb-16 Comments	
Department	Movement YTD	Forecast YTD	Forecast Variance	Forecast Var %	Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
<b>Chair</b>	98,046	98,719	673	0.7%		On Target		On Target
<b>Chief Executive</b>	392,759	371,638	(21,122)	(5.7%)	On Target	<b>£17k</b> overspend against forecast on Training due to QA training being held.	On Target	£17k overspend on Training due to Quality Assurance Training being held.
<b>Council</b>	144,307	173,424	29,117	16.8%		<b>£17k</b> underspend on Taxation due to travel for council now going through click, this means tax on personal travel is no longer as high. Also, there was an over accrual of PAYE in 2014/15 which has affected this year.		Timing difference on Taxation
<b>Communications</b>	1,373,540	1,454,572	81,032	5.6%	On Target	<b>£28k</b> overspend against forecast on Brochures due to the unexpected reprint of publications and digital prints of the standards for podiatrics surgery. <b>£38k</b> underspend against forecast on Web due to costs associated with moving the intranet from Lotus to Sharepoint now taking place in 2016-17. <b>£24k</b> underspend against forecast on Meet the HCPC Events due to a webcast which was planned for March 2016 now taking place in April 2016. Venue and Associated Costs for meet the HCPC Events are also lower due to lower delegate numbers and negotiation of rates. <b>£16k</b> underspend against forecast on Public Affairs and Stakeholders due to costs for planned Chiroprapist/Podiatrist protection of title campaign taking place in 2016-17.	£28k underspend in Payroll	£43k overspend against forecast on Brochures. This is £27k overspent against M9 Reforecast. £5k overspend against forecast on Training. £13k underspend against forecast on Campaigns. £10k underspend against forecast on Meet the HCPC Events. £19k underspend against forecast on Market Research. £10k underspend against forecast on Public Affairs & Stakeholders. £23k underspend against forecast on Web. £14k underspend against forecast on Internal Communications however, this is in line with M9 Reforecast.



EXPENDITURE					Mar-16 Comments		Feb-16 Comments	
Department	Movement YTD	Forecast YTD	Forecast Variance	Forecast Var %	Variences on Payroll	Variences on Non-payroll	Variences on Payroll	Variences on Non-payroll
Education	1,044,956	1,086,869	41,913	3.9%	£10k underspend against forecast in Basic Pay - Permanent due to three vacant posts in quarter four. Recruitment lag time meant new recruits started in late March-April 2016.	On Target	£9k underspend against forecast in Permanent Staff Costs due to there being three current vacant posts. One of these will fill mid march, one in april and one is still outstanding. £6k underspend against forecast in Temporary Staff Costs of which £3k is permanent underspend. The rest is a timing difference	£8k saving on Small Project Costs linked to ongoing/delayed major project and suppliers time spent on this rather than BAU work that would equate to a spend here. Timing Differences in relation to: Training £11k Annual Monitoring £6k
Facilities Management	1,753,599	1,748,726	(4,874)	(0.3%)	£33k overspend on Temporary Staff to cover long term sickness.	£55k overspend against forecast on Printing and Stationery due to a new policy of sending sensitive correspondence by recorded delivery. £30k underspend on Building Refurbishment due to anticipated spend on 186KR being delayed until 2016-17.	£28k overspend in Payroll due to an increase in Temporary Staff.	£42k underspend against forecast on Postage. £50k underspend against forecast on Building Refurbishment. £30k underspend against forecast on Business Rates. £33k underspend against forecast on Electricity. £42k underspend against forecast on Repairs and Maintenance.
Finance	761,650	778,420	16,770	2.2%	On Target	£13k overspend on Other Professional Fees due to a review of the 5 year plan not being forecasted for. £12k overspend on Bank Charges due to a forecasting error. £40k underspend on Pension Administration due to a £40k credit from reduction in Flexiplan pension liability.	£20k underspend against forecast on Permanent Staff Payroll due to vacancies. This has been partially offset by a £12k overspend in Temporary Staff.	£9k underspend against forecast on Other Professional Fees. £31k underspend against forecast for Internal Audit due to the timing of invoices. £5k underspend against forecast on Bank Fees due to the timing of invoices.
Fitness to Practise	13,186,158	13,009,482	(176,675)	(1.4%)	£18k underspend against forecast on Overtime - permanent staff due to overtime not being undertaken in Jan/Feb as anticipated.	£57k overspend on Panel Fees due to expenditure being higher than forecast. £66k overspend on Witness Costs due to an increase in the number of hearings requiring an expert. £44k overspend on Room Hire due to external hearings requiring more days than budgeted for in February/March. £81k overspend on Legal Expenditure due to an increase in the number of matters requiring public law advice. £38k underspend on Transcript Writers due to a lower number than anticipated of transcripts requiring to be "written up".	£54k overspend on staff, this is to help assist with Readaction and Hearings and is in line with M9 Reforecast	Timing difference in relation to: Travel: £27k Training: £13k Public Law: £34k Catering: £20k Partners Expenses: £78k Panel Fees: £15k Registration Appeals: £12k Printing and Stationery: £15k

