

Council, 2 December 2015

Finance Report

Executive summary and recommendations

Introduction

The report sets out the main activities of the Finance Department since the September 2015 meeting. It includes statistical information and highlights key work undertaken.

This month's report also includes the Month 6 Forecast.

Decision

Council is asked to discuss the report.

Council is asked to approve the Month 6 Forecast, and agree that departments' forecasts replace their original budgets as the new targets for spending in 2015-16.

Background information

See Appendices 1 and 2

Resource implications

The resources for the Department are set out in the annual workplan and budget 2015-16.

Financial implications

HCPC financial results for 2015-16

Appendices

Appendix 1: Finance Report including overview of management accounts and month 6 forecast

Appendix 2: Detailed schedules and graphs

Date of paper

19 November 2015

Appendix 1

**Finance Department Report and
Management Information Pack**

Andy Gillies, Finance Director

November 2015

1. Core processes

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

The switch to proactive payment of partners has started. Pilots with CPD assessors' fees and partners' training attendance fees were successful. Next, we are extending the process to Education, and then FTP and Registration assessors.

Proposed revisions of the expenses policies (Employee expenses, Council and Committee members' fees and expenses, Partners' fees and expenses) are also on the agenda for the December meeting of Council. The proposed policy changes will reflect the new process for payment of Partners' fees and make use of the new travel management company mandatory.

The employee expenses, employee season ticket, overtime and foreign travel authorisation processes have or are being moved to email rather than paper based.

2. Projects

We are continuing to work to ensure that the organisation makes full use of the functionality improvements of the upgraded Finance system in business as usual activities, for example, using the additional activity coding available within the accounting records and discarding off line spreadsheets so that the Sage accounting system is the 'single version of the truth'.

3. Treasury

At the end of October 2015, we had total cash and deposits of £18.3m, of which £8.0m is held in fixed term deposits (see table below) and £10.3m is in instant access accounts. Our instant access accounts now earn 0.7%, so we will make further fixed term deposits over the coming weeks.

Bank	Deposit amount £m	Term Months	Maturity date	Interest rate %
Santander	2.0	12	23 December 2015	1.00
Barclays	1.0	12	26 February 2016	0.92
Barclays	1.0	24	19 December 2016	1.06
Santander	2.0	24	10 March 2017	1.2
Barclays	2.0	24	19 June 2017	1.12
Total	8.0			

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

4. Procurement

A draft revised procurement policy was approved by EMT in July and was presented to the Audit Committee on 8 September, but Audit Committee raised queries relating to the role of the Chair in approving contracts. Those queries have been resolved and a further draft of the Procurement Policy will be brought back to Audit Committee on 26 November, and then to Council in December.

5. Audits

Grant Thornton have completed their internal audit of the financial planning models used by HCPC (registrant numbers forecast, income forecast, FTP forecast, 5 year plan). The report will be presented to Audit Committee on 26 November.

6. Staffing

Recruitment for a new Head of Financial Accounting has been unsuccessful, and we are reviewing options for a further round of recruitment. Meanwhile the post is being covered by team members acting up. The Finance Business Partner has resigned; we will appoint an interim while we recruit a new permanent post holder. The Procurement Manager post remains vacant.

7. Month 6 forecast

During October, budget holders re-forecast their expenditure for 2015-16 based on the actual costs for the first 6 months of the year. The results are included within the management accounts at appendix 2. In summary:

- Income is now forecast to be £27.8m for the year, compared to £27.2m originally budgeted. The income forecast was generated by inputting the actual registrant numbers movements for the first 6 months of the year into the 5 year plan, to recalculate the income for the second 6 months of the year, which is added to the actual income for the first 6 months. As such, the income forecast is relatively cautious because it does not assume the continuation of the high rates of international applications experienced in the first 6 months of the year
- Total operating costs are forecast to be £28.3m, up from £27.9m budgeted. Within that total, the main departmental variances are
 - Communications, forecasting £216k spend more than originally budgeted, which is the cost of activities to promote the Standards of Conduct, Performance and Ethics
 - Human Resources, forecasting £157k more than originally budgeted, due to additional planned learning and development activities
- We are also planning to carry out certain repairs and redecoration in 186 Kennington Park Road, including replacement of toilets, and replacement of carpeting and ceiling tiles in corridors. The costs of this work are not included in the month 6 forecast because we do not yet have an accurate enough figure, but the costs will be included in the month 9 forecast
- In each case EMT had discussed the proposed extra spending and agreed that it was a good use of resources
- The lines for IT, Facilities, Major Projects and Depreciation reflect the proposed change in the capitalisation threshold from £1,000 to £5,000 (paper to the 26 November Audit Committee). The net effect of the change is to increase operating costs by £150k
- The headings “Other expenditure” and “Other income” in the Income and Expenditure account include the PSA levy, the Public Health Specialists project and our bank interest/investment income. These lines have a net favourable variance from original budget to month 6 forecast of £287k, including a £70k lower than expected charge from the PSA, an underspend of £80k on the Public Health Specialists project as a result of the government not taking forward the legislation, and forecast investment income (which we do not budget for) of £147k

- The overall result indicated by the month 6 forecast is a deficit of £0.99m, compared to the £1.5m deficit in the original 2015-16 budget. As noted above, the assumptions for income are cautious so it is likely that actual income will exceed the reforecast. The expenditure forecast does not yet include the cost of repair and redecoration work on 186 Kennington Park Road. Expenditure forecasting tends to be cautious, so excluding the effect of the 186 Kennington Park Road repairs, actual expenditure is more likely to undershoot the forecast than to exceed it. Budget holders will update forecasts in January, based on 9 months' actual spend.

8. Management Accounts for the 7 months ending 31 October 2015

Income and expenditure

Variances are now reported against the month 6 forecast. Since the starting point for the forecast was the first 6 months' actual results, variances against the forecast after 7 months' actual figures are smaller than variances previously reported against the original budget. Expenditure variances are analysed between payroll (generally permanent variances) and non-payroll (often timing differences).

