

Council, 7 February 2018

2018-19 budget update

Executive summary and recommendations

Introduction

At the Council's meeting on 18 January 2018, it was agreed that the draft budget for 2018-19 should be presented to Council on 7 February for discussion, including a range of options to meet strategic and/or financial objectives.

Background information

See Appendix 1

Decision

Council is asked to review and discuss the draft budget for 2018-19 including the options. A further revision of the budget will be prepared by the Executive, reflecting Council's feedback, for approval at Council's March meeting, alongside the Corporate Plan for 2018-19.

Resource implications

None directly

Financial implications

2018-19 budgets

Appendices

Appendix 1: background information

Appendix 2: budget options, summary and conclusions

Appendix 3: 2018-19 base case budget tables

Date of paper

31 January 2018

Appendix 1: background information

1. Process

- 1.1. The base case budget in Appendix 3 is the draft budget presented to Audit Committee on 17 January, updated for the following changes:
 - Income increased by £48k reflecting the updated registrant forecast, using actual registrant numbers to 31 December 2017;
 - The PSA levy for 2018-19 has been increased by £34k to match the invoice recently received. The increase over the initial estimate is because our share of the total number of professionals regulated by PSA-regulated bodies has increased slightly; and
 - An additional £173k was included in the Operations department budget to deliver projects. However that adjustment was found to be miscalculated, and should have been £130k more. Rather than redo all the tables, the extra £130k is included in the reconciliation at the end of Appendix 2
- 1.2. EMT are scheduled to meet on 2 February. That meeting was planned to agree the further revisions to the budget needed to reach a position the Executive could recommend to Council in March, taking into account the feedback from the Audit Committee.
- 1.3. That meeting comes too late to feed into the drafting of this paper, but this paper will be discussed by the Executive on 2 February, and the Executive's feedback can be considered at the Council meeting on 7 February.
- 1.4. A further version of the budget will be prepared for the Council's approval in March, including feedback from the 7 February meeting, and an update to payroll budgets based on the recommendations of the Remuneration Committee.
- 1.5. Further updates of the budget may be required during 2018-19, for example as a consequence of government decisions on the regulation of physician associates, or new information on the planned transfer of social workers in England to Social Work England.

2. Reserves

- 2.1. Although we have achieved small operating surpluses every year from 2010-11 onwards, our reserves are still low in comparison with other regulators or other comparable not for profit organisations. Our free reserves (that is, reserves that are not tied up in fixed assets) are negative, and have decreased during 2017-18 due to our expenditure on the 186 KPR refurbishment and other capital projects.
- 2.2. We are able to operate with low reserves and negative free reserves because of the requirement for registrants to pay their fees in advance, which ensures that we have positive cash flow and large cash balances.

2.3. Our reserves policy¹ aims to ensure HCPC's financial sustainability, and financial fairness between current and future registrants. The policy sets a target range of free reserves which is considered to balance those two objectives. Our projected free reserves at 31 March 2018 are negative 1.3 months operating costs, around the middle of the target range. Increasing our free reserves is therefore consistent with the reserves policy and is a valid objective, subject to our overarching objective of public protection.

3. Transfer of social workers to Social Work England

3.1. Provided the necessary secondary legislation is approved by Parliament in time, we expect the transfer of regulation of social workers to SWE to take place on 1 September 2019. On this basis our fee income will be unaffected during 2018-19. Our expenditure may well be affected by the costs of preparation for the transfer, but the government has agreed to the principle that any such costs would be reimbursed so that they do not fall on our remaining registrants. We can therefore assume that the transfer of social workers to SWE will have no net effect on the budget for 2018-19.

3.2. As has been set out in previous iterations of the 5 year plan, the transfer will have a substantial effect on our finances after the transfer date. One of the projects planned for 2018-19 is a review of our cost base and the expected impact of the transfer of social workers, building on the work done in 2016 when the creation of SWE was first announced. This project is planned to produce a report for Council in July, to enable Council to decide whether to consult on an increase in HCPC fees, including the option of removing the graduate discount.

4. Base case

4.1. The base case budget shows a deficit of £256k, or 0.7% of operating costs.

This budget reflects our previous approach to budget setting, which is

- Bottom up, and iterative;
- Based on forecast activity and unit costs where applicable;
- Cautious in relation to the costs of major projects; and
- Does not presume any bank interest receivable.

4.2. That approach will tend to lead to HCPC's actual financial results² being better than budget.

| | 2014-15 £000 | 2015-16 £000 | 2016-17 £000 | 2017-18 (forecast) £000 |
|--|-----------------|-----------------|-----------------|-------------------------------|
| Budgeted result | (95) | (1,522) | (298) | (349) |
| Actual result | 441 | 414 | 285 | (2) |
| Amount better / (worse) than budget | 536 | 1,936 | 583 | 347 |

¹ <http://www.hcpc-uk.org/assets/documents/100053BCEnc12-ReservesPolicy.pdf>

² Excluding property revaluations and impairments

4.3. Therefore the base case budget, subject to the adjustments that would normally happen prior to finalisation in March, would be expected to lead to a financial result of approximately break even in 2018-19.

5. Options

5.1. The Audit Committee and Council have given a clear steer that costs should be contained or reduced, so each of the alternative options to the base case produce an expected smaller deficit/larger surplus.

5.2. Total expenditure in the base case budget is £34.9m and the Fitness to Practise department makes up £15.4m / 44% of the total.

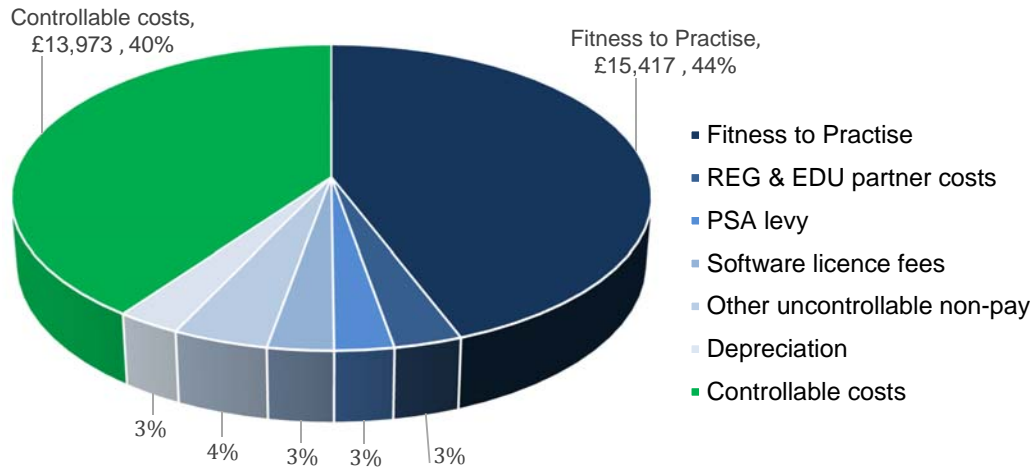
5.3. None of the options reduce the budget of the Fitness to Practise Department. Given that in the PSA's performance audit for 2016-17, we failed 6 of the standards for fitness to practise, and that addressing those failings was identified as a key priority in Council's discussion about the corporate plan, maintaining or even increasing the resources of the Fitness to Practise department seems to be essential.

5.4. There are several other significant budget lines which are either uncontrollable, fixed or demand led, so have not been reduced in any of the options:

- The PSA levy - £0.9m / 3% of the base case budget;
- Software licence fees - £1.0m / 3%;
- Rent, rates, utilities and other uncontrollable/fixed non-payroll costs - £1.5m / 4%;
- Depreciation - £1m / 3%; and
- Partners' fees and expenses for Education and Registration direct regulatory activities - £1.1m / 3%.

