

Council, 3 December 2014

Finance Report

Executive summary and recommendations

Introduction

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

This month's report includes the results of the month six reforecast.

Decision

Council is asked to discuss the report.

Background information

See Appendix 1 and 2

Resource implications

The resources for the Department are set out in the annual workplan and budget 2014-15.

Financial implications

HPCPC financial results for 2014-15

Appendices

Appendix 1: Finance Report including overview of management accounts and forecast
Appendix 2: Detailed schedules and graphs

Date of paper

20 November 2014

Appendix 1

**Finance Department Report and
Management Information Pack**

Andy Gillies, Finance Director

November 2014

1. Core processes

There have been no significant issues with collection of income from registrants or payments to partners or suppliers.

2. Projects

The Finance Systems Upgrade project (Sage and PRS) continues to make good progress. HCPC's new Freedom of Information Act publication scheme went live on 31 October, see <http://www.hpc-uk.org/aboutus/foi/>, the product of a project between Secretariat, Communications and Finance. The scheme includes new financial disclosures although some of those will be made for the year ending 31 March 2015 onwards.

3. Treasury

At the end of October 2014, we had total cash and deposits of £17.4m, of which £7.5m is held in fixed term deposits (see table below) and £9.9m is in instant access accounts, earning up to 1.25%. There was a net cash inflow of £3.7m in September and October, including Social Workers' renewal fees. We have not placed any new funds on fixed term deposit since April because the interest rate received on instant access accounts continues to be better than rates available on deposits of up to 12 months. We also need to avoid overcommitting to longer term fixed term deposits until the Council has decided on the options for the development of 186 Kennington Park Road, and the cash flows on that project can be forecast.

Bank	Deposit amount £m	Term Months	Maturity date	Interest rate %
Barclays	1.0	12	20 January 2015	0.85
NatWest	2.0	12	20 January 2015	0.656
Santander	2.0	12	3 February 2015	1.00
Lloyds	2.5	12	1 April 2015	1.10
Total	7.5			

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

4. Procurement

An Interim Procurement Manager was appointed in September. Her role is to support current and upcoming tenders (including Public Law, Travel and Secure Printing), to document procurement procedures and to advise on the structure of HCPC's procurement function over the longer term. The contract for the HR & Partners system is in the final stages of negotiation, and the Pre Qualification Questionnaire has been issued for the Public Law tender.

5. Audits

The National Audit Office's plan for the 2014-15 audit was approved by the October meeting of the Audit Committee. Their first visit is in the week ending 21 November.

6. Staffing

The Procurement Manager vacancy is being filled by an interim, as noted above. One member of the team has been on sick leave since mid-May, and her role continues to be covered by an agency worker. We have also appointed an agency worker to backfill the Assistant Financial Accountant who will be working on the Finance Systems Upgrade project.

7. Management Accounts for the 7 months ending 31 October 2014

Income and expenditure

The month 7 management accounts show a surplus so far in financial year 2014-15 of £488k. The budgeted position after 7 months was a deficit of £652k, so the actual result is £1,140k better than expected at this stage. The £1,140k includes:

- *Adverse variance of £89k (1%) on income.* This variance has slightly narrowed in recent months, having been 4% behind budget in the month 2 management accounts. International scrutiny fees are £250k ahead of budget because of a higher than expected volume of international applications, but there is a related overspend on the budget for fees paid to international assessors within the Registration Department
- *Favourable variance of £396k on payroll costs,* caused by vacant posts
- *Favourable variance of £799k on non-payroll costs.*
- *Investment income (bank interest) of £74k.* We do not budget for interest receivable.

However, the month 6 reforecast (see section 8 below) indicates that the savings on payroll costs will be partly eroded in the second half of the year, and that the favourable variance on non-payroll costs is mostly timing differences which will reverse in the second half of the year.

Balance sheet and cash flow

The balance sheet and the cash flow statement show a cash inflow of £1.3m over the first seven months of the year, and a related £0.8m increase in the deferred income balance. The actual cash balance at 31 October was £17.4m, whereas the forecast balance was £12.6m. The line graph on the second last page of the report tracks the actual cash balance against the cash flow forecast prepared within the budget, and shows that our actual cash balance was below the forecast level until the beginning of September. Receipts in September and October were in aggregate £4.2m more than the forecast, with the result that the balance at the end of October is £4.8m above the original forecast.

As reported to the July Council meeting, the shortfall in receipts in the first quarter relates mainly to fee receipts from Physiotherapists' renewal, which were forecast in April and May, but had in fact substantially been received in March.

