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## Finance update

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### Executive Summary

#### **December 2019 (Month 9) Accounts**

At the end of December 2019, HCPC's YTD surplus was £260k. When the accounting changes agreed are implemented, the YTD surplus would be £744k which is £17k adverse variance to forecast.

FTP department is showing adverse variance of £401k, this is driven by significant increase in the volume of panels and hearing. There has been an increase in caseload, as well as extra hearing days and additional ICP days to conclude SW cases.

After the accounting changes were taken into account, the month of December 2019 had an unfavourable variance of £67k when compared to the forecasted surplus of £484k, and this is mainly due to the following:

- Timing difference of the grant claims. Grant income was forecasted to be received on a quarterly basis, while expenditure is incurred on a monthly basis. Although YTD income variance agrees with expenditure, monthly variance will differ with expenditure.
- Continued overspend with the FtP department.
- The above negative variances are net off by the favourable variance due to increase in number of applicants' scrutiny fees and savings in all other departments.

Appendix 1 shows the month 9 accounts in detail.

#### **2020 / 21 Budget Timetable and Process update**

The proposed 2020/21 budget timetable was presented to Council in December 2019. A new budget template is being developed while finance team is under restructure to create a Financial Planning & Analysis (FP&A) team that aims to provide more support to budget holders and challenge their budgets appropriately.

An update of the budget process including potential challenges is details within Appendix 2 of this paper.

#### **Implementation of the PWC Financial Baseline Review Recommendations**

Appendix 3 contains an overview of the progress on implementation of the recommendations of the PWC Financial Baseline Review.

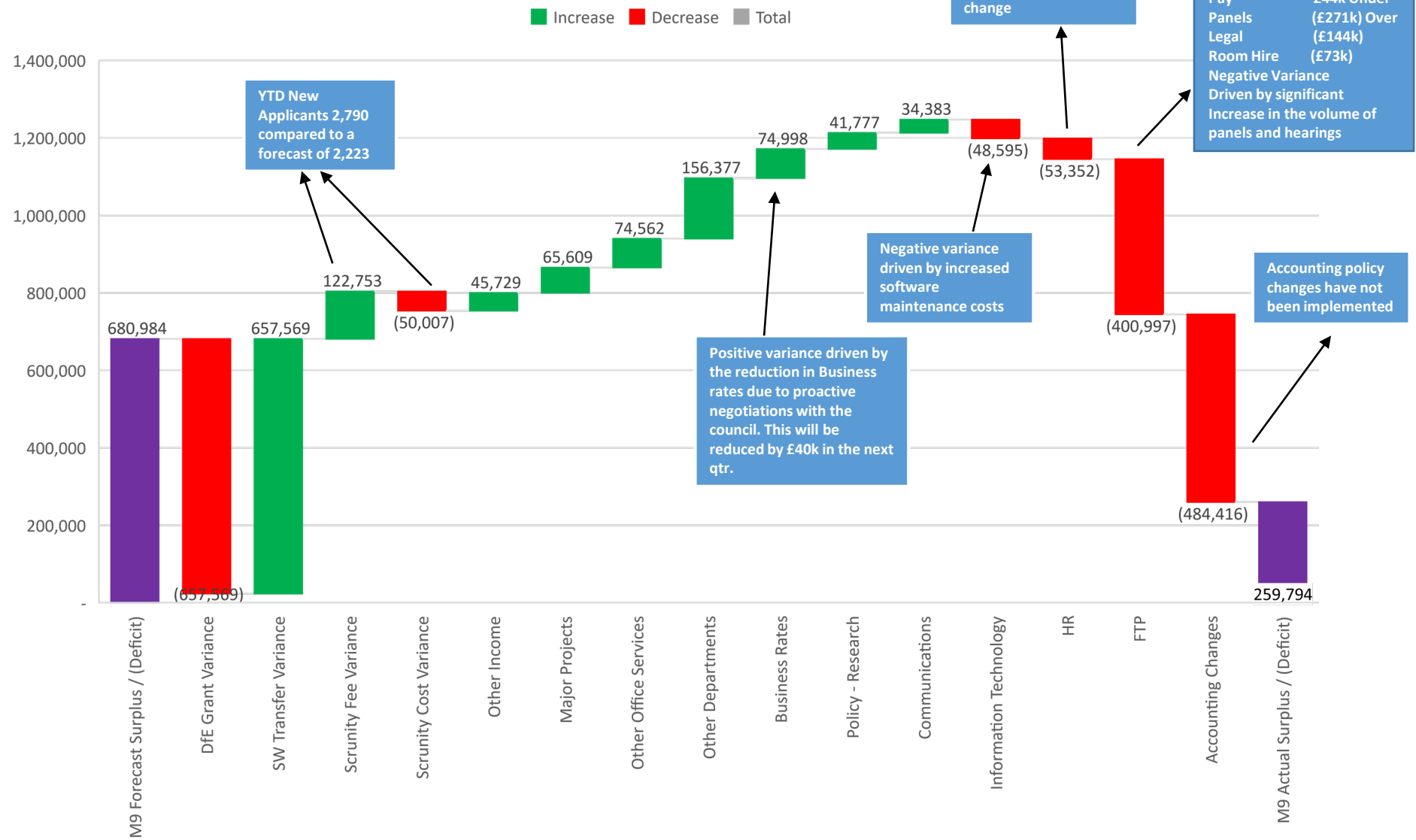
Previous consideration	The October 2019 (Month 7) accounts, together with the proposed 2020/21 budget timetable and process were presented to Council on 4 December 2019.
Decision	For note – December 2019 (Month 9) Accounts  For note – 2020/21 Budget timetable and process update  For discussion – Implementation of PWC baseline review recommendation
Next steps	A draft budget that reflects the improvement plans will be presented to the March Audit Committee meeting.  The final 2020-21 budget and the finance update will be provided at the next meeting of the Council on 25 March 2020.
Strategic priority	Strategic priority 3: Ensure the organisation is fit for the future and able to anticipate and adapt to changes in the external environment
Risk	Strategic Risk 4 - Failure to be an efficient regulator  Risk appetite for 'financial' is minimal. 'The Council takes a minimal approach to incurring financial loss. We are funded by registrants' fees and need to deliver value for money. We will allocate additional resource in areas where not to do so incurs greater risk or there are compelling benefits. We tend to favour investments that offer low returns but low volatility and risk.
Financial and resource implications	None as a result of this paper
Author	Tian Tian, Finance Director <a href="mailto:Tian.Tian@hcpc-uk.org">Tian.Tian@hcpc-uk.org</a>  Gordon Dixon, Business Improvement Director <a href="mailto:Gordon.Dixon@hcpc-uk.org">Gordon.Dixon@hcpc-uk.org</a>

