

**Agenda Item 11(i)**

**Enclosure 7**

**Health and Care Professions Council  
21 September 2016**

**Finance report**

**For discussion**

**From Andy Gillies, Director of Finance**

Council, 21 September 2016

Finance Report

Executive summary and recommendations

### **Introduction**

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

### **Decision**

Council is asked to discuss the report.

### **Background information**

See Appendices 1 and 2

### **Resource implications**

The resources for the Department are set out in the annual workplan and budget 2016-17.

### **Financial implications**

HCPC financial results for 2016-17

### **Appendices**

Appendix 1: Finance Report including overview of management accounts

Appendix 2: Detailed schedules and graphs

### **Date of paper**

9 September 2016

Appendix 1

**Finance Department Report and  
Management Information Pack**

Andy Gillies, Finance Director  
September 2016

### 1. Core processes

There have been no significant issues with collection of income from registrants or payments to partners or suppliers. We are proactively paying partners in all areas except FTP. We have met FTP and agreed the implementation of direct payment of FTP partners with effect from October's partner work.

### 2. Projects

The draft report on our compliance with the updated Payment Card Industry Data Security Standard has been received. The consultant is being re-engaged for a further 1-2 days to clarify findings and recommendations.

### 3. Treasury

At the end of August 2016, we had total cash and deposits of £15.37m, of which £10.87m is held in fixed term deposits (see table below) and £4.50m is in instant access accounts. Our main instant access account is now earning 0.45%, following the reduction in the Bank of England base rate to 0.25%.

<b>Bank</b>	<b>Deposit amount £m</b>	<b>Term Months</b>	<b>Maturity date</b>	<b>Interest rate %</b>
Barclays	1.00	24	19 December 2016	1.06
Santander	2.02	24	10 March 2017	1.20
Barclays	1.05	12	3 April 2017	0.95
Barclays	2.00	24	19 June 2017	1.12
Santander	2.00	24	22 December 2017	1.50
Lloyds	1.50	24	3 April 2018	1.35
Lloyds	1.30	24	13 July 2018	1.45
<b>Total</b>	<b>10.87</b>			

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

**4. Procurement**

Current and planned procurement activity is outlined below.

<b>Service</b>	<b>Procurement route</b>	<b>Approx value incl VAT</b>	<b>Status</b>
Refurbishment of 186 Kennington Park Road (front and middle sections)	Invitation to tender	£1.35m plus VAT	Longlist of c15 potential contractors drawn up in discussion with professional advisers. Pre qualification questionnaire to be issued in September, responses to be analysed in October, ITT to be issued to shortlist in October
Gas and electricity contracts	Framework agreements (one framework for gas, and one for electricity)	£100k-£120k a year on gas and electricity in aggregate	Contract signed by Chief Exec with the approval of the Chair. Now in process of terminating existing contracts and transferring to framework supplier. Expected savings in the first year up to of 35% of current spend
FTP and Comms printing services	Likely to be framework agreement	£0.25m a year	The framework agreement under which we have contracted for registrant printing and mailing expired 30-4-16. The replacement agreement (RM3781) is not now expected to be in place until November 2016. Work will start in Q3 with FTP and Comms departments on drawing up our specification ready for the tender
Facilities contracts (cleaning, maintenance, confidential waste etc)	Likely to be framework agreement(s)	£100k-£150k a year	We will work with the Office Services department in Q3 to identify services that can (or must, in order to be compliant) be migrated to the government facilities management framework

## **5. Audits**

As part of their 2015-16 audit, the NAO made an observation about the budgeting and management accounts process. The Executive's response was discussed at the 6 September Audit Committee meeting and is included on the agenda for Council's 21/22 September meeting.

Grant Thornton have completed their internal audit of our whistleblowing arrangements. Their report is also included on Council's agenda. An outline plan to deliver the rest of the internal audit programme for 2016-17 was discussed and approved at the September Audit Committee meeting.

## **6. Staffing**

No issues to report.

## **7. Management Accounts for the 5 months ending 31 August 2016**

### **Income and expenditure**

The month 5 management accounts show an operating deficit for the year to date of £274k, compared to a budgeted deficit for the year to date of £1,023k.

Income after five months is £297k / 2.4% ahead of budget, because of continuing high levels of international applications and international scrutiny fees.

Expenditure is £452k / 3.3% under budget overall. FTP is £563k / 10% over budget as a consequence of higher than expected numbers and length of hearings. FTP's month 3 forecast indicated a full year overspend of £1,057k. Registration is £194k / 14% over budget because of higher international applicant assessor fees. Major projects are £671k under budget, and a significant part of that is slippage on the 186 KPR renovation project that will carry over into 2016-17.

Detailed variance commentary by department is included in Appendix 2. Budget holders will reforecast their spend for 2016-17 in October, based on the first six months of actual spend.

**Balance sheet and cash flow**

The cash balance at 31 August was £15.37m. There has been a net cash outflow of £2.24m year to date, compared to budgeted cash outflow of £5.31m, so the cash balance is £3.1m ahead of budget. Actual cash receipts from registrants and the movement on the deferred income balance are £0.6m ahead of budget, including the positive variance on international scrutiny fees. Opex payments including a reduction in creditors are £0.3m less than budget. Capital expenditure is £1.1m less than budget. And there is a £0.9m positive working capital variance because we had assumed the PSA levy payment of £0.9m would be made in April 2016 but in fact it was made in March 2015.