EXPENDITURE					Mar-16 Comments		Feb-16 Comments	
Department	Movement YTD	Forecast YTD	Forecast Variance	Forecast Var %	Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
Human Resources	728,045	792,292	64,247	8.1%	On Target	£70k underspend against forecast on Organisation Training due to an over estimate of L&D activity.	£11k underspend against forecast on Payroll. £9k of this relates to Temporary Staff.	£13k overspend against forecast on Reward Data. £29k underspend on Other Professional Fees. £94k underspend against forecast on Organisational Training. £5k underspend against forecast on Legal Expenses however, this is in line with M9 Reforecast.
Human Resources Partners	348,990	323,514	(25,476)	(7.9%)	On Target	£19k overspend against forecast on Public Law due to unprecedented legal costs relating to potential ET Claim. £4k overspend against forecast on Partners Training due to legal assessor recruitment occurring which was not planned for.	On Target	£7k overspend against forecast on Public Law due to four partner complaints. £15k underspend on Partner Recruitment and Interviews, and £7k underspend on Partners Subsistence compared with forecast however, these are in line with M9 Reforecast. £51k underspend against forecast on Partners Training. However, this is £2k overspent compared with the M9 Reforecast due to an unexpected recruitment campaign for legal assessors and a RA Panel Member. £19k underspend against forecast on Partners Travel. However, this is £3k overspent compared with M9 Reforecast for the same reason as Partners Training.
IT Department	1,803,583	1,885,597	82,014	4.3%	On Target	£29k overspend against forecast on General Software Support and Maintenance. £45k underspend against forecast on hardware maintenace due to firewalls not being replaced this year, and also due to the accounting treatment of contracts compared with the amounts accounted for in the forecast. £64k underspend against forecast on Small Project Costs due to not replacing edge switches this year due to failed testing.	On Target	£79k overspend against forecast on Hardware <£1,000. This is due to the capitalisation threshold increasing to £5k. £40k underspend against forecast on Hardware Maintenance, £10k of this is expected to be a saving. £16k underspend against forecast on Net Regulate Support. This is not going to be spent due to the platform refresh project being delivered in 2016-17. £24k underspend in Managed Web/IT Services due to a timing difference. £22k underspend in Small Project Costs compared with forecast, and £66k underspend compared with M9 Reforecast. This can be reduced by £51k due to not replacing edge switches.

EXPENDITURE					Mar-16 Comments		Feb-16 Comments	
Department	Movement YTD	Forecast YTD	Forecast Variance	Forecast Var %	Variences on Payroll	Variences on Non-payroll	Variences on Payroll	Variences on Non-payroll
Major Projects	615,980	722,411	106,431	14.7%		The underspend has, for the most part, been due to phasing issues with the Registrations transformation and improvement project and the decision to replace the decoration work planned for 186 Kennington Park Road with a renovation project. The renovation project will take longer to initiate due to planning permission being required.		
Operations Office	698,895	637,149	(61,746)	(9.7%)	£24k overspend on Temporary Staff due to the hire of an Interim Moves Manger, as well as an additional Project Manager being hired for three months.	£11k overspend on Training due to all employee IS awareness training being held which wasn't budgeted for. £16k overspend on Public Law due to Reg Appeal Legal Advice being undertaken, as well as confidential legal advice in relation to an applicant.	£24k underspend in payroll.	£8k overspend on ISO 9001 Certification. This is in line with M9 Reforecast. £4k overspend on Public Law. £16k underspend on Information Security. £12k underspend on Small Project Costs. £4k underspend on Training.
Policy	419,424	412,057	(7,367)	(1.8%)	On Target	£9k overspend against forecast on Public Law due to Legal Scrutiny on consultations and other policy documents now being properly allocated. £10k overspend against forecast on Research due to service user led research as part of review of social work standards of proficiency. £10k underspend against forecast on Printing and Stationery due to new SCPE being paid from Communications Budget, as well as an underspend on other publications.	On Target	£11k permanent underspend of Printing and Stationery due to full cost of new SCPE being paid from the communications budget. £55k underspend of Research due to timing of invoices.
Registration	3,209,593	3,242,862	33,269	1.0%	£50k underspend against forecast on Basic Pay, NI ER and Pension ER - Permanent due to Vacancies not being filled. £10k underspend against forecast on Overtime - Permanent due to all overtime offered not being taken up.	£64k overspend against forecast on Printing and Stationery as needed to purchase additional stock. £14k overspend against forecast on International Assessors Fees due to higher volumes of international applications being received than forecast. £21k underspend against forecast on CPD assessments due to CPD profiles not being received in line with forecast.	On Target	£45k overspend on Printing and Stationery, as additional stock was required. £19k overspend on Training due to the timing of invoices. £50k overspend on International Assessor Fees due to a higher number of international applications received than forecast which is reflected in overall income. £27k underspend on CPD Assessments due to CPD Profiles not being received in line with forecast.

