

**Health Professions Council
Council 29th March 2007**

ANNUAL BUDGET 2007 - 2008

Executive Summary and Recommendations

Introduction

The Health Professions Council's Annual Budget for the Financial Year 2007 – 2008 was reviewed by the Finance and Resources Committee on Wednesday 21st March 2007. The Committee agreed to recommend to the Council that the Budget is approved.

The Budget is attached along with the covering papers from HPC's Director of Finance.

The headline assumptions in the Annual Budget are as follows:

- The fee rises as detailed in the fee rise consultation paper are implemented from June 2007. In particular the renewal fee will rise from £60 to £72.
- Registrant numbers will increase from 175,000 to 180,000.
- No revenue from Aspirant Groups are included, but start-up costs are included.
- There will be 400 new Fitness to Practise cases and the Department's costs will represent about 28% of operating costs.
- £1.6 million of capital will be spent on the refurbishment of 22 – 26 Stannary Street.
- Employee numbers will increase from 95 to 105 FTE.
- HPC's overall income will increase by 16% from £10.9M to £12.6M. Expenditure will increase by 11.5% from £11.2M to £12.5M. This will generate a surplus of £234K including investment income against a forecast deficit of £129K for the current year.

Decision

The Council is asked to approve the Health Professions Council's Annual Budget for the financial year 2007 – 2008.

Background information

None.

Resource implications

As detailed in the budget.

Financial implications

As detailed in the budget.

Appendices

Appendix One – 2007/08 Budget

Appendix Two – Budget Spending Pie Chart breakdown

Appendix Three – Fee Change Project – risks and dependencies

Date of paper

20th March 2007

**Health Professions Council
Finance and Resources Committee Meeting –21st March 2007
ANNUAL BUDGET 2007/08 VERSION 7 - PUBLIC PAPER**

Executive Summary and Recommendations

1. Introduction

The following is a submission of the Annual Budget proposed for the 2007/08 Year.

2. Decision

The Committee is asked to agree the following:

That the attached Annual Budget submitted be recommended to the Council for approval.

3. Background information

The Annual Budget sits in a wider context of longer run HPC plans and objectives, but provides an Income and Expenditure plan, Balance Sheet and Cash Flow Statement for the next financial year.

3.1 Fee Rises

Following the Budget presentation to the Committee on 7th February, further fee options were electronically circulated to the Committee on 22nd February - refer action point from the last Committee meeting, Item 7.07/7.8¹.

After considering the revised volume forecasts, revisited fee options and feedback from the recent Fee Consultation, the following fee rises are now included in the Budget, to apply from June 2007:

£50 Graduate Scrutiny Fee/full year Registration

£36 Graduate Renewal Fee

£72 Renewal fee

£50 Full Year Registration (Non Graduates)

£110 Readmission fee

£400 International Scrutiny fee

£400 Grand parenting Scrutiny fee

The Budget incorporating these fee changes generates an Operating surplus before Investments of £59k, assuming the proposed fee rise is implemented in June 2007.

3.2 Registrant Volumes

The April 2007 base volume is forecast at 175,174 – refer Appendix One, “Registrant Volumes” worksheet². The forecast Registrant numbers have been reworked (downwards) since last presented to the Committee. The revised figures are 6,500 New Graduate Registrations, 2,759 International applicants, translating into 2,356 International

¹ These also showed how £2 changes in the fee levels would impact the “bottom line” surplus or deficit, before investments.

² For comparison, the February actuals were reported in the Management Report as 176,875.

Registrations, 1,986 Readmissions and 5,987 Registrants deregistered (mid and end of cycle lapses and retirements) generating a closing Registrant base volume of 180,160. Forecasts show that for the four largest professions (Biomedical Scientists, Occupational Therapists, Physiotherapists and Radiographers comprising 66% of the Registrant volume base in April 2007):

BS numbers are forecast to grow 3.6%, due largely to the Graduate and International Registrations and the relatively low rate of Deregistrations expected during the year.

OT numbers are forecast to grow 4.2%, due largely to the Graduate Registrations and the relatively low rate of Deregistrations expected during the year.

PH numbers are forecast to grow only 0.9%, due essentially to nearly twice the average rate of Deregistrations expected during the year.

RA numbers are forecast to grow 6.7%, due largely to the Graduate and International Registrations and less than half average the average rate of Deregistrations expected during the year.

The five professions forecast to have static or negative volume growth for the year are; Chiropodists, Clinical Scientists, Dietitians, Orthoptists and Operating Dept Practitioners. Together these comprise 19% of the Registrant volume base in April 2007.

3.3 Volume Sensitivity Analysis

Sensitivity analysis was performed to indicate the sensitivity of income levels to a further 5% or 10% change in volumes for Graduate Registrations, International Applications and Registrant Deregistrations - refer action point from the last Committee meeting, Item 7.07/7.9. The results show that a 10% overstatement in International Applications alone or a 5% forecasting error in all three volumes, would result in a significant loss in income.

	Number of Registrants	10% reduction	Amount of Income Lost		
			Scrutiny Fee	Renewal Fee	Total
Graduate (Registrations)	6,500	5,850	£32,500	£23,400	£55,900
International (Applications)	2,759	2,483	£110,400	£19,865	£130,265
Deregistered (Renewals)	5,987	6,586		£43,128	£43,128
Total	15,246	14,919	£142,900	£86,393	£229,293
	Number of Registrants	5% reduction	Amount of Income Lost		
			Scrutiny Fee	Renewal Fee	Total
Graduate (Registrations)	6,500	6,175	£16,250	£11,700	£27,950
International (Applications)	2,759	2,621	£55,200	£9,932	£65,132
Deregistered (Renewals)	5,987	6,286		£21,564	£21,564
Total	15,246	15,082	£71,450	£43,196	£114,646

3.4 Budgeted Income at risk

The delivery of the fee rise in June was highlighted as one of the top 11 HPC risks at present in the HPC Risk Register. This is because the project timetable is tight with respect to key project milestones, the Budget & Rule Changes have yet to be approved by Council in late March and consent from the Dept of Health for the Rule changes has yet to be obtained in March.

