
Finance Report - August 2024

Executive Summary

1. Financial Performance (Year to Date)

- **Surplus:** actual position for the year to date (YTD) stands at £1.6 million, exceeding the forecasted surplus of £1.3 million by £324k.
- **Income:** actual income of £17.7 million slightly surpasses the forecast by £290k (1.7%). This increase can be attributed to a higher number of international applications than anticipated.
- **Expenditure:** Total expenditure is closely in line with forecast. There are some savings in payroll and property costs offsetting adverse variances in temporary staff and partners costs.

2. Q1 Forecast vs. Budget (Full Year)

- **Full Year Surplus:** forecast surplus for the full year is £1.3 million, which exceeds the budgeted surplus of £186k owing to the increase in international applications compared to budget. There are some in-year risks to manage, which could affect the final position.
- **Income:** favourable variance of £1.6 million is anticipated, largely due to increased international scrutiny fees.
- **Expenditure:** full year expenditure forecast is £40.7 million, slightly above the budget by £434k. Key drivers include higher costs associated with partners and temporary staff.

3. Major Projects and Investments

- The report highlights the ongoing review of capital expenditure for 2024-25, including alignment with the IT regulatory systems review. Total forecasted investments are £870k.

4. Risks and Opportunities

- **Risks:** The report identifies several key risks, including the need to build up reserves and manage increased costs associated with international applications.
- **Opportunities:** Potential upside from additional international applications and investment income has been noted.

5. Balance Sheet and Reserves

- **Reserves:** General reserves stand at £5.5 million, with realisable net assets at £2.3 million, reflecting about three weeks of operating expenditure. This highlights the importance of further building reserves to meet operational needs and cover risks.

6. Employee Full Time Equivalents (FTEs)

- The report highlights a shortfall in FTEs when compared to the forecast, particularly within the Fitness to Practise department, with an ongoing reliance on agency staff.

Conclusion

The August 2024 position demonstrates a relatively strong financial position with positive variances in both income and expenditure, reflecting earlier progress on rebuilding the HCPC's financial sustainability. However, it also underscores the need for careful management of risks, particularly around building reserves and controlling costs related to temporary staffing.

Previous consideration	Previous finance report (May 2024 YTD) provided to the Council in July 2024.
Decision	The Council is asked to note the report.
Next steps	Conduct a review of Q2 financials and adjust the Q2 forecast for the upcoming reporting period.
Strategic priority	Financial sustainability.
Financial and resource implications	The implications are set out in the report.
EDI impact and Welsh language standards	No direct implications.
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August 2024 Finance Report

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Executive Summary

Key Headlines

	August 2024 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	17,682	17,392	290	40,439	41,993	1,554
Total Expenditure	16,075	16,109	34	40,253	40,687	(434)
Surplus/(Deficit)	1,607	1,283	324	186	1,306	1,120

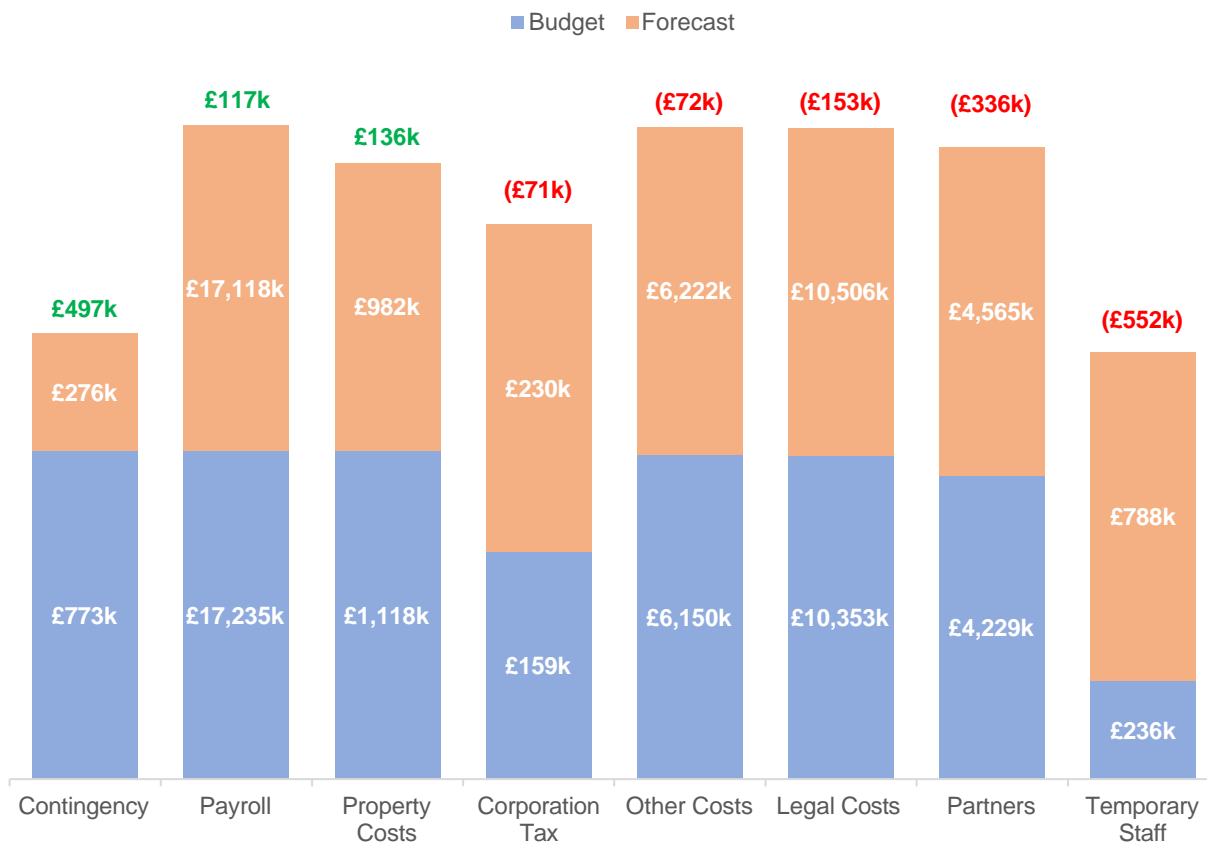
- Year-to-date actual surplus of **£1.6m** is £324k favourable compared to forecasted surplus of **£1.3m**.
- Full year forecast is projected to result in a surplus of **£1.3m** (compared to budget surplus of **£186k**).
- International application volumes for August year to date totalled 3,998 compared to the budget of 2,696 which is an additional 1,302 applications (nearly 48% higher than budget). International income was increased in the Q1 forecast to reflect the ongoing rise in international applications (8,000 applications forecast for the full year vs prudent budget assumption of 6,000 applications).
- Increase in forecast expenditure of **£434k** compared to budget is due to associated direct costs of the increase in international applications as well as a further legal costs from prior year relating to cases expected to have been completed in March 2024.
- There are several short and long-term risks that we are managing throughout the year, including the need to build up our reserves, partners target operating model and reducing our reliance on agency staff.

Summary Figures – August 2024 YTD

	August 2024 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Income	17,209	16,937	272	39,804	41,036	1,232
Other Income	473	455	18	635	957	322
Total Income	17,682	17,392	290	40,439	41,993	1,554
Payroll Costs	6,587	6,641	54	17,235	17,082	153
Other Staff Costs	739	751	12	863	1,415	(552)
Non-Payroll Costs	8,598	8,572	(26)	21,044	21,505	(461)
Total Operating Expenditure	15,924	15,964	40	39,142	40,002	(860)
Exceptional Costs	151	145	(6)	1,111	685	426
Total Expenditure	16,075	16,109	34	40,253	40,687	(434)
Total Surplus/(Deficit)	1,607	1,283	324	186	1,306	1,120

Note. 'Other Staff Costs' includes Temporary Staff, Training, Recruitment Fees and Other Employee Costs e.g. Pension Administration Costs.