# **Management Accounts**

## **31 August 2016**

Andy Gillies, Finance Director



Variance Commentary

INCOME					August -16 Comments (Actuals vs 2016-17 Budget)		July -16 Comments (Actuals vs 2016-17 Budget)	
Department	Movement YTD	Budget YTD	Budget Variance	Budget Var %	Variations by Income Type	Variations by Profession	Variations by Income Type	Variations by Profession
<b>Total Income</b>	12,842,650	12,545,878	296,771	2.4%	Overall income was in line with the budget, with a positive variance of 2.4%. This is mainly caused by increase in the number of international applicants which resulted a favourable variance of £217k against budget. In the first 5 months of the year, 1,694 international applications were received and 1,701 were registered (figure includes application receive in the previous financial year), compared to annual forecasted figures of 3,548 received and 2,617 registered. This favourable variance is netted off by variances in Readmission fees (£21k) which is below budget. Renewal fee and UK scrutiny fees were £100k higher compared to budget.	Variance within income is mainly caused by favourable variances from social workers (£149k), Radiographers (£81k) and Paramedics (£61k) due to a peak in UK applications following completion of courses. This is netted off by adverse variance to budget from Bio-medical scientists (£28k).	Overall income was in line with the budget, with a positive variance of 1.5%. This is mainly caused by increase in the number of international applicants which resulted a favourable variance of £197k against budget. In the first 4 months of the year, 1,461 international applications were received and 1,406 were registered, compared to annual forecasted figures of 3,548 received and 2,617 registered. This favourable variance is netted off by variances in Readmission fees (£22k) and UK Scrutiny fees (£40k) which are both below budget. Graduate registration fees was £30k below budget, this is netted off by the favourable variance in renewal fees (£39k)	Variance within income is mainly caused by: £19k adverse variance to budget for Physiotherapists and £26k adverse variance to budget for Bio-medical scientists. These are netted off with favourable variances from social workers (£82k) Paramedics (£45k), and Radiographer (£52k).
EXPENDITURE					August -16 Comments (Actuals vs 2016-17 Budget)		July -16 Comments (Actuals vs 2016-17 Budget)	
Department	Movement YTD	Budget YTD	Variance v Budget	Variance v Budget %	Variations on Payroll	Variations on Non-payroll	Variations on Payroll	Variations on Non-payroll
<b>Chair</b>	52,415	53,200	785	1.5%	On Target	On Target	On Target	On Target
<b>Chief Executive</b>	172,798	156,072	(16,726)	(10.7%)	On Target	On Target	£11k favourable variance on employer pension due to timing differences. This is offset by £2.2k adverse variance due to phasing of medical insurance budget - instead of spreading over 12 month, the whole cost have been posted in April.	Variance in non payroll cost is mainly due to £21k over spend on EMT training due to £13k equality and diversity training for EMT away day in May and £8k training at IMD. Budget for training has been spread evenly across the year, thus difference due to phasing of budget. Legal advise costs were £12k above budget due to advisory service carried out by BDB on the proposed reform of social work training and regulation. This is offset by underspend in printing and stationery and other professional fees.
<b>Council</b>	48,379	66,081	17,702	26.8%	On Target	On Target	On Target	£16k favourable variance due to timing difference in council fees and associated NI. £6k favourable variance on appointments due to timing of adverts for new council members
<b>Communications</b>	496,447	535,767	39,320	7.3%	On Target	£31k underspend on 'Meet the HCPC' events due to phasing - will be reforecast at 6 months. £34k underspend on Web mainly due to the delayed start of the intranet project set up - will be lood at during the 6 month reforecast. £22k overspend on Internal Communications due to phasing and costs budgeted in previous financial year. This should be reversed with underspend on all employee away day & will be corrected during 6 month reforecast.	£6k overspend mainly due to employing of an extra staff to work on the web project, where the project start date has been delayed.	£41k underspend on subscription and web due to phasing of the budget. £24k underspend on Meet the HCPC events also due to phasing of budget, this will be looked at during 6 month reforecast. £28k overspend due to phasing and costs budgeted in previous financial year. This should be reversed with underspend on all employee away day + will be corrected in 6 month reforecast
<b>Education</b>	448,022	491,940	43,918	8.9%	On Target	£11k under spend on approvals as there were 22% less visits than budget YTD. (18 actual visits vs 23 budgeted visits). £17k underspend on partner travel, accommodation & subsistence as the costs are linked to approvals. £7k overspend on major change as there have been 109% more submissions than budget YTD. (46 vs 96 cases). £11k underspend on training due to phasing of budget.	£9k under spend against budget due to delays in recruitment to fixed term contract position and use of temporary staff.	£12k under spend on approvals as there were 41% less visits than budget YTD. (22 vs 13 visits). £15k under spend on partner travel, accommodation & subsistence as the costs are linked to approvals. £6k overspend on major change as there have been 126% more submissions than budget YTD. (35 vs 79 cases). £2k saving on costs of printing of annual reports for the education £8k under spend on training due to phasing of budget - actual training to be taken later in the year.
<b>Facilities Management</b>	903,205	1,022,019	118,814	11.6%	On Target	Under spend of £21k in electricity mainly due to timing differences, where invoices are received one month in arrears. Also due to lack of historical consumption data for 405 Kennington Road, there have been differences between budgeted costs and actual consumptions. This will be reviewed during the 6 month reforecast. £86k over spend on Rent due to phasing of the budget for 405 Kennington Road, where rent expenses are budgeted quarterly. £27k under spend on maintenance contracts mainly due to a reversal of an annual PO and less maintenance need in 405 Ken than anticipated. £20k under spend on stationery due to saving made from change of suppliers. Under spend in other areas are caused by phasing of budget, which will be corrected in 6 month reforecast.	£7k under spend due to vacancy for facilities manager. £13k under spend in temporary staff due vacancy for a move manager.	Under spend of £21k in electricity and water due to timing of invoices. These have been received and will be reflected in next month's Management Accounts £29k over spend on Rent due to phasing of the budget for 405 Kennington Road, where rent expenses are budgeted quarterly. £25k under spend on security due to reversal of duplicate POs and phasing of budget £35k under spend on PPS due to phasing of budget £20k under spend on maintenance contracts mainly due to a reversal of an annual PO. £7k under spend on office equipment due to phasing of budget and clean up of POs. £6k under spend in health and safety due to phasing of Health & Safety program.