# P9 December 2019 Management Accounts Overview

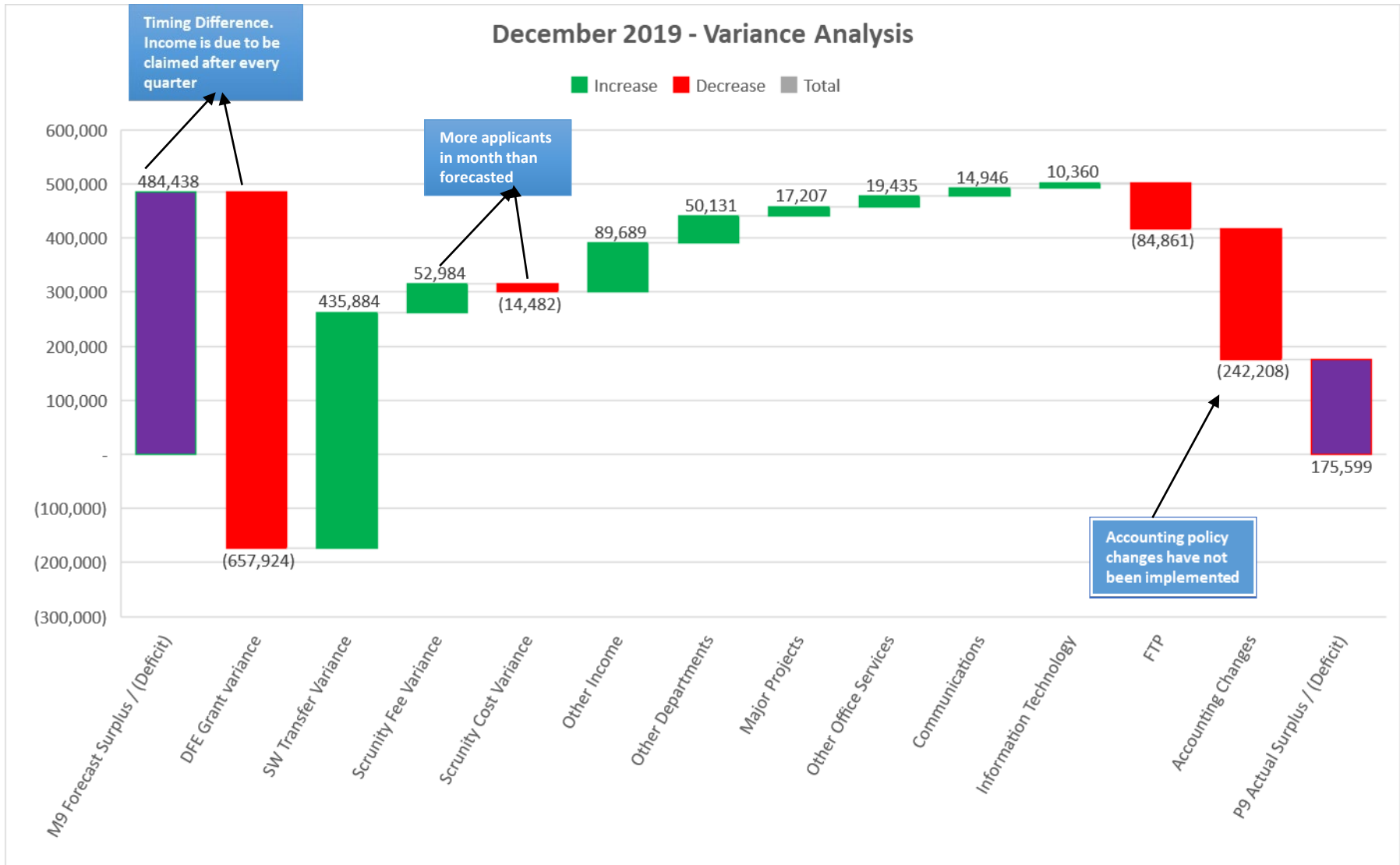
5 February 2020

Tian Tian  
Finance Director

## YTD to December 2019 - YTD Variance Analysis



Income and Expenditure Account YTD up to end of Dec 19	Actual £	6+6 Forecast £	Variance £	Full Year 6+6 forecast £
<b>Income (A)</b>				
Registration Income	26,094,003	25,933,515	160,488	32,552,165
Rental Income	131,250	131,250	0	175,000
Investment Income	86,667	78,672	7,995	102,261
<b>Income (A)</b>	<b>26,311,919</b>	<b>26,143,437</b>	<b>168,483</b>	<b>32,829,426</b>
<b>Expenditure</b>				
Pay Costs	9,961,425	10,067,761	106,337	13,359,504
Non Pay Costs	14,902,469	14,590,311	(312,158)	19,099,638
Depreciation	702,255	713,626	11,372	963,107
<b>Total Expenditure (B)</b>	<b>25,566,148</b>	<b>25,371,698</b>	<b>(194,450)</b>	<b>33,422,249</b>
<b>Operating Surplus/(Deficit) C= (A-B)</b>	<b>745,771</b>	<b>771,738</b>	<b>(25,967)</b>	<b>(592,823)</b>
Corporation Tax	0	0	0	0
CIP/Accounting Policy Changes	0	(484,416)	(484,416)	(1,461,041)
Turnaround Costs	485,967	495,280	9,313	1,345,888
<b>Total Other Exceptional Expenditure</b>	<b>485,967</b>	<b>10,864</b>	<b>(475,103)</b>	<b>(115,152)</b>
Social Worker Changes				
Grant Income	889,576	1,547,145	(657,569)	2,064,423
Grant Costs	(889,576)	(1,547,145)	657,569	(2,064,423)
<b>Total Social worker changes (E)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Total Surplus/(Deficit) F= (C+E-D)</b>	<b>259,805</b>	<b>760,875</b>	<b>(501,071)</b>	<b>(477,672)</b>