At the Committee meeting in September 2006, the financial impact (albeit using different fee level combinations) of delaying the fee rise from 1st July 07 to 1st December 07 was identified as £491k. **This indicates that delaying the implementation date for whatever reason, will have a significant financial impact on the projected income in 2007/08. Renewal dates by profession are set and not able to be changed to accommodate any delays in the fee rise implementation.** For reference, the remaining Fees Project timetable is provided as Appendix Three.

3.5 Key Budget Assumptions

Relating to rising FTP costs, the number of FTP allegations, including a carryover of 200 allegations, is forecast at 668. This is likely to translate into 405 cases where the HPC will instruct solicitors. This includes cases that were instructed in 2006/07. The Budget assumes that there will be 202 FTP cases to be heard (316 hearing days), that there are a further 90 review cases (45 review days) and 48 Interim Order panels (14.4 I/O days) that are also handled by FTP in 2007/08.³

The Base Salary cost increases of £449k include a 4.36% wage rise and provision for 11.73 net new starters across four departments.

Other Key Assumptions are included within Appendix One.

3.6 Cash Flow Statement, cash requirements and Reserves Policy

A Cash Flow Forecast is included in Appendix One, based on the monthly phasing of budgeted income and spending, converted into cash flow impacts.

Cash inflows are projected to be £593k greater than Operating Income (ignoring investment income), relating to the pattern of fee collection and the fee rise for the 9 professions in the 2007/08 year. Similarly, Cash Outflows (excluding investments), are projected to be £1.915M greater than Operating Expenditure. This is largely due to the difference in how Capital spending is treated and the size of the Capital spend in 2007/08, particularly the £1.6M 22/26 Stannary St building project.

The Net Reduction in Cash between 1st April 2007 and 31st March 2008 is forecast as £1,263k. Even allowing for budgeted realized investment income of £175k, the pattern of monthly cash flows in 2007/08 indicates a need to finance cash outflows from sources other than Registrant fees. At present there is £3-4M invested in short term money market deposits earning at least 5.25% per annum interest. In simple terms, if £1M had to be diverted for an

³ Included in the Budget is an assumption that Review Hearings and Interim Orders will be presented by FTP case managers, to reduce the unit case cost.

entire 12mth period (worst case), the loss of interest income would be approx £53k. It is likely that some of the money market investments would be used as bridging finance to cover the net cash outflows during the 2007/08 year, November in particular. The pattern of cumulative cash flows indicates that a low point of £704k will be reached in about Dec 2007. This excludes the £1.78M of investment funds managed by Rensburg Sheppards (conservatively valued).

Finally, HPC's Reserves Policy requires £3.74M to be held in reserves. This is breached for at least 5 months being August, Nov-Feb 08 inclusive, but remedied in March 2008. – refer Cash flow forecast in Appendix One.

3.7 Pie Chart Analysis

For further insight into the Operating Budget (applicable to both Options), we have published a number of pie chart graphs – refer Appendix Two.

The key observations are as follows:

- FTP will form 28% of HPC's Operating spend,
- On Strategic Intent spending, 52% of HPC's Operating Spend will be on "Maintaining the Register" and "Fitness to Practise",
- When Operating and Capital spend are combined, 80% of the spend will be on Operations and only 4.5% on new projects and software development,
- HPC to spend at least £262k on Committees, including spending more on the Chairmans Group than the Approvals Committee,
- HPC will spend £1.4M on Partners, with 54% of the spend on FTP Panels and Registration Appeals,
- Of the £480k on Registration Printing, Postage and Stationery, 41% will be on Renewal notices and a further 29% on Certificates and,
- Of the £251k Training spend, 76% will be on Employee training. This equates to £2,506 per FTE employee per annum. Targeted employee training includes; IT training, legislative updates, professional CPD, Finance for Non Finance managers, performance improvement training, project management, BTEC training for case managers (to lower average legal costs), media training and E&D awareness training.

4. Resource implications

Much work has gone into Budget preparation, including 7 discrete versions and more than 220 person hours of budget-holder preparation and review time.

5. Financial implications

Various

6. Background papers

Nil

7. Appendices

Appendix One – 2007/08 Budget

Appendix Two - Budget Spending Pie Chart breakdown
Appendix Three - Fee Change Project – risks and dependencies

8. Date of paper

9th March 2007

HEALTH PROFESSIONS COUNCIL
CAPITAL EXPENDITURE BUDGET 2007-08

Computer Additions

Project	Details	Budget £
<u>SOFTWARE DEVELOPMENT</u>		
MP2	CPD	85,000
MP25	Application Server Upgrade	30,000
MP26	Professional qualifications Directive	40,000
MP11	Registrations Trends Analysis	2,000
MP27	Replacement of Finance system	19,000
BAU1	Call recording	20,000
BAU2	MIS Presentation	19,000
MP28	Change in Lisa access rights	35,000
SubTotal		<u>250,000</u>

COMPUTER & COMMS HARDWARE

Server for Fax server installation	5,000
Server for Lotus Notes Environment, move from Krusty LISA server	5,000
Google appliance for user searching across network	2,000
Replacement Tape unit for LISA (existing is near end of life and under capacity)	11,000
Replacement phones for Registrations dept	8,000
New computers and laptops for employees	20,000
6 Blackberry devices	1,200
SubTotal	<u>52,200</u>
COMPUTER ADDITIONS TOTAL	<u>302,200</u>