Variance Commentary

INCOME					August -16 Comments (Actuals vs 2016-17 Budget)		July -16 Comments (Actuals vs 2016-17 Budget)	
Department	Movement YTD	Budget YTD	Variance v Budget	Variance v Budget %	Variances on Payroll	Variances on Non-payroll	Variances on Payroll	Variances on Non-payroll
Finance	295,214	350,417	55,203	15.8%	On Target	<p>£15k underspend on other professional fees and procurement legal advice due to phasing. Work carried out by Grant Thornton on 5 year plan, and by BDB on proforma contracts, but not yet completed and billed. Further work may be commissioned.</p> <p>£26k underspend on internal audit due to phasing – awaiting work carried out (&amp; invoices).</p> <p>£12k underspend on bank charges is mainly phasing - last month's bank charges not accrued, and charges expected to be higher in Q3 due to SW renewal.</p> <p>£8k permanent overspend on insurance. Did not budget for increase in premium due to claims and increase in insurance premium tax rate</p>	<p>£4k overspend due to temp covering Finance Business Partner role, which is now split across team members. Savings expected over the coming months. Overspend will reverse over the year.</p>	<p>£12k underspend on other professional fees and procurement legal advice due to phasing. Work carried out by Grant Thornton on 5 year plan, and by BDB on proforma contracts, but not yet completed and billed. Further work may be commissioned.</p> <p>£22k underspend on internal audit due to phasing – awaiting work carried out (&amp; invoices).</p> <p>£10k underspend on bank charges due to phasing - last month's bank charges not accrued.</p> <p>£8k permanent overspend on insurance. Did not budget for increase in premium due to claims and increase in insurance premium tax rate</p>
Fitness to Practise	6,093,111	5,530,026	(563,085)	(10.2%)	<p>£65k underspend on FTP staff which reflects the higher number of vacancies within the department than originally anticipated.</p> <p>£143k overspend on FTP temps higher than expected vacancies have resulted in a higher than originally forecast number of temps. It is anticipated that the spend on temporary staff will be higher than originally forecast to ensure forecast activity continues without delay. However, we expect the size of the variance to reduce as permanent vacancies are filled.</p> <p>£89k underspend on ADJ staff which reflects the higher number of vacancies within the adj function than originally anticipated. This is netted off with the £88k overspend in temporary staff costs.</p>	<p>£142k over spend on Public Law, this reflects a number of High Court cases which have recently concluded, the conclusion of a long running POT prosecution and additional pre and post ICP casework advice. It is not possible to forecast accurately the level of public law costs given the need for advice is dependent on a number of different factors and is often out of the HCPC's control.</p> <p>£44k overspend on FTP Presentation and Preparation which reflects the number of cases where it was necessary to instruct an expert.</p> <p>£374k overspend on Panel Fees - this variance reflects in part the higher than forecast activity in all aspects of hearings with the exception of IO applications. The variance is also the result of a recalculation of the panel fee accruals.</p>	<p>£159k underspend on permanent staff costs due to delay in permanent staff recruitment.</p> <p>£178k overspend on temporary staff and fixed term contractors until the new FTP structure is fully implemented. Temp staff spend should reduce following the completion of the ongoing recruitment campaigns.</p>	<p>£49k overspend on public law as there have been a number of challenges to decisions have reached conclusion at the High Court in the period resulting in an increase in costs</p> <p>£12k over spend on other legal costs as HCPC lost 2 high court cases in the month.</p> <p>£31k overspend on FTP preparation due to higher than forecast additional costs associated with expert witness reports and attendance at hearings.</p> <p>£22k overspend on printing due in part to June accruals on late invoices and increased orders for the scanning of documents.</p> <p>£210k overspend on partner fees due to increase number of complex cases taken on by FTP department. For example, number of final hearings took place in the first 4 months of the financial year was 200, compared to 156 budgeted. Average length of the final hearing was 3 days compared to budget of 2.5 days.</p> <p>£14k underspend on Transcript writer due to less written up transcripts requested in the period.</p> <p>£12k underspend on small project costs due to phasing, depend on other work commitments FTP may not carry out all projects planned for this financial year.</p>
Human Resources	243,112	352,697	109,585	31.1%	<p>£38k under spend in staff recruitment, of which £8k was due to reversal of annual PO from accruals. Overall under spend was resulted from more staff getting recruited internally and through company website than recruitment agency. Delay in FTP permanent staff recruitment also contributes to this.</p> <p>£7k under spend in temporary staff due to vacancy in the department in the beginning of the year.</p> <p>£21k reimbursement from insurance company relating to solicitor defence cost for employment tribunal</p>	<p>£11k under spend in pension admin due quarterly invoices, first invoice is due in September 2016.</p> <p>£11k under spend in legal expenses due to less legal advice required than anticipated.</p> <p>£11k under spend in organisational training due to timing of training events.</p>	<p>£33k under spend in staff recruitment, of which £8k was due to reversal of annual PO from accruals. Overall under spend was resulted from more staff getting recruited internally and through company website than recruitment agency. Delay in FTP permanent staff recruitment also contributes to this.</p> <p>£7k under spend in temporary staff due to vacancy in the department in the beginning of the year.</p>	<p>£11k under spend in pension admin due quarterly invoices, first invoice is due in September 2016.</p> <p>£11k under spend in legal expenses due to less legal advice required than anticipated.</p> <p>£5k under spend in organisational training due to timing of training events.</p>
Human Resources Partners	94,118	131,303	37,185	28.3%	On Target	<p>£8k under spend in partner recruitment and interviews due to phasing, higher costs is expected for December, when a large recruitment campaign is planned.</p> <p>£22.5k under spend in partner training as most training events are expected in October, November and December (4,3,2 events planned respectively). Partner travel/accommodation/subsistence due to phasing of the training and recruitment events.</p>	<p>£1.7k underspend in pension due to only 2 out of 4 people joined the pension scheme.</p> <p>£1.6k underspend in salary and associated NI due to change of working hours for one staff member.</p>	<p>£8k under spend in partner recruitment and interviews due to phasing, higher costs is expected for December, when a large recruitment campaign is planned.</p> <p>£21k under spend in partner training as most training events are expected in October, November and December (4,3,2 events planned respectively)</p> <p>£10k under spend in printing costs for training materials and partner travel/accommodation/subsistence due to phasing of the training and recruitment events.</p>
IT Department	842,439	841,650	(790)	(0.1%)	On Target	On Target	Over spend of £11k due to covering perm staff vacancy with temporary staff. This is likely to increase next month as one more temporary staff will be brought in to cover another vacant post.	<p>£37k under spend on general software support and maintenance due to delays in delivery of Major projects into support which will be rectified at the 6 month reforecast and phasing.</p> <p>£39k under spend on staff training, hardware maintenance, web/internet services, external IT support and small project costs all due to phasing of budget. These will be looked at during 6 month reforecast.</p> <p>£18k under spend in Net regulate software support and maintenance mainly due to savings made during the renewal of licenses.</p>