The month 7 management accounts show a surplus so far in 2015-16 of £742k. The forecast result after 7 months was a surplus of £540k, so the actual result is £202k better than budget. The variance includes:

- *Favourable variance of £113k / 0.7% on income*
- *Favourable variance of £178k / 2.3% on non-payroll costs excluding depreciation.* Detailed explanations are in the variance commentary sheet of the management accounts
- *Adverse variance of £83k / 19.5% on depreciation, caused by the increase in capitalisation threshold to £5k. This is the accelerated writing off of assets purchased in previous years which are below the new threshold.*

Balance sheet and cash flow

The cash balance at 31 October was £18.3m. There has been a net cash inflow of £0.2m so far in 2015-16. This is in line with the forecast cash inflow of £0.35m (as above, as a consequence of the forecast being based on the first 6 months' actual results). The cash balance is £3.5m more than originally budgeted at this stage of the year because of the favourable variances versus the original budget on the income and expenditure account and the underspend against the original capital budget. The forecast cash balance at the end of the year is now £17.7m, which would be a £0.3m cash outflow for the year.

Management Accounts

31 October 2015

Andy Gillies, Finance Director

**Management Accounts
October 2015
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Variance Commentary

INCOME					Oct-15 Comments (Actuals vs Forecast)	Sep-15 Comments	
Department	Movement YTD	Forecast YTD	Budget Variance	Budget Var %	Variations by Income Type	Variations by Profession	Comments on key variances
Total Income	16,186,421	16,073,813	687,747	4.4	Overall income remains 4.4% ahead of budget. International Scrutiny Fees slowed slightly but rose to £279k (44%) ahead of budget. UK Scrutiny Fees increased to £128k (22%) ahead of budget. Renewal Fees increased to £248k (2%) ahead of budget.	As reported in previous months fees from Radiographers £145k (11%), Physiotherapists £120k (5%) and Social Workers £113k (4%) remain the most ahead of budget. Following renewal, fees from Clinical Scientists are slightly behind (2%) budget.	Income remains ahead of budget, although there has been a slight shift in profile. International Scrutiny Fees are £248k (46%) ahead of budget which is a slight reduction in percentage terms compared to prior months. UK Scrutiny Fees are £77k ahead of budget and Renewal Fees £205k . All professions, with the exception of Arts Therapists, are ahead of budget, with Radiographers £129k (11%), Physiotherapists £91k (4%) and Social Workers £72k (2%) the most ahead of budget.

EXPENDITURE

Department	Movement YTD	Forecast YTD	Variance v Forecast	Variance v Forecast %	Variations on Payroll	Variations on Non-payroll	Comments on key variances
Chair	58,026	73,645	15,618	21%		Timing difference in relation to invoice from Chair's employer to recharge them for Chair's time.	Overspend primarily due to the advance purchase of a rail season ticket for the incoming Chair as this represented better VFM than individual travel claims.
Chief Executive	225,848	225,426	(422)	0%	On target	On target	The Travel & Subsistence overspend has reduced to £8k .
Council	99,064	83,726	(15,338)	-18%		Overspend due to a duplicated invoice paid to the HMRC for Taxable benefits - will reverse next month.	Council Committee costs remain underspent for both Fees £18k and Expenses £13k . Due to the underspend on these lines the tax payable on such claims is correspondingly underspent. The variance on Council Appointments remains £7k underspent.
Communications	662,182	665,052	2,870	0%	On target	On target	Payroll continues to be underspent by £17k due to vacancies. Campaigns and Events remain underspent, however, there are events scheduled for Oct-15. Web is currently £31k underspent, although the website is being reviewed. A budget of £45k for Market Research was profiled in Sep-15 which has yet to be utilised.
Education	572,736	577,657	4,921	1%	£5k variance in Payroll to Forecast due to on-going recruitment with 1 post successfully filled in the period and another remaining vacant.	On target	Payroll is underspent by £40k , however, adverts are pending. The overspend in relation to partner costs for Approval visits has reduced to £14k . Training remains underspent by £24k although activity was planned for Sep-15
Facilities Management	968,600	956,899	(11,702)	-1%	On target	£55k overspend against forecast for Confidential Waste Disposal. £20k underspend on Stannary Street Rent due to timing of invoices. £10k underspends on Cleaning and Repairs	Business Rates are £24k overspent as the annual rate rise was not factored into the budget. Office equipment is £37k overspent in respect of desks etc for staff relocations. This is offset by a £36k underspend in Building Refurbishment. Printing and postage are showing a net overspend of £15k due to changes in business processes such as sending FTP Bundles via special delivery.
Finance	467,750	474,121	6,371	1%	On target	£12k underspend on Bank Charges compared to forecast. £5k overspend on Training courses due to timing differences.	Further reduction in the Payroll overspend to £5k . Professional fees underspent by £22k due to not yet receiving the internal audit fee invoice from the recently appointed internal auditors. Small Projects are also underspent by £10k as work has yet to commence.
Fitness to Practise	7,428,099	7,455,843	27,744	0%	£31k overspend on staff of which £27k relates to Temporary staff mostly assisting with Redaction and Hearings.	Fees in relation to Panel Members and their associated travel costs are underspent by £43k against forecast.	Net Payroll underspend has reduced to £35k with new staff starting in the period. Catering remains c50% underspent at £16k , but Room Hire is £40k overspent. There is a potential netting effect as catering for external venues is included with room hire. Transcription Writers is £91k underspent in part due to the retendered contract. Legal is net £29k underspent as more cases are closed at an earlier stage. Small Projects £54k and Training £47k continue to be underspent with planned expenditure in Q3/4