Fixture and Fittings Additions

Project	Details	Budget £
MP24	Re-furbishment of Stannery Street	1,639,800
	For 22-26 Stannary Street. 36 desks @ £1217 each. Sum includes delivery and installation	43,800
	Replacement B & W Copier	5,500
	CCTV system installation	9,000
BUILDING REFURBISHMENT, FIXTURES & FITTINGS		<u>1,698,100</u>
TOTAL CAPEX BUDGET		<u>2,000,300</u>

HEALTH PROFESSIONS COUNCIL
CONSOLIDATED BALANCE SHEET
as at 31 March 2008

	31 March 2008		31 January 2007	
	£	£	£	£
FIXED ASSETS				
Tangible fixed assets				
Land & buildings, at cost or valuation	4,743,064		3,143,064	
Depreciation	<u>(136,841)</u>		<u>(42,000)</u>	
Net book value		4,606,223		3,101,064
Computer Equipment, at cost	2,661,004		2,358,804	
Depreciation	<u>(1,948,417)</u>		<u>(1,882,483)</u>	
Net book value		712,587		476,321
Office furniture and equipment, at cost	453,549		395,249	
Depreciation	<u>(384,444)</u>		<u>(331,905)</u>	
Net book value		69,105		63,344
		<hr/>		<hr/>
Total tangible fixed assets		5,387,915		3,640,729
Investments		1,785,526		1,785,526
		<hr/>		<hr/>
TOTAL ASSETS		7,173,442		5,426,256
CURRENT ASSETS				
Debtors	27,452		24,648	
Prepayments	61,500		56,580	
Bank balances and cash	<u>2,436,848</u>		<u>3,722,166</u>	
	2,525,800		3,803,393	
CURRENT LIABILITIES				
Amounts falling due within one year				
Creditors and accrued expenses	1,116,840		1,068,544	
		<hr/>		<hr/>
WORKING CAPITAL		1,408,960		2,734,849
DEFERRED INCOME				
Registration fees in advance	76,877		76,877	
Retention fees in advance	<u>5,978,677</u>		<u>5,209,784</u>	
		(6,055,554)		(5,286,661)
		<hr/>		<hr/>
NET ASSETS		2,526,848		2,874,444
		<hr/> <hr/>		<hr/> <hr/>
Represented by:				
Capital Grant Receivable - LISA System		0		0
Accumulated Fund		1,640,927		1,590,927
Revaluation reserve		652,189		652,189
Surplus/(Deficit) for the period		<u>233,732</u>		<u>50,000</u>
		2,526,848		2,874,444
		<hr/> <hr/>		<hr/> <hr/>

HEALTH PROFESSIONS COUNCIL

BUDGET FOR YEAR TO 31 MARCH 2008

OVERHEAD TOTAL

					Management accounts year to 31 December 2006			
	2007-08 Budget £	2006-07 Budget £	Variance £	Variance %	Actual £	Budget £	Variance £	Variance %
Payroll								
Basic	3,005,328	2,702,918	302,410	11.19	1,738,007	2,027,191	(289,184)	(14.27)
Overtime	28,875	23,500	5,375	22.87	12,374	17,625	(5,251)	(29.79)
National Insurance	357,402	299,907	57,495	19.17	185,578	224,930	(39,352)	(17.50)
Pension costs	214,866	271,217	(56,351)	(20.78)	159,178	203,413	(44,235)	(21.75)
Medical insurance	1,200	0	1,200	0.00	836	0	836	0.00
Staff recruitment	93,340	147,550	(54,210)	(36.74)	125,979	110,663	15,316	13.84
Temporary staff	310,047	425,447	(115,400)	(27.12)	410,600	319,086	91,514	28.68
Other payroll expense	40,000	40,500	(500)	(1.23)	31,046	30,375	671	2.21
	<u>4,051,058</u>	<u>3,911,039</u>	<u>140,019</u>	<u>3.58</u>	<u>2,663,598</u>	<u>2,933,283</u>	<u>(269,685)</u>	<u>(9.19)</u>
Staff travelling and subsistence								
Fares	112,260	80,360	31,900	39.70	50,658	60,270	(9,612)	(15.95)
Car expenses and car park	1,222	2,080	(858)	(41.25)	520	1,560	(1,040)	(66.67)
Subsistence	79,115	72,260	6,855	9.49	39,818	54,196	(14,378)	(26.53)
Entertaining	1,750	2,250	(500)	(22.22)	1,099	1,688	(589)	(34.90)
Conferences	10,500	14,200	(3,700)	(26.06)	5,864	10,650	(4,786)	(44.94)
	<u>204,847</u>	<u>171,150</u>	<u>33,697</u>	<u>19.69</u>	<u>97,959</u>	<u>128,364</u>	<u>(30,405)</u>	<u>(23.69)</u>
Council and committee expenses								
Fees	275,320	268,970	6,350	2.36	137,513	201,728	(64,215)	(31.83)
Travelling and subsistence	253,422	169,275	84,147	49.71	113,340	126,958	(13,618)	(10.73)
Tax Cost (NI ER and PAYE)	119,444	134,916	(15,472)	(11.47)	20,790	101,187	(80,397)	(79.45)
Conference expenses	39,640	4,000	35,640	891.00	10,363	3,000	7,363	245.43
Training	10,080	70,890	(60,810)	(85.78)	29,039	53,168	(24,129)	(45.38)
	<u>697,906</u>	<u>648,051</u>	<u>49,855</u>	<u>7.69</u>	<u>311,045</u>	<u>486,041</u>	<u>(174,996)</u>	<u>(36.00)</u>