Receipts are higher than expected in September and October because of variances from the assumptions made in the original cash flow forecast about the timing of receipts from Social Workers and the percentage of Social Workers that would pay by direct debit. The original forecast assumed 60% of Social Workers would pay the full two years' fees in advance, instead of opting for 6 monthly direct debits, and that receipts would be concentrated at the end of the renewal window, in November and December. In fact 75% of Social Workers had renewed by the end of October and less than 40% are paying the full two years' in advance - more than 60% have paid via direct debit. So the cash balance is £4.8m better than the original forecast as at the end of October, but receipts in November and December will be below the original forecast. This is a timing difference which will wash out over the two year renewal cycle, rather than a permanent loss of cash.

8. Six month reforecast

The purpose of the month 6 reforecast is to check progress against our financial plans for the year so that corrections are made, if necessary, in time to affect the financial year outcome.

Basis of preparation

The income forecast has been prepared by Finance. Projected income for the second 6 months of the year is based on actual Registrant numbers as at 30 September 2014, together with originally assumed rates of new entry, lapsing and readmission.

The expenditure forecast has been prepared by budget holders based on the actual results for the first 6 months of the year, plus budget holders' estimates of what will actually be spent in the second 6 months of the year. Forecasts are based on expected activity levels and unit costs where relevant.

Overview

Income and operating costs

The 2014-15 budget approved by the Council in March was an overall deficit of £95k. The Council subsequently approved a change in accounting treatment of costs on the 186 Kennington Park Road project, which meant that the capital budget of £450k on the 186 KPR project was reclassified as operating costs. Together with a small reclassification in the other direction on the Online Renewals project, that meant that the budgeted deficit for 2014-15 is £534k.

The forecast indicates an overall deficit for 2014-15 of £407k (ie £127k better than the original budget, after the accounting treatment change for 186 KPR). The main changes from the budgeted position are:

- **(£320k) / (1.2%) shortfall in income.** Income has been falling slightly short of budget throughout the first half of the year and is expected to continue to fall short at much the same rate. The 2014-15 income budget was based on the Registrant numbers forecast, but the proportion of full fee paying registrants, seems to have been slightly overstated with a corresponding understatement of the number of recent graduates in the free period
- **£299k net underspend on payroll costs.** Payroll costs are £382k underspent after six months, so the forecast is pointing to a small overspend on the payroll budget in the second half, mainly due to agency staff filling vacancies.
- **£93k net underspend on non-payroll costs.** After six months, we were £855k under budget on non-payroll costs, so the forecast represents a swing against budget of £762k, and an acceleration in the rate of spend of 5% on average. The swing is concentrated in FTP (£366k), Registrations (£116k) and Facilities (£109k).
- **£102k forecast bank interest, net of tax.** We do not budget for bank interest.

Capital expenditure

The 2014-15 capital expenditure budget was £2,920k. After the change in accounting treatment for the 186 KPR project, it became £2,481k, of which £2,244k was Project capital expenditure. The month 6 reforecast for Project capital expenditure is £1,139k. The difference includes slippage (eg NetRegulate changes project) reductions in scope (eg Online Renewals Review) and permanent savings (eg HR and Partners phase 2), as well as some projects which are now forecasting more spend than the original budget (Sage/PRS upgrade, Domino to Exchange).

Conclusions

Forecasts tend to have a prudence bias, but Finance have reviewed the forecasts with budgetholders and are satisfied that they are reasonable. The overall picture is that the deficit for the year will be less than budgeted. That combined with the reduction in capital expenditure compared to forecast will mean that cash flow should be close to the original budget, offsetting the effect of the inaccurate assumption about the proportion of Social Workers that would pay two years up front. We should also note that £450k of the overall forecast deficit is the consequence of the change in accounting treatment for 186KPR.

Overall, the results show no significant cause for concern, but 2015-16 budget setting will be more challenging. The 5 year plan indicated a deficit for 2015-16 of £1m, and that excluded the PSA levy or any extra costs arising from the 186 KPR project. The Department of Health's proposed method of allocating the costs of funding the PSA across regulators implies an additional cost for HCPC in 2015-16 of up to £850k.

Management Accounts
31 October 2014
Andy Gillies, Finance Director

**Management Accounts
October 2014**

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Commentary for Core Departments
Income & Expenditure YTD October 2014

Income

Department	Movement YTD	Budget YTD	Variance	%	Comments on key variances
Total Income	15,247,617	15,336,321	(88,703)	(1%)	Income is 1% / £89k behind budget overall. Graduate registration fees, readmission fees and renewal fees are behind budget by 11%, 38% and 1% respectively. International and UK scrutiny fees are £254k ahead of budget YTD.

