

Finance Report - October 2024

Executive Summary

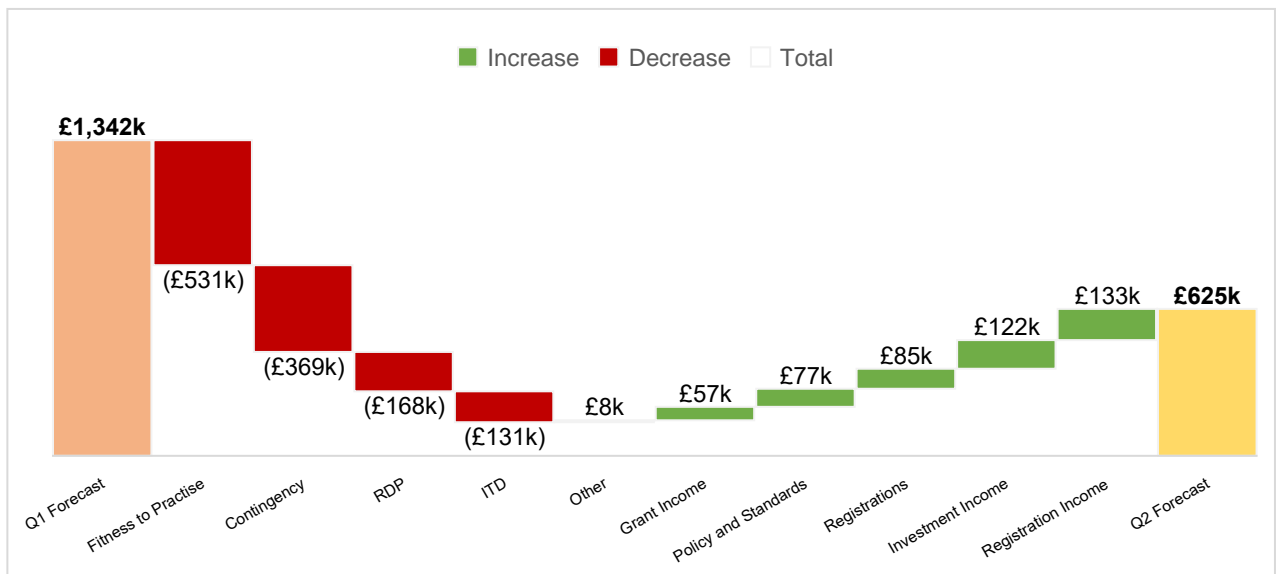
1. Financial Performance

The October 2024 year to date position is a surplus of £2.3m, which is in line with the latest Q2 forecast.

	October 2024 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	24,939	24,948	(9)	40,439	42,304	1,865
Total Expenditure	22,619	22,627	8	40,253	41,679	(1,426)
Surplus/(Deficit)	2,320	2,321	(1)	186	625	439

Q1 vs Q2 Forecast – Key Movements

Following the Q2 finance review, our revised full year position is a forecast surplus of £625k, which is down from the previous Q1 forecast surplus of £1.3 million, but still above the original budget surplus of £186k.



Regulatory Development and Performance (RDP), IT and Digital Transformation (ITD)

Income increase of £312k compared to the Q1 forecast, which is due to:

- Registration Income: £133k favourable variance driven by higher UK application volumes.
- Investment Income: £122k favourable variance resulting from increased bank interest.
- Grant Income: £57k favourable variance due to an approved grant from NHS England.

Expenditure increase of £1.0m compared to the Q1 forecast, primarily due to:

- Fitness to Practise: £531k adverse, mostly due to increased legal costs related to case progression timing.
- Contingency: £369k adverse, resulting from additional cost pressures (£145k), complex legal cases (£200k) and brought forward 2025-26 spending (£300k).
- Regulatory development and performance: £168k adverse, linked to test of competence design improvements.