HEALTH PROFESSIONS COUNCIL

BUDGET FOR YEAR TO 31 MARCH 2008

OVERHEAD TOTAL

					Management accounts year to 31 December 2006			
	2007-08 Budget £	2006-07 Budget £	Variance £	Variance %	Actual £	Budget £	Variance £	Variance %
Property services								
Business rates	93,652	60,530	33,122	54.72	53,953	45,398	8,555	18.84
Water	3,120	1,876	1,244	66.31	1,090	1,407	(317)	(22.54)
Electricity	36,750	20,475	16,275	79.49	16,507	15,356	1,151	7.49
Gas	7,592	4,860	2,732	56.21	3,641	3,645	(4)	(0.11)
Cleaning contractors	31,716	28,200	3,516	12.47	19,594	21,150	(1,556)	(7.36)
Cleaning materials	9,250	10,563	(1,313)	(12.43)	4,753	7,923	(3,170)	(40.01)
Waste disposal	14,675	12,623	2,052	16.26	8,598	9,468	(870)	(9.19)
Repairs and maintenance	16,376	19,000	(2,624)	(13.81)	8,794	14,250	(5,456)	(38.29)
Maintenance contracts	23,072	7,829	15,243	194.70	9,588	5,872	3,716	63.28
Security	26,020	13,500	12,520	92.74	13,091	10,125	2,966	29.29
Building Refurbishment	70,500	150,000	(79,500)	(53.00)	120,052	112,500	7,552	6.71
Property depreciation	34,500	44,856	(10,356)	(23.09)	31,500	33,642	(2,142)	(6.37)
	<u>367,223</u>	<u>374,312</u>	<u>(7,089)</u>	<u>(1.89)</u>	<u>291,160</u>	<u>280,736</u>	<u>10,424</u>	<u>3.71</u>
Office services								
Printing and stationery	746,954	386,787	360,167	93.12	222,193	290,092	(67,899)	(23.41)
Photocopying	7,200	7,200	0	0.00	5,215	5,400	(185)	(3.42)
Microfilming	500	432	68	15.74	438	324	114	35.27
Postage	98,060	216,647	(118,587)	(54.74)	164,220	162,485	1,735	1.07
Telephone	34,908	34,908	0	0.00	18,484	26,181	(7,697)	(29.40)
Mobile telephone	10,700	9,236	1,464	15.85	6,632	6,929	(297)	(4.29)
Fax	0	1,750	(1,750)	(100.00)	0	1,313	(1,313)	(100.00)
Couriers	5,250	5,250	0	0.00	3,286	3,938	(652)	(16.56)
Office equipment < £1000	14,800	30,250	(15,450)	(51.07)	19,889	22,688	(2,799)	(12.34)
Office equipment rental	4,650	0	4,650	0.00	7,465	0	7,465	0.00
Staff catering	7,800	7,350	450	6.12	6,633	5,513	1,120	20.32
Other office services	19,580	19,722	(142)	(0.72)	21,428	14,792	6,636	44.86
Room Hire	228,920	34,010	194,910	573.10	44,828	25,508	19,320	75.74
Office equipment depreciation	55,521	83,000	(27,479)	(33.11)	53,550	62,250	(8,700)	(13.98)
	<u>1,234,843</u>	<u>836,542</u>	<u>398,301</u>	<u>464</u>	<u>574,261</u>	<u>627,413</u>	<u>(53,152)</u>	<u>(26)</u>

HEALTH PROFESSIONS COUNCIL

BUDGET FOR YEAR TO 31 MARCH 2008

OVERHEAD TOTAL

					Management accounts year to 31 December 2006			
	2007-08 Budget £	2006-07 Budget £	Variance £	Variance %	Actual £	Budget £	Variance £	Variance %
Computer services								
Hardware < £1000	10,000	11,250	(1,250)	(11.11)	6,491	8,438	(1,947)	(23.08)
Hardware maintenance	15,000	4,600	10,400	226.09	22,739	3,450	19,289	559.10
Software Licences	18,000	10,000	8,000	80.00	1,389	7,500	(6,111)	(81.48)
Software support & maintenance	34,732	59,660	(24,928)	(41.78)	45,397	44,745	652	1.46
IT systems external support	132,000	71,000	61,000	85.92	60,640	53,250	7,390	13.88
New IT Software Systems	15,000	45,000	(30,000)	(66.67)	(3,404)	33,750	(37,154)	(110.08)
Managed Web/Internet services	94,580	97,738	(3,158)	(3.23)	86,690	73,304	13,386	18.26
IT Consummerables	18,000	15,000	3,000	20.00	19,006	11,250	7,756	68.94
Disaster contingency plan	13,000	34,120	(21,120)	(61.90)	7,946	25,590	(17,644)	(68.95)
HPC Computer Training	10,000	10,000	0	0.00	6,666	7,500	(834)	(11.12)
Offsite tape data archive	1,000	0	1,000	0.00	4,634	0	4,634	0.00
Other computer services costs	26,000	19,000	7,000	36.84	5,243	14,250	(9,007)	(63.21)
IT Hardware Disposals	0	0	0	0.00	291	0	291	0.00
Hardware depreciation	151,227	394,854	(243,627)	(61.70)	271,549	368,981	(97,432)	(26.41)
	<u>538,539</u>	<u>772,222</u>	<u>(233,683)</u>	<u>(30.26)</u>	<u>535,278</u>	<u>652,008</u>	<u>(116,730)</u>	<u>(17.90)</u>
Communications								
Campaigns	173,310	228,000	(54,690)	(23.99)	160,036	171,000	(10,964)	(6.41)
Annual Reports (Design, Distribute)	14,500	16,200	(1,700)	(10.49)	5,110	12,150	(7,040)	(57.94)
Brochures	56,500	45,150	11,350	25.14	27,749	33,863	(6,114)	(18.05)
Listening Events	36,000	0	36,000	0.00	14,506	22,410	(7,904)	(35.27)
Market Research	115,000	29,880	85,120	284.87	4,473	17,625	(13,152)	(74.62)
Registrant Communications	50,000	0	50,000	0.00	631	0	631	0.00
Translations	3,150	0	3,150	0.00	0	2,363	(2,363)	(100.00)
Public Affairs and Stakeholder	45,000	23,500	21,500	91.49	9,838	12,338	(2,500)	(20.26)
Standards of Proficiency (Prod, Dist)	18,000	0	18,000	0.00	0	18,750	(18,750)	(100.00)
Web	42,740	3,150	39,590	1,256.83	6,583	31,305	(24,722)	(78.97)
Annual Conference	0	16,450	(16,450)	(100.00)	111,306	111,210	96	0.09
Marketing & Promotions	18,800	25,000	(6,200)	(24.80)	2,018	9,420	(7,402)	(78.58)
Conferences & Exhibitions	19,800	41,740	(21,940)	(52.56)	2,487	9,750	(7,263)	(74.49)
General Events (External)	50,822	148,280	(97,458)	(65.73)	27,228	30,544	(3,316)	(10.86)
Media Relations	60,000	12,560	47,440	377.71	23,118	42,300	(19,183)	(45.35)
Welsh Language Scheme	0	13,000	(13,000)	(100.00)	101	0	101	0.00
General Public Literature	45,000	40,725	4,275	10.50	0	0	0	0.00
Internal Communications	32,750	56,400	(23,650)	(41.93)	0	0	0	0.00
Bi-Annual opinion polling	60,000	0	60,000	0.00	0	0	0	0.00