Expenditure

Department	Movement YTD	Budget YTD	Variance	%	Comments on key variances
Chair	47,342	47,125	(217)	(0%)	
Chief Executive	250,655	229,768	(20,887)	(9%)	(£12k) overspend on legal advice and (£9k) on EMT training.
Council	110,925	139,295	28,370	20%	£32k underspend on Council fees and T&S, offset by (£2k) overspend on Appointments and (£2k) on Professional fees.
Communications	656,556	759,560	103,004	14%	£41k payroll underspends due to vacant posts £84k net underspend on Communications related expenditure £44k Market Research, £13k Meet the HCPC events and £28k Web deployments, to be reviewed during 6 month reforecast to ascertain if works will be carried out in current year or are over budgeted costs. (£21k) overspend in Subscriptions YTD due to events occurring earlier than originally forecasted.
Education	500,558	639,590	139,032	22%	£46k Payroll underspend due to vacant posts, two posts are likely to be permanent saving till end of the year. £11k underspend on Travel & Subsistence is linked to 17% lower than budgeted approval visits, likely to be a permanent saving. This partly offset by (£2k) overspend on legal advice £16k underspend on Office Services due to phasing difference and reduced need, £13k delay on printing costs which have been re-forecasted to happen later during the year and £3k underspend on room hire/photocopying likely to be a permanent saving. £43k Partners savings: linked to 17% lower than budgeted approval visits; 60% lower than budgeted annual monitoring assessment days and 25% lower than budgeted annual monitoring postal submissions. Budgeted 48 approval visits YTD; actual 40. Budgeted 5 AM days YTD; actual 2. Budgeted 20 AM submissions YTD; actual 15. Major change submissions continue to be above budget, but as unit cost significantly lower than approval visits not really reflected in overall expenditure. Major change submissions now 27% over budget. Budgeted 49 MC submissions YTD; actual 62, a further £14k underspend on Partner T&S. £10k underspend on Small Projects, enhancement of website this will be a permanent saving. £6k underspend on Training due to timing issues and has been realigned in 6 month reforecast.

Expenditure

Department	Movement YTD	Budget YTD	Variance	%	Comments on key variances
Facilities Management	964,273	1,022,855	58,582	6%	<p>£24k payroll savings due to vacant posts.</p> <p>£22k underspends on property related expenses: £14k on business rates (permanent saving) and £8k on utilities.</p> <p>£13k underspends on Stannery St rents.</p>
Finance	440,581	528,040	87,459	17%	<p>(£11k) overspend on payroll due to agency staff costs covering purchase ledger team.</p> <p>£102k YTD underspend on Professional fees includes £59k release of Flexiplan Pension provision, correcting an error in 2013-14 accounts (permanent), £27k underspend on Legal Advice costs this will be a permanent saving, £4k underspend on Audit and Tax (timing differences), and £12k underspend on Other Professional Fees (timing differences).</p>
Fitness to Practise	7,133,066	7,173,655	40,589	1%	<p>£106k net underspends in payroll due to vacant posts, a portion of this is likely to be a permanent saving.</p> <p>£232k underspend on permanent post costs offset by £40k overspend on fixed term contracts and £86k overspend on temporary staff costs.</p> <p>£7k underspend on Partner costs but have been offset by £7k overspend on office services</p> <p>7% (£194k) overspend on Professional Fees, however due to £379k YTD VAT omission in the budget on legal advice the overall comparison of Professional fees against budget YTD is 6% (£185k) underspend.</p> <p>(£20k) overspend on Travel & Subsistence but offset by £18k savings on annual reports & brochures and £3k on security costs.</p> <p>£64k underspend on small projects; £35k permanent savings on Legal Insurance, £1k underspend on Counselling and £17k underspend on Training.</p>
Human Resources	317,200	400,226	83,025	21%	<p>£83k underspend on payroll includes £33k permanent saving on staff on maternity leave (budgeted for at full pay now gone down to SMP), £24k underspend on staff recruitment costs, also no spend yet against the central payroll contingency £20k YTD underspend.</p> <p>A further £2k underspend on travel & subsistence.</p>
Human Resources Partners	264,678	410,419	145,741	36%	<p>(£3k) overspend on temporary staff costs to cover recruitment phase, offset by £3k savings on Professional Fees.</p> <p>£143k underspend on partner costs mainly due to £105k on recruitment & interviews, £19k training and £42k on travel however partly offset by £20k overspend on accommodation costs and £3k overspend on subsistence.</p> <p>£3k underspend on Printing & Stationery and Room hire.</p>
IT Department	1,049,218	1,124,450	75,232	7%	<p>£26k underspends on payroll due to vacant post.</p> <p>£7k underspends on Computer related expenditure and £3k underspends on legal advice.</p> <p>£40k underspend on Small Project due to timing difference, £30k project starts in Nov estimated to be completed by Feb'15.</p>