Budget vs Forecast Expenditure Variances (by Category)



Note. 'Other Costs' includes Categories with variances c£50k or less

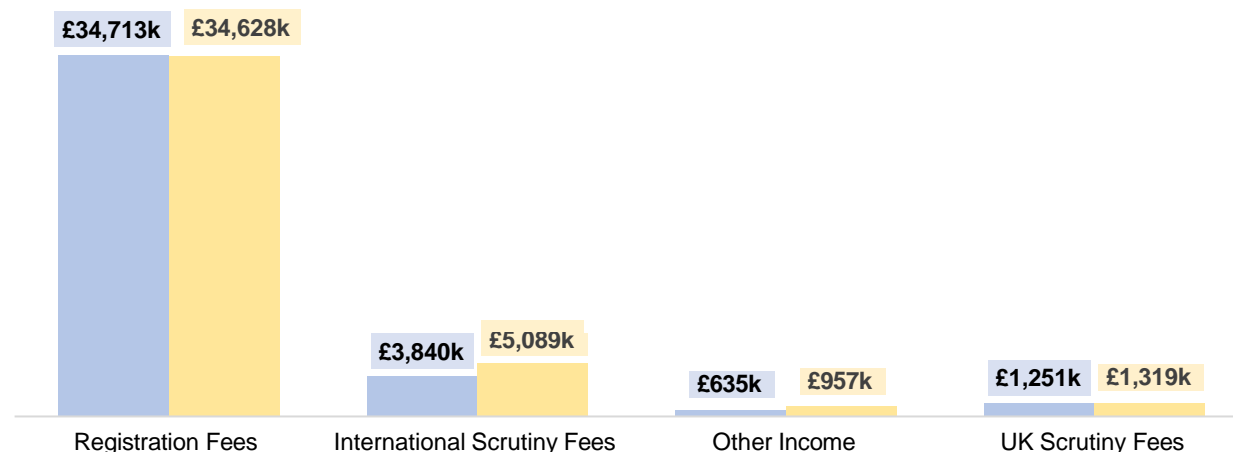
Total forecast expenditure for the year of £40.7m, is **£434k** adverse compared to budget expenditure of £40.3m.

- **Contingency: £497k** favourable variance mainly due to reallocation of contingency funds to FTP and Finance.
- **Payroll: £117k** favourable due to unfilled vacant posts in Q1, with majority sitting within FTP.
- **Property Costs: £136k** favourable variance is mainly driven by reduction in building refurbishments costs that are unlikely to materialise this financial year.
- **Corporation Tax: £71k** adverse as this is directly related to our projected increase in investment income.
- **Legal Costs: £153k** adverse, primarily related to timing of cases from a previous legal provider from the prior year. We had anticipated these cases would have been completed by March 2024, due to the complex nature of these cases, completion is now anticipated for 2024-25.
- **Partners: £336k** adverse variance mainly due to increase in international assessors' fees, which is in line with the projected increase in international applications (this is offset by income from international scrutiny fees).
- **Temporary Staff: £552k** adverse due to increase in FTP temporary staff to help cover existing operational pressures within the team (contracts extended to December 2024).

Total Income – Budget vs Forecast (Full Year)

Total Income

■ Budget ■ Forecast



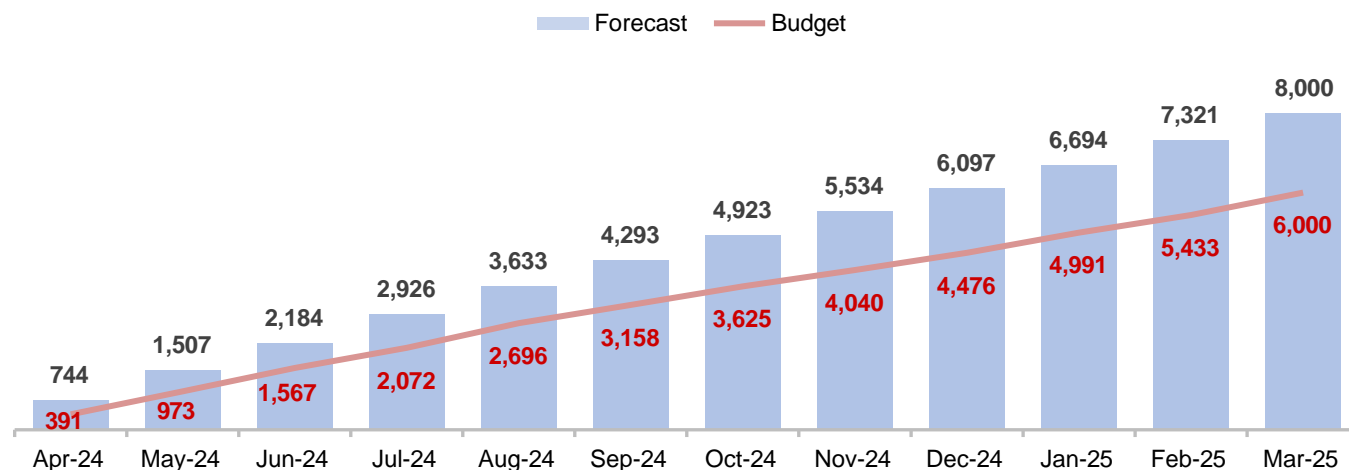
	Full Year		
	Budget	Forecast	Variance
	£'000	£'000	£'000
Registration Fees	34,713	34,628	(85)
International Scrutiny Fees	3,840	5,089	1,249
Other Income	635	957	322
UK Scrutiny Fees	1,251	1,319	68
Total Income	40,439	41,993	1,554

Total budgeted income for the full year was £40.4m compared to the Q1 forecast of £42.0m, which is around £1.6m favourable.

- **Registration Fees: £85k** adverse due to adjustment of our income to accurately reflect registration numbers and renewal cycles throughout the financial year (previously based on a straight-line basis).
- **International Scrutiny Fees: £1.2m** favourable due international applications expected to increase from our budgeted volume of 6,000 to 8,000 applications. Prudent assumptions were made on budgeted income and costs, to minimise the risk of further running down our reserves.
- **Other Income: £322k** favourable with recalculated investment income to reflect increase in principal amount held in our deposit accounts (budget assumed approximately £25m vs Q1 forecast of around £32m). This is driven by an increase in deferred income from renewals of Physiotherapist and Radiographer professions.
- **UK Scrutiny Fees: £68k** favourable variance due to an expected increase in UK applications (budget assumed 15,358 vs Q1 forecast of 16,192).

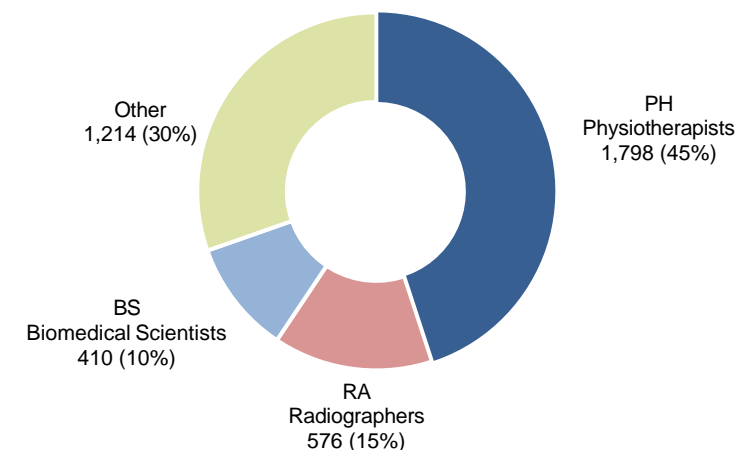
International Income – August 2024 YTD

International Applications FY2024-25 (Running Total)

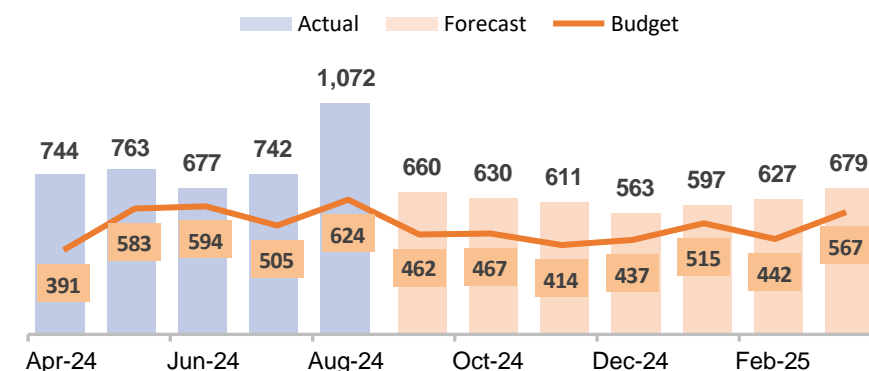


Note. Apr 24 – Jul 24 are actual volumes. The remaining months are actuals plus forecasted volumes