2. Major Projects and Investments

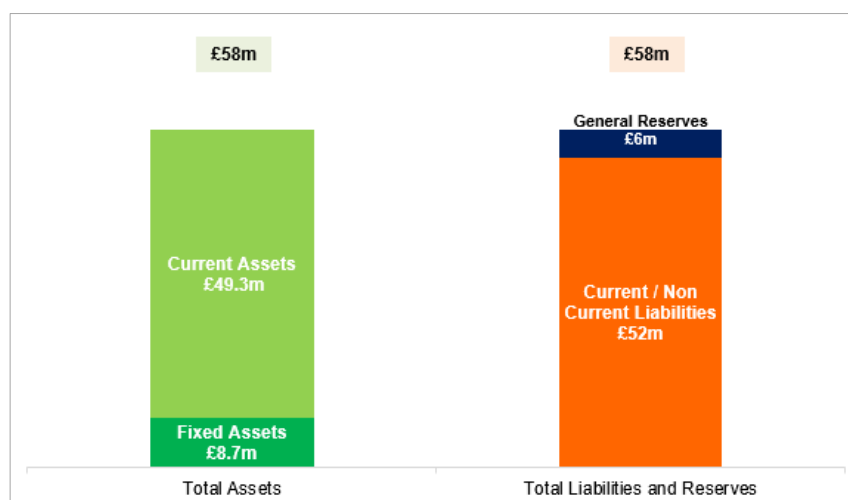
The finance report highlights the ongoing review of capital expenditure for 2024-25, including alignment with the Technology Roadmap, with total forecast investments of £1.1m.

Projects	2024-25 Budget £'000	2024-25 Forecast £'000	2024-25 Variance £'000
FTP Improvements	274	291	(17)
Partner Transformation	170	120	50
Customer Experience	153	154	(1)
Data and Reporting	113	90	23
Business Central	68	83	(15)
Policy and Standards	62	37	25
Digital Architecture and Security	30	30	0
Registration Automation	24	46	(22)
Change Control	21	0	21
Building Renovations	0	230	(230)
Total	915	1,081	(166)

3. Risks and Opportunities

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

4. Balance Sheet and Reserves



- **Current Assets:** mainly comprise of cash and cash equivalents of around £31m and account receivables of around £18m.
- **Liabilities:** mostly relate to deferred income of around £47m as a result of registrants paying their fees in advance.
- **Reserves:** general reserves stand at £6.2 million, with positive realisable net assets of £3.1 million, reflecting less than a month of operating expenditure. This highlights the importance of further building reserves to meet operational needs.

	31 October 2024 Actuals	31 October 2024 Forecast	Variance
	£'000	£'000	£'000
Opening Reserves	3,895	3,895	0
Surplus/(Deficit)	2,320	2,321	(1)
GENERAL RESERVES	6,215	6,216	(1)
Realisable Net Assets	3,119	3,189	(70)

Note. 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.

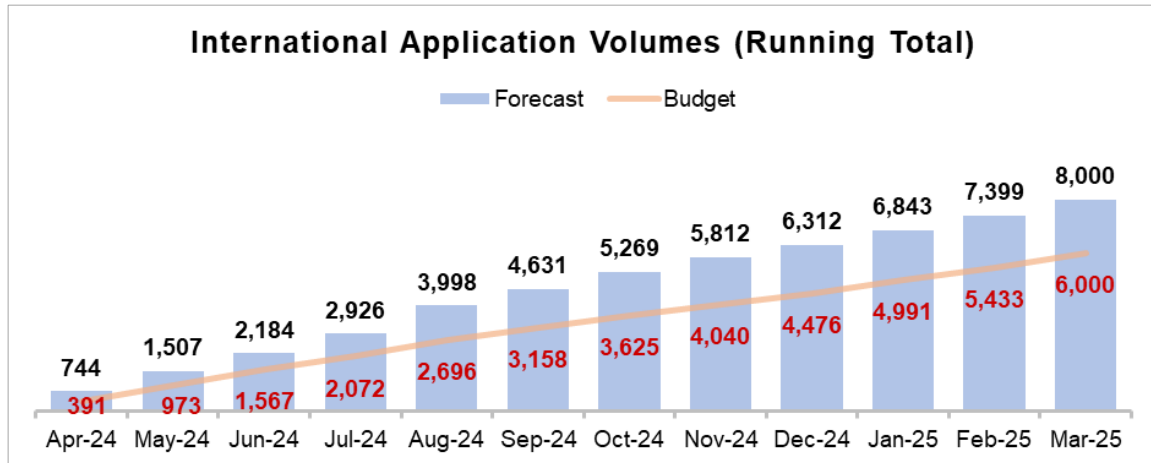
5. Employee Full Time Equivalents (FTEs)

The report highlights a shortfall in FTEs when compared to the forecast, particularly within the Fitness to Practise and Registration departments, where vacant posts are anticipated to be filled in Q3.