HEALTH PROFESSIONS COUNCIL

BUDGET FOR YEAR TO 31 MARCH 2008

OVERHEAD TOTAL

2007-08		2006-07		Management accounts year to 31 December 2006			
Budget	Budget	Variance	Variance	Actual	Budget	Variance	Variance
£	£	£	%	£	£	£	%
841,372	700,035	141,337	20.19	395,559	525,028	(129,469)	(24.66)

HEALTH PROFESSIONS COUNCIL

BUDGET FOR YEAR TO 31 MARCH 2008

OVERHEAD TOTAL

					Management accounts year to 31 December 2006			
	2007-08 Budget £	2006-07 Budget £	Variance £	Variance %	Actual £	Budget £	Variance £	Variance %
Partners								
Partners Recruitment	19,600	26,700	(7,100)	(26.59)	1,936	20,025	(18,089)	(90.33)
Partners Training	50,517	138,008	(87,491)	(63.40)	3,419	103,506	(100,087)	(96.70)
Registration Assessors	0	39,060	(39,060)	(100.00)	14,977	29,295	(14,318)	(48.88)
Panels (Allowance & Travel)	726,390	424,880	301,510	70.96	375,642	318,660	56,982	17.88
Approvals (Previously Visits)	140,093	132,400	7,693	5.81	47,061	99,300	(52,239)	(52.61)
Assessors fees (All Professions)	301,957	573,810	(271,853)	(47.38)	333,745	430,358	(96,613)	(22.45)
Test of Competence (All Professions)	16,200	15,600	600	3.85	8,526	11,700	(3,174)	(27.13)
Registration Appeals (Fee & Travel)	39,170	0	39,170	0.00			0	0.00
Annual Monitoring	35,750	41,475	(5,725)	(13.80)	21,715	31,106	(9,391)	(30.19)
Major/Minor Change	10,750	12,580	(1,830)	(14.55)	2,162	9,435	(7,273)	(77.08)
	<u>1,340,427</u>	<u>1,404,513</u>	<u>(64,086)</u>	<u>(4.56)</u>	<u>809,182</u>	<u>1,053,385</u>	<u>(244,203)</u>	<u>(23.18)</u>
Project Costs								
MP2 - CPD	80,500	35,550	44,950	126.44	68,162	20,738	47,424	228.69
MP7 - Fee rise	0	0	0	0.00	84,074	0	84,074	0.00
MP5 - Equality & Diversity	43,125	0	43,125	0.00	7,153	0	7,153	0.00
Stannary Street	43,035	0	43,035	0.00	0	0	0	0.00
New Profession	232,688	0	232,688	0.00	0	0	0	0.00
FTP Trend Analysis	10,000	0	10,000	0.00	0	0	0	0.00
	<u>54,275</u>	<u>0</u>	<u>54,275</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
	<u>463,623</u>	<u>35,550</u>	<u>428,073</u>	<u>126.44</u>	<u>159,389</u>	<u>20,738</u>	<u>138,651</u>	<u>228.69</u>