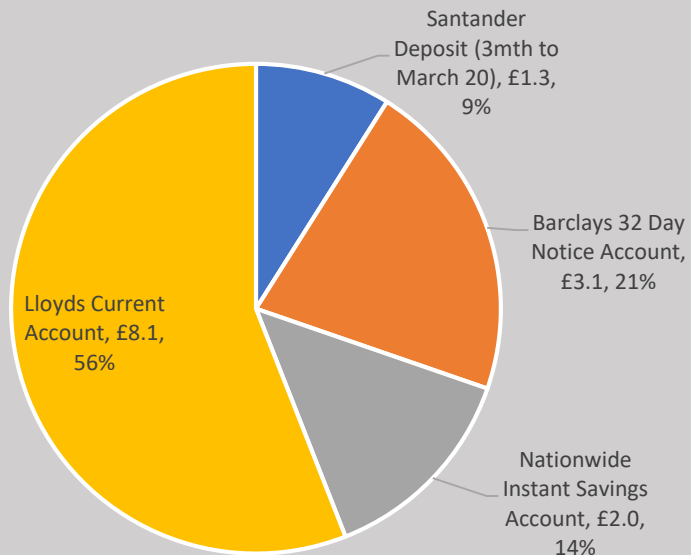
Income and Expenditure Account Month of December 2019	Actual £	6+6 Forecast £	Variance £	Full Year 6+6 forecast £
<b>Income (A)</b>				
Registration Income	2,321,612	2,183,338	138,274	32,552,165
Rental Income	14,561	14,583	-23	175,000
Investment Income	12,285	7,863	4,422	102,261
<b>Income (A)</b>	<b>2,348,458</b>	<b>2,205,784</b>	<b>142,673</b>	<b>32,829,426</b>
<b>Expenditure</b>				
Pay Costs	980,905	1,084,426	103,521	13,359,504
Non Pay Costs	1,306,845	1,211,385	(95,459)	19,099,638
Depreciation	71,631	81,382	9,751	963,107
<b>Total Expenditure (B)</b>	<b>2,359,380</b>	<b>2,377,193</b>	<b>17,813</b>	<b>33,422,249</b>
<b>Operating Surplus/(Deficit) C= (A-B)</b>	<b>(10,923)</b>	<b>(171,409)</b>	<b>160,486</b>	<b>(592,823)</b>
Corporation Tax	0	0	0	0
CIP/Accounting Policy Changes	0	(242,208)	(242,208)	(1,461,041)
Turnaround Costs	69,428	64,351	(5,077)	1,345,888
<b>Total Other Exceptional Expenditure</b>	<b>69,428</b>	<b>(177,857)</b>	<b>(247,285)</b>	<b>(115,152)</b>
<b>Social Worker Changes</b>				
Grant Income	409,935	1,067,859	(657,924)	2,064,423
Grant Costs	(153,985)	(589,869)	435,884	(2,064,423)
<b>Total Social worker changes (E)</b>	<b>255,950</b>	<b>477,990</b>	<b>(222,040)</b>	<b>0</b>
<b>Total Surplus/(Deficit) F= (C+E-D)</b>	<b>175,599</b>	<b>484,438</b>	<b>(308,840)</b>	<b>(477,672)</b>