International Application volumes (By Profession)



International Applications FY2024-25

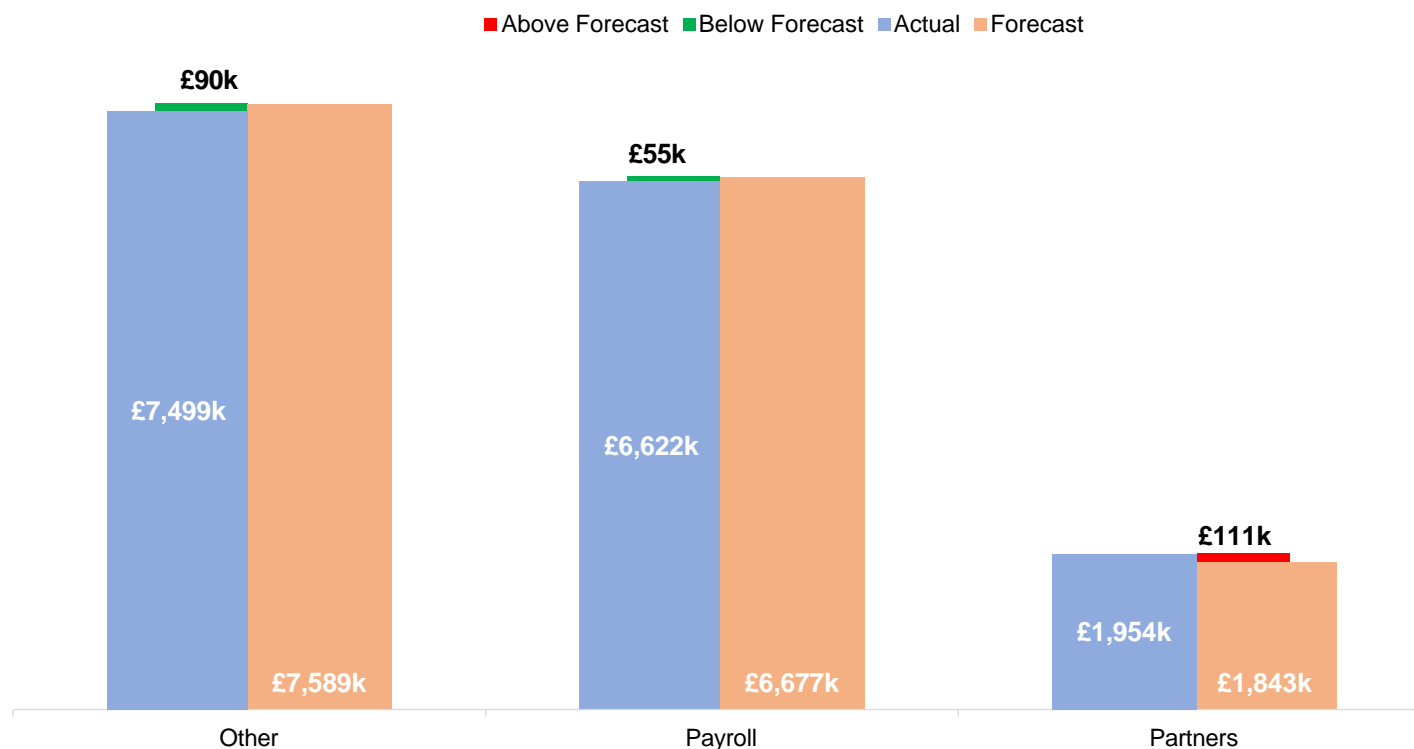


- **Aug 2024 Period Only:** Actual number of international applications of 1,072 was 448 higher than budget of 624. There was an additional 365 applications in August (around 52% increase) compared to the forecast volume of 707.
- **Aug 2024 YTD:** Actual number of international applications of 3,998 was 1,302 higher than budget of 2,696.
- **Full Year Forecast:** We revised our international applications assumptions for the full year to around 8,000 in response to the current uptrend in applications compared to budget of 6,000 applications (around 39% increase). There is a potential opportunity of 500 additional applications generating around £320k further additional income.

Financial vs Operational Reporting: There will be a slight difference in the reported volumes of international applications, related to recognising applications based on received payments (financial) versus the number of applications processed (operational).
Finance Report

Note. See 'Appendix 4 – International Applications' for a geographical view of International applications

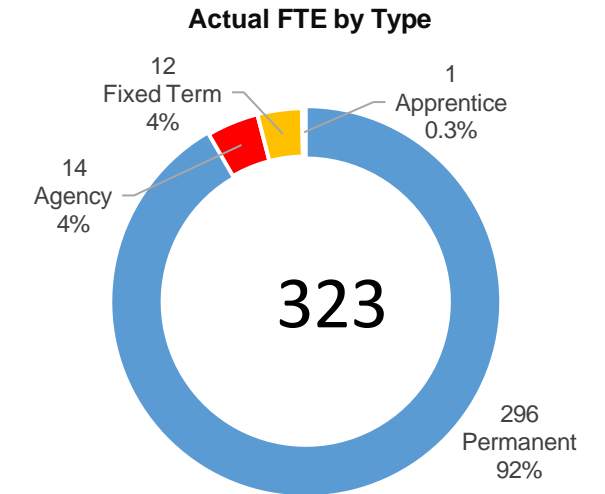
Key Variances by Category – August 2024 YTD



- **Other Costs:** Underspend of **£90k** due to timing of operational spend and departmental training.
- **Payroll:** Underspend of **£55k** is mainly because of the unfilled vacant positions sitting in Fitness to Practice and Registration department.
- **Partners:** Overspend of **£111k**:
 - **£63k** related to increase in international assessors' fees due to higher international applications in August. This is covered through international scrutiny fees income.
 - **£39k** is attributed to panel fees. Number of final hearings and reviews are usually lower in August compared to other periods, which has been factored into the Q1 forecast. The final hearings and reviews, although still lower in August, were slightly higher than anticipated.

Note. To view key variances by department, please refer to 'Appendix 1.1 – Income & Expenditure (By Department)'.

Employee FTEs as at 31 August 2024



FTP - Fitness To Practise, REG - Registrations, FIN - Finance & Commercial, ITD - IT & Digital Transformation, HUM - Human Resources, BUC - Business Change, EDU - Education, ASC - Assurance & Compliance, FAC - Facilities Management, POL - Policy & Standards, COM - Communications, PLT - Professional & Upstream Regulation, CEO - Chief Executive and Registrar, DIA - Data Insight & Analytics, CCO - Chair and Chief Executive Office, PAR - Partners, SEC - Governance, RDP - Regulatory Development & Performance