Expenditure

Department	Movement YTD	Budget YTD	Variance	%	Comments on key variances
Major Projects	261,726	564,403	302,676	54%	<p>Opex underspend on Projects compared to budget includes the following, £160k on 186KPR, £24k on HR & Partners, £87k on Education System Build and £29k on Registrations Process.</p> <p>The Projects sheet now includes both opex and capex. Capex budget is £167k underspent YTD including £65k on Registrations Process, £115k on Online Renewal, offset by £23k overspend on Education System Build.</p>
Operations Office	340,807	399,856	59,049	15%	<p>£13k underspend on payroll due to Data Analyst vacancy.</p> <p>(£4k) overspend on Printing and Stationary, (£9k) overspend on Information Security and (£4k) overspend on legal advice partly offset by £3k savings on travel & subsistence.</p> <p>£27k underspend on Small Projects, £25k underspend on Training and £7k underspend on Subscriptions all due to timing differences.</p>
Policy	215,851	207,098	(8,753)	(4%)	<p>(£24k) overspend on payroll due to omissions in the budget.</p> <p>Partly offset by underspends on the following; £3k on Office Services, £5k on T&S, £3k on Communications and £3k legal advice which is likely to be a permanent saving.</p>
Registration	1,688,732	1,742,033	53,301	3%	<p>£36k net underspend in payroll due to vacant posts and £4k underspend on T&S.</p> <p>£30k underspend on Postage due to timing differences.</p> <p>(£28k) overspend on Partner costs mainly due to (£63k) overspend on International Assessor fees due to higher than expected volume of applications (2487 YTD compared to 1840 budgeted). This has been partly offset by £16k underspend on Partners Travel and £7k underspend on Test of Competence.</p> <p>£11k underspend on Legal Expenses and Other Professional fees and £3k underspend on Training.</p>
Secretariat	113,991	162,236	48,245	30%	<p>£32k underspend on payroll; £17k underspend due to Executive Assistant reports into CEO and £16k permanent saving on temporary staff.</p> <p>Further underspend on the following, £5k on Legal advice, £6k on Printing & Stationery, £2k on Training and £1k on T&S.</p>
	14,356,159	15,550,609	1,194,450	8%	
Depreciation	445,423	437,213	(8,211)	(2%)	Minor variance