Variance Commentary

INCOME					Oct-15 Comments (Actuals vs Forecast)	Sep-15 Comments	
Department	Movement YTD	Forecast YTD	Budget Variance	Budget Var %	Variations by Income Type	Variations by Profession	Comments on key variances
Human Resources	351,515	377,639	26,125	7%	On target	£17k underspend on Staff Recruitment. £10k underspend in Organisational Staff Development	Payroll is showing a £17k underspend, however this is due to an organisation wide contingent line which has not been called upon. A further £10k underspend is due to staff vacancies. The legal fees overspend has remained at £20k in respect of employment law support. Organisational Training remains £21k underspent, although activity has started to increase on this line.
Human Resources Partners	187,109	218,998	31,889	15%	On target	£32k underspend in respect of Partner Training Fees and associated travel and expenses. During the period we transitioned to automatic payment of partners, thus there may be some timing differences in the process.	Payroll is underspent by £5k due to a vacancy for a Partners Manager. Partner Recruitment is £19k underspent and Partner Training £38k underspent potentially due to late expense claims. Further underspends in Room Hire and Printing of £6k are also showing.
IT Department	1,079,820	1,079,617	(202)	0%	On target	£19k underspend on Software and Hardware Maintenance and Licences due to timing differences in receiving the invoices. £5k underspend on Telephone: forecast included an expectation of increased call costs following a change in regulation in the summer.	£17k underspend on Payroll as team is 1 FTE down, but expect to recruit in Dec-15. Previously reported underspends in hardware and software maintenance £54k relate to annual contract renewals. Net Regulate spend is now on budget, however Web services continue to report an underspend of £52k due to missing invoices. The underspend in Small Projects has been reduced by reprofiling the budget to later in the year when projects are expected to start.
Major Projects	210,874	224,616	13,742	6%	On target	Underspend on Computer Hardware partially offset by overspend for Office Equipment	Actual expenditure is fully reconciled between Sage and Project Reporting. Due to staff shortages, expenditure on some projects has not progressed as initially budgeted. In other instances, projects have now completed and the allocated budget was not fully utilised.
Operations Office	354,327	355,749	1,421	0%	On target	On target	The underspend in payroll has risen to £47k as posts in the Projects Team remain vacant. Overspend in Disaster Recovery relates to the implementation and operating costs of the new disaster recovery software, Shadow Planner
Policy	213,089	212,715	(373)	0%	On target	On target	Research is underspent due to a delay in the report. It's anticipated that this will complete in the next month at c£15k. Furthermore, the underspend on Printing will be used for the printing of new guidance materials
Registration	1,742,482	1,810,123	67,642	4%	£7k overspend on Temporary Staff.	£59k underspend on Printing & Stationery. £18k underspend on CPD Assessments potentially due to timing of automatic payments for recent CPD Day. £15k overspend on International Assessments due to higher international applications than forecast. Mirrored in additional International Scrutiny Fees received.	The previously reported underspend on payroll has reduced to £30k as new appointments have taken up their posts. Printing is showing an underspend of £125k. International Assessor Fees are now £61k overspent offset by a corresponding increase in International Scrutiny Fee Income. £59k underspend on CPD assessments.
Secretariat	140,482	138,061	(2,421)	-2%	On target	£2k overspend for Legal Advice due to miscoding between Depts	£9k underspend on Legal Advice.
Depreciation	507,004	424,120	(82,884)	-20%	On target	On target	Timing delay on completion of Capex projects
	15,269,008	15,354,008	85,000	8.5			

Income and Expenditure

31 October 2015

	Period 7	Year to date				Full Year Budget	M6 Reforecast
	Actual	Actual	Forecast	Variance v Forecast	Variance v Forecast %		
Income by Activity							
Graduate Registration Fees	142,165	921,890	905,954	15,936	1.8%	1,534,085	1,571,377
Readmission Fees	18,915	131,195	139,969	(8,774)	(6.3%)	313,947	320,465
Renewal Fees	1,959,676	13,495,812	13,458,294	37,519	0.3%	23,360,384	23,591,076
International Scrutiny Fees	128,425	916,590	887,863	28,727	3.2%	1,096,140	1,354,077
UK Scrutiny Fees	150,371	720,938	681,734	39,204	5.8%	890,861	983,012
Registration Income	2,399,552	16,186,425	16,073,813	112,612	0.7%	27,195,417	27,820,008
Cheque/credit card write offs	0	(4)	0	(4)		0	0
Total Income	2,399,552	16,186,421	16,073,813	112,608	0.7%	27,195,417	27,820,008
Chair	462	58,026	73,645	15,618	21.2%	90,707	112,655
Chief Executive	28,285	225,848	225,426	(422)	(0.2%)	365,181	372,237
Council & Committee	37,571	99,064	83,726	(15,338)	(18.3%)	247,954	199,991
Communications	88,994	662,182	665,052	2,870	0.4%	1,283,061	1,498,707
Education	75,214	572,736	577,657	4,921	0.9%	1,142,769	1,101,654
Facilities Management	149,024	968,600	956,899	(11,702)	(1.2%)	1,950,115	1,927,730
Finance	50,227	467,750	474,121	6,371	1.3%	844,385	805,666
Fitness to Practise	1,067,569	7,428,099	7,455,843	27,744	0.4%	12,959,163	13,055,380
Human Resources	34,866	351,515	377,639	26,125	6.9%	733,627	891,081
Human Resources Partners	10,967	187,109	218,998	31,889	14.6%	492,354	454,971
IT Department	90,466	1,079,820	1,079,617	(202)	(0.0%)	1,816,465	1,767,915
Major Projects	72,782	210,874	224,616	13,742	6.1%	693,553	686,237
Operations Office	40,486	354,327	355,749	1,421	0.4%	716,378	746,192
Policy	30,488	213,089	212,715	(373)	(0.2%)	441,309	439,592
Registration	300,179	1,742,482	1,810,123	67,642	3.7%	3,024,084	3,086,002
Secretariat	21,253	140,482	138,061	(2,421)	(1.8%)	246,350	230,820
Depreciation	60,251	507,004	424,120	(82,884)	(19.5%)	869,954	921,006
Operating expenditure	2,159,082	15,269,008	15,354,008	85,000	0.6%	27,917,409	28,297,837
Operating surplus/(deficit)	240,470	917,413	719,805	197,608	27.5%	(721,992)	(477,829)
Other expenditure							
PSA Levy	73,750	221,250	221,250	0	0.0%	660,000	590,000
Impairment of Intangible Assets	0	10,524	10,524	0	0.0%	0	10,524
Regulation of Public Health Specialists	8,964	40,911	46,528	5,617	12.1%	140,000	59,571
	82,714	272,685	278,302	5,617	2.0%	800,000	660,095
Other income							
Investment Income	15,831	97,102	98,556	(1,454)	(1.5%)	0	147,424
Grant Income	0	0	0	0		0	0
	15,831	97,102	98,556	(1,454)	(1.5%)	0	147,424
Total surplus/(deficit)	173,587	741,830	540,059	201,771	37.4%	(1,521,992)	(990,500)