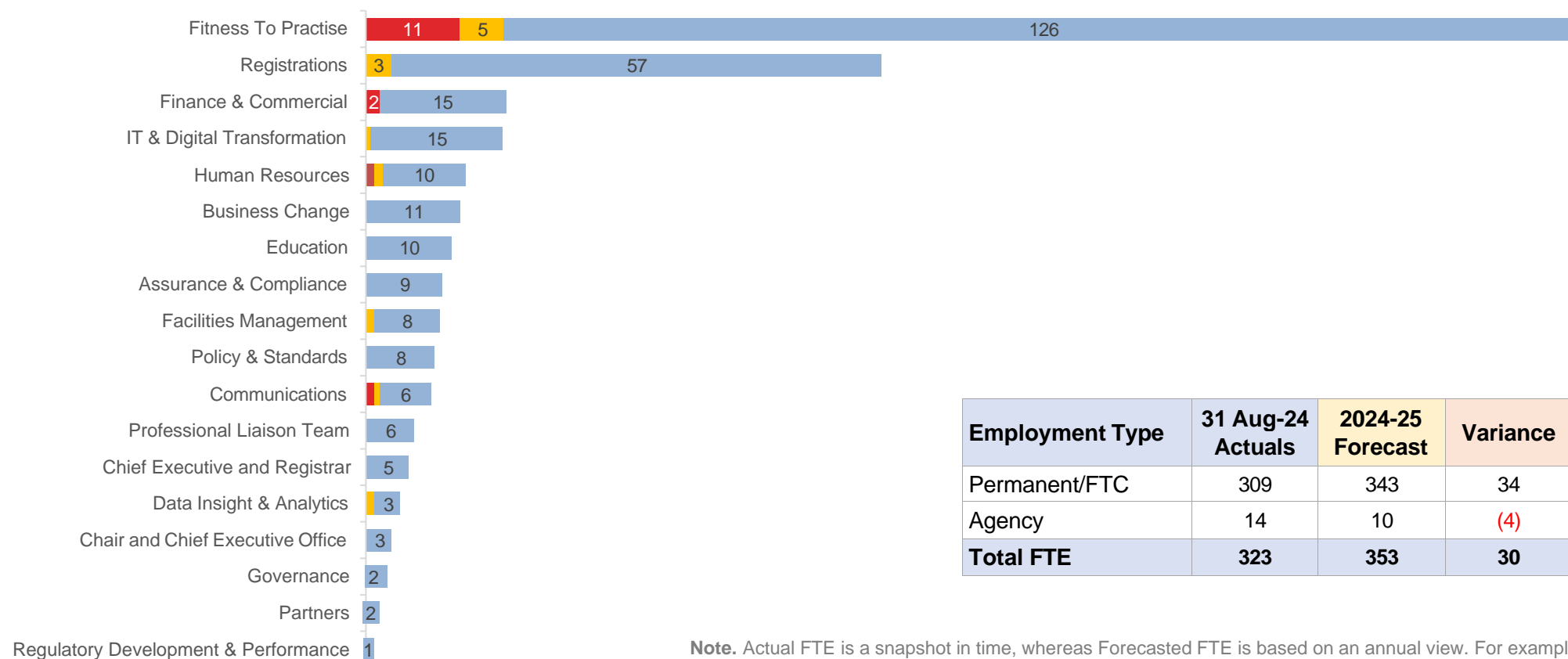
- **Fitness to Practice (FTP):** Unfilled vacant posts (expected to be filled from Q3 onwards).
- **Registration (REG):** New operating model in progress with vacant posts expected to be filled in Q3.

Note. The allocated FTE for 2024/25 budget was 332. Please see 'Appendix 7 – Full Time Equivalent (FTE)' for a complete breakdown of budgeted vs forecasted FTE.

Employee FTEs as at 31 August 2024

Actual FTE by Employment Type

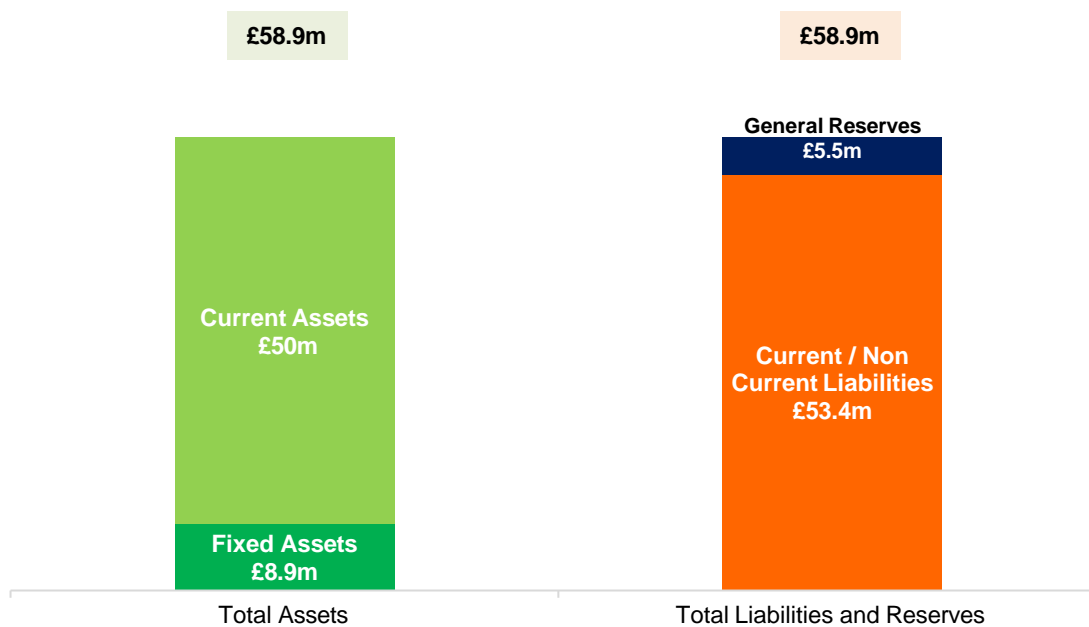
■ Agency ■ Apprentice ■ Fixed Term ■ Permanent



Employment Type	31 Aug-24 Actuals	2024-25 Forecast	Variance
Permanent/FTC	309	343	34
Agency	14	10	(4)
Total FTE	323	353	30

Note. Actual FTE is a snapshot in time, whereas Forecasted FTE is based on an annual view. For example, if an employee was hired on a 6-month contract at the beginning of the financial year, as at Aug-24, our forecasted FTE would be shown as **0.5**, however, Actuals will be shown as **1.0**. More work will be done to align forecasted FTE with Actuals for better comparability.