EXPENDITURE					Mar-16 Comments		Feb-16 Comments	
Department	Movement YTD	Forecast YTD	Forecast Variance	Forecast Var %	Variances on Payroll	Variances on Non-payroll	Variances on Payroll	Variances on Non-payroll
Secretariat	254,600	243,110	(11,490)	(4.7%)	On Target	£11k overspend against forecast on Public Law due to higher than anticipated amount of advice required.	On Target	£8k overspend on Public Law £7k overspend on Printing and Stationery. This is in line with M9 Reforecast.
Depreciation	822,210	839,898	17,688	2.1%				
<b>Total expenditure</b>	<b>27,656,335</b>	<b>27,820,739</b>	<b>164,404</b>	<b>0.2%</b>				

## Income and Expenditure

31 March 2016

	Period 12	Year to date				Full Year Budget	M6 Reforecast
	Actual	Actual	M9 Reforecast	Variance v Forecast	Variance v Forecast %		
<b>Income by Activity</b>							
Graduate Registration Fees	135,010	1,594,412	1,556,520	37,892	2.4%	1,534,085	1,571,377
Readmission Fees	18,765	232,670	212,697	19,973	9.4%	313,947	320,465
Renewal Fees	2,089,823	23,727,880	23,702,013	25,867	0.1%	23,360,384	23,591,076
International Scrutiny Fees	153,945	1,777,430	1,531,866	245,564	16.0%	1,096,140	1,354,077
UK Scrutiny Fees	45,234	977,252	1,016,284	(39,032)	(3.8%)	890,861	983,012
<b>Registration Income</b>	<b>2,442,777</b>	<b>28,309,644</b>	<b>28,019,380</b>	<b>290,264</b>	<b>1.0%</b>	<b>27,195,417</b>	<b>27,820,008</b>
Cheque/credit card write offs	(45)	(794)	0	(794)		0	0
<b>Total Income</b>	<b>2,442,732</b>	<b>28,308,849</b>	<b>28,019,380</b>	<b>289,469</b>	<b>1.0%</b>	<b>27,195,417</b>	<b>27,820,008</b>
Chair	1,182	98,046	98,719	673	0.7%	90,707	112,655
Chief Executive	29,188	392,759	371,638	(21,122)	(5.7%)	365,181	372,237
Council & Committee	12,445	144,307	173,424	29,117	16.8%	247,954	199,991
Communications	103,575	1,373,540	1,454,572	81,032	5.6%	1,283,061	1,498,707
Education	98,633	1,044,956	1,086,869	41,913	3.9%	1,142,769	1,101,654
Facilities Management	254,992	1,753,599	1,748,726	(4,874)	(0.3%)	1,950,115	1,927,730
Finance	87,455	761,650	778,420	16,770	2.2%	844,385	805,666
Fitness to Practise	1,282,480	13,186,158	13,009,482	(176,675)	(1.4%)	12,959,163	13,055,380
Human Resources	101,901	728,045	792,292	64,247	8.1%	733,627	891,081
Human Resources Partners	31,093	348,990	323,514	(25,476)	(7.9%)	492,354	454,971
IT Department	163,433	1,803,583	1,885,597	82,014	4.3%	1,816,465	1,767,915
Major Projects	140,806	615,980	722,411	106,431	14.7%	693,553	686,237
Operations Office	78,473	698,895	637,149	(61,746)	(9.7%)	716,378	746,192
Policy	76,323	419,424	412,057	(7,367)	(1.8%)	441,309	439,592
Registration	287,200	3,209,593	3,242,862	33,269	1.0%	3,024,084	3,086,002
Secretariat	24,021	254,600	243,110	(11,490)	(4.7%)	246,350	230,820
Depreciation	69,361	822,210	839,898	17,688	2.1%	869,954	921,006
<b>Operating expenditure</b>	<b>2,842,558</b>	<b>27,656,335</b>	<b>27,820,739</b>	<b>164,404</b>	<b>0.6%</b>	<b>27,917,409</b>	<b>28,297,837</b>
<b>Operating surplus/(deficit)</b>	<b>(399,827)</b>	<b>652,514</b>	<b>198,641</b>	<b>453,873</b>	<b>228.5%</b>	<b>(721,992)</b>	<b>(477,829)</b>
<b>Other expenditure</b>							
PSA Levy		589,374	590,000	626	0.1%	660,000	590,000
Impairment of Intangible Assets	0	10,524	10,524	0	0.0%	0	10,524
Impairment on Freehold land and buildings	(267,130)	(267,130)	0	267,130		0	0
Corporation Tax	28,154	28,154	0	(28,154)		0	0
Regulation of Public Health Specialists	0	40,911	59,571	18,660	31.3%	140,000	59,571
	<b>(238,977)</b>	<b>401,832</b>	<b>660,095</b>	<b>258,263</b>	<b>40.0%</b>	<b>800,000</b>	<b>660,095</b>
<b>Other income</b>							
Investment Income	942	163,543	147,424	16,120	10.9%	0	147,424
	<b>942</b>	<b>163,543</b>	<b>147,424</b>	<b>16,120</b>	<b>10.9%</b>	<b>0</b>	<b>147,424</b>
<b>Total surplus/(deficit)</b>	<b>(159,908)</b>	<b>414,225</b>	<b>(314,030)</b>	<b>728,255</b>		<b>(1,521,992)</b>	<b>(990,500)</b>