HEALTH PROFESSIONS COUNCIL

BUDGET FOR YEAR TO 31 MARCH 2008

OVERHEAD TOTAL

					Management accounts year to 31 December 2006			
	2007-08 Budget £	2006-07 Budget £	Variance £	Variance %	Actual £	Budget £	Variance £	Variance %
Specific departmental expenses								
Archive storage	30,520	14,400	16,120	111.94	10,724	10,800	(76)	(0.70)
Auditors' fees	38,000	57,665	(19,665)	(34.10)	56,605	43,249	13,356	30.88
Bank charges	53,862	65,000	(11,138)	(17.14)	40,449	48,750	(8,301)	(17.03)
Books and publications	500	1,000	(500)	(50.00)	155	750	(595)	(79.33)
Consultation Ev (SET, Approvals,CPD)	0	18,960	(18,960)	(100.00)	2,553	14,220	(11,667)	(82.05)
Council Elections	79,790	108,000	(28,210)	(26.12)	128,642	81,000	47,642	58.82
General insurance	43,000	39,600	3,400	8.59	25,831	29,700	(3,869)	(13.03)
Health and safety	21,880	3,880	18,000	463.92	11,984	2,910	9,074	311.81
Miscellaneous Expenses	0	0	0	0.00	9,998	0	9,998	0.00
Internal Audit	27,000	0	27,000	0.00	19,355	0	19,355	0.00
Legal advice	285,657	293,720	(8,063)	(2.75)	166,260	220,290	(54,030)	(24.53)
Legal expenses	1,408,389	1,280,000	128,389	10.03	1,144,118	960,000	184,118	19.18
Legal insurance	50,820	46,200	4,620	10.00	28,350	34,650	(6,300)	(18.18)
Legal -Transcript Writer	216,657	90,250	126,407	140.06	89,761	67,688	22,073	32.61
Other professional fees	70,810	102,310	(31,500)	(30.79)	78,650	76,733	1,917	2.50
Counselling	6,000	0	6,000	0.00	0	0	0	0.00
Pension administration	20,000	12,672	7,328	57.83	9,908	9,504	404	4.25
Personal Performance Consultancy	8,052	8,800	(748)	(8.50)	5,292	6,600	(1,308)	(19.81)
Professional Liaison Groups	77,720	42,140	35,580	84.43	7,444	31,605	(24,161)	(76.45)
ISO 9001 Certification	6,424	10,047	(3,623)	(36.06)	2,015	7,535	(5,520)	(73.26)
Reward Data	8,500	7,000	1,500	21.43	7,050	5,250	1,800	34.29
Subscriptions to professional bodies	27,560	11,360	16,200	142.61	13,451	8,521	4,930	57.86
Taxation advice	4,000	6,000	(2,000)	(33.33)	11,428	4,500	6,928	153.96
Training	180,094	136,553	43,541	31.89	94,364	102,415	(8,051)	(7.86)
Counter fraud solutions	84,198	0	84,198	0.00	0	0	0	0.00
Communications (HEI roadshow events)	3,720	0	3,720	0.00	0	0	0	0.00
	<u>2,753,153</u>	<u>2,355,557</u>	<u>397,596</u>	<u>16.88</u>	<u>1,964,388</u>	<u>1,766,670</u>	<u>197,718</u>	<u>11.19</u>
OVERHEAD TOTAL	<u>12,492,993</u>	<u>11,208,971</u>	<u>1,284,022</u>	<u>11.46</u>	<u>7,801,820</u>	<u>8,473,666</u>	<u>(671,846)</u>	<u>(7.93)</u>

Health Professions Council**Registrant Numbers****Year to 31 March 2008**

	X	A		B				C	A+B+C = D	E		X+D+E				
	1st April 07 Base	New registrants										Total New registrants	Deregistered	Dereg % chg	31st March 2008 Balance Base	Yr on Yr Chg %
		Graduates	Graduates %	International				Readmission								
				Applns	Conversion rate	Registered	Registered %									
Art Therapists	2,282	127	5.6%	12	44%	5	0.2%	91	224	(178)	-7.8%	2,328	2.0%			
Chiropodists	12,633	293	2.3%	36	74%	27	0.2%	215	535	(533)	-4.2%	12,635	0.0%			
Clinical Scientists	3,888	90	2.3%	54	93%	50	1.3%	109	249	(237)	-6.1%	3,900	0.3%			
Dietitians	6,194	264	4.3%	117	88%	102	1.7%	88	454	(473)	-7.6%	6,175	-0.3%			
BMS	22,293	472	2.1%	407	89%	363	1.6%	197	1,031	(237)	-1.1%	23,087	3.6%			
Orthopists	1,286	35	2.7%	3	75%	2	0.2%	5	42	(59)	-4.6%	1,269	-1.3%			
Occupational Therapists	28,576	1,127	3.9%	377	75%	283	1.0%	261	1,671	(473)	-1.7%	29,773	4.2%			
Paramedics	13,011	547	4.2%	26	45%	12	0.1%	53	612	(118)	-0.9%	13,504	3.8%			
Physiotherapists	40,196	1,668	4.1%	870	92%	801	2.0%	444	2,913	(2,544)	-6.3%	40,564	0.9%			
P&Os	852	28	3.3%	7	56%	4	0.5%	11	43	(11)	-1.3%	884	3.7%			
Radiographers	24,077	917	3.8%	714	86%	613	2.5%	328	1,959	(355)	-1.5%	25,681	6.7%			
SLTs	11,380	450	4.0%	117	75%	88	0.8%	99	655	(178)	-1.6%	11,857	4.2%			
ODP	8,506	484	5.7%	19	36%	7	0.1%	85	588	(592)	-7.0%	8,502	0.0%			
Total	175,174	6,500	3.7%	2,759	85%	2,356	1.3%	1,986	10,973	(5,987)	-3.4%	180,160	2.8%			
The "Big Four"	66%												66%			
The "Static/Declining vol Five"	19%												18%			

HEALTH PROFESSIONS COUNCIL
BUDGET FOR YEAR TO 31 MARCH 2008

Fee Rates - Option 3

	Budget 2007/08	Budget 2006/07
	£	£
Registrant Unit Fees		
Full Year Registration (Graduates)	50	30
Full Year Registration (Non Graduates)	50	60
Readmission	110	60
Renewal	72	60
Renewal - Graduate	36	30
International Scrutiny Fees	400	200
Grandparenting Scrutiny Fees	400	200

Attendance Allowance Rates (VAT Inclusive)			
<u>Day Rates</u>			
Council Meeting	300	300	
Panel Members to 30.09.07	130	130	
Panel Members from 01.10.07	140	130	
Approvals (Visits) to 30.09.07	130	130	
Approvals (Visits) from 01.10.07	140	130	
Medical Assessor	560	530	
<u>Per Case</u>			
Assessors - International to 30.09.07	65	65	
Assessors - International from 01.10.07	70	65	
Assessors - Grandparenting to 30.09.07	65	65	
Assessors - Grandparenting from 01.10.07	70	65	
Annual Monitoring & Major / Minor Change to 30.09.07	65	65	
Annual Monitoring & Major / Minor Change from 01.10.07	70	65	