<b>SOPF</b>	<b>Actual</b>	<b>6+6 Forecast</b>		<b>Actual</b>	<b>6+6 Forecast</b>	<b>Budget</b>
<b>Balance Sheet</b>	<b>Dec-19</b>	<b>Dec-19</b>		<b>31 March 2019</b>	<b>31 March 2020</b>	<b>31 March 2020</b>
<b>Total Fixed Assets</b>	<b>7,801,782</b>	<b>7,892,757</b>		<b>7,898,072</b>	<b>8,867,655</b>	<b>9,513,080</b>
<b>Current Assets</b>						
Other Current assets	1,400,424	1,496,677		2,970,827	2,310,029	1,816,503
Cash & cash equivalents	16,749,242	16,334,187		18,662,518	16,944,066	11,913,206
	<b>18,149,666</b>	<b>17,830,864</b>		<b>21,633,345</b>	<b>19,254,095</b>	<b>13,729,709</b>
<b>Total Assets</b>	<b>25,951,449</b>	<b>25,723,621</b>		<b>29,531,417</b>	<b>28,121,750</b>	<b>23,242,790</b>
<b>Current Liabilities</b>						
Trade and other payables	478,754	716,184		1,578,506	716,184	216,764
Other Liabilities	1,508,132	1,560,013		1,612,006	1,560,013	1,612,918
Deferred Income	19,471,732	18,453,524		22,107,880	22,090,199	19,132,839
<b>Total current liabilities</b>	<b>21,458,618</b>	<b>20,729,720</b>		<b>25,298,391</b>	<b>24,366,395</b>	<b>20,962,522</b>
Liabilities greather than one year	163,052	163,052		163,052	163,052	163,052
<b>Total Assets less liabilities</b>	<b>4,329,778</b>	<b>4,830,849</b>		<b>4,069,974</b>	<b>3,592,303</b>	<b>2,117,216</b>
General Fund b/fwd	(3,771,687)	(3,771,687)		(3,539,747)	(3,771,687)	(3,583,761)
Rev Reserve - Land & Building	(298,287)	(298,287)		(298,287)	(298,287)	(22,330)
This Period's surplus/deficit	(259,805)	(760,875)		(231,940)	477,671	1,488,875
General Fund c/fwd	<b>(4,329,778)</b>	<b>(4,830,849)</b>		<b>(4,069,974)</b>	<b>(3,592,303)</b>	<b>(2,117,216)</b>



# Cash

Total Funds @ Banks as at 31st of December



■ Santander Deposit (3mth to March 20) ■ Barclays 32 Day Notice Account  
■ Nationwide Instant Savings Account ■ Lloyds Current Account

**At the end of Dec 19, cash at bank was £14.6m; of which £4.4m was held on fixed term deposits (see chart) and £10.2m was in instant access accounts.**

**£5.4m of the cash balance is due to Social Work England. This is forecasted to be paid out in February 20.**

**The interest rate on our main instant account is now 0.70%. Full cash flow forecast statement on next page**

<b>Cash Flow Forecast 2019-2020</b>	
<b>Opening Balance</b>	
<b>Cash in</b>	
Registration Fees - Payment	
Registration Fees - Refunds and returned Cheques	
Investment Income	
Rental income - GCC	
Grant income	
Other income	
SW final DD Rec 2019	
PSA refund	
<b>Total Cash Receipts</b>	
<b>Cash out</b>	
Payments to Suppliers	
Payments to Partners	
Pay type (non payroll)	
Staff expense	
Capital	
PSA	
Payment to SWE re final DD (Dec 2019)	
Payment to SWE re upfront payments	
Payroll - Salaries	
Payroll - Tax & NI	
Payroll - Pensions	
Payroll - Other	
Corporation Tax	
<b>Total Cash Payments</b>	
Net misc items (Cash Book related corrections)	
<b>Net Cash Flow</b>	
<b>Liquidation of Investments</b>	
<b>Closing Balance</b>	

