

Finance and Facilities Management Departments - February 2008 Report

General

Since the last Finance & Resources Committee Meeting, the Finance department has produced the December Management Accounts.

Supplier payments

At the end of December, at least 98% by value of the £222k Creditor payments (Dec Aged Creditor Listing) are in the 30 days or less category.

Fee adjustments and income receipts handling

At the 24th January, there was a backlog in Registrant direct debit cancellations and amendments of about 3 processing days. We had about 1 day processing backlog on rejected payments/refunds and zero days backlog on mid-cycle lapsing of Registrants. Banking of Registrant cheques and credit card reconciliations were up to date.

Income Collection cycle

Direct debit collections of Registrants' fees (cover at least 83% of renewal fees by value) are done by the Finance Dept, with collections made two months in advance. PA, OR and RA collections occurred in January. SL, CS and PO collections are scheduled for February. Most of the income comprises Renewal fees collected.

Pensions

At the 21st of Jan, there were 52 active members in the Friends Provident Scheme and 1 remaining active member in the Capita Flexiplan Scheme, excluding the "notional" members.

Barnet Waddingham (BW) stated at 21st Jan that 28 transfers had been paid across to the Friends Provident scheme. This leaves a maximum of 8 further potential transfers outstanding. BW also advised they were awaiting confirmation for some AVC monies to be paid across to Friends Provident scheme.

Funds under Management

At 25th January, the Business Reserve account balance was £465k earning an interest rate of 2% per annum. A further £3.8M was invested in the Special Interest-bearing Account (SIBA) on a rolling monthly basis, earning 5.5% per annum. NatWest, Barclays and HSBC are active Money Market providers for HPC. The value of our investment portfolio (including £177k cash) at the end of December was £1.970M.

Regarding the Reserves Policy, three average budgeted months of Operating Expenses totals £3.12M. At the end of Dec, the sum of Investments and Working Capital totalled £4.67M.

22/26 Stannary St Ltd VAT deregistration

HMRC confirmed that the option to tax will be disapplied, once the Stannary St property is first used after the refurbishment and once the 'election to waive exemption' is received. BDB to provide VAT details relating to the sale and purchase agreement of 22/26 Stannary St Ltd to HMRC on HPC's behalf.

Baker Tilly Tax Advisors recently said that any VAT claimed, incurred in respect of the refurbishment will have to be repaid to HMRC and that HMRC will argue that (such) VAT did not relate to an intention to make taxable supplies. That is, HPC were aware that the option to tax would be disapplied once the refurbished property is first used.

By the end of the project, the VAT amount repayable could be £204k, relating to both Opex and Capex items purchased. A financial provision of £93k was made in the Dec Accounts and will be updated as new information becomes available.

March 07 Annual Report

Waiting to be tabled and approved in Parliament. Still awaiting definitive clarification from HM Treasury/Privy Council on HPC's status (NDPB or not).

Employee training and staffing levels

There is a team of six full-time permanent employees in the Finance department including the Director of Finance. Two Finance employees are enrolled in after hours, part-time professional accountancy qualifications (CIMA and AAT) at present.

Temp staff are periodically hired to cover for staff on annual/study/sick leave and to help the Transaction Manager and P/L Officer achieve their required service level targets. A Procurement Officer joined HPC on a twelve month contract from Dec 07. Recruitment of a permanent Transaction Officer is in progress.

Significant Financial Projects/Issues (next few months)

- Financial System Upgrade project (on track)
- Fee Change 2009 project (on track)
- LISA Access Rights project (on track)
- External Audit and Year End Reporting (on track)
- Completion of the 2008/09 Annual Budget (on track)

Facilities Management Report

Staffing

There are six permanent employees including the Facilities Manager. Areas covered include Reception, Building Maintenance, Post room, Catering, Health and Safety, Insurance and Building project liaison.

22-26 Stannary St Building Project

The 22-26 Stannary St premises refurbishment is progressing with an estimated 12 week delay against the original project timetable.

Valuation of the premises by Stiles Harold, Williams, Chartered Surveyors and Valuers is being arranged once the work is completed. Detailed space planning has been undertaken and plans worked out for moving departments around, decorating and restacking the buildings, following completion of the 22/26 Stannary St project.

Health and Safety Issues

Implementation of HPC Health & Safety¹ and Fire Safety training to commence from April 2008.