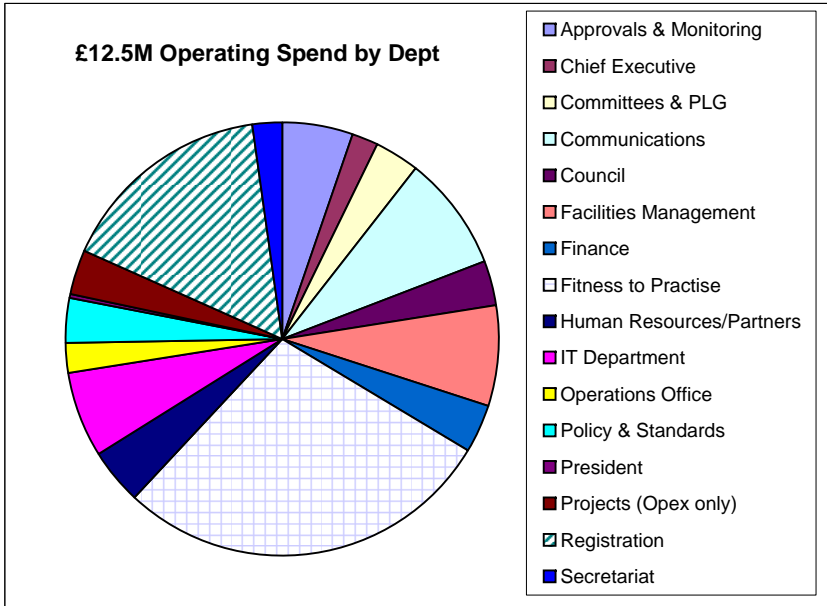
HEALTH PROFESSIONS COUNCIL**BUDGET FOR YEAR TO 31 MARCH 2008****CONSOLIDATED DETAILED SUMMARY**

	2007-08	2006-07	Variance	Variance	Management accounts year to 31 December 2006			
	Budget	Budget			Actual	Budget	Variance	Variance
	£	£	£	%	£	£	£	%
Consolidated Income								
Registration fees	493,940	420,413	73,527	17.49	308,610	310,229	(1,619)	(0.52)
Registration fees (part year)	0	0	0	0.00	0	0	0	0.00
Readmission fees	205,200	172,341	32,859	19.07	197,004	129,256	67,748	52.41
International scrutiny fees	1,076,800	1,053,787	23,013	2.18	468,493	790,342	(321,849)	(40.72)
Renewal fees (DD)	10,773,784	9,154,680	1,619,104	17.69	6,818,619	6,866,012	(47,393)	(0.69)
Confirmation letter fees	0	0	0	0.00	25	0	25	0.00
Grandparenting scrutiny fees	2,000	0	2,000	0.00	9,600	0	9,600	0.00
	<u>12,551,724</u>	<u>10,801,221</u>	<u>1,750,503</u>	<u>16.21</u>	<u>7,802,351</u>	<u>8,095,839</u>	<u>(293,488)</u>	<u>(3.63)</u>

Refer drill down on unit fees and unit volumes on the following two pages

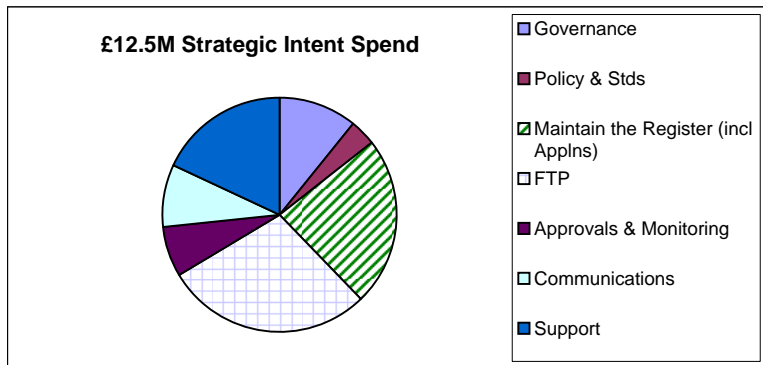
APPENDIX TWO

Budget 2007/08 Spending Pie Chart Break down



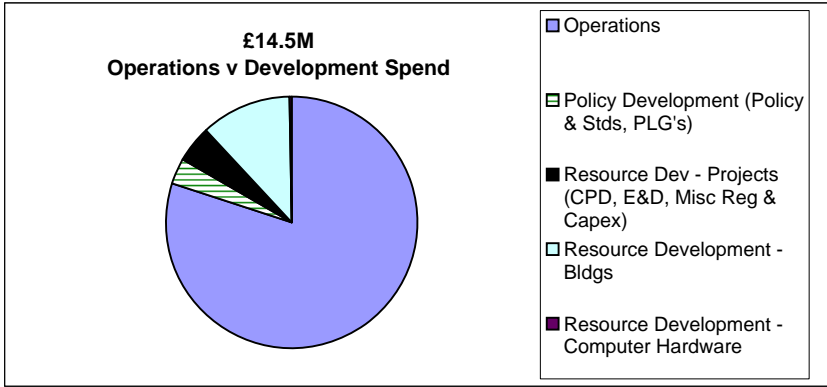
Dept Spend

Approvals & Monitoring	5.3%
Chief Executive	1.9%
Committees & PLG	3.3%
Communications	8.6%
Council	3.4%
Facilities Management	7.5%
Finance	3.6%
Fitness to Practise	28.3%
Human Resources/Partners	3.9%
IT Department	6.6%
Operations Office	2.0%
Policy & Standards	3.4%
President	0.4%
Projects (Opex only)	3.2%
Registration	16.2%
Secretariat	2.2%
Total	100.0%