Balance Sheet and Reserves as at 31 August 2024

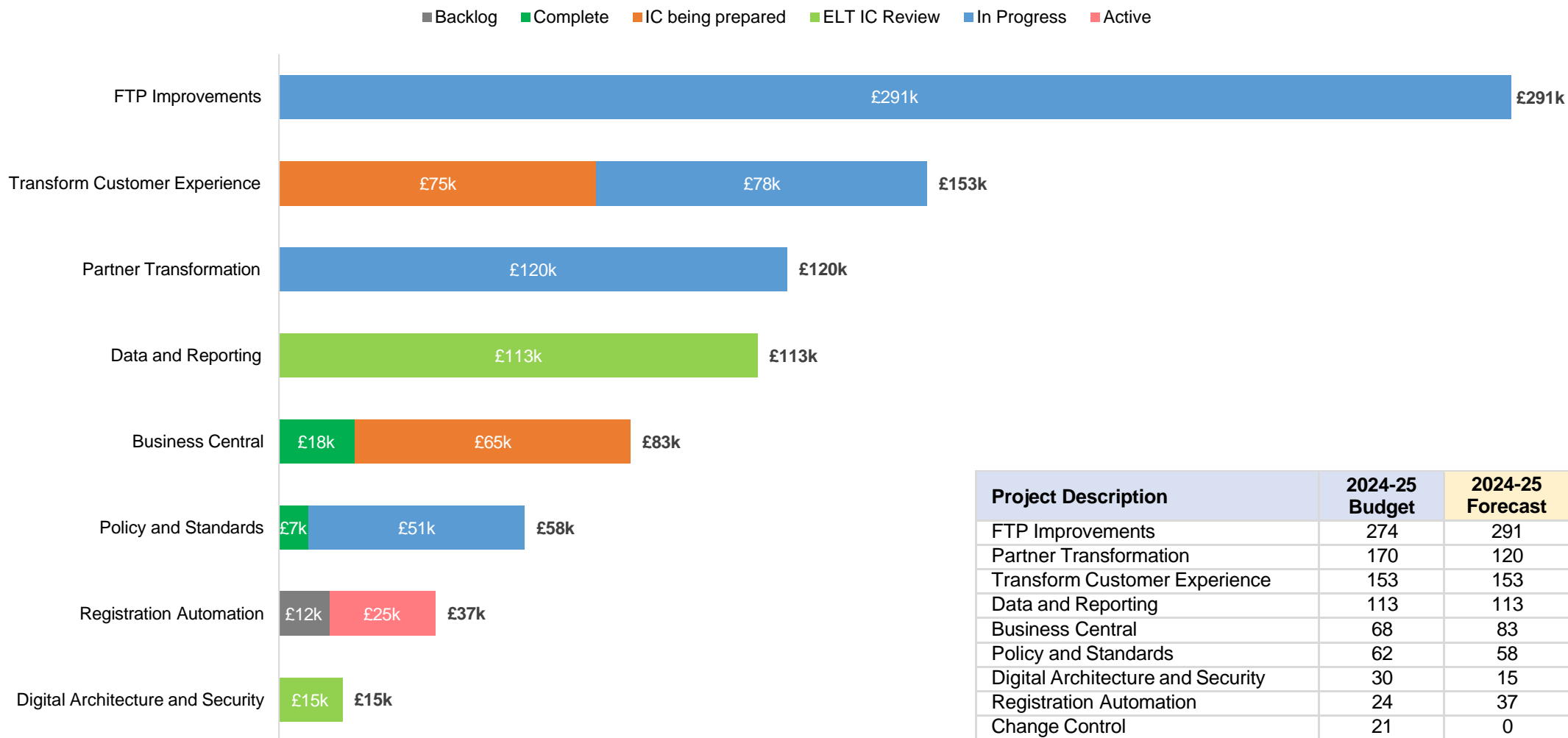


- **Current Assets:** mainly comprise of 'cash & cash equivalents' of around £28m and 'account receivables' of around £22m.
- **Liabilities:** mostly relate to 'deferred income' of around £49m as a result of registrants paying their fees in advance.
- **General Reserves (or Net Assets):** were approximately £5.5m.
- **Realisable Net Assets:** were around £2.3m, calculated by taking our reserves position of around £5.5m less our 'intangible assets' of around £3.2m. This represents about three weeks of our total operating expenditure. **Note.** The HCPC's reserves policy requires us to hold positive realisable net assets
- Balance sheet forecast still work in progress. This will be provided in the Council report.
- To view the full Balance Sheet Statement, please refer to 'Appendix 5 – Balance Sheet'.

Operating Reserves (Realisable Net Assets): are essentially the accumulation of surpluses without restrictions that are liquid (as opposed to invested in fixed assets). Having adequate reserves increases our ability to absorb or respond to temporary changes, such as the unanticipated event of significant unforecasted increases in expenditure and/or losses in income.

	31 August 2024 Actuals	31 March 2025 Budget	Variance
	£'000	£'000	£'000
Opening Reserves	3,894	2,903	991
Revaluation reserve (Land and Buildings)	0	382	(382)
Surplus/(Deficit)	1,607	186	1,421
GENERAL RESERVES	5,501	3,471	2,030
Realisable Net Assets	2,272	118	2,154

Major Projects 2024-25 Forecast



Project Description	2024-25 Budget	2024-25 Forecast	Variance
FTP Improvements	274	291	(17)
Partner Transformation	170	120	50
Transform Customer Experience	153	153	0
Data and Reporting	113	113	0
Business Central	68	83	(15)
Policy and Standards	62	58	4
Digital Architecture and Security	30	15	15
Registration Automation	24	37	(13)
Change Control	21	0	21
Total	915	870	45

Risks & Opportunities

Risks

Low	Medium	High
Regulatory Reform: Project resource costs upon initiation (£1.3m)	Legal Provisions: Cover historic costs and claims (£1.8m)	Data Storage Costs: Increase due to growing number of users (£40k)
Decrease in International Applications: Current publications shows fall in overseas health and care worker visa applications (£ - TBC)	Operating Reserves: Build-up of depleted reserves (£1m)	Telephony Services: Potential changes to current contract agreement with Daisy due to Wavenet/Daisy merger (£55k)
	Partners Target Operating Model: Implement tighter financial controls and process improvements (£0.5m)	Building Refurb / Repairs: Boiler and Air Conditioning unit upgrade as part of the sustainability initiative (£130k)
	International Application Costs: Associated costs with projected increase in volumes are covered through international scrutiny fees (£ - TBC)	Data Insight & Analytics – Proposal for a secondment position (£30k)

Opportunities

Low	Medium	High
BAU Project Spend: Savings from conducting one research project instead of two (£ - TBC)	Software Licence Costs: Review of individual user requirements may reduce BAU costs (£ - TBC)	Investment Income: The HCPC holds significant cash balances, with the potential to earn additional interest income (£200k)
	Increase in International Income: Additional international applications of around 500 for the year (£320k)	
	NHSE Grant: Grant Income to cover a position in the policy team over 18 months (£170k)	

Note. Low/Medium/Risk categories relate to the likelihood of the risk or opportunity materialising.

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APPENDICES

Appendix 1.1 – Income and Expenditure (By Department)

	August 2024 YTD			Full Year			Full Year Forecast	Notes
	Actuals	Forecast	Variance	Budget	Forecast	Variance	Actuals	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
Total Income	17,682	17,392	290	40,439	41,993	1,554	42%	
Fitness to Practise	7,890	7,870	(20)	19,206	19,653	(447)	40%	1
Registrations	1,798	1,732	(66)	3,819	4,224	(405)	43%	2
IT and Digital Transformation	1,383	1,401	18	3,427	3,490	(63)	40%	
Finance and Commercial	656	667	11	1,356	1,532	(176)	43%	3
Chief Executive and Registrar	687	696	9	1,687	1,677	10	41%	
Facilities Management	476	487	11	1,566	1,355	211	35%	5
Depreciation	455	464	9	1,044	1,051	(7)	43%	
Human Resources	453	484	31	1,297	1,297	0	35%	
Communications	437	438	1	1,018	1,021	(3)	43%	
Business Change	307	316	9	823	823	0	37%	
Education	260	269	9	625	607	18	43%	
Assurance and Compliance	258	265	7	512	675	(163)	38%	4i
Policy and Standards	206	206	0	711	670	41	31%	
Governance	113	105	(8)	605	313	292	36%	4ii
Professional and Upstream Regulation	148	154	6	392	397	(5)	37%	
Partners	97	104	7	254	255	(1)	38%	
Chair, Council and Committees	103	104	1	249	258	(9)	40%	
Data Insight and Analytics	93	97	4	253	258	(5)	36%	
Regulatory Development and Performance	41	41	0	98	98	0	42%	
Major Projects	2	2	0	200	200	0	1%	
Chair and Chief Executive Office	61	62	1	0	148	(148)	41%	4iii
Total Operating Expenditure	15,924	15,964	40	39,142	40,002	(860)	40%	
Operating Surplus/(Deficit)	1,758	1,428	330	1,297	1,991	694	88%	
Transformation costs	36	36	0	179	179	0	20%	
Contingency	0	0	0	773	276	497	0%	
Corporation Tax	115	109	(6)	159	230	(71)	50%	
Total Expenditure	16,075	16,109	34	40,253	40,687	(434)	40%	
Total Surplus/(Deficit)	1,607	1,283	324	186	1,306	1,120	123%	

- Note 1: £447k** adverse variance due to:
 - Increase FTP temporary staff to help cover existing operational pressures within the team (two months of costs initially budgeted for 4 individuals, around 10 temporary staff now expected to remain until December 2024).
 - Additionally cost pressure related to timing and complexity of legal cases related to a previous legal provider. The cases were anticipated to have been resolved by March 2024 and are now anticipated for completion in 2024-25.
- Note 2: £405k** adverse variance mainly due to increase in international assessors' fees associated with the increase in international application volumes (8,000 applications forecasted for the full year vs prudent budgeted assumption of 6,000 applications).
- Note 3: £176k** adverse variance mainly due to increase in bank charges associated with the increase in international applications (around £70k) and additional insurance cover for Cyber Security (around £32k).
- Note 4:** Reallocation of resources across Governance, Assurance & Compliance and Chair and Chief Executive Office departments. Overall net variance across the three departments is **£19k** adverse.
- Note 5: £211k** favourable variance is mainly driven by reduction in building refurbishments costs that are unlikely to materialise this financial year.