Variance Commentary

INCOME					August -16 Comments (Actuals vs 2016-17 Budget)		July -16 Comments (Actuals vs 2016-17 Budget)	
Department	Movement YTD	Budget YTD	Variance v Budget	Variance v Budget %	Variances on Payroll	Variances on Non-payroll	Variances on Payroll	Variances on Non-payroll
Major Projects	95,353	766,659	671,306	87.6%	£49k under spend due delays and under spend in several projects, see comments on the right.	£108k underspend on HR and Partners is mainly a timing difference due to withholding payment from the contractor until certain work satisfactorily completed. £111k underspend on Registration Transformation project includes backfill budget not used, which will be permanent saving. Delay in supplier invoicing for Jul/Aug cost £87k underspend on Tribunal Service due to delay in the project to allow for introductory papers to be approved by Council. £50k underspend on PCI DSS is slippage from original timetable. May be permanent savings but scope of work to close gaps still not clear £309k underspend on 186 KPR Refurbishment project due to delays in start date. This project has now started, full year budget is likely to be underspent.	£32k under spend due delays and under spend in several projects, see comments on the right.	£80k underspend on HR and Partners is mainly a timing difference due to withholding payment from the contractor until certain work satisfactorily completed. £63k underspend on Registration Transformation project includes backfill budget not used, which will be permanent saving £70k underspend on Tribunal Service due to delay in the project to allow for introductory papers to be approved by Council. £50k underspend on PCI DSS is slippage from original timetable. May be permanent savings but scope of work to close gaps still not clear £212k underspend on 186 KPR Refurbishment project due to delays in start date. This project has now started, full year budget is likely to be underspent.
Operations Office	260,697	359,928	99,231	27.6%	£41k under spend in payroll due to vacancies in the department for both permanent and temporary roles.	£14k underspend on public law due to phasing. £20k underspend on Information Security due to CBT training invoice for Bob's Business yet to come in. £12k underspend on disaster recovery plan partly due to over accrual in 2015-16. £12k annual invoice for disaster recovery plan has been prepaid and apportioned over the 2016/17 financial year.	£38k under spend in payroll due to vacancies in the department for both permanent and temporary roles.	£12k underspend on public law due to phasing. £5k underspend on ISO certificate due to phasing. £10k underspend on disaster recovery plan mainly due to reversal of an annual PO.
Policy	187,082	204,429	17,348	8.5%	On Target	On Target	£11k underspend due to 2 vacancies in the department in the beginning of the year. These vacancies have now been filled.	£9k under spend in training, public law and manager training due to phasing of budget, difference will reverse towards end of the year. £2k under spend in printing and stationery due to saving from lower costs/ smaller run. Also some publications may be delayed to the next financial year. £3k over spend in EMT travel costs mainly due to phasing and also due to attendance to 2 conferences which was not originally planned.
Registration	1,589,197	1,395,663	(193,534)	(13.9%)	On Target	£41k overspend in Printing costs due to a large order placed with Europa in the month as the move to Xerox has now been pushed back (Period 5 order costing £129k approx.) £198k overspend on International Assessors Fees due to the volume of assessments submitted (£88k fees in period 5).	£35k underspend in employee costs due to vacancies in June. New permanent employees have started in July. £25k over spend on temp covers between April and June, before permanent staff joined the organisation.	£140k over spend in partner fees, due to increased level of activity. This is mainly due to the volume of international application assessments. £11k underspend in partner expenses, due to timing of submission for expenses reimbursement. £83k underspend in printing due to phasing – Xerox set to start printing in August. Currently still using Europa. Registration order in bulk and in advance to store on site. There has been a delay with the implementation of Xerox. Once Xerox take over printing, Registrations won't have to order in advance. By simply providing Xerox information, printing will be immediate and costs incurred monthly. £6k underspend in Other Legal Cost due to phasing – awaiting BDB invoices. £17k underspend in Subscription, staff training and Managers Training due to phasing
Secretariat	97,197	108,329	11,132	10.3%	On Target	On Target	£2.3k under spend in staff costs mainly due to vacancies in the start of the year.	£3.7k under spend in training and printing due to phasing of budget. £4.3k under spend in public law due to phasing.
Depreciation	339,323	342,843	3,520	1.0%		On Target		On Target
PSA levy	858,973	860,000	1,027	0.1%		On Target		On Target
<b>Total expenditure</b>	<b>13,117,083</b>	<b>13,569,023</b>	<b>451,941</b>	<b>3.3%</b>				