Income and Expenditure

	Period 7	Year to date				Full year			
	Actual	Actual	Budget	Variance	Variance %	Forecast	Budget	Variance	Variance %
Graduate Registration fees	122,481	808,901	906,073	(97,172)	(11)	1,333,265	1,553,290	(220,025)	(14)
Readmission fees	14,400	118,355	190,446	(72,091)	(38)	260,623	368,540	(107,917)	(29)
Renewal fees	1,867,364	12,957,654	13,131,297	(173,643)	(1)	22,150,308	22,510,780	(360,472)	(2)
International scrutiny fees	137,720	722,456	472,164	250,292	53	967,316	809,420	157,896	20
Grandparenting fees	0	0	0	0	0	0	0	0	#DIV/0!
UK scrutiny fees	117,249	640,430	636,341	4,089	1	981,812	771,319	210,493	27
Registration income	2,259,214	15,247,796	15,336,321	(88,525)	(1)	25,693,324	26,013,349	(320,025)	(1)
Cheque/credit card write offs	23	(178)	0	(178)					
Total income	2,259,237	15,247,617	15,336,321	(88,703)	(1)	25,693,324	26,013,349	(320,025)	(1)
Chair	8,171	47,342	47,125	(217)	(0)	78,519	78,960	441	1
Chief Executive	30,767	250,655	229,768	(20,887)	(9)	378,068	395,986	17,918	5
Council & Committee	22,789	110,925	139,295	28,370	20	198,697	225,780	27,083	12
Communications	86,973	656,556	759,560	103,004	14	1,209,567	1,267,699	58,132	5
Education	66,314	500,558	639,590	139,032	22	955,307	1,100,094	144,787	13
Facilities Management	132,364	964,273	1,022,855	58,582	6	1,579,154	1,574,250	(4,905)	(0)
Finance	85,243	440,581	528,040	87,459	17	747,457	848,340	100,884	12
Fitness to Practise	1,102,335	7,133,066	7,173,655	40,589	1	12,482,983	12,229,019	(253,964)	(2)
Human Resources	54,977	317,200	400,226	83,025	21	643,315	679,782	36,466	5
Human Resources Partners	7,016	264,678	410,419	145,741	36	530,049	573,691	43,641	8
IT Department	113,703	1,049,218	1,124,450	75,232	7	1,630,423	1,678,902	48,479	3
Major Projects	47,830	261,726	564,403	302,676	54	808,215	1,077,170	268,955	25
Operations Office	51,807	340,807	399,856	59,049	15	643,028	638,053	(4,975)	(1)
Policy	37,142	215,851	207,098	(8,753)	(4)	412,539	364,813	(47,726)	(13)
Registration	265,630	1,688,732	1,742,033	53,301	3	2,880,745	2,804,594	(76,151)	(3)
Secretariat	22,108	113,991	162,236	48,245	30	228,508	260,899	32,391	12
Operating expenditure	2,135,169	14,356,159	15,550,609	1,194,450	8	25,406,575	25,798,031	391,456	2
Operating surplus/(deficit)	124,069	891,458	(214,289)	(1,105,747)	(516)	286,749	215,318	(71,431)	33
Depreciation	63,700	445,423	437,213	(8,211)	(2)	763,446	749,507	(13,939)	(2)
Costs Relating to Research Revalidation	25,000	25,000	0	(25,000)	0	25,000	0	(25,000)	#DIV/0!
Regulation of Public Health Specialists	7,238	7,238	0	(7,238)	0	7,238	0	(7,238)	#DIV/0!
Investment income	15,967	74,204	0	(74,204)	0	101,915	0	(101,915)	#DIV/0!
Total surplus/(deficit)	44,098	488,001	(651,501)	(1,139,502)	(175)	(407,020)	(534,189)	(127,169)	(24)

Operating expenditure: payroll costs

	Year to date				Full year			
	Actual	Budget	Variance	Variance %	Forecast	Budget	Variance	Variance %
Chair			0		0	0	0	#DIV/0!
Chief Executive	159,468	159,102	(366)	(0)	272,396	270,686	(1,710)	(1)
Council & Committee					0	0	0	#DIV/0!
Communications	345,253	386,994	41,740	11	615,454	663,418	47,964	7
Education	371,149	425,163	54,014	13	656,626	740,923	84,297	11
Facilities Management	120,965	145,040	24,075	17	204,431	248,640	44,209	18
Finance	323,055	311,982	(11,073)	(4)	552,371	534,140	(18,231)	(3)
Fitness to Practise	1,917,187	2,023,477	106,290	5	3,402,977	3,499,452	96,475	3
Human Resources	219,781	302,245	82,464	27	454,981	500,600	45,619	9
Human Resources Partners	79,959	76,663	(3,296)	(4)	131,693	128,781	(2,912)	(2)
IT Department	318,389	344,080	25,690	7	558,137	586,708	28,571	5
Major Projects	83,535	99,415	15,880	16	175,790	175,790	(0)	(0)
Operations Office	256,239	268,536	12,296	5	470,028	460,347	(9,681)	(2)
Policy	152,427	128,902	(23,525)	(18)	282,601	220,975	(61,626)	(28)
Registration	966,389	1,002,023	35,634	4	1,711,625	1,723,884	12,259	1
Secretariat	95,774	131,813	36,039	27	178,067	211,679	33,612	16
Payroll costs	5,409,572	5,805,434	395,862	7	9,667,176	9,966,022	298,846	3