		<b>Payment to SWE</b>	
<b>Dec-19</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>
<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>16,926,315</b>	<b>14,536,130</b>	<b>15,667,329</b>	<b>12,091,517</b>
1,247,305	2,862,105	4,646,755	3,247,116
(42,536)	(80,697)	(232,338)	(162,356)
12,542	7,863	7,863	7,863
0	43,750	0	0
0	1,067,859		741,488
447			4,428
0			
0	0	88,139	0
<b>1,217,759</b>	<b>3,900,880</b>	<b>4,510,419</b>	<b>3,838,539</b>
2,138,526	1,022,089.36	1,022,275	590,711
397,186	302,511	336,000	336,000
12,177	12,796	13,000	13,000
1,918	2,800	2,800	2,800
11,868	461,707	383,599	379,079
0	0	0	780,000
0		2,878,357	
0		2,482,423	
604,400	596,580	596,580	796,580
310,794	291,197	291,197	291,197
84,279	80,000	80,000	80,000
46,795			
<b>3,607,943</b>	<b>2,769,681</b>	<b>8,086,232</b>	<b>3,269,368</b>
0		0	0
<b>(2,390,185)</b>	<b>1,131,199</b>	<b>(3,575,813)</b>	<b>569,171</b>
<b>14,536,130</b>	<b>15,667,329</b>	<b>12,091,517</b>	<b>12,660,688</b>

<b>Table 1 Investments &amp; Cash Note</b>	
<b>Non-Instant Access Accounts</b>	
Santander Deposit (3mth to December)	
Barclays 32 Day Notice Account	
<b>Total Non-Instant Cash</b>	
<b>Instant Access Accounts</b>	
Nationwide Instant Savings Account	
Lloyds Current Account	
Barclays & Natwest	
<b>Total Liquid Cash</b>	
<b>Cash Position</b>	

<b>01/12/19 Actual</b>	<b>01/01/20 Forecast</b>	<b>01/02/20 Forecast</b>	<b>01/03/20 Forecast</b>
1,306,711	1,306,711	1,306,711	1,306,711
3,092,189	3,097,950	3,100,850	3,103,850
<b>4,398,900</b>	<b>4,404,661</b>	<b>4,407,561</b>	<b>4,410,561</b>
2,000,000	2,000,000	2,000,000	2,000,000
8,136,995	9,262,439	5,683,733	6,249,910
235	229	223	217
<b>10,137,230</b>	<b>11,262,668</b>	<b>7,683,955</b>	<b>8,250,127</b>
<b>14,536,130</b>	<b>15,667,329</b>	<b>12,091,517</b>	<b>12,660,688</b>

# 2020-21 Budget update

5 February 2020

Tian Tian  
Finance Director

## A. High Level Timeframe



### Approach

- Initial Business Improvement Workshops will focus on how the departments can operate differently in order to improve the quality of service delivery while also delivering productivity gains.
- Departmental Quality & Productivity Improvement Plans (Q&PIPs) will document the initiatives that each department is targeting to achieve along with the measurable benefits realisation timetable.
- A draft budget will be built bottom-up, from a zero base, taking into account the delivery of the Q&PIPs.
- Budgets will be finalised, iteratively linking overall HCPC objectives to each departmental budget.
- Monthly reporting will be changed to link operational quality and productivity improvements with financial performance.

## B. Key Challenges To Meeting Budget Timetable

### Challenges

- Difficulty in aligning change plans to the budget – this is especially the case with Fitness to Practice department. Improvement in productivities may not be easily translated into financial forecast.
- Changes in key personnel may delay information being provided for budget purpose. For example movements in HR department and the restructure in Finance may cause delay in the provision of establishment reports and delays in the analysis of information while the team settles in their new role.
- While workshops are still being conducted, new changes may be suggested which could impact the budget.
- Budget holders may not get used to the new bottom up approach, and thus needing more help from the finance department
- Assumptions will be made for the fee rise amount and implementation date.

### Mitigations

- Financial Planning and Analysis (FP&A) department is being created as part of the finance department restructure. This team will work closely with budget holders to walk them through the process and create the new budget
- Financial modeller will assist the team in creating an improved rolling forecast model.
- Direct communication channels will be developed between Finance and relevant departments to ensure any changes through workshops are being reviewed and impact updated on the budget.
- Through the implementation of quarterly rolling forecasting cycles, budget will be updated when information becomes more clearer, which helps the Council to make more informed decisions.

## C. Approach to Developing Revised Budget Process

To allow medium term planning and to incorporate the current changes to the organisation, the time horizon for budgeting setting is moving from an annual cycle to a rolling period review.