## Income and Expenditure

31 August 2016

	Period 5	Year to date				Full Year Budget
	Actual	Actual	Budget	Variance v Budget	Variance v Budget %	
<b>Income by Activity</b>						
Graduate Registration Fees	150,765	684,482	683,753	729	0.1%	1,693,787
Readmission Fees	21,330	101,370	122,546	(21,176)	(17.3%)	356,752
Renewal Fees	2,189,781	10,765,547	10,712,127	53,420	0.5%	26,536,000
International Scrutiny Fees	133,705	793,305	576,112	217,193	37.7%	1,544,684
UK Scrutiny Fees	226,961	498,126	451,341	46,785	10.4%	959,823
<b>Registration Income</b>	<b>2,722,542</b>	<b>12,842,830</b>	<b>12,545,878</b>	<b>296,951</b>	<b>2.4%</b>	<b>31,091,046</b>
Cheque/credit card write offs	0	(180)	0	(180)		0
<b>Total Income</b>	<b>2,722,542</b>	<b>12,842,650</b>	<b>12,545,878</b>	<b>296,771</b>	<b>2.4%</b>	<b>31,091,046</b>
Chair	150	52,415	53,200	785	1.5%	96,999
Chief Executive	28,047	172,798	156,072	(16,726)	(10.7%)	379,573
Council & Committee	10,473	48,379	66,081	17,702	26.8%	222,963
Communications	97,753	496,447	535,767	39,320	7.3%	1,285,841
Education	87,823	448,022	491,940	43,918	8.9%	1,229,017
Facilities Management	163,297	903,205	1,022,019	118,814	11.6%	2,710,638
Finance	52,002	295,214	350,417	55,203	15.8%	856,356
Fitness to Practise	1,376,016	6,093,111	5,530,026	(563,085)	(10.2%)	13,351,668
Human Resources	27,006	243,112	352,697	109,585	31.1%	900,693
Human Resources Partners	18,680	94,118	131,303	37,185	28.3%	379,757
IT Department	247,764	842,439	841,650	(790)	(0.1%)	2,026,822
Major Projects	11,195	95,353	766,659	671,306	87.6%	1,357,298
Operations Office	53,568	260,697	359,928	99,231	27.6%	794,171
Policy	28,330	187,082	204,429	17,348	8.5%	451,531
Registration	417,598	1,589,197	1,395,663	(193,534)	(13.9%)	3,446,833
Secretariat	20,762	97,197	108,329	11,132	10.3%	242,828
Depreciation	66,759	339,323	342,843	3,520	1.0%	796,319
PSA Levy		858,973	860,000	1,027	0.1%	860,000
<b>Operating expenditure</b>	<b>2,707,224</b>	<b>13,117,083</b>	<b>13,569,023</b>	<b>451,941</b>	<b>3.3%</b>	<b>31,389,307</b>
<b>Operating surplus/(deficit)</b>	<b>15,318</b>	<b>(274,433)</b>	<b>(1,023,145)</b>	<b>748,712</b>	<b>(73.2%)</b>	<b>(298,261)</b>
<b>Other income</b>						
Investment Income	13,224	68,349	0	68,349		0
	<b>13,224</b>	<b>68,349</b>	<b>0</b>	<b>68,349</b>		<b>0</b>
<b>Total surplus/(deficit)</b>	<b>28,542</b>	<b>(206,084)</b>	<b>(1,023,145)</b>	<b>817,061</b>	<b>(79.9%)</b>	<b>(298,261)</b>

## Payroll costs

31 August 2016

	Period 5	Year to date				Full Year Budget
	Actual	Actual	Budget	Variance v Budget	Variance v Budget %	
Chair		0	0	0	0.00	
Chief Executive	20,935	109,681	120,364	10,683	8.9	288,873
Council & Committee		0	0	0	0.0	
Communications	56,944	281,054	272,850	(8,204)	(3.0)	654,841
Education	78,657	365,124	370,276	5,152	1.4	904,734
Facilities Management	27,294	116,797	136,443	19,647	14.4	327,464
Finance	38,063	212,735	213,574	839	0.4	526,877
Fitness to Practise	354,007	1,690,239	1,659,338	(30,902)	(1.9)	4,099,815
Human Resources	17,510	168,546	236,272	67,727	28.7	597,553
Human Resources Partners	10,232	51,166	55,317	4,151	7.5	132,760
IT Department	58,758	288,215	273,937	(14,278)	(5.2)	654,953
Major Projects	8,580	67,576	116,774	49,199	42.1	259,797
Operations Office	43,222	226,251	270,036	43,785	16.2	613,689
Policy	23,765	107,737	118,744	11,008	9.3	284,987
Registration	176,561	844,964	849,420	4,457	0.5	2,101,744
Secretariat	18,804	90,283	92,285	2,002	2.2	201,393
<b>Payroll costs</b>	<b>933,332</b>	<b>4,620,367</b>	<b>4,785,631</b>	<b>165,264</b>	<b>3.5</b>	<b>11,649,479</b>

## Non-payroll costs

31 August 2016

	Period 5	Year to date				Full Year Budget
	Actual	Actual	Budget	Variance v Budget	Variance v Budget %	
Chair	150	52,415	53,200	785	1.5	96,999
Chief Executive	7,112	63,117	35,709	(27,409)	(76.8)	90,700
Council & Committee	10,473	48,379	66,081	17,702	26.8	222,963
Communications	40,809	215,392	262,917	47,524	18.1	631,000
Education	9,166	82,898	121,664	38,765	31.9	324,282
Facilities Management	136,003	786,408	885,575	99,167	11.2	2,383,174
Finance	13,939	82,479	136,844	54,364	39.7	329,480
Fitness to Practise	1,022,009	4,402,872	3,870,690	(532,182)	(13.7)	9,251,854
Human Resources	9,497	74,567	116,425	41,858	36.0	303,140
Human Resources Partners	8,448	42,952	75,986	33,034	43.5	246,997
IT Department	189,006	554,225	567,713	13,488	2.4	1,371,868
Major Projects	2,615	27,777	649,885	622,108	95.7	1,097,501
Operations Office	10,346	34,446	84,892	50,446	59.4	171,482
Policy	4,565	79,345	85,685	6,340	7.4	166,544
Registration	241,037	744,233	546,243	(197,990)	(36.2)	1,345,090
Secretariat	1,959	6,914	16,043	9,130	56.9	41,435
PSA Levy		858,973	860,000	1,027	0.1	860,000
<b>Non-payroll costs</b>	<b>1,707,133</b>	<b>8,157,393</b>	<b>8,435,550</b>	<b>278,157</b>	<b>3.3</b>	<b>18,934,508</b>