Employment Type	31 October 2024 Actuals	31 March 2024-25 Forecast	Variance
Permanent/FTC	313	349	36
Agency	14	11	(3)
Total FTE	327	360	33

6. International Applications

The upward trend in application volumes meant the forecast for 2024-25 was increased to 8,000 from the budget of 6,000. International application volumes for the year to date totalled 5,269 compared to the year to date budget assumption of 3,625 applications.



7. Contingency Movements

Contingency funds have increased to £645k to bring forward spend relating to 2025-26 into this financial year and cover additional cost pressures that may arise during the remainder of the financial year.

Description	£'000
General Contingency	176
Ring-Fenced Annual Partners and Pension	597
2024-25 Budget Contingency	773
Online Register (One-off)	(15)
Cyber Security Cost	(32)
FTP Temporary Staff Costs	(450)
Total Contingency as at 30 September 2024	276
Data Storage, IT Telephony and Firewall costs	(148)
Data Insight and Analytics secondment position	(15)
Test of Competence Design	(168)
Contingency Increase	700
Total Contingency Remaining	645

Conclusion

The October 2024 report shows a strong financial position, reflecting continued efforts in maintaining financial sustainability. A proactive approach has been taken to reduce the risk of increasing legal costs, including a gated process for cases being assigned to external legal providers and the recruitment of in-house legal expertise to review cases.

Previous consideration	Previous August 2024 finance report provided to Council in September 2024.
Decision	The Committee is asked to note the report.
Next steps	Q3 forecast exercise to take place for January 2025 finance report.
Strategic priority	Financial sustainability.
Financial and resource implications	The implications are set out in the report.
EDI impact	No direct implications.
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October 2024 Finance Report

COUNCIL
5 DECEMBER 2024

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Executive Summary

Key Headlines

	October 2024 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	24,939	24,948	(9)	40,439	42,304	1,865
Total Expenditure	22,619	22,627	8	40,253	41,679	(1,426)
Surplus/(Deficit)	2,320	2,321	(1)	186	625	439

Note. To view the full year Forecast profile for 2024-25, please refer to 'Appendix 10 – 2024–25 Forecast Profile'. For forecast movements details, please refer to 'Appendix 2 – Key Movements (Q1 Forecast vs Q2 Forecast)'.

- **October YTD surplus:** actual surplus of **£2.3m**, which aligns with the latest forecast.
- **Full year forecast:** latest Q2 forecast reports a total surplus for 2024-25 of **£625k** (previous Q1 forecast assumed £1.3m surplus), which is £439k higher compared to the budget surplus of £186k.
- **Income forecast:** increase in forecast income of **£1.9m** compared to budget is mainly attributable to the upward trend in application volumes (forecast for 2024-25 was increased to 8,000 from the budget of 6,000). International application volumes for the YTD totalled 5,269 compared to the YTD budget, which assumed 3,625 applications.
- **Expenditure forecast:** increase in forecast expenditure of **£1.4m** compared to budget is mainly due to:
 - Higher legal costs based on latest legal supplier reports indicating further progression of cases than anticipated (timing of costs) and additional fees related to complex cases.
 - Increase in temporary staff costs, mainly within Fitness to Practise (FTP). These are necessary costs to cover existing operational pressures and is a more affordable option than outsourcing to external legal providers.
 - Increase in direct costs associated with the increased number of international applications.
 - Increase in the contingency fund to cover spend relating to 2025-26 that is being brought forward into this financial year. This is to reduce cost pressures in the next financial year as well as secure value for money on potential spend this year.