## Payroll costs

31 March 2016

	Year to date			
	Actual	M9 Reforecast	Variance v Forecast	Variance v Forecast %
Chair	0	0	0	0.0
Chief Executive	279,789	280,578	789	0.3
Council & Committee	0	0	0	0.0
Communications	628,295	626,542	(1,753)	(0.3)
Education	780,114	799,639	19,525	2.4
Facilities Management	280,971	267,506	(13,465)	(5.0)
Finance	502,597	505,043	2,446	0.5
Fitness to Practise	3,836,883	3,870,860	33,977	0.9
Human Resources	504,524	499,115	(5,409)	(1.1)
Human Resources Partners	119,479	122,311	2,832	2.3
IT Department	608,780	611,122	2,342	0.4
Major Projects	112,370	151,549	39,179	25.9
Operations Office	523,297	496,097	(27,200)	(5.5)
Policy	278,939	280,003	1,064	0.4
Registration	1,889,457	1,969,299	79,842	4.1
Secretariat	192,766	194,008	1,242	0.6
<b>Payroll costs</b>	<b>10,538,260</b>	<b>10,673,672</b>	<b>135,412</b>	<b>25.8</b>

## Non-payroll costs

31 March 2016

	Year to date			
	Actual	M9 Reforecast	Variance v Forecast	Variance v Forecast %
Chair	98,046	98,719	673	0.7
Chief Executive	112,970	91,060	(21,911)	(24.1)
Council & Committee	144,307	173,424	29,117	16.8
Communications	745,245	828,030	82,785	10.0
Education	264,842	287,230	22,388	7.8
Facilities Management	1,472,628	1,481,220	8,591	0.6
Finance	259,053	273,377	14,324	5.2
Fitness to Practise	9,349,275	9,138,622	(210,653)	(2.3)
Human Resources	223,521	293,177	69,656	23.8
Human Resources Partners	229,512	201,203	(28,309)	(14.1)
IT Department	1,194,804	1,274,475	79,671	6.3
Major Projects	503,611	570,862	67,251	11.8
Operations Office	175,598	141,052	(34,546)	(24.5)
Policy	140,485	132,054	(8,431)	(6.4)
Registration	1,320,136	1,273,563	(46,573)	(3.7)
Secretariat	61,834	49,102	(12,732)	(25.9)
<b>Non-payroll costs</b>	<b>16,295,866</b>	<b>16,307,168</b>	<b>11,303</b>	<b>0.1</b>

## Income by profession

31 March 2016

	Year to date				Full Year Budget	M6 Reforecast
	Actual	M9 Reforecast	Variance v forecast	Variance v forecast %		
Arts Therapists	286,103	284,215	1,888	0.7	288,163	279,246
Bio-medical scientists	1,922,556	1,924,891	(2,335)	(0.1)	1,910,597	1,947,743
Chiropodists / Podiatrists	1,056,918	1,048,988	7,929	0.8	1,030,696	1,041,946
Clinical Scientists	430,445	430,466	(21)	(0.0)	425,921	430,059
Dietitians	776,299	760,479	15,820	2.1	740,756	749,025
Hearing Aid Dispensers	196,758	189,599	7,159	3.8	176,180	182,979
Occupational Therapists	3,099,432	3,098,471	962	0.0	3,074,882	3,144,504
Operating Department Practitioners	992,234	989,498	2,737	0.3	945,870	993,524
Orthoptists	107,830	107,970	(140)	(0.1)	107,744	108,448
Paramedics	1,907,323	1,798,918	108,405	6.0	1,645,296	1,710,310
Physiotherapists	4,348,536	4,245,332	103,204	2.4	4,063,179	4,168,877
Practitioner Psychologists	1,761,489	1,749,512	11,977	0.7	1,702,642	1,722,808
Prosthetists & Orthotists	81,821	82,196	(376)	(0.5)	81,542	84,437
Radiographers	2,629,773	2,583,359	46,413	1.8	2,386,183	2,524,546
Social Workers	7,454,858	7,474,024	(19,166)	(0.3)	7,395,950	7,473,451
Speech and Language Therapists	1,257,270	1,251,452	5,818	0.5	1,219,814	1,258,105
<b>Registration Income</b>	<b>28,309,644</b>	<b>28,019,368</b>	<b>290,276</b>	<b>1.0</b>	<b>27,195,415</b>	<b>27,820,008</b>
Cheque/credit card adjustments	(794)	12	(794)			
<b>Total income</b>	<b>28,308,849</b>	<b>28,019,380</b>	<b>289,481</b>	<b>1.0</b>	<b>27,195,415</b>	<b>27,820,008</b>