Procurement Report

Work in progress to scan systematically key supplier service agreements into the centralised supplier database (Lotus Notes).

Following ongoing problems with Portman, (the preferred travel supplier for HPC), we are in the process of re-tendering and expect to appoint a new supplier by the end of March.

A review of the present catering supplier service and pricing is also in progress.

¹ Health and Safety aspects relating to the physical environment include; Disabled Access, Fire Risk, Physical Security, Water Quality and Electrical Work testing. Health and Safety aspects relating to people (employees, contractors, Council and Committee members and Partners) include; Vehicle use, Display screen equipment, eyesight testing, first aid training, manual handling and lifts, and maintenance work by contractors.

	2007									2008			Total to Dec £000	Budget Dec £000	Variance £000	Annual Budget £000
	April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000				
INCOME																
Registration Income	835	926	818	994	1,049	950	1,193	717	1,135				8,617	9,372	(755)	12,552
Department of Health Capital Grant Released	0	0	0	0	0	0	0	0	0				0	0	0	0
Miscellaneous Income	0	0	20	(20)	0	0	0	6	0				6	0	6	0
TOTAL INCOME*	835	926	838	974	1,049	950	1,193	723	1,135	0	0	0	8,623	9,372	(750)	12,552
EXPENDITURE																
Approvals & Monitoring	3	60	65	29	32	29	38	34	23				313	472	(158)	657
Chief Executive	21	36	17	19	21	20	24	22	25				206	192	13	256
Committees & PLG	(4)	14	24	(3)	8	21	11	52	(2)				122	312	(190)	396
Communications	19	98	31	34	62	51	34	118	63				511	795	(285)	1,016
Council	3	46	47	29	9	19	33	35	(1)				220	346	(126)	423
Facilities Management	102	58	44	65	62	72	74	82	53				611	762	(151)	981
Finance	57	43	34	20	63	17	39	65	51				389	336	52	449
Fitness to Practise	185	273	347	299	351	426	298	368	233				2,782	2,653	129	3,592
Human Resources & Partners	50	77	47	73	37	58	26	50	39				458	368	89	491
IT Department	70	104	62	70	78	51	67	79	57				639	622	17	844
Operations Office	17	20	13	21	27	19	19	20	18				176	194	(18)	259
Policy & Standards	11	17	16	16	15	18	20	45	27				184	323	(139)	431
President	2	3	2	4	2	2	3	3	3				24	36	(12)	48
Projects	(2)	0	2	3	0	3	4	2	2				14	332	(318)	353
Registration	16	149	160	161	119	137	130	187	147				1,207	1,571	(364)	2,022
Secretariat	38	(2)	15	22	33	30	25	24	11				197	204	(8)	274
TOTAL EXPENDITURE	590	996	927	863	920	973	845	1,187	751	0	0	0	8,051	9,518	(1,468)	12,493
SURPLUS/(DEFICIT)	245	(70)	(89)	112	129	(23)	348	(464)	384	0	0	0	572	(146)	718	59

* Total Income is excluding investment income

	2006									2007			Total to Dec £000	Budget Dec £000	Total Expenditure £000
	April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000			
EXPENDITURE															
Approvals & Monitoring	61	(2)	(2)	14	9	11	21	22	24				158	472	290
Chief Executive	0	(15)	4	2	0	1	(2)	(1)	(3)				(13)	192	181
Committees & PLG	32	22	1	50	16	12	44	(22)	35				190	312	124
Communications	16	(63)	44	30	(33)	95	71	127	(0)				285	795	447
Council	4	1	(41)	116	(3)	3	32	(10)	23				126	346	221
Facilities Management	(30)	13	29	7	80	45	(2)	(10)	20				151	762	557
Finance	(21)	(6)	4	17	(26)	21	(2)	(27)	(13)				(52)	336	338
Fitness to Practise	109	21	(57)	54	(117)	(119)	11	(81)	51				(129)	2,653	2,549
Human Resources & Partners	(9)	(36)	(6)	(32)	4	(17)	15	(9)	2				(89)	368	418
IT Department	(1)	(35)	7	(1)	(9)	18	2	(9)	12				(17)	622	581
Operations Office	4	1	8	0	(6)	3	2	2	3				18	194	158
Policy & Standards	25	19	20	20	21	18	15	(9)	9				139	323	157
President	2	1	2	0	2	2	1	1	1				12	36	21
Projects	9	7	11	10	18	244	4	6	8				318	332	12
Registration	185	38	4	16	46	29	65	(17)	(3)				364	1,571	1,060
Secretariat	9	7	7	0	(19)	(4)	(2)	(2)	11				8	204	186
TOTAL BUDGET VARIANCE	395	(26)	37	303	(17)	363	275	(41)	178	0	0	0	1,468	9,518	7,300
TOTAL MONTHLY BUDGET	985	970	963	1,166	904	1,336	1,120	1,146	929	0	0	0			9,519
TOTAL EXPENDITURE	590	996	927	863	920	973	845	1,187	751	0	0	0			8,051