5.5. The combined total of the FTP budget and these other uncontrollable and/or demand led costs is £20.9m, 60% of the base case budget. The remaining £14.0m / 40% of the budget is controllable. However, a target budget surplus expressed as a percentage of total expenditure becomes a much larger percentage of controllable expenditure: for example 5% of £34.9m total expenditure is £1.74m, but that £1.74m is 12.5% of the controllable £14.0m.

Controllable costs



5.6. The main elements within the controllable part of our budget are salaries, projects costs, repairs and maintenance, postage printing and stationery, and professional advice.

5.7. Council and Audit Committee’s reviews of costs has focused on budget lines that may be seen as discretionary and/or containing scope for process improvements. Those are addressed in the following table.

| Line item | 2018-19 base case budget £000 | Cost drivers; steps taken or planned to manage the cost |
|----------------------------------|-------------------------------|--|
| Printing, postage and stationery | 975 | <p>Aggregate PP&S was £1,172k in 2014-15, or £3.54 per registrant. It was £1,244k in 2015-16, £1,176k in 2016-17 and is forecast to be £988k in 2017-18. The budget of £975k for 2018-19 is £2.59 for each of the 376,000 registrants forecast at 31 March 2019. At the 2014-15 cost per registrant, the 2018-19 budget would be £1,332k, so the annual efficiency gain is £357k.</p> <p>We have achieved these savings by a combination of reducing letters and enclosures sent to registrants where appropriate, and price savings via moving to the printing framework agreement.</p> <p>£438k of the 2018-19 budget is printing and mailing in the Registration department. £237k of the budget is printing of FTP bundles, and part of the £190k postage budget in Office Services is delivering FTP bundles to hearing participants.</p> |

| Line item | 2018-19 base case budget £000 | Cost drivers; steps taken or planned to manage the cost |
|------------------------|--|---|
| | | <p>Scope for further savings in Registration printing and mailing is limited because our legislation requires us to write to registrants (rather than email) with regulatory notices.</p> <p>We have just moved the FTP bundle printing contract onto the government framework agreement. Process savings and price savings are expected from the new contract, and are reflected within the budget, but the full extent of the savings is uncertain until the contract goes live.</p> <p>HPCPC is largely paperless in its internal processes – recent changes include the use of ipads for Council, Committee and EMT papers.</p> |
| Room hire | 292 | <p>Room hire costs were incurred in previous years for internal, administrative meetings due to the lack of meeting rooms while 186 KPR was being refurbished, but the 2018-19 room hire budget is almost entirely for FTP hearings.</p> <p>£268k of the 2018-19 budget is room hire for FTP hearings that are held away from 405 Kennington Road. We are required to hold hearings for registrants living in Wales, Scotland or Northern Ireland in their home countries. We also hold hearings in other parts of England when it would be unreasonable to require participants to travel to London. £64k of the £268k is for venue hire in London, for instances when there is insufficient capacity in 405 Kennington Road.</p> <p>The FTP costing model assumes 15% of all hearings will be held outside London, and 5% of hearings will be held in London but not at 405 Kennington Road. It assumes a cost per day of £750 outside London and £1,000 per day in London.</p> |
| Travel and subsistence | 1,485 | <p>Partners' travel, accommodation and subsistence (including FTP partners) is forecast to be £1,370k in 2017-18 and budgeted at £1,289k for 2018-19. Employee travel is budgeted at £195k and is mainly travel to hearings, education visits and events.</p> <p>We have contained travel costs through requiring the use of the Click Travel Management contract and agreeing room rates with preferred hotels that are significantly below the limits in the travel policy. Travel and</p> |

| Line item | 2018-19 base case budget £000 | Cost drivers; steps taken or planned to manage the cost |
|--------------------------|-------------------------------|--|
| | | subsistence allowances have not been increased since January 2014 |
| Temporary staff | 295 | <p>Temporary staff costs are forecast to be £831k in 2017-18, but were budgeted at £194k in 2017-18.</p> <p>Temporary staff are more expensive and less effective than permanent employees so we do not plan to use them other than to cover particular peaks in workload. We aim to operate at full complement and we will over-recruit to posts with high turnover in order to keep complement at a high average. In line with this approach, we budget for full complement, and only budget for temporary staff at identified peaks in workload.</p> <p>In 2017-18, we have not been able to keep up with increasing turnover and have had to use temporary staff. Despite taking measures to improve recruitment and retention, if this trend continues, we are likely to have to continue to use temporary staff in 2018-19 and the 2018-19 budget for temporary staff is likely to be overspent, but with an offsetting underspend on the permanent salary budget.</p> |
| Legal advice outside FTP | 162 | <p>The total of the line item budgets for legal advice, legal costs and legal expenses (but not FTP case preparation and presentation) is £1,004k, of which £842k is within FTP and covers High Court cases and other work undertaken by Bircham Dyson Bell on FTP matters.</p> <p>The £162k that is legal advice outside FTP includes £46k in Registration, £34k for the Chief Exec, £16k in Secretariat, £30k in HR, £12k in Partners, £9k in Policy. Per option 7 in appendix 2, we propose an approach of requiring all requests for legal advice to be signed off by the CEO, which we expect would save £25k</p> |
| Training | 407 | <p>Reductions in this line are proposed as option 1 in appendix 2.</p> <p>A centralised L&D budget would facilitate measurement of impact of learning interventions across the organisation. A range of quantitative and qualitative measures will be developed during 2018-19</p> |
| Other professional fees | 183 | This includes £95k in HR for all employee survey, moving HR files online, and contracted out payroll; £35k in Office Services for specialist advice eg on security systems; £14k in Finance for property valuation and support with reporting and modelling |

| Line item | 2018-19 base case budget £000 | Cost drivers; steps taken or planned to manage the cost |
|---------------------|-------------------------------|---|
| Catering | 196 | This includes sandwich lunches for FTP hearings, Registration assessor days and Council and Committee meetings. In 2018-19, the budget includes an allowance for the presumed subsidy for the employee canteen in 186 KPR. Option 11 in appendix 2, which the Executive does not recommend, would reduce this budget by £96k by dropping the plan for the employee canteen |
| Apprenticeship levy | 51 | <p>Apprenticeships are a key work-plan priority for HR in 2018–19.</p> <p>The following broad plan has been delayed due to change management work, but will start from April 2018:</p> <ul style="list-style-type: none"> • Align apprenticeships with the corporate plan • Undertake targeted skills audits in those parts of the organisation where there is a strong case to create apprenticeships • Identify suitable providers/partners to inform standards and training outcomes • Decide on measures of success, and establish the extent to which the levy can be recouped |

Extra resources for Fitness to Practise

5.8. The base case budget maintains the increase of 7 in the FTE complement of Fitness to Practise that EMT agreed at the month 6 reforecast. At their meeting on 17 January, the Audit Committee asked for more information on the expected benefits of the additional resources.

5.9. The additional resources will address the issues raised in the PSA's 2016-17 performance review by:

- Providing capacity to drive improvements in the quality of our investigations and robustness case closure decisions against our Standard of Acceptance whilst maintaining the timely progression of cases through the FTP process;
- Reducing the size of the case teams within investigations to enable Case Team Managers to provide better support, guidance and oversight of their case teams with a focus on case prioritisation and progression;
- Enabling more rigorous processes for reviewing cases after the Investigating Committee makes a “case to answer” decision and before external solicitors are instructed, to reduce the time and cost taken for a case to be prepared for final hearing;
- Providing capacity within the FTP quality compliance team to support the impact measurement and evaluation of improvement activities, whilst maintaining ongoing business critical compliance activities; and
- Mitigating the impact of employee turnover, in particular in the case manager role, by reducing the reliance on temporary staff to backfill vacancies when they arise.