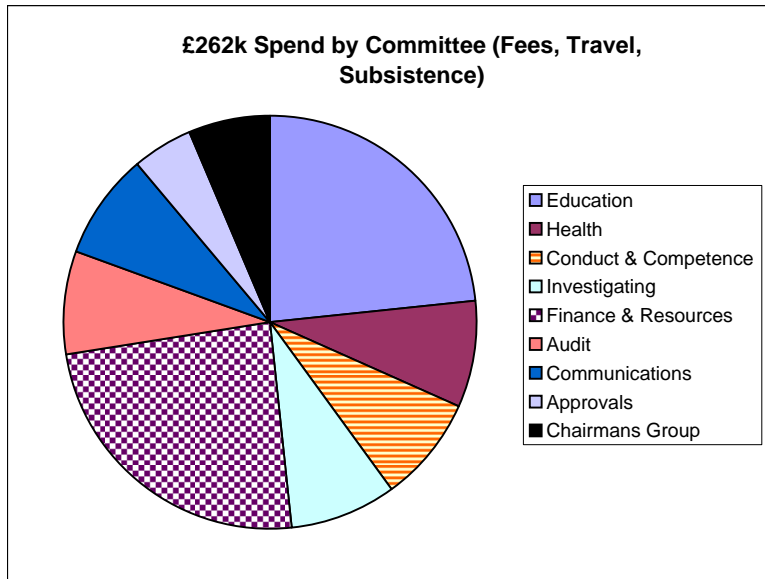
Strategic Intent Spend

Governance	10.9%
Policy & Stds	3.4%
Maintain the Register (incl Applns)	23.4%
FTP	28.7%
Approvals & Monitoring	6.9%
Communications	8.6%
Support	18.1%
Total	100.0%



£14.5M Capex and Opex Spend (slight double counting)

Operations	79.9%
Policy Development (Policy & Stds, PLG's)	3.5%
Resource Dev - Projects (CPD, E&D, Misc Reg & Capex)	4.5%
Resource Development - Bldgs	11.7%
Resource Development - Computer Hardware	0.4%
Total	100.0%



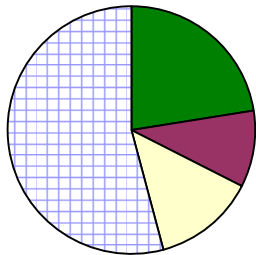
Spend by Committee (Fees, travel, subsistence)

Education	23.2%
Health	8.4%
Conduct & Competence	8.4%
Investigating	8.4%
Finance & Resources	24.3%
Audit	8.0%
Communications	8.4%
Approvals	4.6%
Chairmans Group	6.5%
Total	100.0%

Note

Excludes £65k PAYE and NI cost for Category 1 CCM's and Fees charged to HPC. Ignores Performance Reviews of CCM's also.

£1.41M Partner Spend

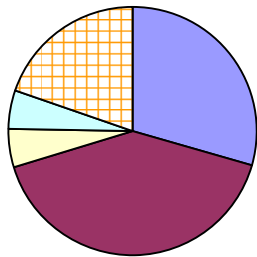


- Reg Assessors (Applications)
- Partner Dept
- Visitors (HEI visits)
- FTP Panels & Registration Appeals

Partner Costs

Reg Assessors (Applications)	22.6%
Partner Dept	10.0%
Visitors (HEI visits)	13.2%
FTP Panels & Registration Appeals	54.3%
	100.0%

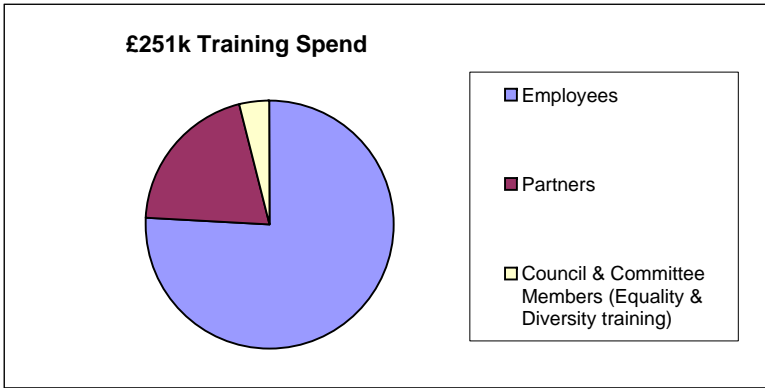
**£480k
Registration Printing, Postage & Stationery**



- Certificates (incl New, Readmissions & Renewals)
- Renewal notices
- Final notices
- Lapsing letters & other
- Applications

Registrations Printing, Postage & Stationery Cost

Certificates (incl New, Readmissions & Renewals)	29.4%
Renewal notices	40.8%
Final notices	5.1%
Lapsing letters & other	4.9%
Applications	19.8%
	100.0%



Training Spend

Employees	75.8%
Partners	20.2%
Council & Committee Members (Equality & Diversity training)	4.0%
	100.0%

APPENDIX THREE

Fee Change Project – risks and dependencies

Summary of progress

The consultation period has completed and the responses have been analyzed.

The Executive has now requested that Committee provide guidance on choosing a financially viable fees option to propose to Council that takes into consideration good financial governance of the Council, balanced against the financial constraints of registrants.

Once the proposed fees decision has been approved by Council, the amended Rules will also be approved at the same meeting. The Rules will then be laid before Privy Council for a minimum of 21 days.

Once approved by Privy Council, the HPC process to prepare for the Orthoptists and Paramedics renewal period will be commenced immediately and registrants will be put on notice for renewal. **Due to the time constraints involved, the standard three month renewal period will be reduced for these professions.**

Due to the Council deadlines and meeting timetable there is no contingency available within the plan.