## Income by profession

31 August 2016

	Period 5	Year to date				Full Year Budget
	Actual	Actual	Budget	Variance	Variance %	
Arts Therapist	32,092	133,786	137,260	(3,474)	(2.5)	339,938
Bio-medical scientists	181,106	873,111	901,075	(27,963)	(3.1)	2,201,226
Chiropodists	99,789	459,273	470,471	(11,198)	(2.4)	1,155,974
Clinical Scientist	35,675	186,295	184,047	2,248	1.2	457,303
Dietitians	75,053	354,860	358,246	(3,386)	(0.9)	860,769
Hearing Aid Dispensers	21,509	86,458	86,235	223	0.3	214,345
Occupational Therapists	306,863	1,433,581	1,420,383	13,198	0.9	3,492,170
Operating Department Practitioners	92,109	425,808	409,900	15,908	3.9	1,067,825
Orthopodists	11,290	48,789	46,095	2,694	5.8	113,333
Paramedics	166,990	806,087	744,813	61,274	8.2	1,941,213
Physiotherapists	449,561	2,111,482	2,112,747	(1,265)	(0.1)	5,028,000
Practitioner Psychologists	154,711	757,440	753,669	3,770	0.5	1,835,850
Prosthetists & Orthotists	8,701	37,477	34,808	2,669	7.7	85,859
Radiographers	280,607	1,326,731	1,245,954	80,777	6.5	2,997,758
Social Workers	691,734	3,256,730	3,107,988	148,742	4.8	7,976,133
Speech Language	114,753	544,922	532,188	12,734	2.4	1,323,350
<b>Registration Income</b>	<b>2,722,542</b>	<b>12,842,830</b>	<b>12,545,878</b>	<b>296,951</b>	<b>2.4</b>	<b>31,091,047</b>
Cheque/credit card adjustments	0	(180)		(180)		
<b>Total income</b>	<b>2,722,542</b>	<b>12,842,650</b>	<b>12,545,878</b>	<b>296,771</b>	<b>2.4</b>	<b>31,091,047</b>

## Statement of Financial Position

31 August 2016

	Actual Period 5	Budget YTD	Budget 31 March 2017	Actual 31 March 2016
<b>Non-current assets</b>				
Land & buildings, at cost or valuation	4,192,936	4,140,000		4,140,000
Land & buildings depreciation	(17,250)	(96,464)		(0)
	4,175,686	4,043,536		4,140,000
Computer equipment, at cost	462,322	491,489		462,322
Computer equipment depreciation	(328,621)	(324,262)		(287,301)
	133,702	167,226		175,021
Office furniture and equipment, at cost	990,101	992,861		992,861
Office equipment depreciation	(283,754)	(218,828)		(217,147)
	706,346	774,033		775,714
Intangible assets	6,755,877	7,905,402		6,559,098
Intangible depreciation	(5,410,330)	(5,403,921)		(5,196,184)
	1,345,547	2,501,482		1,362,914
<b>Total non-current assets</b>	<b>6,361,280</b>	<b>7,486,277</b>	<b>7,957,000</b>	<b>6,453,649</b>
<b>Current assets</b>				
Other current assets	733,208	1,597,897	758,000	1,597,897
Cash & cash equivalents	15,374,320	12,300,853	17,929,000	17,615,332
	<b>16,107,528</b>	<b>13,898,750</b>	<b>18,687,000</b>	<b>19,213,229</b>
<b>Total assets</b>	<b>22,468,808</b>	<b>21,385,027</b>	<b>26,644,000</b>	<b>25,666,878</b>
<b>Current liabilities</b>				
Trade and other payables	496,221	506,583	965,000	506,583
Other liabilities	1,802,229	1,900,927		1,900,927
Deferred income	15,916,826	15,541,045	22,730,000	18,799,751
	<b>18,215,277</b>	<b>17,948,555</b>	<b>23,695,000</b>	<b>21,207,262</b>
<b>Total assets less liabilities</b>	<b>4,253,532</b>	<b>3,436,472</b>	<b>2,949,000</b>	<b>4,459,616</b>
General fund b/fwd	(4,459,616)	(3,869,791)	(3,247,000)	(3,869,791)
Rev Res - Land & Building	0	(589,826)		(589,826)
This periods profit/loss	206,084	1,023,145	298,000	
General fund c/fwd	<b>(4,253,532)</b>	<b>(3,436,471)</b>	<b>(2,949,000)</b>	<b>(4,459,616)</b>