Appendix 2: budget options

The budget reductions that could be made, together with a brief description of the associated risks, include the following:

| Dept | Line item | Description | £000 | Risks |
|--------------------------|--|--|------|---|
| 1. Human Resources | Training | The base case budget includes a total of £407k for training, of which £238k was for individual or team training, and £169k was central training courses and events. In 2017-18 per the month 9 forecast, total training costs are expected to be £427k, of which £219k is central training and £208k is team budgets. The allocation per head for individual/team training could be reduced, eg to £800 per head, to reduce the budget by £55k | 55 | Improved training is part of our career development approach, responding to concerns in the 2016 all employee survey, and aiming to improve retention. Cutting training may reduce employee engagement and contribute to employee turnover |
| 2. Projects | Contingency in operating cost projects budgets | Major project budgets include a 15% contingency in addition to identified non-payroll costs. Removing the contingency was discussed at Audit Committee. This change would reduce budgeted costs, but major projects budgets have tended to underspend, partly as a consequence of the contingency, so the change may have limited effect on actual expenditure | 190 | If budget holders are to be held accountable for a major project budget that cannot include contingency, they are likely to take a more cautious approach to costing individual line items within the budget, which will tend to negate the effect of this change in future |
| 3. Office Services | Repairs, refurbishment etc | The Office Services department budget in the base case includes a total of £263k for refurbishment (excluding the fit out of 186KPR) repairs, professional fees and health and safety costs. The aggregate month 9 forecast for those line items is £94k. The budget for these lines can probably be contained to £150k without compromising the safety of the working environment | 110 | Cutting spending on repairs may only defer costs, or may in some cases increase costs in the long run. Risk of some reduction in employee engagement through deterioration in the working environment |
| 4. Council and Committee | Internal audit | We are required to have an internal audit function, but we could reduce the budget from £55k to £30k, | 25 | Some risk of missing opportunities/benefits/savings that could have |

| Dept | Line item | Description | £000 | Risks |
|---------------------------|---------------------------------|---|------------|--|
| | | and have a minimal function focused on core controls | | been identified through additional internal audit work |
| 5. All | Overtime and agency staff costs | The base case budget includes £153k of overtime and £295k of agency staff costs. As noted above and as in previous years, we plan to operate at full complement and budget for full complement of permanent employees. But if full complement is achieved, less overtime and agency staff should be needed; if full complement is not achieved, the permanent salaries budget line will be underspent | 110 | Cutting payroll budgets will tend to increase workload, with some risk of increased errors, failure to meet PSA and internal service standards, increased employee turnover and sickness |
| 6. Registration | CPD assessor fees | Change CPD assessors' fees to a day rate, in line with other partner fees | 50 | Possible disruption to CPD audit process if existing assessors withdraw |
| 7. All | Legal advice | The aggregate budgets for legal advice outside of FTP is £162k. Tighter control over the circumstances in which we ask for legal advice should enable savings of 10% to 15% | 25 | If budget holders are dissuaded from seeking legal advice in areas outside their capability, increased risk of mistakes which may ultimately cost more than the legal advice |
| 8. Council and Committees | Fees and expenses | The total budget for Council and Committee fees, expenses and tax is £202k. Streamlined performance reporting and committees with greater remit could enable reducing the length of Council meetings to single day, and/or reducing the number of meetings | 50 | Some risk to governance through reduced scrutiny |
| Subtotal 1-9 | | | 615 | |
| 9. Policy | Research | The base case budget included a budget for externally commissioned research of £100k, including stakeholder opinion polling. There is no legislative requirement to carry out research so that budget could be reduced or eliminated. In this option the budget is reduced from £100k to £50k | 50 | Cutting the research budget will impact on our ability to progress on strategic priority 2 in the draft corporate plan, to make better use of data, intelligence and research |

| Dept | Line item | Description | £000 | Risks |
|---|---|---|------|---|
| | | | | evidence to drive improvement and engagement |
| 10. Communi-cations, plus FTP, Education and Policy | Publications, Events, Campaigns, Public affairs | The Communications department budget includes a total of £220k for events, campaigns, public affairs, conferences and publications. There are also smaller budgets for publications in FTP, Education and Policy. Most publications except for the Standards are now online only, but we could consider stopping printing the Standards as well. And/or the number of events could be reduced | 40 | Cutting the Communications budget will impact on our ability to progress on strategic priority 2, and strategic priority 3, to ensure our communication and engagement activities are proactive, effective and informed by the views and expectations of our stakeholders |
| 11. Office Services | Catering | The catering budget of £196k in the base case includes an assumed £96k subsidy for the canteen in 186 KPR, as well as the ongoing cost of catering at hearings and meetings. The plan for the catered canteen in 186 could be dropped | 96 | Drop in employee engagement if the canteen does not live up to expectations |
| 12. Projects | | <p>The major projects budget for 2018-19 in the base case is £1,456k opex plus £2,733k capex. The highest value project is the Registration Transformation project (£493k opex, £882k capex, £1,375k total incl contingency). The project is due to undergo a gateway review following completion of phase 1, to determine whether to proceed to phase 2. The project could be paused following the gateway review. If the project was put on hold for the full financial year, the reduction in operating costs would be about £420k</p> <p>The Sage and WAP replacement project is not essential as the existing system is adequate and is supported by the vendor. Pausing the Sage project would reduce costs by £80k</p> | 500 | <p>Pausing the Registration Transformation project would prolong our dependence on the legacy registration system with the associated risks, and our tie in to inefficient working practices and suboptimal customer experience</p> <p>Pausing the Sage project would delay expected benefits of efficiency and better management information</p> |

| Dept | Line item | Description | £000 | Risks |
|----------------------|--|---|--------------|---|
| | | The second largest project, the 186KPR refurbishment (£420k opex and £630k capex) must be finished. Other major projects include the completion of the website project (already contracted) and essential upgrades for core systems | | |
| 13. Office Services | Office equipment | In the base case budget, the Office Equipment line includes £150k for the fit out of 186 KPR, including furniture for the canteen and common areas. This could be de-specified | 50 | Drop in employee engagement if the 186 KPR building does not live up to expectations |
| 14. Communications | Events, campaigns, public affairs and publications | Cut back further on budgets for events, campaigns, conferences, public affairs and publications, in addition to the cut at point 10 above | 60 | As per point 10, but more so |
| 15. Policy | Research | Cut back further on the budget for research, in addition to the cut at point 9 above | 50 | As per point 9, but more so |
| 16. Office Services | Repairs, refurbishment etc | Cut back further on the budget for repairs, in addition to the cut at point 3 above | 75 | As per point 3, but more so |
| 17. All | Payroll | Recruitment review. As posts become vacant through normal turnover, review the need to replace the post and/or the level of the post on a case by case basis | 200 | Risk of increased errors, failure to meet PSA and service standards, increased employee turnover and sickness |
| 18. Human resources | Training | Cut back further on the budgets for team and individual training in addition to the cut at point 1 above; reduce the budget for central training and employee events (£169k in the base case budget) including dropping the summer all employee event | 75 | As per point 1, but more so |
| Subtotal 9-18 | | | 1,196 | |
| Overall total | | | 1,811 | |

Summary

| | £000 |
|--|-------------|
| Deficit per base case budget (Appendix 3) | (256) |
| Project resources omitted in base case (Appendix 1, point 1.1) | (130) |
| Total of options 1-8 inclusive, recommended by the Executive | 615 |
| Budget surplus per Executive's recommendation | 229 |
| Total of options 9-18 inclusive | 1,196 |
| Budget surplus if all options implemented | 1,425 |

Conclusions

Options 1 to 8 inclusive represent an aggregate budget reduction of £615k. These options have an acceptably small risk to the achievement of our objectives. Subject to the discussion at the budget review meeting on 2 February, which follows the finalisation of this paper, the Executive expects to recommend options 1-8 to Council.