Operating expenditure: non-payroll costs

	Year to date				Full year			
	Actual	Budget	Variance	Variance %	Forecast	Budget	Variance	Variance %
Chair	47,342	47,125	(217)	(0)	78,519	78,960	441	1
Chief Executive	91,187	70,666	(20,521)	(29)	105,672	125,300	19,628	16
Council & Committee	110,925	139,295	28,370	20	198,697	225,780	27,083	12
Communications	311,303	372,566	61,263	16	594,113	604,281	10,168	2
Education	129,409	214,427	85,018	40	298,682	359,171	60,489	17
Facilities Management	843,308	877,815	34,507	4	1,374,723	1,325,610	(49,114)	(4)
Finance	117,526	216,059	98,533	46	195,085	314,200	119,115	38
Fitness to Practise	5,215,878	5,150,178	(65,700)	(1)	9,080,005	8,729,567	(350,438)	(4)
Human Resources	97,419	97,981	561	1	188,335	179,182	(9,153)	(5)
Human Resources Partners	184,719	333,756	149,037	45	398,357	444,910	46,554	10
IT Department	730,829	780,371	49,542	6	1,072,286	1,092,194	19,908	2
Major Projects	178,191	464,988	286,796	62	632,425	901,380	268,955	30
Operations Office	84,567	131,320	46,753	36	173,000	177,706	4,706	3
Policy	63,424	78,196	14,772	19	129,938	143,838	13,900	10
Registration	722,343	740,010	17,667	2	1,169,121	1,080,710	(88,411)	(8)
Secretariat	18,217	30,423	12,206	40	50,442	49,220	(1,222)	(2)
Non-payroll costs	8,946,588	9,745,176	798,588	8	15,739,399	15,832,009	92,610	1

Statement of Financial Position

Account by Category

[All Categories](#)

Accounting Period

[Period 7](#)

	Balance	Prior Year Balance To Close
Non-current assets		
Land & buildings, at cost or valuation	3,185,000	3,185,000
Land & buildings depreciation	(16,521)	0
	<u>3,168,479</u>	<u>3,185,000</u>
Computer equipment, at cost	491,992	465,457
Computer equipment depreciation	(318,151)	(287,164)
	<u>173,841</u>	<u>178,293</u>
Office furniture and equipment, at cost	363,670	357,891
Office equipment depreciation	(255,996)	(230,958)
	<u>107,673</u>	<u>126,933</u>
Intangible assets	5,716,798	5,363,658
Intangible depreciation	(4,457,491)	(4,106,773)
	<u>1,259,307</u>	<u>1,256,885</u>
Total non-current assets	<u>4,709,301</u>	<u>4,747,110</u>
Current assets		
Other current assets	263,411	618,960
Cash & cash equivalents	17,369,044	16,038,062
	<u>17,632,455</u>	<u>16,657,022</u>
Total assets	<u>22,341,756</u>	<u>21,404,132</u>
Current liabilities		
Trade and other payables	647,950	806,716
Other liabilities	1,585,255	1,767,589
Deferred income	16,605,627	15,814,904
	<u>18,838,832</u>	<u>18,389,209</u>
Total assets less liabilities	<u>3,502,924</u>	<u>3,014,923</u>
General fund b/fwd	(3,014,923)	(2,166,787)
This period (surplus)/deficit	(488,001)	(725,227)
Grant income	0	(122,909)
General fund c/fwd	<u>(3,502,924)</u>	<u>(3,014,923)</u>

Management Accounts to 31 October 2014
Summary of Capital Expenditure

Office Equipment

Vending Machines
 Installation of air conditioning to units Stannary Street & reception
 Replacement Colour Copier
 Replacement B&W Copier

Actual YTD £	Budget 2014/15 YTD £	Variance £	Budget 2014/15 Full Year £
	5,833	5,833	10,000
5,779	5,833	54	10,000
	8,167	8,167	14,000
	7,000	7,000	12,000
5,779	26,833	21,054	46,000

Information Technology

Software Licences upgrades, new starters & new software
 Software Licences new/replacement services
 Hardware replacement servers, switches & drives

33,955	25,127	(8,828)	43,075
	13,648	13,648	23,397
26,535	72,333	45,798	124,000
60,490	111,109	50,619	190,472

Disposals

Computer Equipment
 Airconditioning Units

19,687	-	-	-
2,473	-	-	-
22,160	-	-	-

Projects

Capital Expenditure (see detail in Projects sheet)

319,186	486,425	167,239	2,233,165
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Total Capital Expenditure