Summary Figures – October 2024 YTD

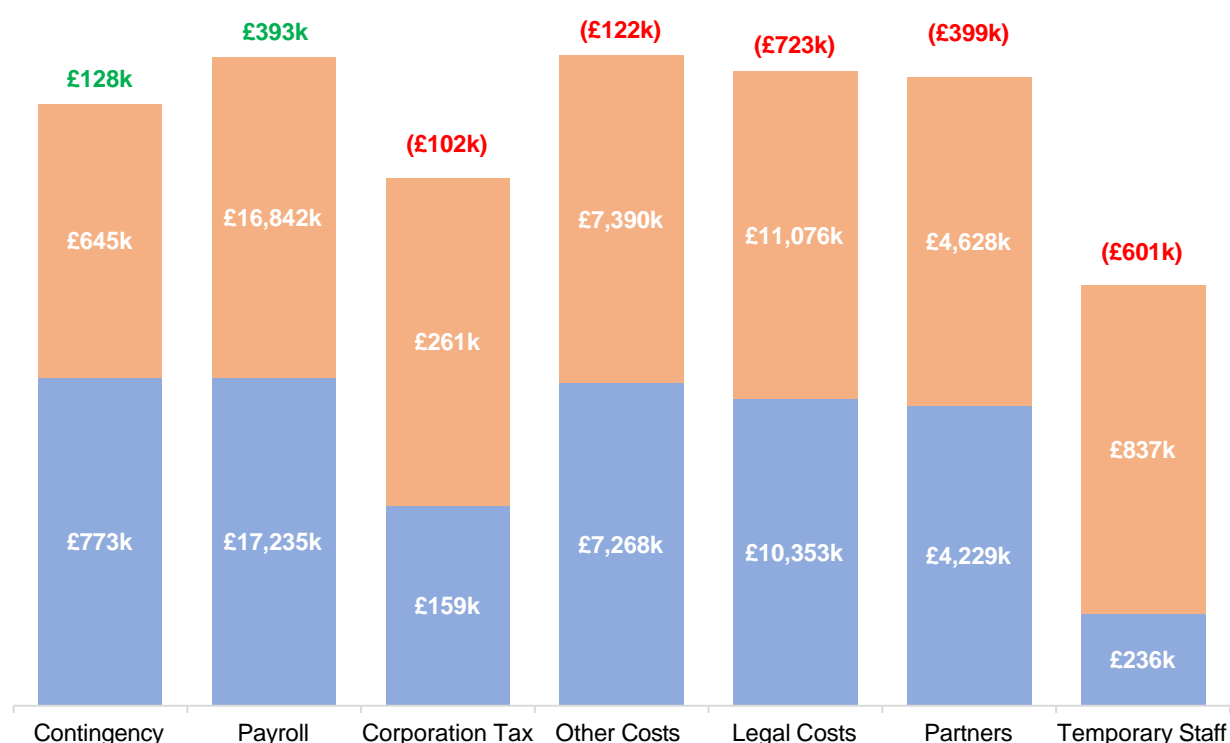
	October 2024 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Income	24,273	24,273	0	39,804	41,169	1,365
Grant Income	0	9	(9)	0	57	57
Other Income	666	666	0	635	1,078	443
Total Income	24,939	24,948	(9)	40,439	42,304	1,865
Payroll Costs	9,264	9,284	20	17,235	16,842	393
Other Staff Costs	927	921	(6)	863	1,460	(597)
Non-Payroll Costs	12,230	12,225	(5)	21,044	22,292	(1,248)
Total Operating Expenditure	22,421	22,430	9	39,142	40,594	(1,452)
Exceptional Costs	198	197	(1)	1,111	1,085	26
Total Expenditure	22,619	22,627	8	40,253	41,679	(1,426)
Total Surplus/(Deficit)	2,320	2,321	(1)	186	625	439

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

Note. To view figures for the prior period, please refer to 'Appendix 1.2 – Income and Expenditure (Prior Period)'.
(1)

Budget vs Forecast Expenditure Variances (by Category)

■ Budget ■ Forecast



'Other Costs' includes categories with variances approximately £50k or less

Total forecast expenditure for the year of £41.7m is **£1.4m** adverse compared to budget expenditure of £40.3m. This largely due to:

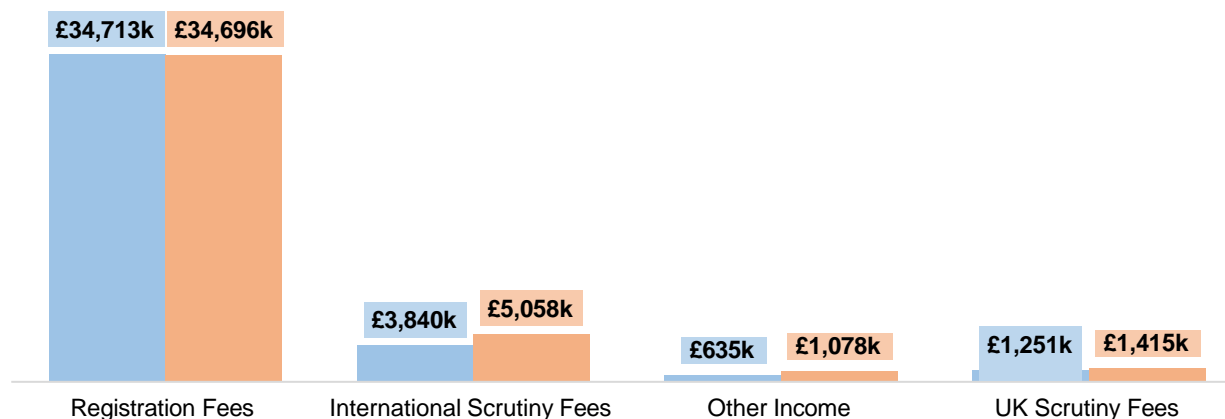
- **Contingency: £128k** favourable variance mainly due to reallocation of contingency funds across multiple departments.
- **Payroll: £393k** favourable due to unfilled vacant posts, with majority sitting within FTP.
- **Corporation Tax: £102k** adverse as this is directly associated with the projected increase in investment income.
- **Legal Costs: £723k** adverse due to **£500k** additional costs relating to further progression of cases than anticipated (timing of costs) according to legal suppliers' reports and **£220k** of additional fees related to complex cases.
- **Partners: £399k** adverse variance mainly driven by increase in international assessors' fees in line with the increase in international applications (this is covered by income from international scrutiny fees).
- **Temporary Staff: £601k** adverse due to extension of FTP temporary staff to cover existing operational pressures (contracts extended to December 2024). Please note, current recruitment campaign to fill key posts will help alleviate reliance on agency workers.

Note. To view the full year forecast, please refer to 'Appendix 3 – Expenditure October-24 YTD (by Category)'. For full breakdown of Contingency movement, please refer to 'Appendix 8 – Contingency'.

Total Income – Budget vs Forecast (Full Year)

Total Income

■ Budget ■ Forecast



	Full Year 2024-25			Q1 Forecast
	Budget	Forecast	Variance	
	£'000	£'000	£'000	
Registration Fees	34,713	34,696	(17)	34,628
International Scrutiny Fees	3,840	5,058	1,218	5,089
Other Income	635	1,078	443	957
UK Scrutiny Fees	1,251	1,415	164	1,319
Grant Income	0	57	57	0
Total Income	40,439	42,304	1,865	41,993

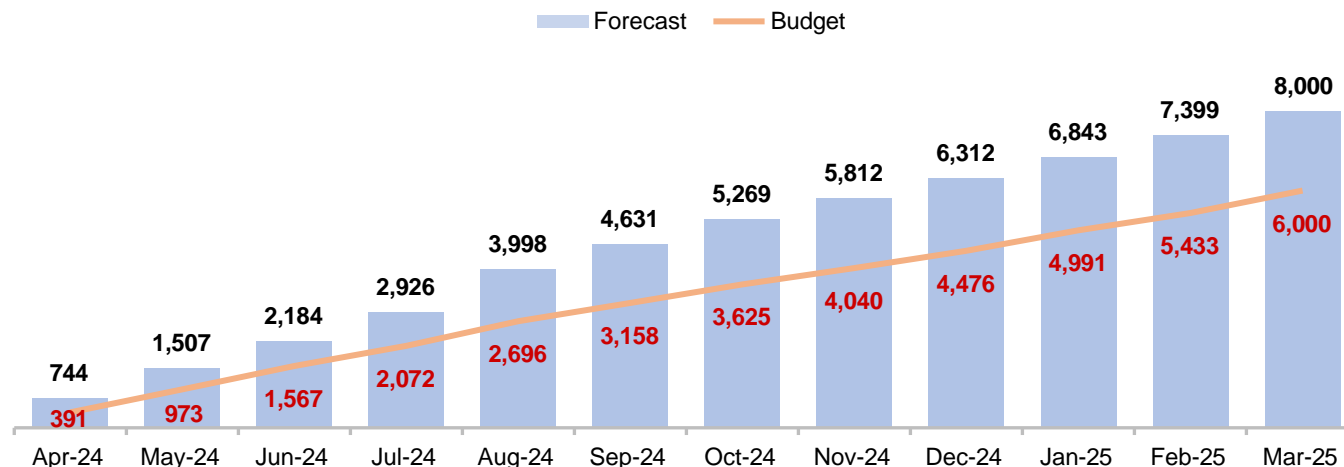
Forecast income for 2024-25 is **£42.3m** compared to the budget income of £40.4m, which is **£1.9m** favourable.