Options 9-18 carry increasing degrees of risk to achievement of our objectives, including some of the priorities included in the draft corporate plan. The Executive does not consider that the financial benefits of those options justify the extra risk, in circumstances where an acceptable financial outcome is achievable without incurring those risks. Some of those options might in any case be false economies, if for example reductions in employee benefits like training and the working environment contribute to a drop in engagement, a decline in organisational performance and increased employee turnover. Some other possibilities like a pay freeze for employees and/or partners have not been included in the table for the same reason.

The Executive's review of costs has been useful, but does highlight that it is not easy to make significant budget surpluses when a large proportion of our costs are incurred in necessary regulatory functions, or are otherwise fixed or uncontrollable. We will continue to make savings where possible, as in the example of printing and mailing.

Council is invited to discuss the options. A further version of the budget incorporating Council's feedback will be presented to the March meeting.

Appendix 3: 2018-19 base case budget tables

HEALTH AND CARE PROFESSIONS COUNCIL

2018-19 DRAFT BUDGET

HEALTH AND CARE PROFESSIONS COUNCIL
2018-19 DRAFT BUDGET

INCOME AND EXPENDITURE

| | Budget 2018-19 £'000 | M9 Reforecast 2017-18 £'000 | M6 Reforecast 2017-18 £'000 | Budget 2017-18 £'000 | Actual 2016-17 £'000 | Variance 2018-19 budget to M6 Reforecast 2017-18 £'000 | % | Variance 2018-19 Budget to 2017-18 Budget £'000 | % |
|---------------------------------------|----------------------------|-----------------------------------|-----------------------------------|----------------------------|----------------------------|--|-------------|---|-------------|
| INCOME | | | | | | | | | |
| Graduate Registration Fees | 1,805 | 1,763 | 1,798 | 1,861 | 1,685 | 42 | 2% | (56) | (3%) |
| Readmission fees | 232 | 203 | 255 | 214 | 260 | 29 | 14% | 18 | 8% |
| Renewal Fees | 29,851 | 28,559 | 28,512 | 28,481 | 26,568 | 1,292 | 5% | 1,370 | 5% |
| International scrutiny fees | 1,642 | 1,779 | 1,787 | 1,825 | 1,936 | (137) | (8%) | (182) | (10%) |
| UK scrutiny fees | 979 | 1,104 | 1,091 | 1,026 | 1,002 | (125) | (11%) | (47) | (5%) |
| Registration Income | 34,509 | 33,407 | 33,444 | 33,407 | 31,450 | 1,102 | 3% | 1,102 | 3% |
| Cheque/credit card adjustments | - | - | - | - | (1) | - | 0% | - | 0% |
| Other income (Rental) | 131 | - | - | - | - | 131 | 100% | 131 | 0% |
| TOTAL INCOME | 34,640 | 33,407 | 33,444 | 33,407 | 31,448 | 1,233 | 4% | 1,233 | 4% |
| EXPENDITURE | | | | | | | | | |
| Department Expenses | | | | | | | | | |
| Chair | 98 | 93 | 97 | 101 | 113 | (6) | (6%) | 2 | 2% |
| Chief Executive | 348 | 381 | 361 | 357 | 378 | 33 | 9% | 10 | 3% |
| Council, Committees & PLG | 269 | 275 | 322 | 303 | 178 | 5 | 2% | 34 | 11% |
| Communications | 1,039 | 1,114 | 1,150 | 1,211 | 1,054 | 75 | 7% | 173 | 14% |
| Education | 1,206 | 1,135 | 1,136 | 1,178 | 1,113 | (72) | (6%) | (28) | (2%) |
| Office Services | 2,986 | 2,546 | 2,722 | 2,921 | 2,369 | (440) | (17%) | (65) | (2%) |
| Finance | 733 | 765 | 777 | 846 | 703 | 32 | 4% | 113 | 13% |
| Fitness to Practise | 15,417 | 15,550 | 15,154 | 14,797 | 14,938 | 133 | 1% | (620) | (4%) |
| Human Resources | 1,343 | 1,048 | 1,054 | 997 | 750 | (295) | (28%) | (346) | (35%) |
| Human Resources Partners | 466 | 406 | 418 | 436 | 349 | (60) | (15%) | (30) | (7%) |
| IT Department | 2,547 | 2,263 | 2,225 | 2,278 | 1,951 | (284) | (13%) | (269) | (12%) |
| Operations Office | 771 | 635 | 637 | 644 | 618 | (136) | (21%) | (126) | (20%) |
| Policy & Standards | 415 | 417 | 430 | 447 | 395 | 2 | 1% | 32 | 7% |
| Major Projects | 1,456 | 1,451 | 1,491 | 1,487 | 461 | (6) | (0%) | 30 | 2% |
| Registration | 3,564 | 3,463 | 3,512 | 3,659 | 3,732 | (101) | (3%) | 96 | 3% |
| Secretariat | 267 | 252 | 265 | 272 | 237 | (15) | (6%) | 5 | 2% |
| Depreciation Expense | 996 | 854 | 879 | 906 | 1,103 | (141) | (17%) | (90) | (10%) |
| PSA Levy | 924 | 879 | 879 | 879 | 859 | (45) | (5%) | (45) | (5%) |
| Apprenticeship Levy | 51 | 34 | 34 | 35 | 0 | (17) | (51%) | (15) | (100%) |
| Impairment of Intangible Assets | 0 | 0 | 0 | 0 | (6) | - | - | - | 0% |
| Operating Expenses | 34,896 | 33,558 | 33,544 | 33,756 | 31,294 | (1,338) | (4%) | (1,140) | (3%) |
| Operating Surplus/(Deficit) | (256) | (151) | (100) | (349) | 154 | (105) | | 93 | |
| Other Income | | | | | | | | | |
| Investment Income | | 149 | 148 | | 164 | (149) | | - | |
| TOTAL SURPLUS/(DEFICIT) | (256) | (2) | 47 | (349) | 318 | (254) | | 93 | |