## Statement of Financial Position

31 March 2016

	Actual Period 12	Budget 31 March 2016	Forecast 31 March 2016 M6	Forecast 31 March 2016 M9	Actual 31 March 2015
<b>Non-current assets</b>					
Land & buildings, at cost or valuation	4,140,000				3,400,000
Land & buildings depreciation	(0)				0
	4,140,000				3,400,000
Computer equipment, at cost	462,322				559,976
Computer equipment depreciation	(287,301)				(348,216)
	175,021				211,759
Office furniture and equipment, at cost	992,861				330,371
Office equipment depreciation	(217,147)				(244,018)
	775,714				86,353
Intangible assets	6,559,098				6,172,676
Intangible depreciation	(5,196,184)				(4,665,580)
	1,362,914				1,507,097
<b>Total non-current assets</b>	<b>6,453,649</b>	<b>6,781,994</b>	<b>6,425,000</b>	<b>6,231,024</b>	<b>5,205,209</b>
<b>Current assets</b>					
Other current assets	1,597,897	326,000	758,000	758,000	758,000
Cash & cash equivalents	17,615,332	13,069,000	17,735,000	18,845,524	18,047,612
	<b>19,213,229</b>	<b>13,395,000</b>	<b>18,493,000</b>	<b>19,603,524</b>	<b>18,805,612</b>
<b>Total assets</b>	<b>25,666,878</b>	<b>20,176,994</b>	<b>24,918,000</b>	<b>25,834,548</b>	<b>24,010,821</b>
<b>Current liabilities</b>					
Trade and other payables	506,583	2,626,000	965,000	965,000	965,000
Other liabilities	1,900,927		2,153,000	2,153,000	2,153,000
Deferred income	18,799,751	16,149,000	19,229,391	19,469,469	17,331,712
	<b>21,207,262</b>	<b>18,775,000</b>	<b>22,347,391</b>	<b>22,587,469</b>	<b>20,449,712</b>
<b>Total assets less liabilities</b>	<b>4,459,616</b>	<b>1,401,994</b>	<b>2,570,609</b>	<b>3,247,079</b>	<b>3,561,109</b>
General fund b/fwd	(3,455,565)	(2,923,986)	(3,561,109)	(3,561,109)	
Rev Res - Land & Building	(589,826)				
This periods profit/loss	(414,225)	1,521,992	990,500	314,030	
General fund c/fwd	<b>(4,459,616)</b>	<b>(1,401,994)</b>	<b>(2,570,609)</b>	<b>(3,247,079)</b>	<b>(3,561,109)</b>

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Projects

		Opex			Capex			Opex & Capex			Opex	Capex	Opex	Capex
		Actual YTD £	M9 Reforecast Full Year	Variance £	Actual YTD £	M9 Reforecast Full Year	Variance £	Actual YTD £	Budget 2015/16 YTD £	Variance £	Budget Full Year £	Budget Full Year £	M6 Reforecast Full Year	M6 Reforecast Full Year
405 Kennington Road (Fit Out)	MP84	318,104	224,464	(93,640)	901,657	951,805	50,148	1,219,761	1,176,269	(43,492)	0	834,000	215,284	1,086,933
Education System Build	MP64	27,009	8,125	(18,884)	126,761	155,760	28,999	153,770	163,885	10,115	38,450	106,098	8,464	136,015
Fees Review 2015	MP83	61	0	(61)	1,996	0	(1,996)	2,057	0	(2,057)	18,400	40,250	61	1,996
Registrations Systems Review Phase 1	MP75	25,879	0	(25,879)	32,742	0	(32,742)	58,621	0	(58,621)	38,133	67,332	1,878	32,742
HR & Partners Phase 2	MP78	79,682	78,576	(1,106)	54,105	102,814	48,709	133,787	181,390	47,603	134,632	320,127	131,137	289,839
Stakeholder Contact Management System	MP80	17,085	1,881	(15,204)	0	20,199	20,199	17,085	22,080	4,995	24,150	138,300	99,023	67,202
SAGE & PRS Upgrade	MP74	6,087	6,105	18	(16,357)	28,403	44,760	(10,270)	34,508	44,778	0	7,340	9,043	(11,284)
Domino to Exchange Migration	MP76	5,170	4,047	(1,123)	52,745	66,619	13,874	57,915	70,666	12,751	14,800	54,590	6,000	59,435
FTP Changes	MP36	0	0	0	0	0	0	0	0	0	2,114	68,828	0	0
NetRegulate Changes	MP79	(49)	0	49	0	0	0	(49)	0	49	3,450	48,000	(2,712)	0
PCI/DSS (Finance)		0	0	0	0	0	0	0	31,953	31,953	50,000	50,000	0	0
Registrations Transformation & Improvement	MP85	29,094	75,436	46,342	79,901	261,923	182,022	108,995	337,359	228,364	316,523	482,310	164,294	344,663
Professional Qualifications Directive	MP81	1,940	7,972	6,032	0	0	0	1,940	7,972	6,032	0	17,250	21,814	17,250
Telephone Credit Card Automation/Semafone	MP82	25,398	31,953	6,555	25,538	40,204	14,666	50,936	72,157	21,221	6,900	89,245	31,952	40,204
Regulation of Public Health Specialists	MP77	765	0	(765)	0	0	0	765	0	(765)	140,000	118,000	59,571	0
Establishing the Tribunal	MP86	6,788	14,048	7,260	0	40,328	40,328	6,788	0	(6,788)	0	0	0	0
PCI/DSS (Finance)	MP87	2,306	0	(2,306)	0	25,000	25,000	2,306	0	(2,306)	0	0	0	0
Restack	186KPR	70,661	98,627	27,966	0	84,302	84,302	70,661	182,929	112,268	0	0	0	0
Refurb		0	171,177	171,177	0	12,600	12,600	0	183,777	183,777	0	0	0	0
		<b>615,980</b>	<b>722,411</b>	<b>106,431</b>	<b>1,259,088</b>	<b>1,789,957</b>	<b>530,869</b>	<b>1,875,067</b>	<b>2,464,945</b>	<b>589,878</b>	<b>787,552</b>	<b>2,441,670</b>	<b>745,809</b>	<b>2,064,995</b>