- **International Scrutiny Fees: £1.2m** favourable due to international applications expected to increase from our budget volume of 6,000 to 8,000. Prudent assumptions were made on budgeted income and costs, to minimise the risk of further running down our reserves.
- **Other Income: £443k** favourable to reflect increase in principal amount held in our deposit accounts (budget assumed £25m vs Q2 forecast of £32m). This is driven by an increase in deferred income from renewals of physiotherapist and radiographer professions.
- **UK Scrutiny Fees: £164k** favourable due to an expected increase of roughly 2,000 UK applications (budget assumed 15,358 vs Q2 forecast of 17,380).
- **Grant Income: £57k** favourable due to approved grant from NHS England (NHSE) for the development of resources to support Allied Health Professionals (AHPs) and their employers in optimising their scope of practice in relation to advanced practice (18 months contract term with a total grant of £170k).

Note. Please refer to 'Appendix 2 – Key Movements (Q1 Forecast vs Q2 Forecast)' for detailed breakdown of forecast movements.

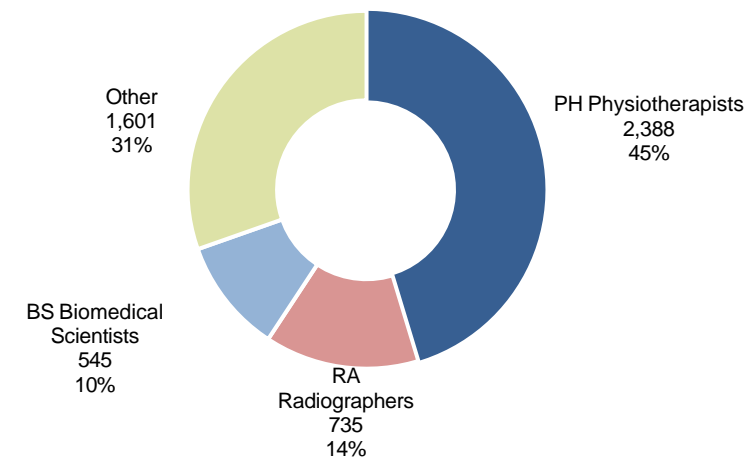
International Income – October 2024 YTD

International Application Volumes (Running Total)



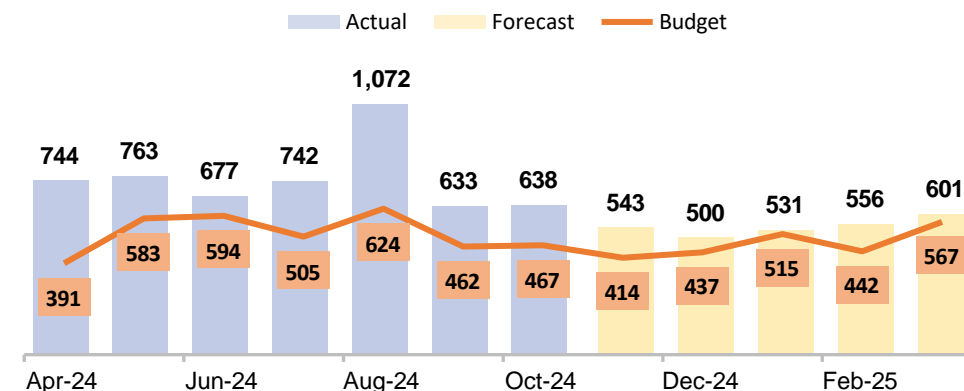
Note. April 2024 – October 2024 are actual volumes. The remaining months are actuals plus forecasted volumes

International Application Volumes (By Profession)



- **October 2024 Period Only:** Actual number of international applications was 638, aligning closely with the forecast of 630 (budget assumed 467).
- **October 2024 YTD:** Actual number of international applications was 5,269, aligning with our forecast (budget assumed 3,625).
- **Full Year Forecast:** We revised our assumptions for the full year to 8,000 to account for the upward trend in applications compared to the original budget of 6,000 applications (around 39% increase). There is a potential opportunity of 500 additional applications, generating further income of around £320k.