## Projects

		Opex			Capex			Opex & Capex			Opex	Capex
		Actual YTD £	Budget 2016/17 YTD £	Variance £	Actual YTD £	Budget 2016/17 YTD £	Variance £	Actual YTD £	Budget 2016/17 YTD £	Variance £	Budget Full Year £	Budget Full Year £
HR and Partners Build	P78	29,073	137,538	108,465	29,332	237,024	207,692	58,405	374,562	316,157	165,838	304,003
Stakeholder Relationship Mgmt System	P80	0	12,170	12,170		0	0	0	12,170	12,170	21,906	0
Reg Transformation and Improvement	P85	43,609	154,484	110,874	130,368	580,522	450,154	173,977	735,006	561,028	503,481	850,226
Establishing the new Tribunal Service	P86	(882)	86,429	87,311	2,259	95,068	92,809	1,377	181,497	180,120	102,023	118,068
PCI/DSS	P87	62	50,000	49,938		0	0	62	50,000	49,938	50,000	0
HCPC website review and build	P90	0	13,022	13,022		124,419	124,419	0	137,441	137,441	30,333	385,156
Net Regulate Changes	P88	0	0	0	21,849	20,000	(1,849)	21,849	20,000	(1,849)	2,000	80,000
186 Kennington Park Road renovation	P89	2,001	311,266	309,265	52,988	185,812	132,824	54,989	497,078	442,089	464,967	573,031
Education System Build	P64	0	0	0	4,361	15,000	10,639	4,361	15,000	10,639	0	15,000
Sage and PRS Upgrade	P74	0	0	0		0	0	0	0	0	0	0
Domino to Exchange Migration	P76	0	0	0		0	0	0	0	0	0	0
Professional Qualifications Directive	P81	0	0	0		0	0	0	0	0	0	0
Telephone Credit Card Automation	P82	14,220	0	(14,220)	(996)	0	996	13,224	0	(13,224)	0	0
Fees Review 2015	P83	0	0	0	272	0	(272)	272	0	(272)	0	0
Kennington Road Fit Out	P84	212	0	(212)	(2,760)	0	2,760	(2,548)	0	2,548	0	0
FTP CMS Review (MP91)	CMS	0	1,750	1,750		68,850	68,850	0	70,600	70,600	16,750	98,850
Restack	Restack	7,057	0	(7,057)	(52)	13,955	14,007	7,005	13,955	6,950	0	13,955
		<b>95,353</b>	<b>766,659</b>	<b>671,306</b>	<b>237,621</b>	<b>1,340,650</b>	<b>1,103,029</b>	<b>332,974</b>	<b>2,107,309</b>	<b>1,774,335</b>	<b>1,357,298</b>	<b>2,438,289</b>

## Capital expenditure

	<b>Actual YTD £</b>	<b>Budget 2016/17 YTD £</b>	<b>Variance £</b>	<b>Budget 2016/17 Full Year £</b>
<u>Land &amp; Buildings</u>	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Information Technology</u>				
Software Licences	9,334	4,523	(4,810)	13,570
Hardware Replacement	0	23,333	23,333	70,000
	<b>9,334</b>	<b>27,857</b>	<b>18,523</b>	<b>83,570</b>
<u>Projects</u>				
Capital Expenditure	237,621	1,340,650	1,103,029	2,438,289
<b>Total Capital Expenditure</b>	<b>246,954</b>	<b>1,368,506</b>	<b>1,121,552</b>	<b>2,521,859</b>

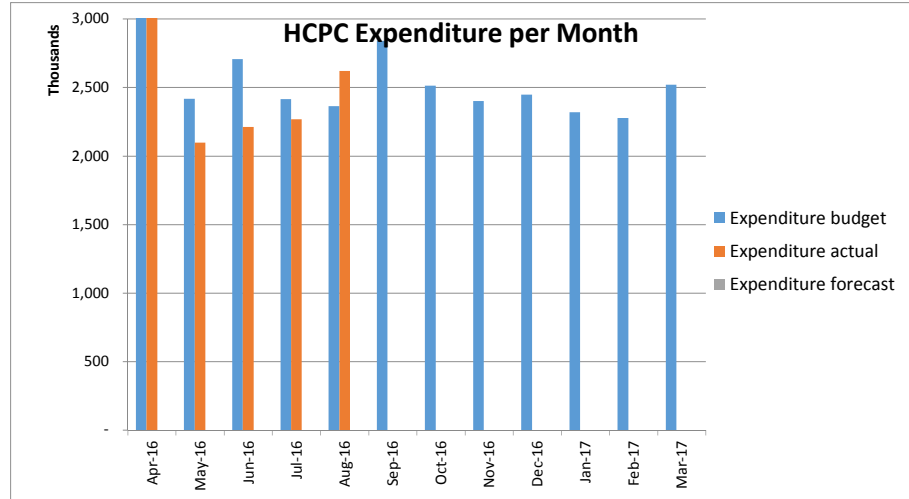
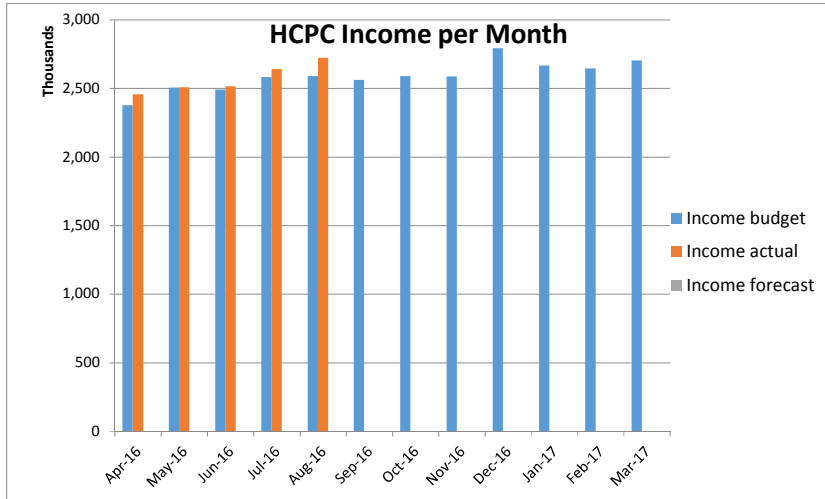
## Cash flow statement