## Capital expenditure

	Actual YTD £	M9 Reforecast £	Variance £	Budget 2015/16 Full Year £	M6 Reforecast £
<u>Land and Building</u>					
Freehold Land and Building	21,870	0	(21,870)	0	0
Leasehold Improvements - Stannary Street	10,093	0	(10,093)	0	0
	31,963	0	(31,963)	0	
<u>Information Technology</u>					
Hardware Replacement	0	51,500	51,500	51,500	51,500
Computer Licences	39,470	0	(39,470)		
	39,470	86,280	46,810	151,777	86,280
<u>Projects</u>					
Capital Expenditure	1,259,088	1,789,957	530,869	2,441,670	2,064,995
<b>Total Capital Expenditure</b>	<b>1,330,521</b>	<b>1,876,237</b>	<b>545,716</b>	<b>2,593,447</b>	<b>2,151,275</b>

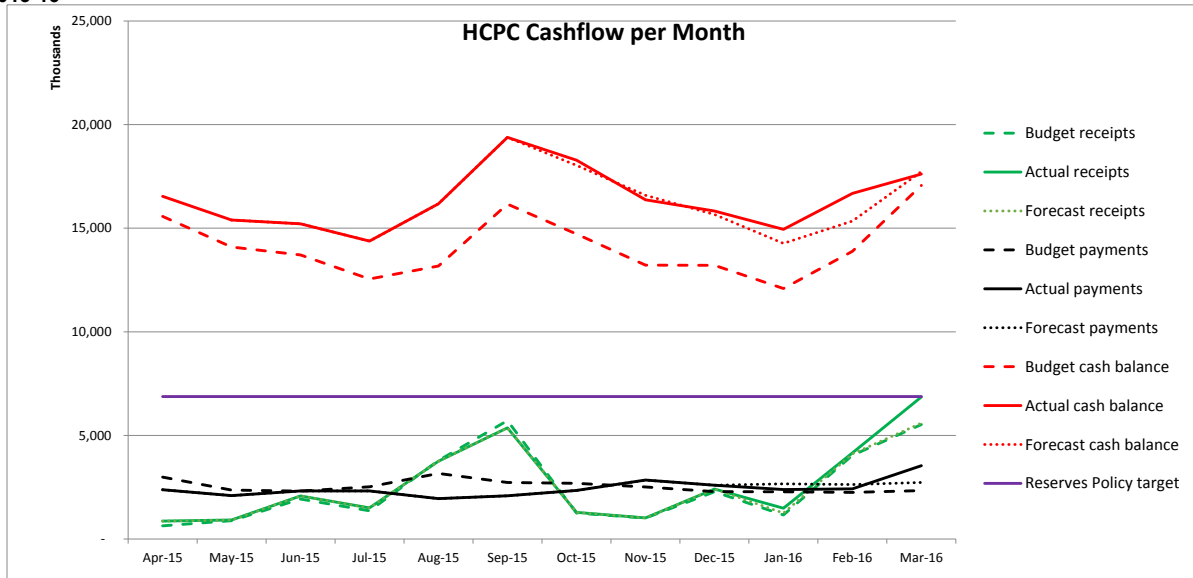
## Cash flow statement

From 1 April 2015

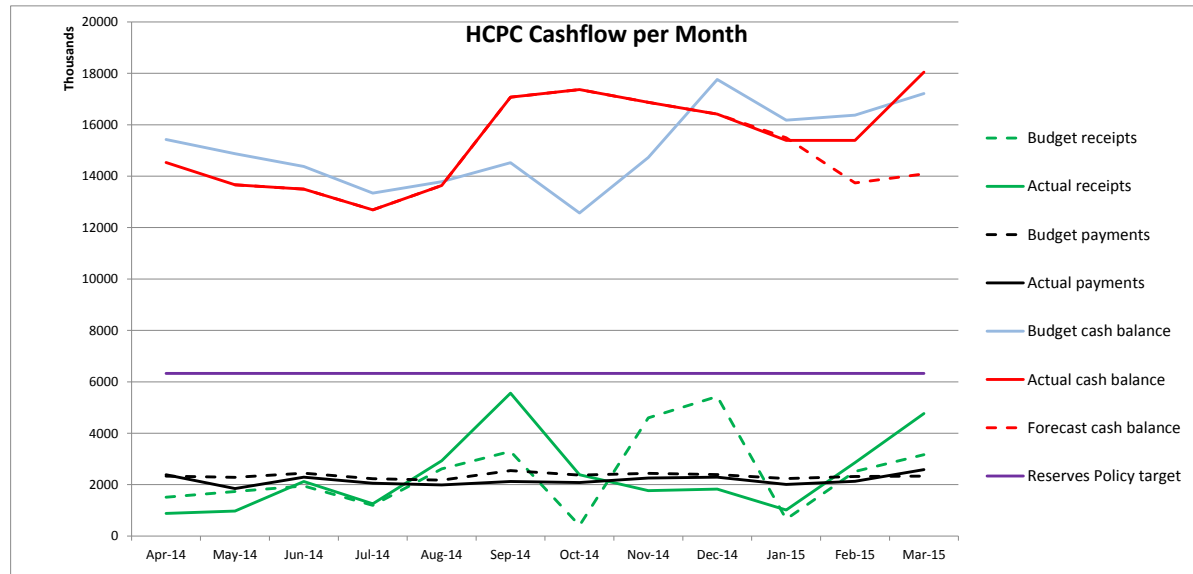
	Year to date actual £	Month 9 forecast £	Full year budget £
Operating surplus/(deficit)	652,514	198,641	(721,992)
Less: Depreciation	822,210	829,374	869,954
Decrease/(increase) in debtors & prepayments	(839,897)		
Increase/(decrease) in creditors	(710,489)		
(Decrease)/increase in deferred income	1,468,039	2,131,474	2,388,742
<b>Net cash in/(out)flow from operating activities</b>	<b>1,392,377</b>	<b>3,159,488</b>	<b>2,536,704</b>
<b>Return on investments and servicing of finance</b>			
Investment Income, net of tax	136,149	147,424	
PSA Levy	(589,374)	(590,000)	(660,000)
Regulation of Public Health Specialists	(40,911)	(59,571)	(140,000)
<b>Capital expenditure and financial investments</b>			
Purchase of Fixed Assets	(1,330,521)	(1,876,237)	(2,593,218)
<b>Increase/(decrease) in cash</b>	<b>(432,280)</b>	<b>781,104</b>	<b>(856,514)</b>
Cash at 1 April 2015 - per original budget			14,086,784
Effect of correcting timing difference on receipts			3,835,618
Cash at 1 April 2015 - adjusted	18,047,612	18,047,612	17,922,402
Cash at end of period - per original budget			13,069,157
Effect of correcting timing difference on receipts			3,996,731
Cash at end of period - adjusted	17,615,332	18,828,716	17,065,888
<b>Cash movement</b>	<b>(432,280)</b>	<b>781,104</b>	<b>(856,513)</b>