A detailed 12 months budget plus 24 months high level forecast will be presented at the start of the year. This is then reviewed quarterly as part of the revised budget setting process.

Results of the revised forecast will be presented to Council during Council meetings throughout the year.

	Year 1				Year 2				Year 3				Year 4							
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4				
Start	Detailed Budget				High-level Forecast															
End Year 1 Qtr 1	Actual	Detailed Budget			High-Level Forecast															
End Year 1 Qtr 2	Actual		Detailed Budget		High-Level Forecast															
End Year 1 Qtr 3	Actual			Detailed Budget			High-level Forecast													
End Year 1 Qtr 4	Actual				Detailed Budget				High-level Forecast											

## D. Work Done to Date and Priorities

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- The 2020-21 budget has been set as a short term priority by the Senior Management Team (SMT) and progress is being tracked through structured SMT meetings.
- Management accounts for December 2019 has been completed, which gives a baseline for the budget process.
- New budget template is being developed and will be distributed to all budget holder for the completion of detailed 12 months budget for 2020-21 plus high level budgets for 2021-22 and 2022-23
- A new rolling forecast model is being built by the financial modeller which includes an income model.
- The finance restructure process has started, with the aim to create a Financial Planning and Analysis (FP&A) team which will assist budget holder in the budgeting process and challenge the proposed budget.
- The FP&A team will work closely with FTP, Registration and IT/Projects departments to ensure any change plans are being reflected correctly in the budget.

# PWC Financial Baseline Review - Update

5 February 2020

Tian Tian  
Finance Director

Gordon Dixon  
Interim Business Improvement Director



## A. Recap of Recommendations

### Recommendations

#### Priority

The actions have been given a 'Priority' rating, from high to low. This reflects the degree of urgency with which we believe the actions should be addressed.

<b>High</b>	This is critical to the HCPC's progress
<b>Medium</b>	This is important to the HCPC's progress
<b>Low</b>	This may not have a significant impact on the HCPC's progress but should still be taken forward

#### Implementation Risk

The 'Implementation Risk' rating in the final column indicates the extent to which we believe the HCPC will be capable of achieving the recommended action in the recommended timeframe, taking into account any work the HCPC has already undertaken.

<b>High</b>	Significant concerns and/or the action is difficult to implement. Little progress has been made to date. The HCPC is unlikely to implement the recommendations effectively within the necessary timeframe without external support or additional resource.
<b>Medium</b>	Some progress has been made. The HCPC should consider seeking advice or support to ensure recommendation is implemented effectively.
<b>Low</b>	Low level of concern. Plans are already well advanced, or the action will be straightforward to implement.

We note at the time of our report the interim nature of the management and turnaround team. We have therefore included on the following pages recommended roles for accountability of delivery of our recommendations. Whilst we have not included recommended completion dates, it is critical that these are assessed and completed by the HCPC ahead of the next financial year. As a result it is imperative that action is taken immediately and each recommendation progressed to ensure the organisation is in the best possible position entering FY 20/21.

## A. Recap of Recommendations

### Recommendations

Area	Recommended Action	Priority	Recommended Accountability	Implementation risk
<b>Financial recovery plan and PMO</b>	Complete the current financial recovery plan, with full engagement of operational teams, with clear indication of the efficiencies required of each area. This should include fully costing up the anticipated costs of change to support the delivery of the CIP plan. This needs to be implemented as a matter of urgency. Regular dialogue should be maintained with the DHSC regarding progress, as well as frequent updates on the cash position and ongoing funding requirements.	High	HCPC Senior Management Team	High
	There is a need to rapidly identify and develop new CIPs to support delivery of the financial recovery programme. The organisation should consider whether it has the capacity and capability to do so and whether interim support would boost this over a short time period.	High		High
	The HCPC should establish a clear strategy for how it plans to manage its government stakeholders. This should include regular communication and updates to provide assurance over the progress of its financial recovery.	High		Medium
	Establish a PMO function / individual to undertake this role to independently challenge scheme owners and drive CIP delivery and financial recovery.	Medium		Medium
	Introduce a gateway process to ensure that all CIP schemes are reviewed and monitored.	Medium		Medium
	Implement a CIP tracker to capture all information required to track progress of scheme (scheme owners, recurrent vs non-recurrent, pay, non-pay, income, financial phasing of plan and actual, KPIs, milestones etc.)	Medium		Medium
	The HCPC should build its substantive financial improvement capability internally to support the turnaround of the organisation.	Medium		Medium