Payroll costs

31 October 2015

	Year to date			
	Actual	Forecast	Variance v Forecast	Variance v Forecast %
Chair				
Chief Executive	165,243	165,243	0	0.0
Council & Committee				
Communications	371,611	378,472	6,861	1.8
Education	442,152	447,624	5,472	1.2
Facilities Management	138,545	139,002	457	0.3
Finance	307,332	305,891	(1,441)	(0.5)
Fitness to Practise	2,164,901	2,133,538	(31,364)	(1.5)
Human Resources	243,582	261,352	17,770	6.8
Human Resources Partners	71,205	71,205	0	0.0
IT Department	350,358	350,483	124	0.0
Major Projects	36,543	35,103	(1,440)	(4.1)
Operations Office	266,834	266,834	0	0.0
Policy	162,803	163,043	241	0.1
Registration	1,102,229	1,095,626	(6,604)	(0.6)
Secretariat	112,327	112,326	(0)	(0.0)
Payroll costs	5,935,665	5,925,741	(9,924)	(0.2)

Non-payroll costs

31 October 2015

	Year to date			
	Actual	Forecast	Variance v Forecast	Variance v Forecast %
Chair	58,026	73,645	15,618	21.2
Chief Executive	60,605	60,183	(422)	(0.7)
Council & Committee	99,064	83,726	(15,338)	(18.3)
Communications	290,571	286,580	(3,991)	(1.4)
Education	130,585	130,033	(551)	(0.4)
Facilities Management	830,055	817,896	(12,158)	(1.5)
Finance	160,418	168,230	7,812	4.6
Fitness to Practise	5,263,198	5,322,305	59,107	1.1
Human Resources	107,933	116,288	8,355	7.2
Human Resources Partners	115,904	147,793	31,889	21.6
IT Department	729,461	729,135	(327)	(0.0)
Major Projects	174,331	189,513	15,182	8.0
Operations Office	87,494	88,915	1,421	1.6
Policy	50,286	49,672	(614)	(1.2)
Registration	640,252	714,498	74,246	10.4
Secretariat	28,156	25,735	(2,421)	(9.4)
Non-payroll costs	8,826,339	9,004,147	177,808	2.0

Income by profession

31 October 2015

	Year to date				Full Year Budget	M6 Reforecast
	Actual	Forecast	Variance v forecast	Variance v forecast %		
Arts Therapists	165,227	163,609	1,618	1.0	288,163	279,246
Bio-medical scientists	1,075,042	1,069,282	5,760	0.5	1,910,597	1,947,743
Chiropodists	620,077	618,240	1,837	0.3	1,030,696	1,041,946
Clinical Scientists	239,652	247,450	(7,798)	(3.2)	425,921	430,059
Dietitians	454,854	451,965	2,890	0.6	740,756	749,025
Hearing Aid Dispensers	112,912	110,998	1,913	1.7	176,180	182,979
Occupational Therapists	1,708,972	1,701,479	7,493	0.4	3,074,882	3,144,504
Operating Department Practitioners	581,574	579,588	1,986	0.3	945,870	993,524
Orthopodists	63,250	64,065	(815)	(1.3)	107,744	108,448
Paramedics	1,024,131	1,010,934	13,196	1.3	1,645,296	1,710,310
Physiotherapists	2,506,491	2,479,677	26,815	1.1	4,063,179	4,168,877
Practitioner Psychologists	1,023,930	1,004,593	19,337	1.9	1,702,642	1,722,808
Prosthetists & Orthotists	47,759	49,639	(1,880)	(3.8)	81,542	84,437
Radiographers	1,510,679	1,495,570	15,109	1.0	2,386,183	2,524,546
Social Workers	4,322,399	4,282,354	40,044	0.9	7,395,950	7,473,451
Speech & Language Therapists	729,476	744,370	(14,894)	(2.0)	1,219,814	1,258,105
Registration Income	16,186,425	16,073,813	112,612	0.7	27,195,415	27,820,008
Cheque/credit card adjustments	(4)		(4)			
Total income	16,186,421	16,073,813	112,608	0.7	27,195,415	27,820,008

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Statement of Financial Position

31 October 2015

	Actual Period 7	Budget 31 March 2016	Forecast 31 March 2016	Actual 31 March 2015
Non-current assets				
Land & buildings, at cost or valuation	3,400,000			3,400,000
Land & buildings depreciation	(19,833)			0
	3,380,167			3,400,000
Computer equipment, at cost	589,921			559,976
Computer equipment depreciation	(479,716)			(348,216)
	110,205			211,759
Office furniture and equipment, at cost	343,078			330,371
Office equipment depreciation	(288,748)			(244,018)
	54,330			86,353
Intangible assets	6,339,507			6,172,676
Intangible assets depreciation	(4,975,482)			(4,665,580)
	1,364,025			1,507,097
Total non-current assets	4,908,726	6,781,994	6,425,000	5,205,209
Current assets				
Other current assets	147,999	326,000	758,000	758,000
Cash & cash equivalents	18,285,305	13,069,000	17,735,000	18,047,612
	18,433,305	13,395,000	18,493,000	18,805,612
Total assets	23,342,031	20,176,994	24,918,000	24,010,821
Current liabilities				
Trade and other payables	416,522	2,626,000	965,000	965,000
Other liabilities	1,802,678		2,153,000	2,153,000
Deferred income	16,820,609	16,149,000	19,229,391	17,331,712
	19,039,809	18,775,000	22,347,391	20,449,712
Total assets less liabilities	4,302,221	1,401,994	2,570,609	3,561,109
General fund b/fwd	(3,455,566)	(2,923,986)	(3,561,109)	
Rev Res - Land & Building	(104,826)			
This period (surplus)/deficit	(741,830)	1,521,992	990,500	
General fund c/fwd	(4,302,221)	(1,401,994)	(2,570,609)	(3,561,109)