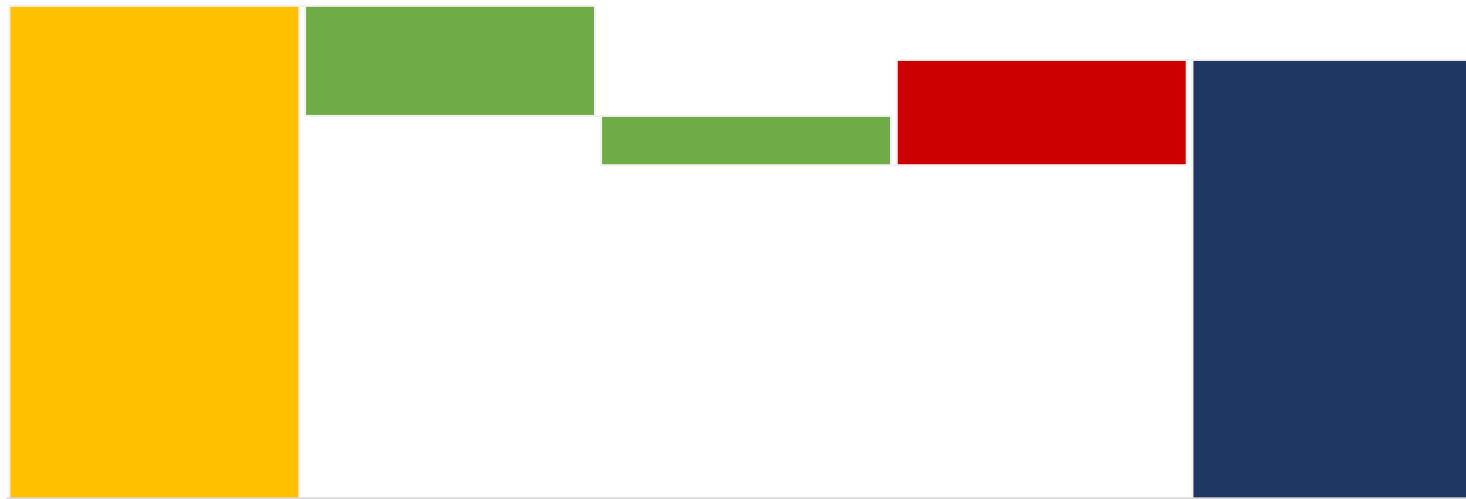
Appendix 1.2 – Income & Expenditure (Prior Period)

	July-24 Actuals	July-24 Forecast	Variance
	£'000	£'000	£'000
Total Income	13,775	13,770	5
Fitness to Practise	6,198	6,200	2
Registrations	1,426	1,412	(14)
IT and Digital Transformation	1,096	1,105	9
Finance and Commercial	558	533	(25)
Chief Executive and Registrar	555	556	1
Facilities Management	385	394	9
Depreciation	371	373	2
Human Resources	368	378	10
Communications	336	325	(11)
Business Change	246	255	9
Education	210	214	4
Assurance and Compliance	203	207	4
Policy & Standards	163	163	0
Governance	126	130	4
Professional & Upstream Regulation	118	121	3
Partners	87	83	(4)
Chair, Council and Committees	73	76	3
Data Insight and Analytics	71	73	2
Regulatory Development and Performance	33	33	0
Major Projects	2	2	0
Chair and Chief Executive Office	0	13	13
Total Operating Expenditure	12,625	12,646	21
Operating Surplus/(Deficit)	1,150	1,124	26
Transformation costs	36	36	0
Corporation Tax	92	89	(3)
Total Expenditure	12,753	12,771	18
Total Surplus/(Deficit)	1,022	999	23

Appendix 2 – Key Variances by Department (August 2024 YTD)

YTD Actual vs Forecast

■ Increase ■ Decrease



- **Human Resources: £31k** underspend mainly due to the timing on departmental training.
- **Registration: £66k** adverse variance mainly due to international assessors' costs (covered by the international scrutiny fees income).

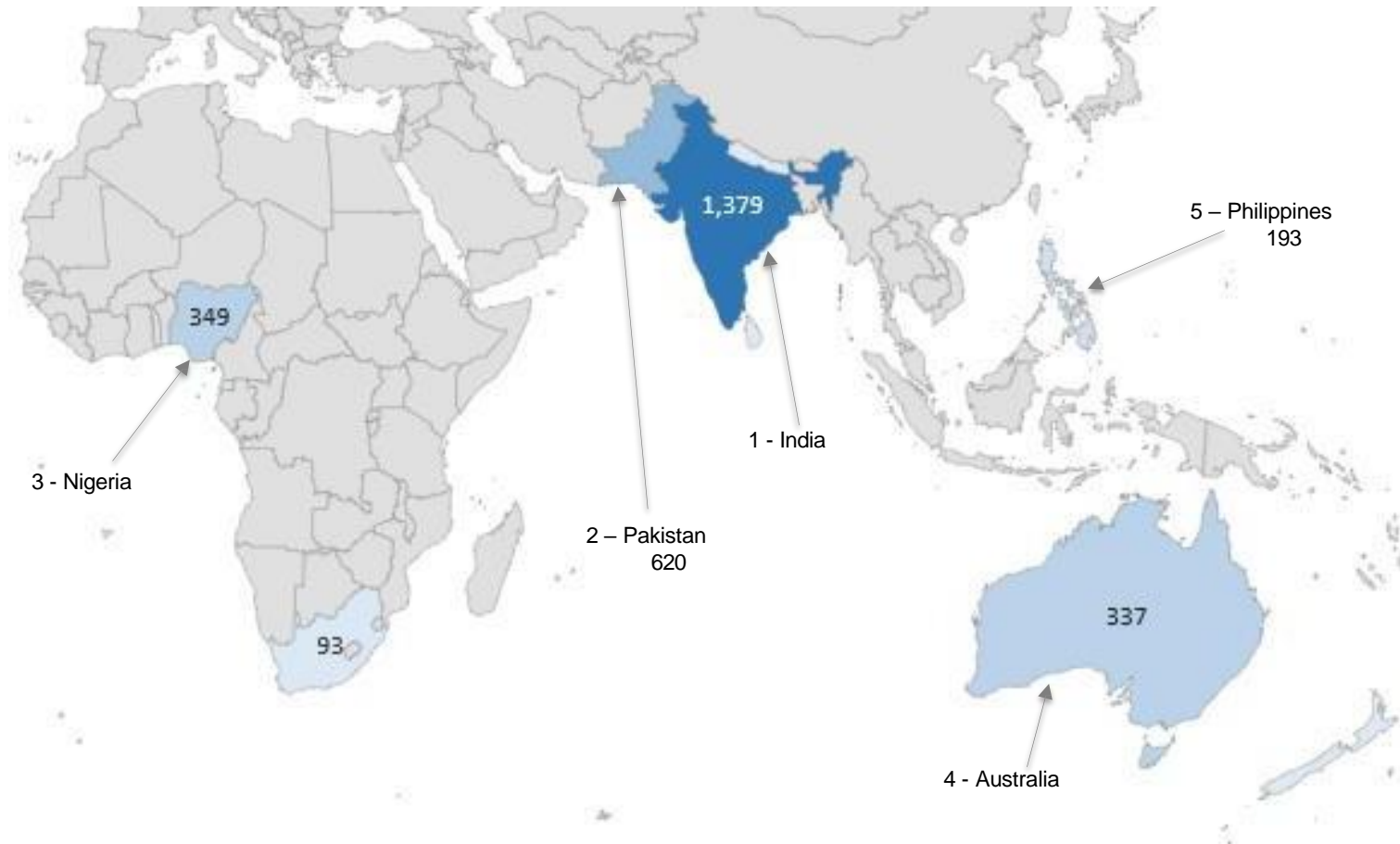
Appendix 3 – Expenditure August 2024 YTD (by Category)

	August 2024 YTD			Full Year	Full Year Forecast
	Actuals	Forecast	Variance	Forecast	% of Actuals
	£'000	£'000	£'000	£'000	%
Payroll	6,622	6,677	55	17,118	38%
Legal Costs	4,283	4,293	10	10,506	41%
Partners	1,954	1,843	(111)	4,565	46%
IT Costs	882	895	13	2,169	42%
Temporary Staff	540	527	(13)	788	229%
Depreciation	461	470	9	1,081	43%
Professional Fees	247	215	(32)	623	40%
Staff Related Costs	199	225	26	627	32%
Other Costs	190	241	51	1,192	11%
Office Services	150	146	(4)	552	25%
Property Costs	149	163	14	430	28%
Communication Costs	149	152	3	396	38%
Utilities	126	136	10	348	34%
Corporation Tax	115	108	(7)	230	72%
Travel and Subsistence	8	18	10	62	12%
Total Expenditure	16,075	16,109	34	40,687	40%

Note. 'Other Costs' includes Bank Charges and Contingency. 'Staff Related Costs' includes Training, Recruitment Fees and Pension Administration Costs.