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

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

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

| | Budget 2018-19 £'000 | M9 Reforecast 2017-18 £'000 | M6 Reforecast 2017-18 £'000 | Budget 2017-18 £'000 | Actual 2016-17 £'000 | Variance 2018-19 budget to M6 Reforecast 2017-18 £'000 | % | Variance 2018-19 Budget to 2017-18 Budget £'000 | % |
|---------------------------------------|-------------------------------------|--|--|-------------------------------------|-------------------------------------|---|-------------|--|-------------|
| Chief Executive | 276 | 267 | 273 | 273 | 257 | (8) | (3%) | (3) | (1%) |
| Communications | 631 | 649 | 647 | 673 | 644 | 18 | 3% | 43 | 6% |
| Education | 930 | 868 | 870 | 891 | 865 | (62) | (7%) | (39) | (4%) |
| Office Services | 337 | 304 | 312 | 333 | 311 | (33) | (11%) | (4) | (1%) |
| Finance | 499 | 487 | 493 | 497 | 488 | (11) | (2%) | (2) | (0%) |
| Fitness to Practise | 4,986 | 4,797 | 4,698 | 4,534 | 4,383 | (188) | (4%) | (452) | (10%) |
| Human Resources | 699 | 683 | 731 | 656 | 566 | (16) | (2%) | (43) | (7%) |
| Human Resources Partners | 156 | 134 | 130 | 126 | 129 | (22) | (16%) | (31) | (25%) |
| IT Department | 932 | 892 | 882 | 875 | 758 | (41) | (5%) | (57) | (7%) |
| Major projects | 303 | 277 | 257 | 163 | 182 | (26) | (9%) | (140) | (100%) |
| Operations Office | 680 | 536 | 536 | 526 | 532 | (144) | (27%) | (153) | (29%) |
| Policy & Standards | 282 | 279 | 278 | 292 | 265 | (4) | (1%) | 9 | 3% |
| Registration | 2,204 | 1,964 | 1,927 | 2,079 | 2,048 | (240) | (12%) | (125) | (6%) |
| Secretariat | 243 | 226 | 235 | 240 | 209 | (17) | (7%) | (3) | (1%) |
| | 13,158 | 12,364 | 12,269 | 12,157 | 11,638 | (794) | (6%) | (1,001) | (8%) |
| | 2018-19 budgeted FTE | | | 2017-18 budgeted FTE | | | | | |
| Permanent FTEs | | | | | | | | | |
| Chief Executive | 2.0 | | | 2.0 | | | | | |
| Council, Committees & PLG | | | | | | | | | |
| Communications | 12.9 | | | 14.2 | | | | | |
| Education | 18.7 | | | 18.7 | | | | | |
| Office Services | 8.0 | | | 8.0 | | | | | |
| Finance | 10.0 | | | 10.0 | | | | | |
| Fitness to Practise | 111.8 | | | 97.7 | | | | | |
| Human Resources | 7.8 | | | 7.8 | | | | | |
| Human Resources Partners | 3.1 | | | 3.2 | | | | | |
| IT Department | 14.0 | | | 12.5 | | | | | |
| Operations Office | 7.0 | | | 7.4 | | | | | |
| Policy & Standards | 5.0 | | | 5.0 | | | | | |
| Major projects | | | | | | | | | |
| Registration | 58.2 | | | 58.2 | | | | | |
| Secretariat | 4.5 | | | 4.5 | | | | | |
| Total permanent FTEs | 263.0 | | | 249.3 | | | | | |
| Fixed term contract FTEs | | | | | | | | | |
| Education | 2.0 | | | 2.0 | | | | | |
| Fitness to Practise | 8.0 | | | 15.0 | | | | | |
| Human Resources | 3.0 | | | 1.0 | | | | | |
| Human Resources Partners | 1.0 | | | 0.0 | | | | | |
| Major projects | 3.0 | | | 4.0 | | | | | |
| Registration | 1.7 | | | 2.9 | | | | | |
| Office Services | 2.0 | | | 2.0 | | | | | |
| Total fixed term contract FTEs | 20.7 | | | 26.9 | | | | | |
| Total FTEs | 283.7 | | | 276.2 | | | | | |

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

| | Budget 2018-19 £'000 | M9 Reforecast 2017-18 £'000 | M6 Reforecast 2017-18 £'000 | Budget 2017-18 £'000 | Actual 2016-17 £'000 | Variance 2018-19 budget to M6 Reforecast 2017-18 | | Variance 2018-19 Budget to 2017-18 Budget | |
|---------------------------------|-------------------------------------|--|--|-------------------------------------|-------------------------------------|---|-------------|--|-------------|
| | | | | | | £'000 | % | £'000 | % |
| Chair | 98 | 93 | 97 | 101 | 113 | (6) | (6%) | 2 | 2% |
| Chief Executive | 72 | 113 | 88 | 84 | 121 | 41 | 36% | 12 | 15% |
| Council & Committee | 269 | 275 | 322 | 303 | 178 | 5 | 2% | 34 | 11% |
| Communications | 408 | 466 | 502 | 538 | 410 | 57 | 12% | 130 | 24% |
| Education | 277 | 267 | 266 | 287 | 249 | (10) | (4%) | 11 | 4% |
| Office Services | 2,649 | 2,242 | 2,409 | 2,588 | 2,058 | (407) | (18%) | (60) | (2%) |
| Finance | 234 | 278 | 284 | 349 | 215 | 43 | 16% | 115 | 33% |
| Fitness to Practise | 10,431 | 10,753 | 10,456 | 10,263 | 10,554 | 321 | 3% | (168) | (2%) |
| Human Resources | 644 | 364 | 323 | 341 | 184 | (280) | (77%) | (303) | (89%) |
| Human Resources Partners | 309 | 271 | 288 | 311 | 220 | (38) | (14%) | 1 | 0% |
| IT Department | 1,615 | 1,371 | 1,343 | 1,403 | 1,193 | (244) | (18%) | (212) | (15%) |
| Major projects | 1,154 | 1,173 | 1,234 | 1,324 | 279 | 20 | 2% | 171 | 13% |
| Operations Office | 91 | 99 | 101 | 118 | 86 | 8 | 8% | 27 | 23% |
| Policy & Standards | 132 | 138 | 152 | 155 | 130 | 6 | 4% | 23 | 15% |
| Registration | 1,359 | 1,499 | 1,585 | 1,580 | 1,684 | 140 | 9% | 220 | 14% |
| Secretariat | 25 | 26 | 29 | 33 | 28 | 1 | 5% | 8 | 25% |
| PSA Levy | 924 | 879 | 879 | 879 | 859 | (45) | (5%) | (45) | (5%) |
| Apprenticeship Levy | 51 | 34 | 34 | 35 | - | (17) | (51%) | (15) | (100%) |
| Impairment of Intangible Assets | - | - | - | - | (6) | | | | |
| | 20,743 | 20,340 | 20,395 | 20,693 | 18,553 | (403) | (2%) | (50) | (0%) |

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

| | Budget as at 31 March 2019 | Month 9 Reforecast as at 31 March 2018 | Month 6 Reforecast as at 31 March 2018 | Budget as at 31 March 2018 | Actual as at 31 March 2017 |
|---|-------------------------------|---|--|-------------------------------|-------------------------------|
| Non-current assets | | | | | |
| Land & buildings, at cost or valuation | 6,154 | 5,524 | 5,953 | 6,210 | 4,615 |
| Land & buildings depreciation | (95) | (46) | (46) | (105) | 0 |
| | 6,059 | 5,478 | 5,907 | 6,105 | 4,615 |
| Computer equipment, at cost | 636 | 529 | 539 | 592 | 500 |
| Computer equipment depreciation | (489) | (450) | (450) | (464) | (383) |
| | 147 | 79 | 90 | 128 | 117 |
| Office furniture and equipment, at cost | 1,183 | 1,183 | 1,183 | 990 | 1,184 |
| Office equipment depreciation | (750) | (586) | (586) | (541) | (414) |
| | 433 | 597 | 597 | 449 | 770 |
| Intangible assets | 9,867 | 7,764 | 8,267 | 8,984 | 7,117 |
| Intangible depreciation | (6,988) | (6,245) | (6,270) | (6,352) | (5,675) |
| | 2,880 | 1,520 | 1,997 | 2,632 | 1,441 |
| | | | | | |
| Total non-current assets | 9,518 | 7,674 | 8,591 | 9,315 | 6,943 |
| Current assets | | | | | |
| Other current assets | 1,948 | 1,930 | 2,055 | 1,800 | 1,994 |
| Cash & cash equivalents | 15,390 | 18,841 | 18,709 | 17,902 | 19,529 |
| | 17,338 | 20,771 | 20,764 | 19,702 | 21,523 |
| | | | | | |
| Total assets | 26,857 | 28,445 | 29,355 | 29,018 | 28,466 |
| Current liabilities | | | | | |
| Trade and other payables | 167 | 167 | 624 | 330 | 431 |
| Other liabilities | 1,435 | 1,435 | 1,597 | 1,636 | 2,116 |
| Deferred income | 20,343 | 21,676 | 21,918 | 22,730 | 20,749 |
| | 21,945 | 23,278 | 24,139 | 24,696 | 23,297 |
| | | | | | |
| Non-current liabilities | | | | | |
| Liabilities greater than one year | 163 | 163 | 163 | 163 | 163 |
| | | | | | |
| Total assets less liabilities | 4,749 | 5,004 | 5,053 | 4,159 | 5,006 |
| | | | | | |
| General fund b/fwd | (4,153) | (4,155) | (4,155) | (3,918) | (3,871) |
| Rev Res - Land & Building | (851) | (851) | (851) | (590) | (851) |
| This periods (profit)/loss | 256 | 2 | (47) | 349 | (284) |
| Grant income | | | | | |
| General fund c/fwd | (4,749) | (5,004) | (5,053) | (4,159) | (5,006) |