407,615	624,367	238,912	2,469,637
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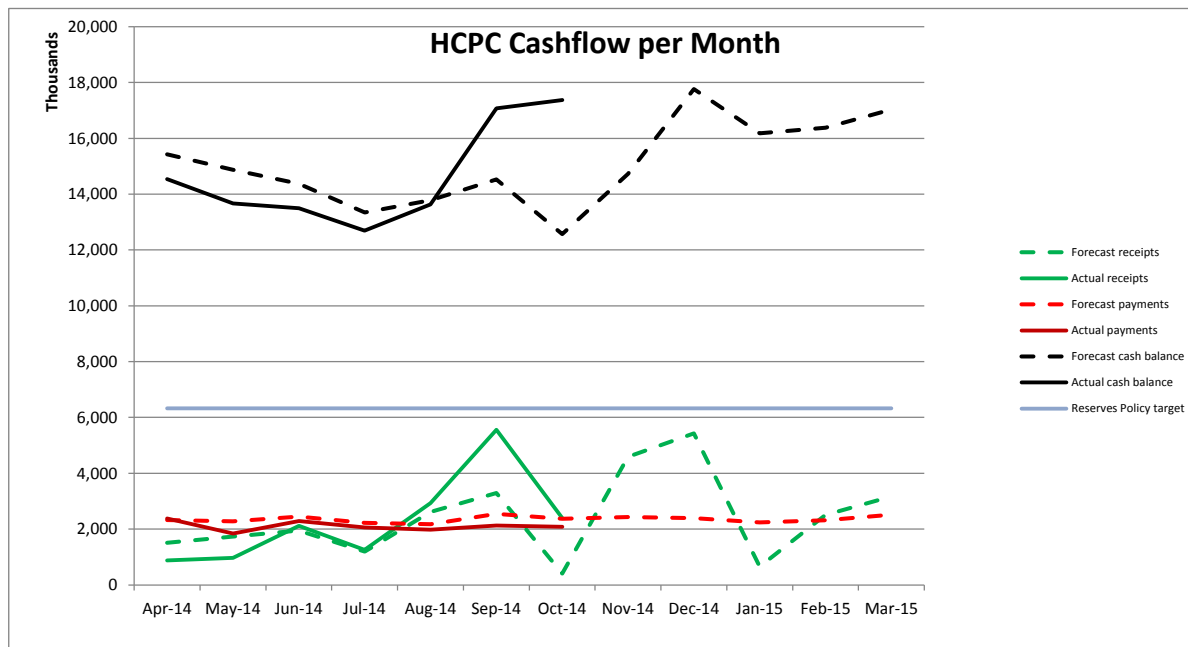
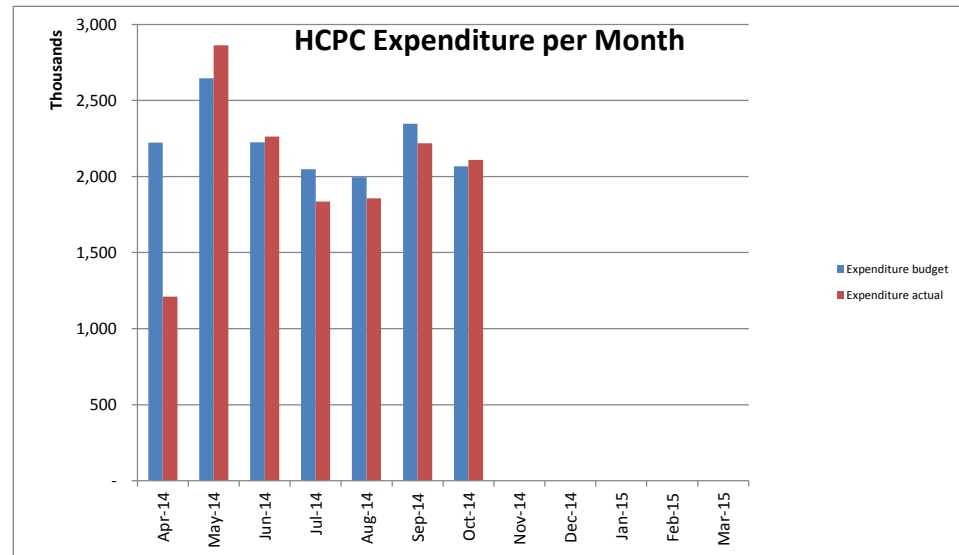
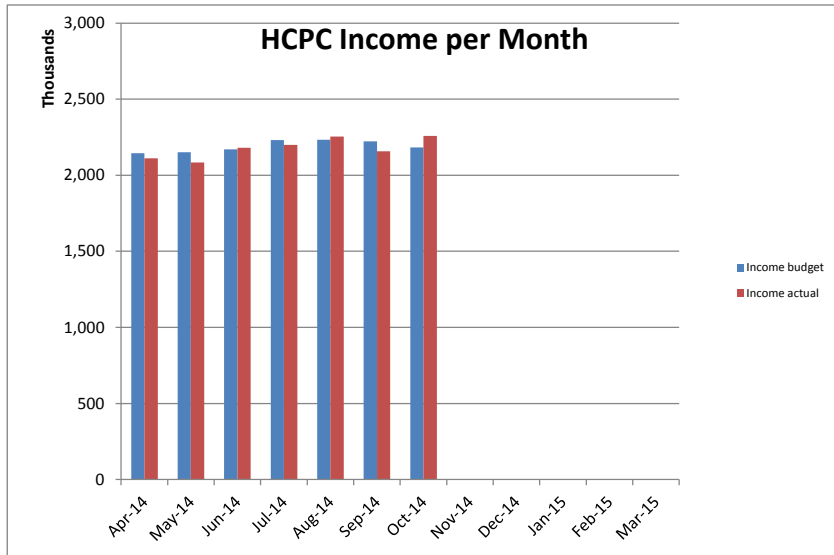
Management Accounts to 31 October 2014
Summary of Project Opex & Capex Expenditure

