

Finance and Resources Committee – 17 November 2009

6 Month Reforecast for year ending 31 March 2010

Executive summary and recommendations

Introduction

Discussions were held with each of the budget holders to identify the likely year end financial position for each department. The forecast total operating surplus or deficit at the year end for the organisation, together with a comparison with the original budget can be seen in appendix one. Downturns in International scrutiny fees and additional graduate applications received have been taken into account.

Decision

The Committee is requested to note the document. No decision is required.

A 9 month reforecast will be prepared and presented for the Finance and Resource committee in February 2010.

Background information

Resource implications

Nil

Financial implications

As outlined in appendix one

Appendices

Appendix One – Income and Expenditure report with narrative.

Date of paper

6 November 2009

Notes to Reforecast Income and Expenditure Account

| Note | Narrative |
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| 1 | Due to an increase in the number of Graduates taking a discounted renewal fee. The budget was calculated using an average of 3.5% of renewals are at a discounted rate, where as the actual figure is 8%. |
| 2 | Due to a decrease in the number of registrants lapsing from an average of 6.5% to 3.5% the less registrants will be applying for readmission, based on the first 5 professions in renewal. (decrease from 4822 to 3230 applications). |
| 3 | The budget included 2230 applications being received from International applications. The number of applications has decreased and based on the applications received in the first six months of the year, the forecast figure of actual applications being received is predicted to be 1287. |
| 4 | 337 applications were budgeted for to be received from the Practitioner Psychologists in relation to Grandparenting applications. We predict 270 applications being received in this financial year. |
| A | The budget was prepared based on the old council and committee structure. (25 members and 13 alternates). There is now one FTP Committee and 20 council members. There has also been a saving of £30K on appointments. |
| B | The depreciation has been recalculated due to the delay in the Online renewals project. |
| C | The budget for the Education was based on there being 70 visits. There are now going to be 43 visits in this financial year. There is also a saving in payroll of £50k due to some positions being vacant during the year. |
| D | The increase in cost in the FTP department is mainly due to the increase in the number of allegations being received (increase from 826 to 938) and also an increase in the length of hearings. (increase from 513 days to 634 days). This has also resulted in an increase staff from 31 to 35. |
| E | The main increase in the HR department is an increase in Staff recruitment from £100K to 190K, which is in line with previous financial years. |
| F | The decrease in the IT department costs is mainly due to the reversal of an accrual made at the year end for £90K for Microsoft licences. |
| H | The decrease in Policy and Standards in due to the delay in research of £50K and saving of £67K on payroll due to a position remaining vacant during the year. |
| I | The saving of £46K on projects is mainly due to £34k being saved on the Practitioner Psychologists project, as less partners were recruited than was budgeted for. |
| J | The decrease in Registration costs is mainly due to the decrease in International and Grandparenting assessments. There is also a decrease in the number of CPD assessments (decrease from 2616 profiles to 2420 profiles) and a decrease in the number of CPD assessment days from 8 to 6. |