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

CAPITAL EXPENDITURE

| | Budget 2018-19 £'000 | M9 Reforecast 2017-18 £ | M6 Reforecast 2017-18 £'000 | Budget 2017-18 £'000 | Actual 2016-17 £'000 |
|----------------------------------|-------------------------------------|--|--|-------------------------------------|-------------------------------------|
| <u>Project expenditure</u> | 2,103 | 608 | 1,120 | 1,302 | 526 |
| <u>Computer Equipment</u> | | | | | |
| Software licences | - | 40 | 30 | - | 31 |
| Hardware new services | 107 | 29 | 40 | 92 | 38 |
| | 107 | 69 | 70 | 92 | 68 |
| <u>Office equipment</u> | - | - | - | - | 27 |
| <u>Land and buildings</u> | 630 | 909 | 1,338 | 1,851 | 249 |
| <u>Dilapidation</u> | | | | | 163 |
| Total Capital expenditure | 2,840 | 1,586 | 2,528 | 3,245 | 1,034 |

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

| | Budget 2018-19 £'000 | M9 Reforecast 2017-18 £'000 | M6 Reforecast 2017-18 £'000 | Budget 2017-18 £'000 | Actual 2016-17 £'000 |
|--|----------------------------|-----------------------------------|-----------------------------------|----------------------------|----------------------------|
| Cash flows from operating activities | | | | | |
| Operating surplus/(deficit) | (256) | (151) | (100) | (388) | 119 |
| Depreciation and amortisation | 996 | 854 | 879 | 906 | 1,103 |
| Decrease/(increase) in debtors & prepayments | (18) | 64 | (61) | (15) | (396) |
| Increase/(decrease) in creditors | 0 | (944) | (326) | 72 | 298 |
| (Decrease)/increase in deferred income | (1,333) | 926 | 1,168 | 1,685 | 1,950 |
| Net cash in/(out)flow from operating activities | (611) | 750 | 1,560 | 2,260 | 3,074 |
| Return on investments and servicing of finance | | | | | |
| Investment income | - | 149 | 148 | - | 164 |
| Capital expenditure and financial investments | | | | | |
| Purchase of tangible and intangible assets | (2,840) | (1,586) | (2,528) | (3,245) | (1,324) |
| Increase in cash | (3,451) | (687) | (820) | (985) | 1,913 |
| Opening cash | 18,841 | 19,529 | 19,529 | 19,529 | 17,615 |
| Closing cash | 15,390 | 18,841 | 18,709 | 18,543 | 19,529 |
| Cash movement | (3,451) | (687) | (820) | (985) | 1,913 |

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

| | 2016-17 | 2017-18 | 2017-18 | 2017-18 | 2018-19 | MONTHLY DRAFT BUDGET (£'000) | | | | | | | | | | | | |
|--|---------------|---------------|--------------------|--------------------|---------------|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| | Actual ('000) | Budget ('000) | M6 Forecast ('000) | M9 Forecast ('000) | Budget | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR | |
| Payroll | | | | | | | | | | | | | | | | | | |
| Basic Pay-Fixed Term Contract | 282 | 626 | 1,202 | 1,193 | 597 | 62 | 62 | 51 | 48 | 48 | 48 | 47 | 47 | 47 | 47 | 47 | 47 | 44 |
| Basic Pay-Permanent | 8,515 | 9,129 | 8,166 | 8,109 | 9,698 | 798 | 803 | 798 | 806 | 810 | 809 | 807 | 807 | 812 | 814 | 816 | 816 | 817 |
| NI ER-Fixed Term Contract | 29 | 75 | 121 | 122 | 72 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 |
| NI ER-Permanent | 934 | 1,103 | 917 | 912 | 1,162 | 95 | 96 | 96 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 98 |
| Overtime-Fixed Term Contract | 3 | 15 | 15 | 14 | 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Overtime-Permanent | 134 | 137 | 110 | 131 | 144 | 6 | 5 | 7 | 17 | 11 | 17 | 31 | 30 | 5 | 7 | 5 | 5 | 5 |
| Pension ER-Fixed Term Contract | 6 | 18 | 30 | 36 | 36 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Pension ER-Permanent | 501 | 528 | 512 | 528 | 584 | 47 | 47 | 47 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 60 |
| Medical insurance | 4 | 5 | 3 | 3 | 5 | 5 | | | | | | | | | | | | |
| Payroll contingency | (11) | 25 | 5 | 20 | 25 | | | | | | | | 10 | | | | | 15 |
| Staff Recruitment | 163 | 165 | 228 | 186 | 228 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Temporary Staff | 897 | 184 | 704 | 831 | 295 | 24 | 21 | 24 | 24 | 18 | 21 | 28 | 32 | 25 | 29 | 22 | 26 | 26 |
| Payroll Subtotal | 11,456 | 11,994 | 12,013 | 12,087 | 12,855 | 1,069 | 1,064 | 1,052 | 1,068 | 1,061 | 1,069 | 1,085 | 1,098 | 1,062 | 1,071 | 1,064 | 1,092 | |
| Council & Committee Costs | | | | | | | | | | | | | | | | | | |
| Conferences | 4 | 11 | 5 | 2 | 7 | | | 1 | | | 1 | | | 1 | | | | 1 |
| Council & Committee Training | 10 | 10 | 6 | 6 | 5 | | | | | | | 3 | | | 3 | | | |
| Council Meetings Fee | 174 | 166 | 166 | 173 | 177 | 3 | 10 | 5 | 27 | 2 | 14 | 31 | 8 | 7 | 27 | 14 | 29 | 29 |
| Council Meetings T&S | 67 | 91 | 80 | 73 | 73 | 3 | 5 | 3 | 18 | 2 | 6 | 14 | 5 | 3 | 4 | 6 | 5 | 5 |
| Taxation | 15 | 56 | 41 | 32 | 46 | 1 | 4 | 2 | 4 | 1 | 5 | 11 | 3 | 2 | 3 | 5 | 4 | 4 |
| Council Committee Costs Subtotal | 270 | 334 | 298 | 286 | 308 | 8 | 20 | 10 | 49 | 6 | 26 | 59 | 17 | 13 | 36 | 26 | 40 | |
| Travel & Subsistence | | | | | | | | | | | | | | | | | | |
| EMT fares, accommodation & subsistence | 44 | 46 | 55 | 51 | 33 | 2 | 2 | 5 | 4 | 1 | 1 | 9 | 2 | 1 | 2 | 2 | 2 | 2 |
| Accommodation | 44 | 35 | 33 | 33 | 36 | 3 | 4 | 3 | 3 | 1 | 4 | 3 | 4 | 2 | 3 | 3 | 4 | 4 |
| Conferences | 1 | 8 | 7 | 4 | 10 | 2 | | | 1 | | | | 2 | | 2 | 1 | 1 | 1 |
| Hospitality | 3 | 1 | 1 | 1 | 2 | | | | | | | | | | | | | |
| Subsistence & others | 14 | 17 | 13 | 14 | 17 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 3 | 3 | 1 | 1 | 1 | 1 |
| Travel & Fare | 83 | 94 | 80 | 77 | 98 | 8 | 9 | 8 | 8 | 6 | 9 | 8 | 9 | 7 | 8 | 9 | 9 | 9 |
| Travel Subsistence Subtotal | 190 | 202 | 188 | 179 | 195 | 16 | 16 | 19 | 17 | 9 | 17 | 21 | 20 | 13 | 15 | 15 | 17 | |
| Computer Costs | | | | | | | | | | | | | | | | | | |
| General software support & maintenance | 318 | 569 | 542 | 524 | 672 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 | 56 |
| Hardware <£5000 | 34 | 19 | 19 | 23 | 23 | | | 2 | | 4 | | 16 | | 2 | | | | |
| Hardware maintenance | 95 | 128 | 126 | 108 | 135 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| IT Consumables | 3,702 | 2,879 | 585 | 285 | 2,879 | .000 | .000 | 1,379 | .000 | .000 | .500 | .000 | .000 | .000 | .500 | .000 | .500 | .500 |
| Managed Web/Internet Services | 378 | 278 | 260 | 257 | 287 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| NetRegulate software support and maintenance | 205 | 198 | 194 | 191 | 194 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Offsite tape data archive | 2 | 2 | 2 | 2 | 2 | | | | | | | | | | | | | |
| Specialist External Support IT | 23 | 15 | 26 | 40 | 27 | | 3 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 2 | 2 |
| Computer Costs Subtotal | 1,059 | 1,213 | 1,170 | 1,145 | 1,342 | 107 | 110 | 112 | 110 | 113 | 111 | 126 | 110 | 111 | 111 | 109 | 109 | |
| Office Services | | | | | | | | | | | | | | | | | | |
| Catering | 130 | 144 | 135 | 124 | 196 | 11 | 12 | 11 | 12 | 11 | 20 | 19 | 20 | 19 | 20 | 20 | 20 | 20 |
| Mobile Phone & Blackberry | 35 | 39 | 31 | 28 | 32 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Postage | 494 | 530 | 243 | 231 | 199 | 21 | 21 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Printing & Stationery | 682 | 635 | 828 | 761 | 776 | 56 | 60 | 45 | 42 | 45 | 139 | 132 | 64 | 50 | 42 | 41 | 61 | 61 |
| Room Hire | 326 | 276 | 295 | 342 | 292 | 26 | 25 | 24 | 23 | 25 | 24 | 24 | 25 | 22 | 24 | 25 | 25 | 25 |
| Relocation costs | | | | | 40 | | | 20 | 20 | | | | | | | | | |
| Video Conferencing | 44 | 6 | 58 | 59 | 42 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Couriers | 30 | 31 | 31 | 35 | 32 | 1 | 3 | 3 | 3 | 1 | 3 | 3 | 3 | 1 | 3 | 3 | 3 | 3 |
| Office equipment < £5000 | 35 | 50 | 71 | 16 | 174 | 50 | 100 | 10 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Office Equipment Disposals | | 4 | 3 | 3 | 6 | 2 | | 2 | | | | | 2 | | | | | |
| Office equipment rental | 2 | 4 | 4 | 3 | 4 | | | | | | | | | 2 | | | | |
| Other Office Services | 14 | | | | | | | | | | | | | | | | | |
| Telephone | 38 | 40 | 30 | 29 | 39 | 3 | 3 | 3 | 3 | 3 | 7 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Publications | | 2 | 1 | | 2 | | | 1 | | | 1 | | | 1 | | | | |
| Office Services Subtotal | 1,828 | 1,759 | 1,729 | 1,630 | 1,833 | 176 | 229 | 142 | 126 | 109 | 217 | 205 | 141 | 121 | 116 | 117 | 135 | |