	Opex			Capex			Opex & Capex			Opex			Capex		
	Actual YTD £	Budget YTD £	Variance YTD £	Actual YTD £	Budget YTD £	Variance YTD £	Actual YTD £	Budget YTD £	Variance YTD £	Forecast Full Year £	Budget Full Year £	Variance Full Year £	Forecast Full Year £	Budget Full Year £	Variance Full Year £
NetRegulate Changes 2013-14	(115)	0	115	432	3,360	2,928	317	3,360	3,043	(115)	0	115	432	3,660	3,228
HR & Partners Phase 1	36,075	59,578	23,503	960	5,508	4,548	37,035	65,086	28,051	38,889	12,882	(26,007)	960	5,508	4,548
Education System Build 186 Kennington Park Road	55,820	143,151	87,331	296,042	273,070	(22,973)	351,862	416,221	64,359	151,906	211,906	60,000	513,567	513,567	0
	142,139	302,584	160,445		0	0	142,139	302,584	160,445	349,409	476,968	127,559	0	0	0
Professional Indemnity Fees Change Project	724	2,737	2,013	3,780	8,252	4,472	4,504	10,989	6,485	724	2,737	2,013	3,780	8,252	4,472
	0	0	0		500	500	0	500	500	0	0	0	0	500	500
Registrations Systems Review Phase 1	18,479	47,756	29,277	14,520	75,720	61,200	32,999	123,476	90,477	136,434	189,255	52,822	170,465	469,370	298,905
HR & Partners Phase 2 Stakeholder Contact Management System	0	0	0			0	0	0	0	47,068	103,208	56,140	100,432	707,250	606,818
	0	0	0			0	0	0	0	11,500	11,500	0	56,677	56,677	0
SAGE & PRS Upgrade Domino to Exchange Migration	132	0	(132)	3,452	5,000	1,548	3,584	5,000	1,416	32,245	12,305	(19,940)	90,469	36,800	(53,669)
Direct Debit Review Online Renewals	0	0	0			0	0	0	0	29,669	23,000	(6,669)	137,056	103,169	(33,887)
Review & Change of Payment Provider	0	0	0			0	0	0	0	0	28,980	28,980	0	20,286	20,286
	8,472	0	(8,472)	0	115,015	115,015	8,472	115,015	106,543	8,472	1,266	(7,206)	0	138,000	138,000
FTP Changes 2014-15	0	0	0			0	0	0	0	2,013	2,013	0	65,550	65,550	0
NetRegulate Changes 2014-15	0	0	0			0	0	0	0	0	1,150	1,150	0	104,576	104,576
Total Expenditure	261,726	555,807	294,080	319,186	486,425	167,239	580,912	1,042,232	461,319	808,215	1,077,170	268,955	1,139,387	2,233,165	1,093,778

Management Accounts to 31 October 2014**Cash Flow Statement****From 1 April 2014**

	Year to date budget	Year to date actual
	£	£
Operating surplus/(deficit)	(214,289)	891,458
Decrease/(increase) in debtors & prepayments	692,401	355,549
Increase/(decrease) in creditors		(341,099)
(Decrease)/increase in deferred income	(3,041,561)	790,723
Net cash in/(out)flow from operating activities	(2,563,448)	1,696,630
Return on investments and servicing of finance		
Investment Income		74,204
Costs Relating to Research Revalidation		(25,000)
Regulation of Public Health Specialists		(7,238)
Capital expenditure and financial investments		
Purchase of tangible assets	(1,111,337)	(407,614)
Financing		
Income from DOH		0
Increase/(decrease) in cash	(3,674,785)	1,330,982
Cash at 1 April 2014	16,243,000	16,038,062
Cash at end of period	12,568,215	17,369,044
Cash movement	(3,674,785)	1,330,982

Management Accounts to 31 October 2014
Graphs



Management Accounts to 31 October 2014
Graphs - cumulative