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Projects

	Opex			Capex			Opex & Capex			Opex	Capex	Opex	Capex
	Actual YTD £	Budget 2015/16 YTD £	Variance £	Actual YTD £	Budget 2015/16 YTD £	Variance £	Actual YTD £	Budget 2015/16 YTD £	Variance £	Budget Full Year £	Budget Full Year £	M6 Reforecast Full Year	M6 Reforecast Full Year
405 Kennington Road (Fit Out)	143,631	58,000	(85,631)	53,230	133,910	80,680	196,861	191,910	(4,951)	0	834,000	215,284	1,086,933
Education System Build	8,139	8,450	311	90,855	116,098	25,243	98,994	124,548	25,554	38,450	106,098	8,464	136,015
186 Kennington Park Road	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees Review 2015	61	2,875	2,814	1,996	5,750	3,754	2,057	8,625	6,568	18,400	40,250	61	1,996
Registrations Systems Review Phase 1	1,878	38,132	36,254	32,742	73,541	40,799	34,620	111,673	77,053	38,133	67,332	1,878	32,742
HR & Partners Phase 2	30,708	263,086	232,377	(27,292)	263,086	290,378	3,416	526,171	522,755	134,632	320,127	131,137	289,839
Stakeholder Contact Management System	361	59,143	58,782	20,199	59,143	38,944	20,560	118,286	97,727	24,150	138,300	99,023	67,202
SAGE & PRS Upgrade	6,087	0	(6,087)	(17,424)	7,340	24,764	(11,337)	7,340	18,677	0	7,340	9,043	(11,284)
Domino to Exchange Migration	5,170	2,498	(2,673)	49,940	54,590	4,650	55,111	57,088	1,977	14,800	54,590	6,000	59,435
FTP Changes	0	963	963	0	40,150	40,150	0	41,112	41,112	2,114	68,828		
NetRegulate Changes	(48)	3,450	3,498	0	45,403	45,403	(48)	48,853	48,901	3,450	48,000	(2,712)	0
PCI/DSS	0	0	0	0	0	0	0	27,527	27,527	50,000	50,000		
Registrations Transformation & Improvement	0	73,020	73,020	0	153,183	153,183	0	226,203	226,203	316,523	482,310	164,294	344,663
Professional Qualifications Directive	73	17,281	17,208	0	8,625	8,625	73	25,906	25,833		17,250	21,814	17,250
Telephone Credit Card Automation/Se	14,814	27,527	12,712	16,800	40,204	23,404	31,614	67,731	36,116	6,900	89,245	31,952	40,204
	210,873	554,423	343,550	221,045	1,001,022	779,977	431,918	1,582,972	1,151,053	647,552	2,323,670	686,237	2,064,995
Regulation of Public Health Specialists	40,911	65,923	25,013	0	0	0	40,911	65,923	25,013	140,000	118,000	59,571	0

Capital expenditure

	Actual YTD £	Budget 2015/16 YTD £	Variance £	Budget 2015/16 Full Year £	M6 Reforecast £
<u>Information Technology</u>					
Software Licences	0	58,495	58,495	100,277	34,780
Hardware Replacement	(1,038)	30,042	31,079	51,500	51,500
	(1,038)	88,537	89,574	151,777	86,280
<u>Projects</u>					
Capital Expenditure	221,045	1,001,022	779,977	2,441,670	2,064,995
Total Capital Expenditure	220,008	1,089,558	869,551	2,593,447	2,151,275