Expenditure By Month

| | 2016-17 | 2017-18 | 2017-18 | 2017-18 | 2018-19 | | | | | | | | | | | | |
|---|---------------|---------------|--------------------|--------------------|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Actual ('000) | Budget ('000) | M6 Forecast ('000) | M9 Forecast ('000) | MONTHLY DRAFT BUDGET (£'000) | | | | | | | | | | | | |
| | | | | | Budget | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR |
| Property Services | | | | | | | | | | | | | | | | | |
| Security | 44 | 63 | 67 | 65 | 57 | 4 | 10 | 4 | 4 | 4 | 4 | 4 | 7 | 4 | 4 | 4 | 4 |
| Building Refurbishment | (8) | 85 | 98 | 74 | 102 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Business Rates | 293 | 426 | 421 | 421 | 421 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| Cleaning Contractors | 137 | 149 | 130 | 114 | 150 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Cleaning Materials | 9 | 13 | 10 | 13 | 13 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Electricity | 86 | 86 | 51 | 44 | 54 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Gas | 17 | 16 | 7 | 8 | 8 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Maintenance contracts | 51 | 113 | 108 | 98 | 120 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Repairs&Maintenance | 121 | 66 | 73 | 77 | 62 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Waste Disposal | 12 | 29 | 30 | 29 | 36 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Water | 6 | 10 | 8 | 5 | 7 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Rent | 812 | 809 | 794 | 794 | 809 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 |
| Service Charge | 29 | 32 | 31 | 35 | 32 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Dilapidations | (19) | 74 | 5 | 5 | 5 | | | | | | | | | | | | |
| Property Services Subtotal | 1,591 | 1,971 | 1,834 | 1,780 | 1,877 | 156 | 162 | 156 | 156 | 156 | 156 | 156 | 159 | 156 | 156 | 156 | 156 |
| Communications | | | | | | | | | | | | | | | | | |
| Annual Reports | 6 | 6 | 7 | 3 | 7 | | | | | | 3 | 4 | | | | | |
| Brochures | 60 | 52 | 60 | 63 | 54 | 4 | 10 | | | 10 | | | 10 | | 13 | | 4 |
| Campaigns | 73 | 57 | 51 | 48 | 52 | 1 | 1 | 10 | 1 | 10 | 1 | 1 | 13 | 3 | 1 | 12 | 1 |
| Conferences & Exhibitions | 25 | 30 | 21 | 22 | 25 | | 5 | | 2 | 2 | 6 | | | | | 5 | 5 |
| Internal Communications | 85 | 48 | 14 | 16 | 17 | 10 | | | 7 | | | | | | | | |
| Marketing & Promotions | 1 | 2 | 2 | 2 | | | | | | | | | | | | | |
| Meet the HPC events | 31 | 71 | 61 | 55 | 50 | 5 | 5 | 5 | 5 | | 5 | 5 | 5 | | 5 | 5 | 5 |
| Public Affairs & Stakeholder | 30 | 38 | 53 | 53 | 41 | 2 | 9 | 9 | 5 | | 2 | 6 | 4 | 3 | 5 | 3 | 5 |
| Translations | 3 | 3 | 4 | 4 | 3 | | | | | | | | | | | | |
| Web | 3 | 37 | 19 | 16 | 35 | | 5 | 10 | 10 | | | | | | 5 | 5 | |
| Research | 93 | 103 | 93 | 76 | 100 | 15 | 35 | | | | 35 | | | 15 | | | |
| Standards of Proficiency | 2 | | | | | | | | | | | | | | | | |
| Communications Subtotal | 411 | 446 | 384 | 355 | 383 | 35 | 63 | 34 | 30 | 22 | 51 | 16 | 31 | 21 | 29 | 30 | 20 |
| Partners | | | | | | | | | | | | | | | | | |
| Panels Fees -Panel members | 885 | 813 | 854 | 924 | 777 | 62 | 62 | 62 | 63 | 64 | 64 | 66 | 67 | 58 | 70 | 70 | 70 |
| Panels Fees - Legal Assessor | 1,162 | 1,214 | 1,208 | 1,292 | 1,136 | 93 | 91 | 91 | 92 | 93 | 94 | 94 | 97 | 83 | 102 | 103 | 102 |
| Panels Fees - Panel chair | 651 | 681 | 710 | 756 | 653 | 52 | 52 | 52 | 53 | 53 | 54 | 55 | 56 | 49 | 59 | 59 | 59 |
| Registration Appeals Travel & Subsistence | 4 | 8 | 8 | 9 | 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Registration Appeals - Fees chair | 6 | 5 | 5 | 6 | 5 | | | | | | | | | | | | |
| Registration Appeals - Panel member | 5 | 8 | 8 | 7 | 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Registration Appeals - Legal Assessor | 4 | 9 | 8 | 7 | 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Witness Travel and Subsistence | 216 | 183 | 168 | 175 | 153 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 13 | 11 | 14 | 15 | 14 |
| Annual Monitoring (fees) | 29 | 31 | 22 | 22 | 23 | 5 | | 3 | 1 | | | | | 3 | 3 | 4 | 4 |
| Approvals (fees) | 55 | 75 | 80 | 75 | 91 | 11 | 17 | 10 | 4 | 1 | 8 | 2 | 4 | 4 | 6 | 10 | 14 |
| Major change (fees) | 32 | 34 | 24 | 22 | 27 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 1 | 2 | 2 | 3 |
| Partners travel | 509 | 527 | 533 | 554 | 544 | 48 | 47 | 45 | 43 | 42 | 44 | 43 | 47 | 43 | 48 | 47 | 49 |
| Partners accomodation | 683 | 682 | 688 | 742 | 674 | 57 | 58 | 55 | 53 | 52 | 55 | 54 | 57 | 50 | 60 | 61 | 62 |
| Partners subsistence | 71 | 68 | 61 | 65 | 62 | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Partners Recruitment & Interviews | 37 | 32 | 40 | 38 | 49 | 6 | 11 | 4 | | | 6 | 5 | | | 11 | 6 | |
| Partners Training | 115 | 168 | 160 | 160 | 167 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| CPD Assessments | 150 | 151 | 136 | 136 | 165 | 26 | 14 | 13 | 10 | 6 | 12 | 15 | 44 | 17 | 9 | | 1 |
| Grandparenting Assessments | | | | | | | | | | | | | | | | | |
| International Assessors Fees | 668 | 579 | 597 | 588 | 506 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 |
| Test of Competence & Aptitude Test | 6 | 26 | 18 | 17 | 20 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Partners Subtotal | 5,288 | 5,293 | 5,328 | 5,595 | 5,081 | 441 | 432 | 416 | 398 | 390 | 416 | 414 | 454 | 383 | 450 | 441 | 445 |