Appendix 4 – International Applications (Geographic Location)

International Application Volumes (Aug-24 YTD)
(By Geographic Location)



Appendix 5 – Balance Sheet (as at 31 August 2024)

	31 August 2024 Actuals	31 March 2025 Budget	Variance
	£'000	£'000	£'000
Property, Plant and Equipment	5,551	6,079	(528)
Intangible Assets	3,229	3,353	(124)
Total Fixed Assets	8,780	9,432	(652)
Current Assets			
Trade and Other Receivables	21,693	11,924	9,769
Cash and Cash Equivalents	28,349	14,556	13,793
Total Current Assets	50,042	26,480	23,562
Total Assets	58,822	35,912	22,910
Current Liabilities			
Deferred Income	48,660	27,665	20,995
Trade and Other Payables	4,578	4,741	(163)
Total Current Liabilities	53,238	32,406	20,832
Non-current Liabilities	82	35	47
Total Liabilities	53,320	32,441	20,879
NET ASSETS	5,502	3,471	2,031
Opening Reserves	3,894	2,903	991
Revaluation Reserves	0	382	(382)
Surplus/(Deficit)	1,607	186	1,421
GENERAL RESERVES	5,501	3,471	2,030

Appendix 6 – Key Contracts (August 2024 YTD)

Department	Description of service	Contract Value	Contract Length	Supplier	Procurement Route
Facilities Management	Sustainability Advisory Agreement	£36,930	12 months	Acclaro Advisory Ltd	Finalising Contract Documents
Finance	PTX Core & BACS DDM Subscription	£38,000	12 months	Bottomline Technologies Ltd	Contract Variation Order
Fitness to Practise	Case Management and Legal Services	£5,760,000	2 years	Blake Morgan	Contract Extension Process
Fitness to Practise	Case Management and Legal Services	£5,760,000	2 years	Capsticks	Contract Extension Process
Fitness to Practise	Recording and Transcription Services	£375,000	18 months	MWC and Ubiquis	Contract Extension Process
Fitness to Practise	Service User Engagement	£20,000	12 months	The Patients Association	Contract Renewal Process
Information Technology	Website Content Management System and Hosting	£219,455	2 years	Optimizely AB	SSR/Direct Award
Information Technology	HCPC Service Desk Ticket Management Software	£73,425	3 years	SolarWinds	SSR/Direct Award
Information Technology	Hypercare Support for the Education System	£25,920	12 months	Synchronicity Technology Solutions Ltd	SSR/Direct Award
Information Technology	Check Point Support Services	£30,000	12 months	Camwey Technology	SSR/Direct Award
Governance	Physical and Digital Storage Services	£20,000	12 months	Deepstore Records Management	Direct Award Process

Appendix 7 – Full Time Equivalent (FTE)

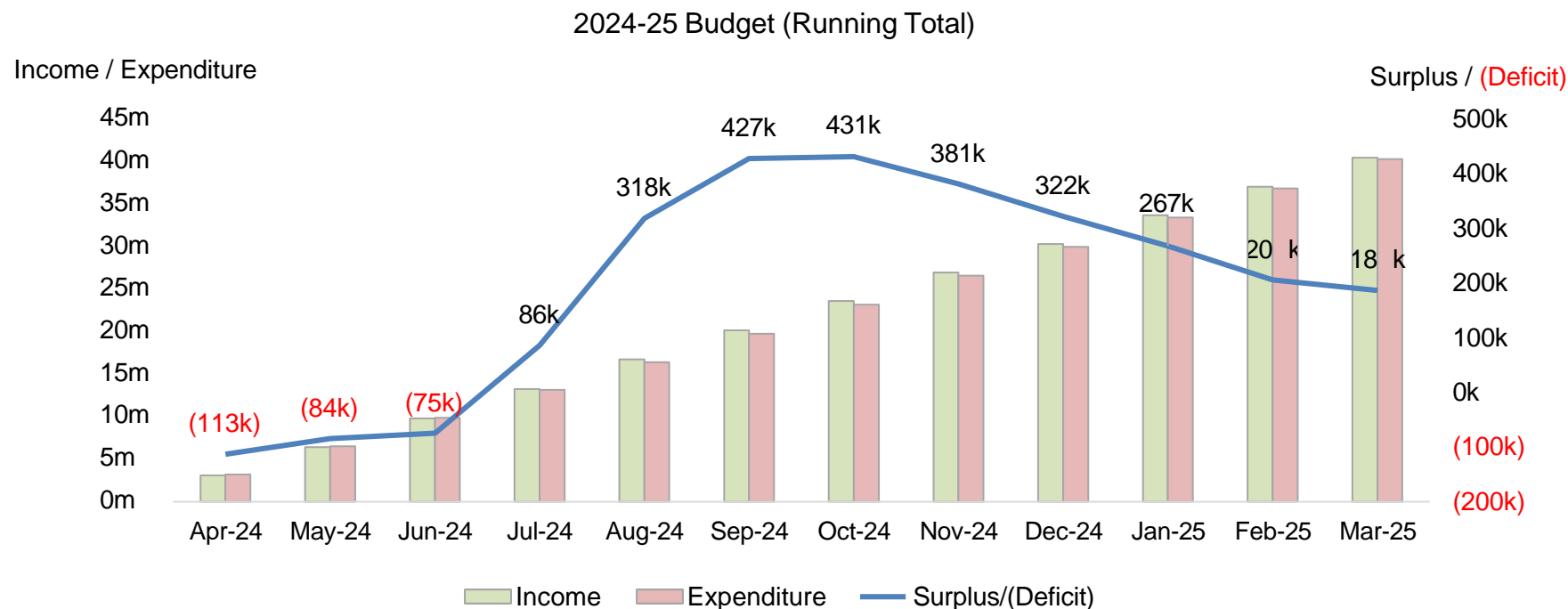
Department	2024-25 Budget			2024-25 Q1 Forecast			Variance
	Permanent/FTC	Temporary	Total	Permanent/FTC	Temporary	Total	
Fitness to Practice	143	1	144	148	8	156	(12)
Registrations	61	3	64	71	0	71	(7)
IT and Digital Transformation	15	1	16	16	0	16	0
Finance & Commercial	15	1	16	17	1	18	(2)
Human Resources	12	0	12	12	0	12	0
Business Change	11	0	11	11	0	11	0
Education	11	0	11	10	0	10	1
Policy and Standards	9	0	9	9	0	9	0
Facilities Management	8	0	8	9	0	9	(1)
Communications	8	0	8	7	1	8	0
Governance	8	0	8	3	0	3	5
Assurance and Compliance	7	0	7	9	0	9	(2)
Professional and Upstream Regulation	6	0	6	6	0	6	0
Chief Executive and Registrar	5	0	5	5	0	5	0
Data Insight and Analytics	4	0	4	4	0	4	0
Partners	2	0	2	2	0	2	0
Regulatory Development and Performance	1	0	1	1	0	1	0
Chair and Chief Executive Office	0	0	0	3	0	3	(3)
Total	326	6	332	343	10	353	(21)

Appendix 8 – Contingency (as at 31 August 2024)

Description	£'000
General	176
Ring-Fenced Annual Partners & Pension	597
Total Budgeted Contingency	773
Online Register (One-off)	(15)
Cyber Security Cost	(32)
FTP Temporary Staff Costs	(450)
Total Contingency Remaining	276