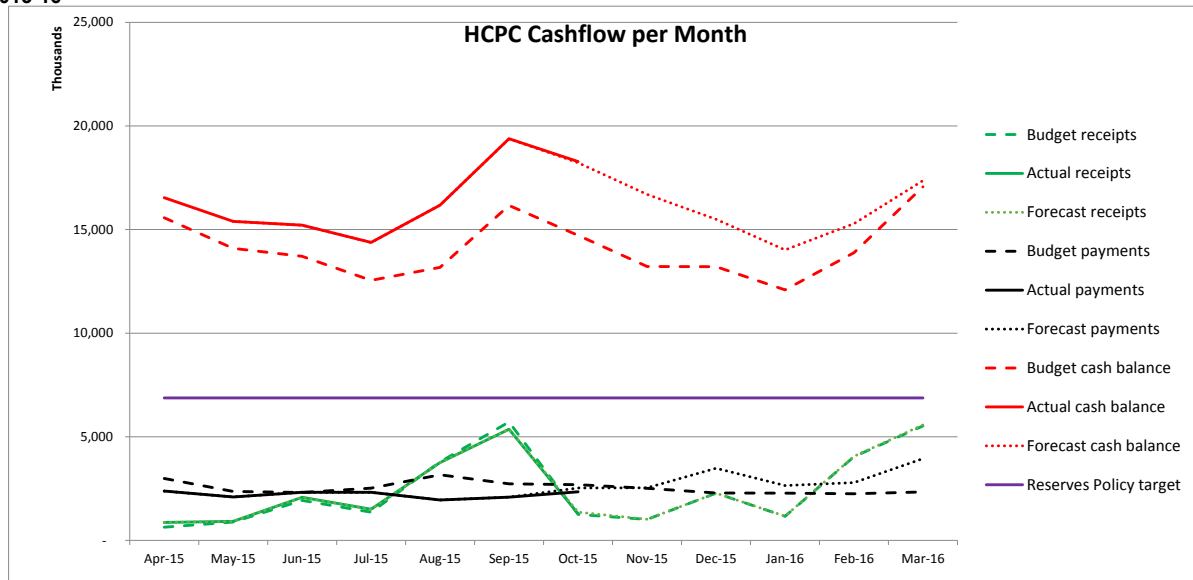
Cash flow statement

From 1 April 2015

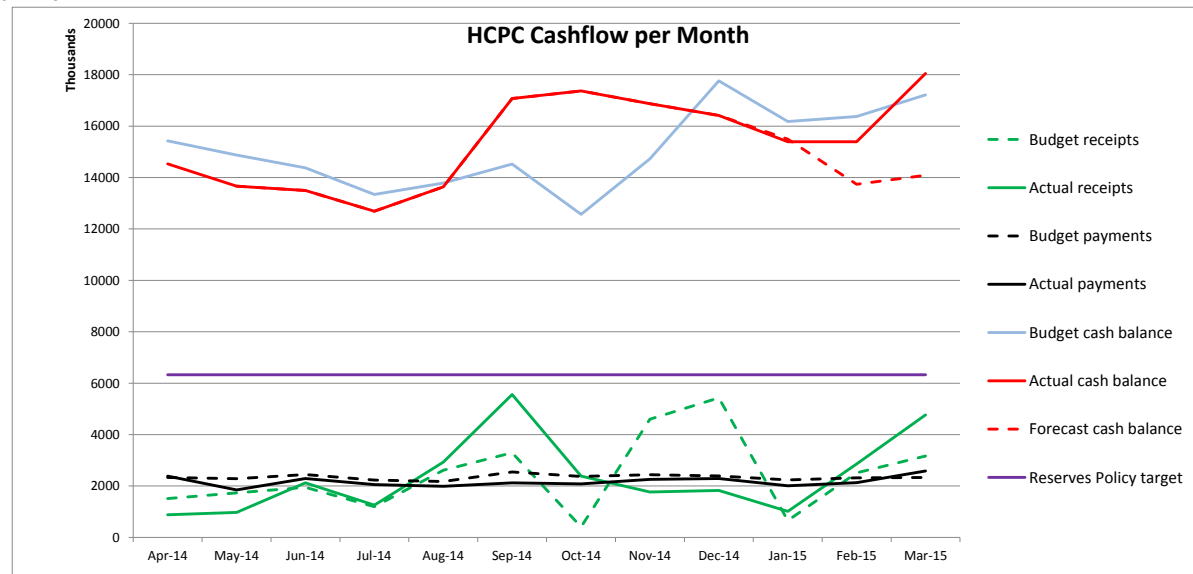
	Year to date actual £	Year to date budget £	Year to date forecast £	Full year budget £
Operating surplus/(deficit)	917,413	(1,185,325)	719,805	(721,992)
Less: Depreciation	507,004	485,759	424,120	869,954
Decrease/(increase) in debtors & prepayments	610,001			
Increase/(decrease) in creditors	(898,799)			
(Decrease)/increase in deferred income	(512,859)	67,747	(374,247)	2,388,742
Net cash in/(out)flow from operating activities	622,759	(631,820)	769,678	2,536,704
Return on investments and servicing of finance				
Investment Income	97,102		98,556	
PSA Levy	(221,250)	(660,000)	(221,250)	(660,000)
Regulation of Public Health Specialists	(40,911)	(65,923)	(46,528)	(140,000)
Capital expenditure and financial investments				
Purchase of Fixed Assets	(220,008)	(1,893,236)	(245,563)	(2,593,218)
Financing				
Income from DOH	0			0
Increase/(decrease) in cash	237,693	(3,250,979)	354,894	(856,514)
Cash at 1 April 2015 - per original budget		14,086,784		14,086,784
Effect of correcting timing difference on receipts		3,835,618		3,835,618
Cash at 1 April 2015 - adjusted	18,047,612	17,922,402	18,047,612	17,922,402
Cash at end of period - per original budget				13,069,157
Effect of correcting timing difference on receipts				3,996,731
Cash at end of period - adjusted	18,285,305	14,671,423	18,402,506	17,065,888
Cash movement	237,693	(3,250,978)	354,894	(856,513)