## A. Recap of Recommendations

### Recommendations

Area	Recommended Action	Priority	Recommended Accountability	Implementation risk
Financial recovery plan and PMO	Implement a standardised CIP workbook that is fit for purpose and all information is appropriately complete with financial phasing, milestones, KPIs etc.	High	HCPC Senior Management Team	High
	Ensure that the financial recovery programme has a clear leadership and accountability structure with clearly articulated executive sponsors and owners for departmental workstreams.			
Financial governance and budget setting	Once assumptions around CIP delivery and associated costs to change are fully worked up, the HCPC should revise its financial forecasts for FY 20/21 and FY 21/22.	High	Director of Finance	High
	Rapidly undertake analysis to understand the anticipated reduction in variable expenditure relating to social workers and their impending transfer to Social Work England in December 2019. This should also include an analysis of the planned reduction in fixed costs in line with the income and activity reduction.			
	At present the Finance function do not provide an assessment of the latest forecast outturn based on updated monthly management accounts. This assessment of the forecast outturn position should be undertaken on a monthly basis.			
	There is no separate monthly finance report taken to Council, instead financial updates have been a small part of the Chief Executive's report. The Finance Director should present a finance report to Council on a monthly basis clearly outlining the year to date financial position against plan and forecast outturn to give Council visibility of emerging financial issues or problems.			
	The HCPC should consider undertaking a review to ensure the internal governance structures and processes in place are robust.	Medium		Medium

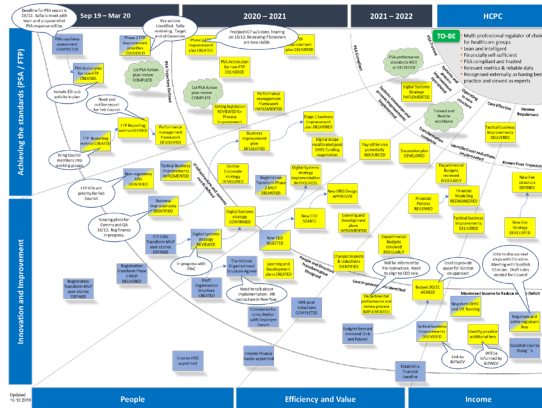
## A. Recap of Recommendations

### Recommendations

Area	Recommended Action	Priority	Recommended Accountability	Implementation risk
Financial governance and budget setting	Ensure that appropriate challenge is provided to departmental areas as part of the budget setting process. This will drive a culture change around financial efficiencies in the organisation that will enable financial improvement.	High	Director of Finance	Low
	When financial forecasts are prepared, the core assumptions that underpin those forecasts should be clearly set out alongside. This will prevent loss of knowledge and information when interim personnel are involved and ensure leadership and Council have sufficient visibility and oversight of budgetary assumptions.	Medium		Medium
	The Finance Team should undertake an assessment of their underlying financial position on a regular basis (at least quarterly) so as to provide transparency as to the true financial position outside of non-recurrent items.	Medium		Medium
	The HCPC should consider seeking external legal advice as to the appropriate treatment of advance registrant fees. Clarification is required to understand whether these fees should be ringfenced or placed on trust.	Medium		Medium
HR	The HCPC should work with HMRC to understand its potential liabilities as a result of its historical non-compliance with IR35 requirements in order to understand the impact in-year on the financial position.	High	Director of HR	Low
	It is critical that the HCPC amend their existing processes for working with interim workers and contractors to prevent additional liabilities for non-compliance with IR35 regulations in the future.	High		Low
Major Projects	The HCPC should review its major projects schedule and planned capital expenditure requirements over the next three years given its deteriorating cash flow forecasts, whilst balancing the need for investment in change to drive financial and quality improvement.	High	Director of Finance	Low

## B. Financial Recovery Plan

The Change Plan has been updated by SMT and progress is being tracked



The Major Projects PMO team is being used as the PMO to for the Change Plan

Short-term priorities have been agreed and owners assigned

1. Fee increase – John Barwick
2. Budget 2020-21 – Gordon Dixon / Tian Tian (when returned from mat leave)
3. Registration project - John Barwick (Richard Houghton leading)
4. FTP Stabilisation and Sustainability – Gordon Dixon
5. PSA liaison / anticipation and preparation – Jacqueline Ladds
6. People - CEO recruitment and stabilisation of structure – Claire Holt

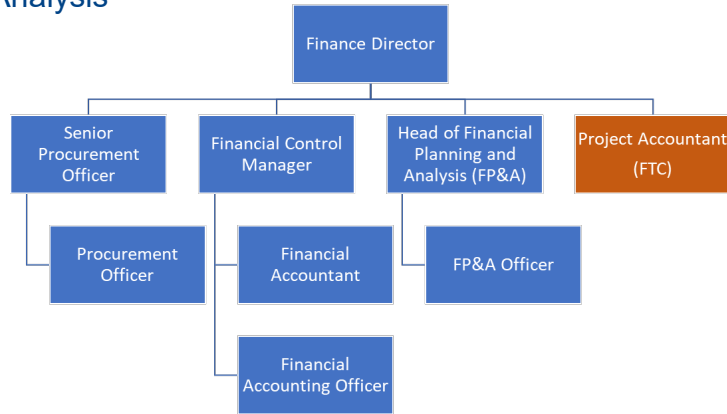
Progress is being tracked and challenges are being overcome through structured SMT meetings