**Graphs - Cashflow**

**2015-16**

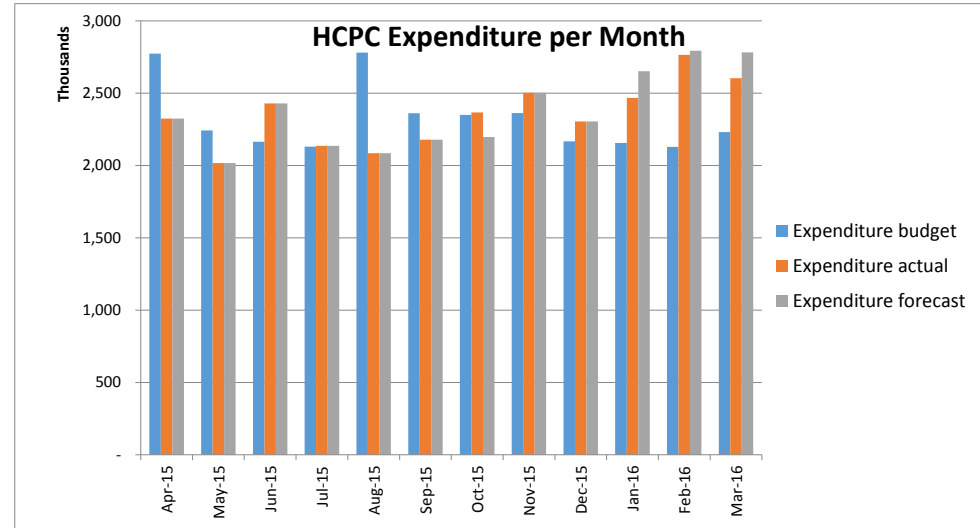
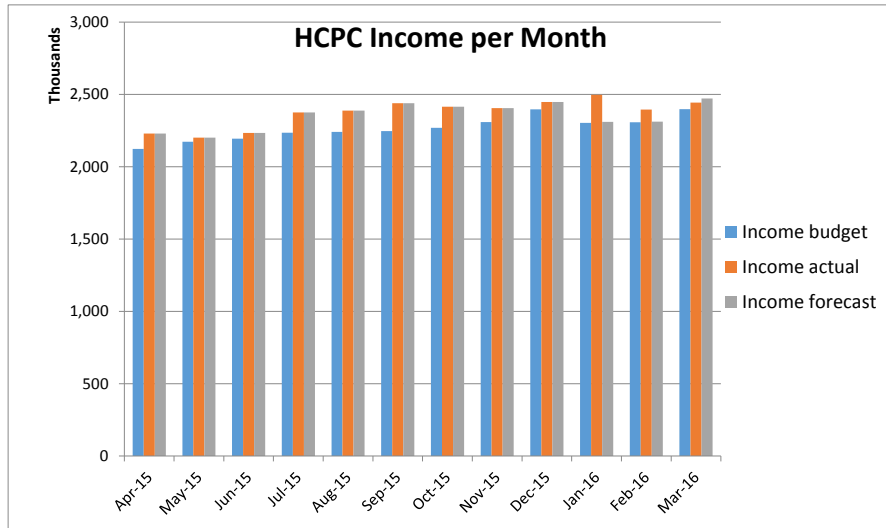