Graphs - Cashflow

2015-16

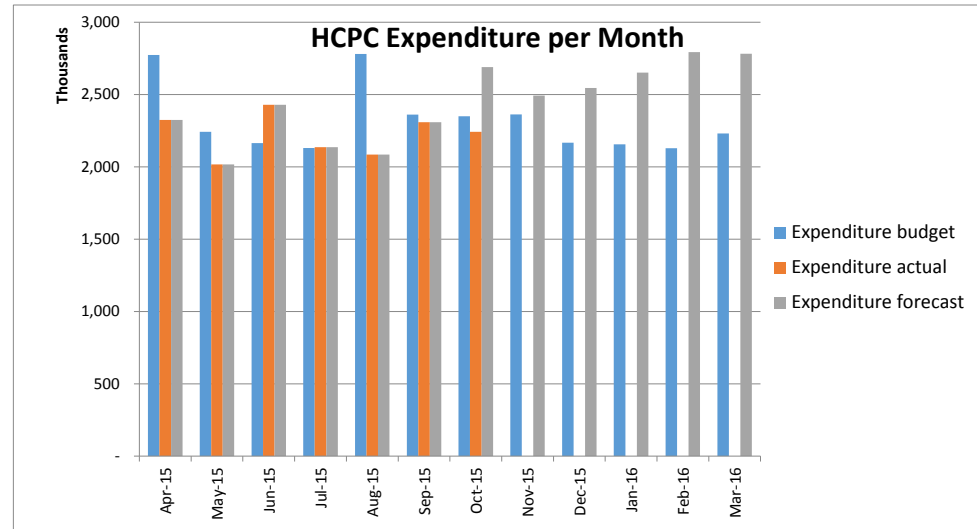
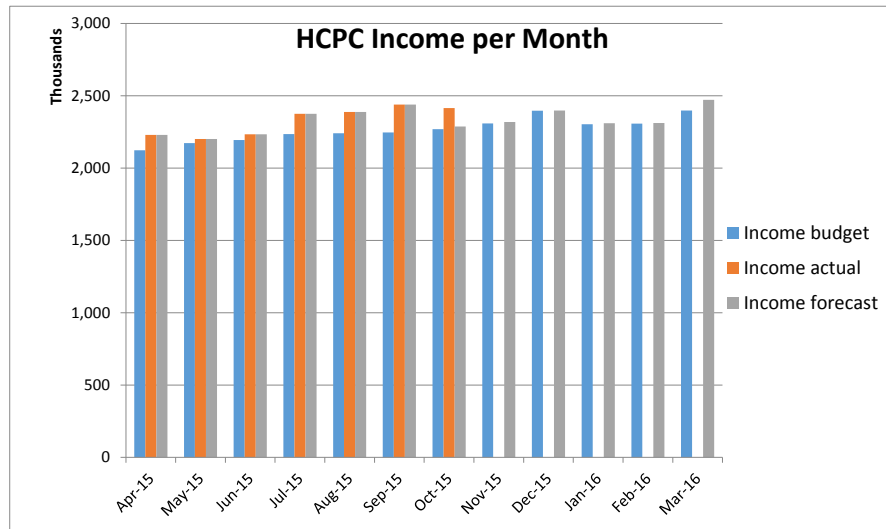


2014-15

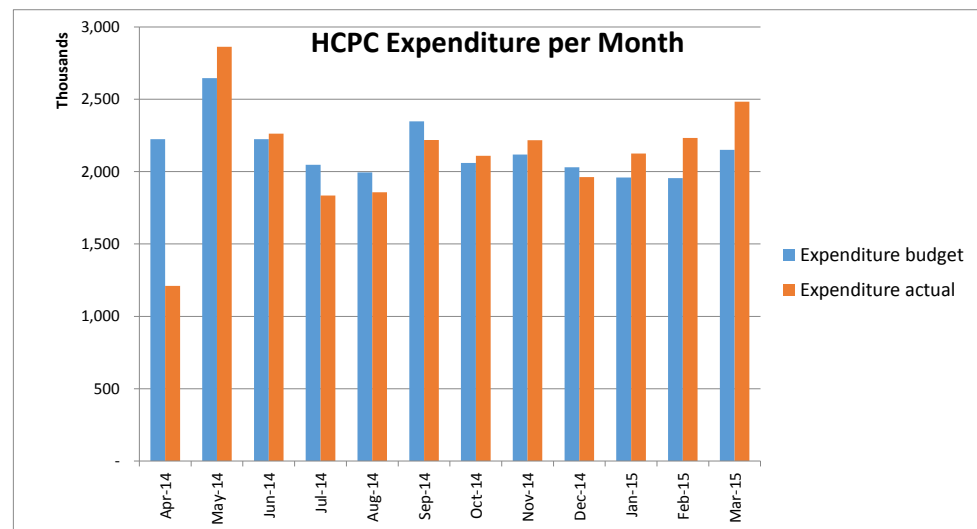
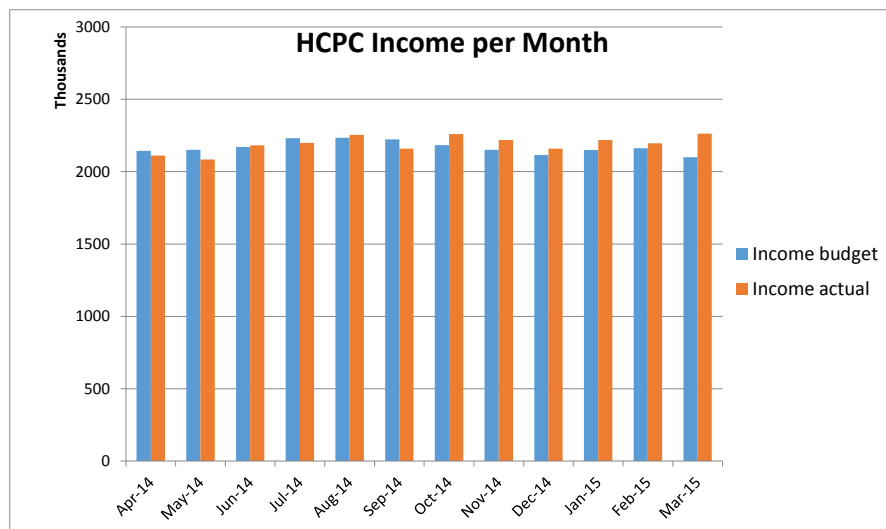