### HCPC Corporate Plan Implementation Assurance – Weekly Update Report

Activities Undertaken	Deliverables Update
<ul style="list-style-type: none"> <li>• Management accounts for December 2019 completed, which gives a baseline for the budget process.</li> <li>• Income calculation is being reviewed to identify any discrepancy with forecast.</li> <li>• Communication made to OMT during SMT meeting on 21 January</li> <li>• New budget template is being created and will be distributed to all budget holder for the completion of detailed 12 months budget for 2020-21 plus high level budgets for 2021-22 and 2022-23</li> </ul>	<ul style="list-style-type: none"> <li>• Following papers will be submitted for the February Council meeting:                             <ol style="list-style-type: none"> <li>1. An update of the budget process</li> <li>2. Finance report as of 31 December 2019</li> <li>3. Progress report in relation to the PWC baseline review recommendations.</li> <li>4. Organisation change and improvement plan(?)</li> </ol> </li> <li>• Currently on track for submission of draft budget for February Audit Committee meeting.</li> <li>• Currently on track for submission of final budget for March Council meeting.</li> </ul>
Activities Next Period	Concerns
<ul style="list-style-type: none"> <li>• New establishment report to be obtained from HR with the new organisation structure, which will feed into the new budget template</li> <li>• Distribution of budget template</li> <li>• Meetings will be arranged with all budget holders to share the 9 months and discuss the impact on the 19/20 FOT and 20/21 budget</li> <li>• Completion of income calculation review</li> <li>• Working with the financial modeller for the development of rolling forecast model which includes an income model</li> </ul>	<ul style="list-style-type: none"> <li>• None (pending result of income review)</li> </ul>
<p>😊 Positive 😐 Neutral 😞 Negative</p> <p>😊 Preparation for the issuing of budget template has started, currently on track for deliverables.</p>	

# C. Financial Governance and Budget Setting

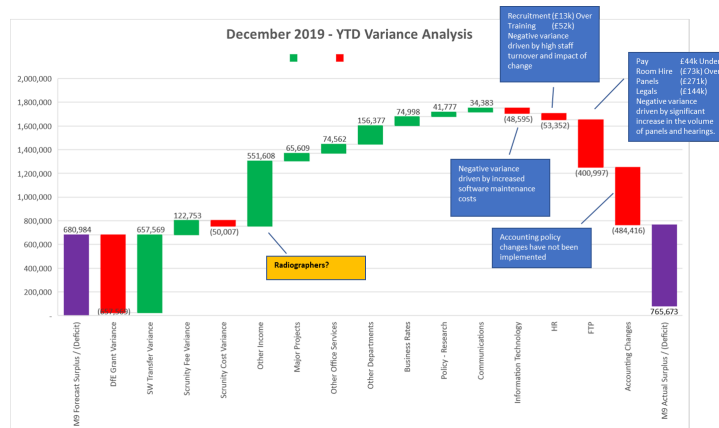
The Finance Team is being restructured to separate Financial Governance from Financial Planning & Analysis



The time horizon for budgeting setting is moving from an annual cycle to a rolling period review. The underlying financial position is being reviewed quarterly as part of the revised budget setting process.

	Year 1				Year 2				Year 3				Year 4			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Start	Detailed Budget				High-Level Forecast											
End Year 1 Qtr 1	Actual	Detailed Budget			High-Level Forecast											
End Year 1 Qtr 2	Actual	Detailed Budget			High-Level Forecast											
End Year 1 Qtr 3	Actual	Detailed Budget			High-Level Forecast											
End Year 1 Qtr 4	Actual	Detailed Budget			High-Level Forecast											

Financial reports are separate reports to Council



The contract management of the major legal contract has been reviewed

## D. HR and Major Projects

HR processes have been changed to ensure IR35 determinations have been considered during the recruitment of interim staff

An independent review of the Major Projects (IT based) has been undertaken

The screenshot shows the GOV.UK website interface. At the top, there is a search bar and navigation links for 'Departments', 'Worldwide', 'How government works', and 'Get involved'. Below this, the breadcrumb trail reads 'Home > Business tax > Off-payroll working (IR35)'. The main heading is 'Guidance Check employment status for tax'. The text explains that this service is used to determine if a worker on a specific engagement should be classified as employed or self-employed for tax purposes. It includes publication information (March 2017) and a 'Related content' section with links to 'Private sector off payroll working for clients', 'Employment Status Manual', and 'Employment intermediaries: personal services and supervision, direction or control'. A 'Contents' section lists 'When to use the tool' and 'Before you start'. A 'Detailed guidance' section mentions 'April 2020 changes to off-payroll working for clients'.

The cover features a dark grey background on the left and a bright orange background on the right. The title 'Systems Strategy Review – Draft Report' is written in white serif font. Below the title, it says 'Health and Care Professions Council' and 'January 2020' in a smaller white font.