From 1 April 2016

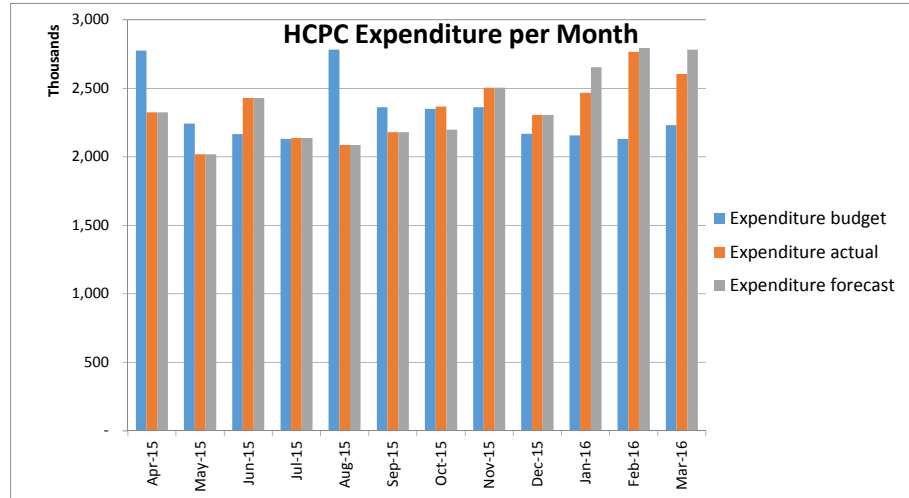
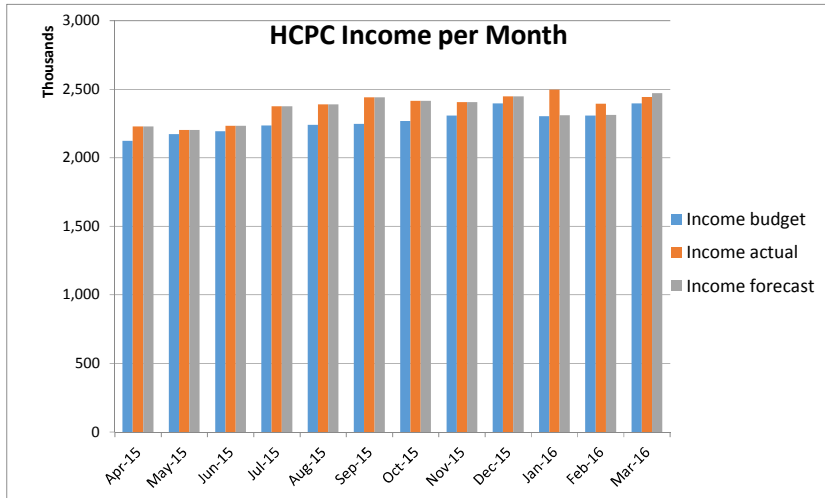
	Year to date actual £	Year to date budget £	Full year budget £
Operating surplus/(deficit)	(274,433)	(1,023,145)	(298,260)
Less: Depreciation	339,323	342,843	796,319
Decrease/(increase) in debtors & prepayments	864,688		
Increase/(decrease) in creditors	(109,060)		
(Decrease)/increase in deferred income	(2,882,925)	(3,258,706)	1,103,462
<b>Net cash in/(out)flow from operating activities</b>	<b>(2,062,407)</b>	<b>(3,939,007)</b>	<b>1,601,521</b>
<b>Return on investments and servicing of finance</b>			
Investment Income	68,349	0	
<b>Capital expenditure and financial investments</b>			
Purchase of Fixed Assets	(246,954)	(1,375,471)	(2,521,859)
<b>Increase/(decrease) in cash</b>	<b>(2,241,013)</b>	<b>(5,314,479)</b>	<b>(920,338)</b>
Cash at beginning of period	17,615,332	17,615,332	17,615,332
Cash at end of period	15,374,320	12,300,853	16,694,994
<b>Cash movement</b>	<b>(2,241,013)</b>	<b>(5,314,479)</b>	<b>(920,338)</b>

**Graphs**

**2016-17**

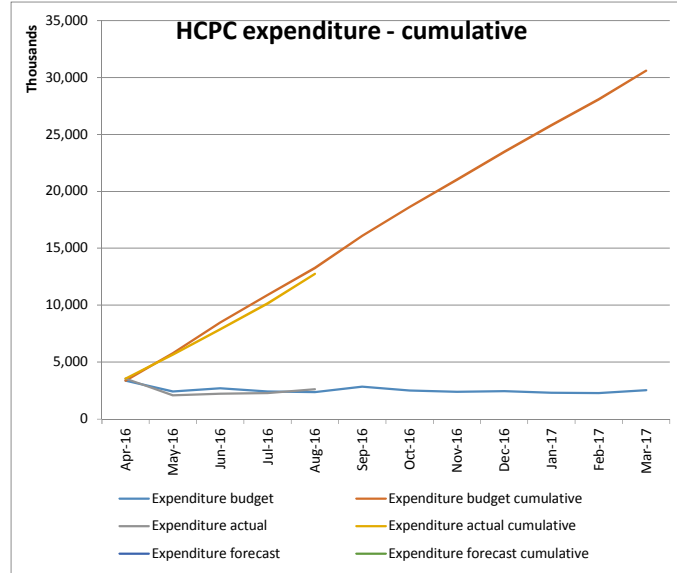
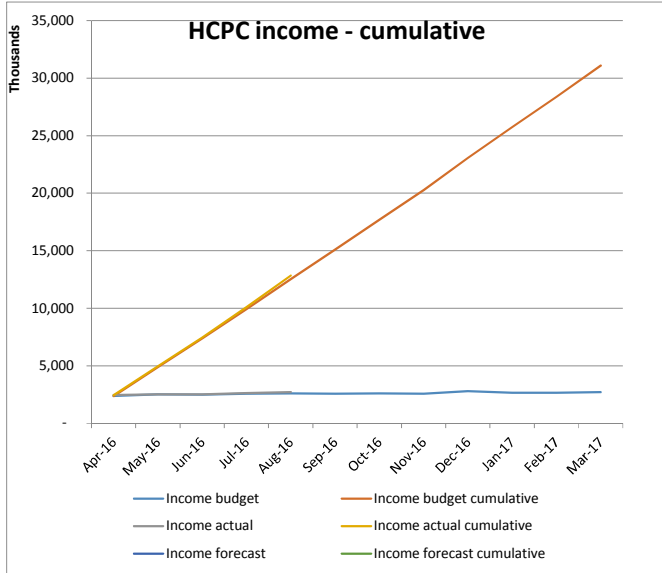


**2015-16**



Graphs - cumulative

2016-17



2015-16