Expenditure By Month

| | 2016-17 | 2017-18 | 2017-18 | 2017-18 | MONTHLY DRAFT BUDGET (£'000) | | | | | | | | | | | | |
|--|---------------|---------------|--------------------|--------------------|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Actual ('000) | Budget ('000) | M6 Forecast ('000) | M9 Forecast ('000) | Budget | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV | DEC | JAN | FEB | MAR |
| Professional Fees | | | | | | | | | | | | | | | | | |
| Transcription Writer | 496 | 505 | 477 | 439 | 492 | 42 | 41 | 41 | 41 | 42 | 41 | 41 | 41 | 39 | 41 | 41 | 41 |
| FTP Preparation and Presentation | 4,366 | 4,396 | 4,466 | 4,468 | 4,656 | 388 | 383 | 396 | 383 | 383 | 396 | 383 | 383 | 396 | 383 | 383 | 396 |
| Other Legal Costs | 57 | 68 | 35 | 32 | 61 | 9 | 3 | 3 | 9 | 3 | 3 | 9 | 3 | 3 | 9 | 3 | 9 |
| Legal Advice | 976 | 778 | 928 | 952 | 913 | 73 | 88 | 73 | 70 | 72 | 70 | 75 | 96 | 72 | 80 | 73 | 71 |
| Other Professional Fees | 54 | 133 | 178 | 116 | 183 | 8 | 3 | 49 | 3 | 9 | 31 | 4 | 21 | 27 | 4 | 4 | 22 |
| External Audit Fees | 39 | 39 | 29 | 29 | 31 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Internal Audit | 51 | 48 | 51 | 52 | 55 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Pension Administration | (55) | 22 | 25 | 35 | 26 | | | 5 | | | | 10 | | | | | 5 |
| Employee Assistance Programme | 9 | 12 | 12 | 11 | 13 | | | | | 5 | | 5 | | | | | 4 |
| Legal Expenses | 3 | 35 | 15 | 18 | 30 | 3 | 3 | 3 | 3 | 3 | | 3 | | 3 | 3 | 3 | 3 |
| Reward Data | 31 | 25 | 23 | 23 | 60 | | | | | | 30 | | | 30 | | | |
| Information Security | 6 | 16 | 16 | 4 | 18 | 4 | | | 12 | | | | | | | | 2 |
| ISO 9001 Certification | 3 | 6 | 6 | 9 | 6 | 1 | 2 | | | | | 2 | | | 1 | | |
| ISO 27001 Certification | 5 | 3 | 4 | 7 | 8 | | | | | | | | | | | | |
| ISO 10002 Certification | 8 | 4 | 4 | 4 | 3 | 1 | | | | | | | | | | 2 | |
| Professional Fees Subtotal | 6,049 | 6,089 | 6,269 | 6,199 | 6,555 | 543 | 530 | 576 | 528 | 523 | 580 | 538 | 553 | 575 | 532 | 516 | 559 |
| Small Projects | | | | | | | | | | | | | | | | | |
| Small Project Costs | 59 | 254 | 272 | 266 | 275 | 25 | 25 | 27 | 20 | 20 | 21 | 22 | 20 | 20 | 22 | 30 | 21 |
| Small Projects Subtotal | 59 | 254 | 272 | 266 | 275 | 25 | 25 | 27 | 20 | 20 | 21 | 22 | 20 | 20 | 22 | 30 | 21 |
| Specific Department costs | | | | | | | | | | | | | | | | | |
| Appointments | 14 | 16 | 27 | 29 | | | | | | | | | | | | | |
| Subscriptions | 50 | 89 | 91 | 82 | 85 | 12 | 6 | 6 | 6 | 6 | 8 | 9 | 6 | 7 | 6 | 6 | 7 |
| Health & Safety | 36 | 41 | 41 | 64 | 64 | 4 | 4 | 20 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Bank Charges | 87 | 148 | 91 | 93 | 83 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| General Insurance | 65 | 66 | 84 | 83 | 77 | 77 | | | | | | | | | | | |
| Training | 385 | 485 | 411 | 432 | 409 | 29 | 50 | 34 | 33 | 28 | 30 | 27 | 30 | 30 | 38 | 29 | 53 |
| Archive Storage | 16 | 18 | 17 | 16 | 18 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Disaster Contingency Plan | 20 | 26 | 8 | 13 | 19 | | | | | | | | | | | | 19 |
| Procurement - Legal Advice | 1 | 6 | 4 | 4 | 6 | | | 2 | | | 2 | | | 2 | | | 2 |
| Specific Department Costs Subtotal | 675 | 895 | 775 | 817 | 761 | 130 | 68 | 71 | 51 | 46 | 51 | 49 | 48 | 51 | 56 | 47 | 93 |
| Major Projects Subtotal | 461 | 1,487 | 1,491 | 1,451 | 1,456 | 158 | 170 | 177 | 208 | 72 | 124 | 124 | 99 | 61 | 213 | 26 | 24 |
| Total | 29,338 | 31,936 | 31,752 | 31,791 | 32,924 | 2,865 | 2,889 | 2,792 | 2,762 | 2,527 | 2,839 | 2,814 | 2,751 | 2,588 | 2,808 | 2,576 | 2,712 |
| Reconciliation to income & expenditure: | | | | | | | | | | | | | | | | | |
| Depreciation | 1,103 | 906 | 879 | 854 | 996 | | | | | | | | | | | | |
| PSA Levy | 859 | 879 | 879 | 879 | 924 | | | | | | | | | | | | |
| Apprenticeship levy | | 35 | 34 | 34 | 51 | | | | | | | | | | | | |
| Impairment of Intangible Assets | (6) | | | | | | | | | | | | | | | | |
| | 31,294 | 33,756 | 33,544 | 33,558 | 34,894 | | | | | | | | | | | | |