* Total Income is excluding investment income

	<i>Actual Mar 07 £000</i>	2007									2008			<i>Budget Mar 07 £000</i>
		April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000	
FIXED ASSETS														
Tangible Fixed Assets	3,714	3,699	3,720	3,737	3,777	3,831	3,844	3,952	4,174	4,298				5,387
Investments	1,848	1,945	1,979	1,905	1,850	1,802	1,847	1,977	1,792	1,793				1,786
TOTAL FIXED ASSETS	5,562	5,644	5,699	5,642	5,627	5,633	5,691	5,929	5,966	6,091	0	0	0	7,173
CURRENT ASSETS														
Debtors	240	209	195	197	162	165	214	212	254	209				89
Bank & Cash	4,049	3,620	3,032	2,520	2,886	2,964	4,129	4,641	4,269	4,030				2,436
CURRENT LIABILITIES														
Creditors and accrued expenses	(1,840)	(1,176)	(1,349)	(1,297)	(1,281)	(1,293)	(1,338)	(1,291)	(1,673)	(1,362)				(1,117)
WORKING CAPITAL	2,449	2,653	1,878	1,420	1,767	1,836	3,005	3,562	2,850	2,877	0	0	0	1,408
LOANS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred income	(5,429)	(5,399)	(4,705)	(4,257)	(4,528)	(4,490)	(5,678)	(6,034)	(5,939)	(5,690)				(6,056)
NET ASSETS	2,582	2,898	2,872	2,805	2,866	2,979	3,018	3,457	2,877	3,278	0	0	0	2,525
Represented by:														
Revaluation Reserve	651	651	651	651	651	651	651	651	651	651				651
Income and expenditure account	1,931	2,247	2,221	2,154	2,215	2,328	2,367	2,806	2,226	2,627				1,874
	2,582	2,898	2,872	2,805	2,866	2,979	3,018	3,457	2,877	3,278	0	0	0	2,525

* Balance sheet includes investment income

	Actual Mar 07 £000	2007									2008			Total 9 Months £000
		April £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Jan £000	Feb £000	Mar £000	
Opening Balance (1st)		4,050	3,620	3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,030	4,030	
Registration Income		834	925	818	994	1,049	950	1,192	717	1,136				8,615
Investment Income		2	8	44	4	5	44	5	5	13				130
Investment Sales		0	20	84	0	27	0	25	90	17				263
Deferred Income Movements		(29)	(694)	(447)	271	(37)	1,187	356	(96)	(247)				264
Bank Loan														
Miscellaneous Income				20	(20)				6	0				6
Total Cash Receipts		807	259	519	1,249	1,044	2,181	1,578	722	919	0	0	0	9,278
Expenditure		590	996	927	863	920	974	845	1,187	750				8,052
Depreciation		(15)	(14)	(17)	(3)	(17)	(12)	(16)	(17)	(17)				(128)
Asset disposal / writeoff		0		0	0	0	0	0	0	0				0
Aged Cred / Accrual Movements		664	(171)	51	16	(12)	(47)	48	(383)	313				479
Debtor Movements		(31)	(15)	3	(34)	2	49	(3)	43	(48)				(34)
Payments to Creditors		1,208	796	964	842	893	964	874	830	998	0	0	0	8,369
Capital Expenditure		0	35	33	58	71	29	128	238	141				733
Capital write-off		0	0	0	(14)	0	(4)	(3)	0	0				(21)
Investment Purchases		29	16	32	0	0	27	70	26	17				217
Loan Repayments		0	0	0	0	0	0	0	0	0				0
Other Payments		29	51	65	44	71	52	195	264	158	0	0	0	929
Closing Balance	4,050	3,620	3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,030	4,030	4,030	
Budgeted Closing Balance														
Variance			3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,030	4,030	4,030	

* Cash flow includes investment income