Graphs

2015-16

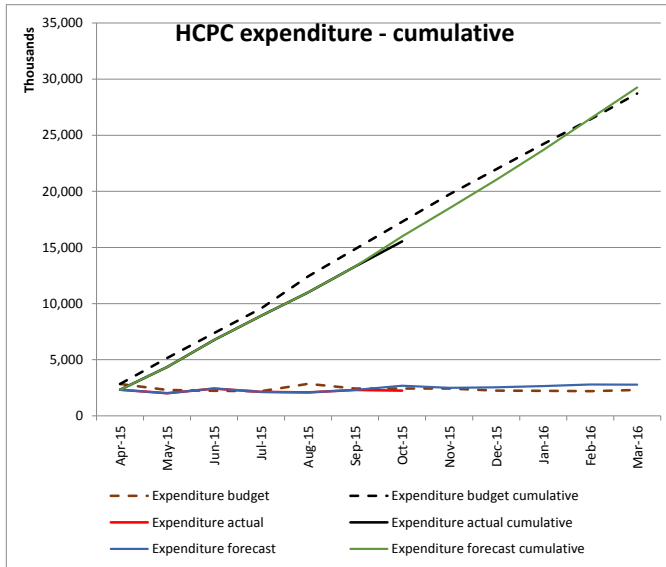
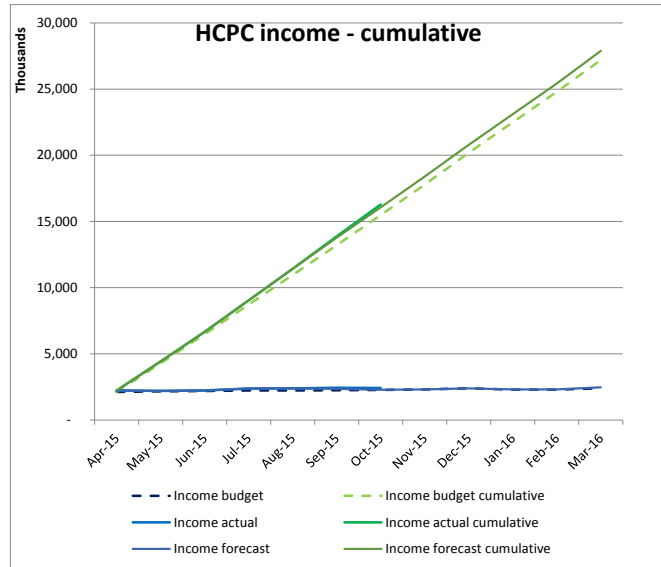


2014-15

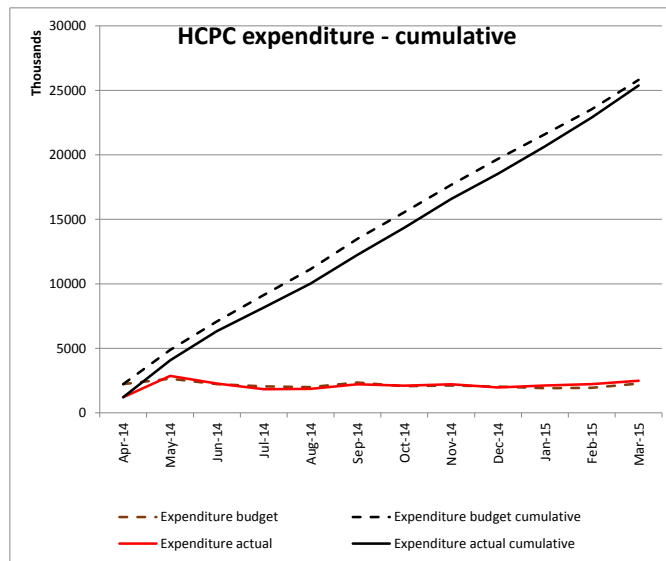
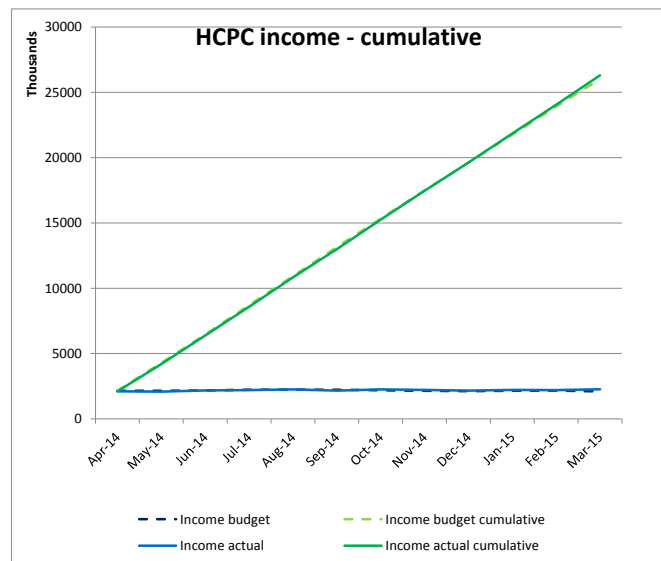


Graphs - cumulative

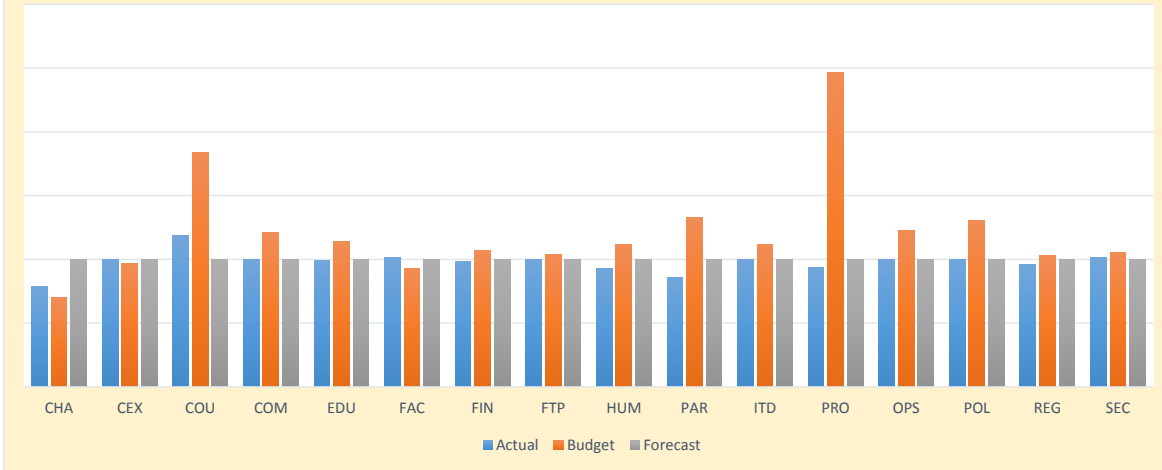
2015-16



2014-15



Actual v Budget v Forecast at M7 (Oct-15)



Actual v Budget v Forecast YTD by Department