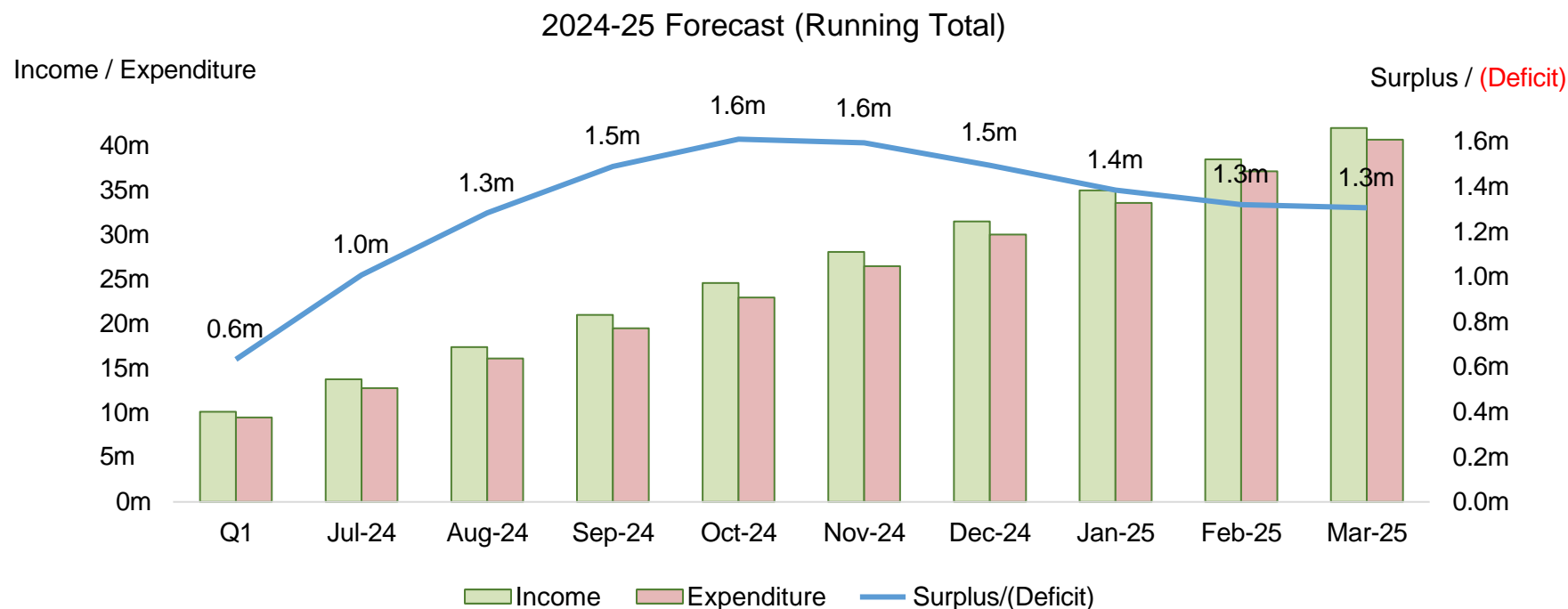
Note. The previously allocated ring-fenced contingency of £597k for Partners' ongoing holiday pay and pension costs for 2024-25, has been deferred to the 2025-26 financial year. This deferral has effectively increased the general contingency pot, allowing for the reallocation of funds to cover these critical expenses without impacting the overall financial stability.

Appendix 9 – 2024–25 Budget Profile



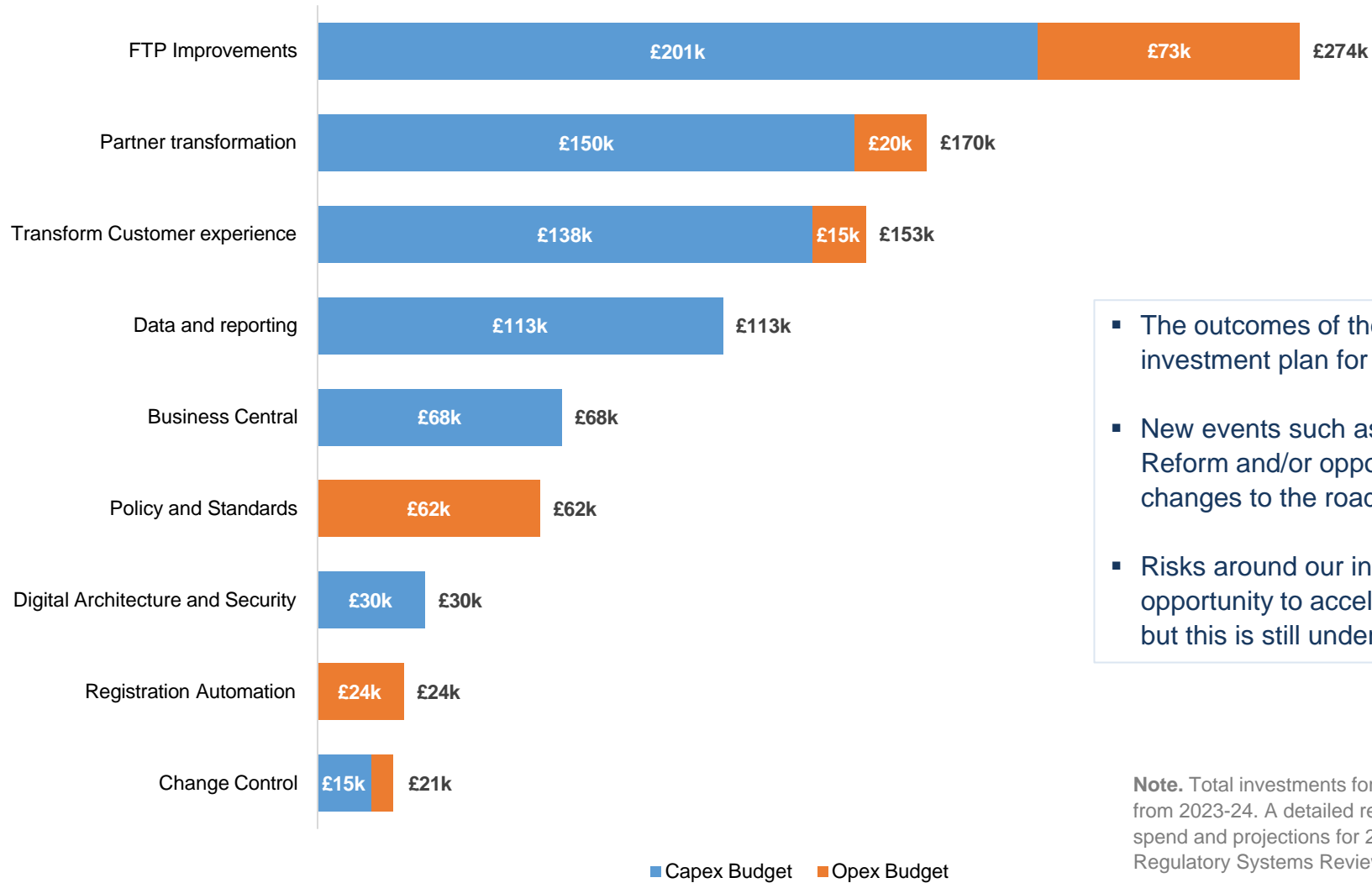
- The 2024-25 Budget assumes a deficit position in the first quarter, followed by a steady surplus trend for the remainder of the year.
- Income is budgeted to be lower for Q1 compared to later periods, whilst expenditure remains relatively consistent across the periods. The budgeted income for 2024-25 was profiled based on prior year actuals.
- The general trend seen in prior years suggests an increase in income from Q2, due to it being a busier period with greater influx of UK graduate applications, reaching its peak around October. This is followed by a decline in applications from November.

Appendix 10 – 2024–25 Forecast Profile



- The surplus at the end of the first quarter of 2024-25 was £0.6m, surpassing the budget by £0.7m.
- Income has been adjusted in the Q1 Forecast to reflect the ongoing rise in international applications. Investment Income has been revised to account for the higher principal amount held in our deposit accounts than expected. This has improved our financial position compared to budget with surplus peaking £1.6m in Q3.
- A decrease in surplus is anticipated in Q4 due to majority of BAU projects being projected to be completed by end of Q3/Q4.

Appendix 11 – Major Projects 2024-25 Budgeted Spend



- The outcomes of the IT Regulatory Systems review is aligned to the investment plan for 2024-25.
- New events such as advancements in the schedule for Regulatory Reform and/or opportunities from the Partners Review, may inform changes to the roadmap in the coming months.
- Risks around our incumbent telephony provider may create an opportunity to accelerate the plan for the omni-channel contact centre, but this is still under analysis.

Note. Total investments forecast of **£915k** includes an approved amount of 215k brought forward from 2023-24. A detailed review of capital expenditure is currently underway to capture latest spend and projections for 2024-25, which will take into account the proposals around the IT Regulatory Systems Review.