**2014-15**

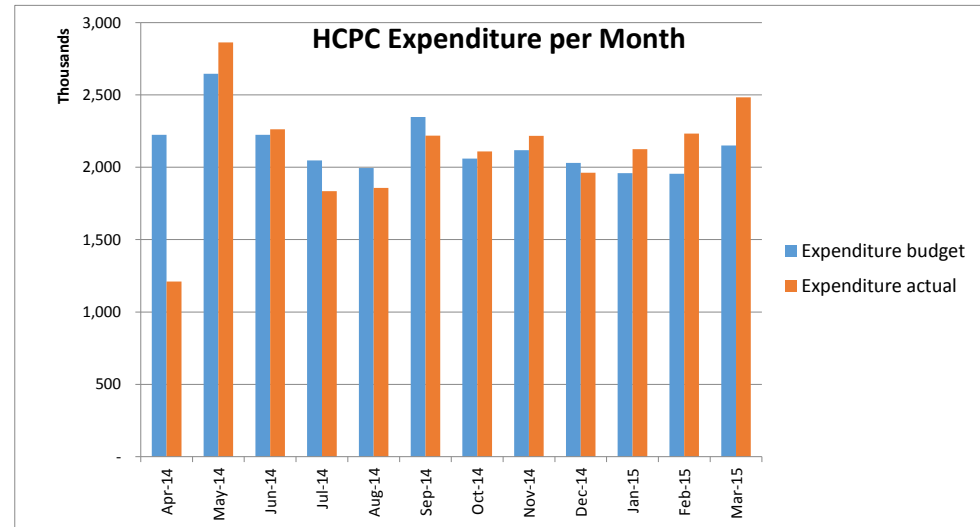
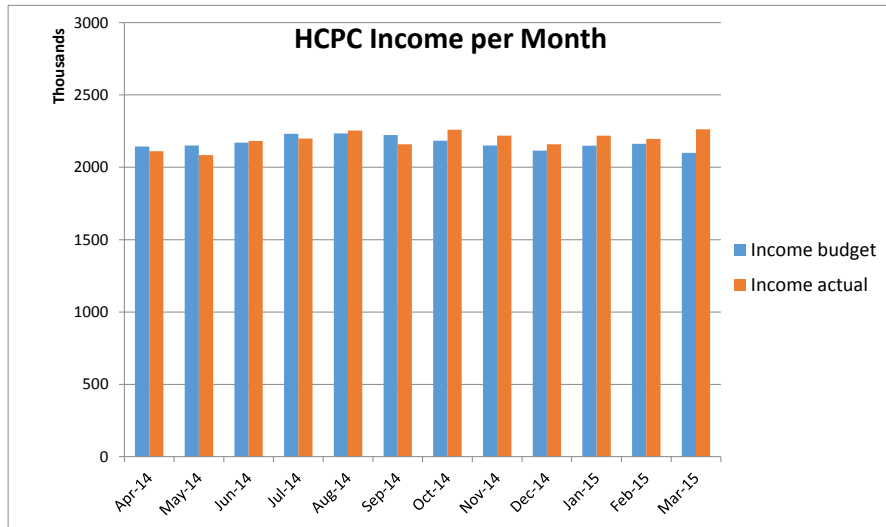


**Graphs**

**2015-16**

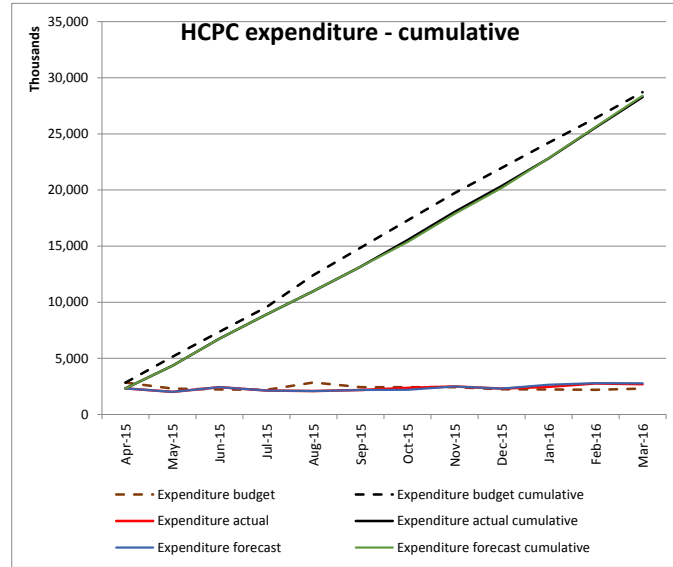
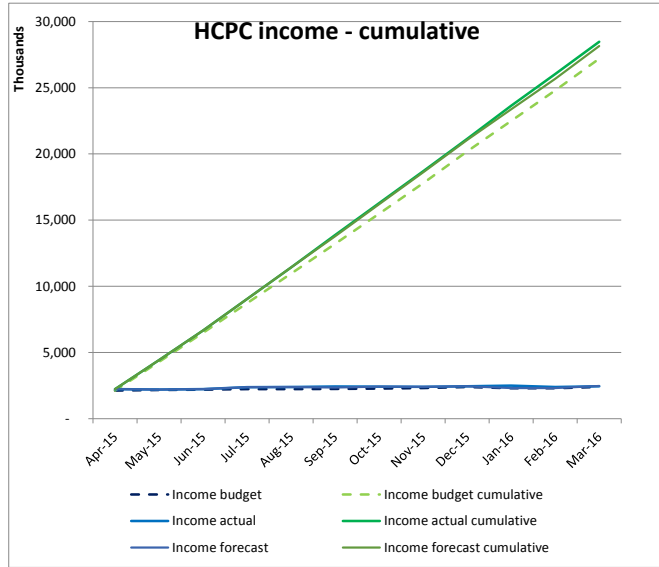


**2014-15**



Graphs - cumulative

2015-16



2014-15