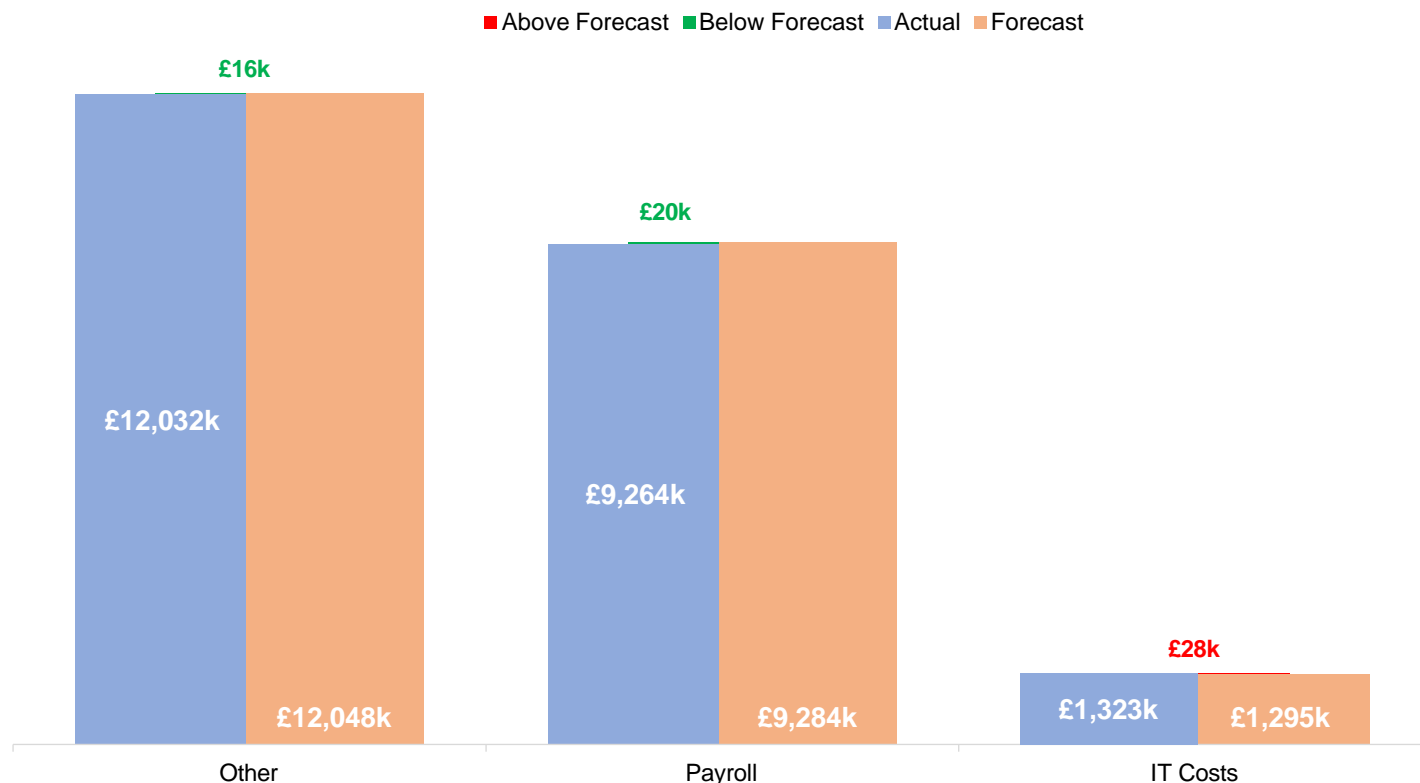
International Application Volumes (By Month)



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

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).

Key Variances by Category – October 2024 YTD

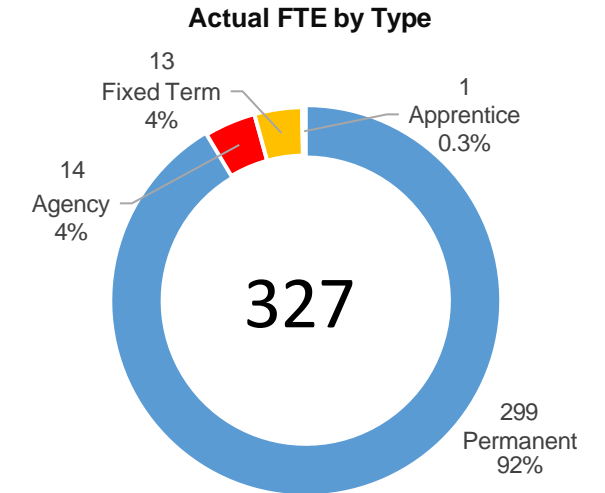
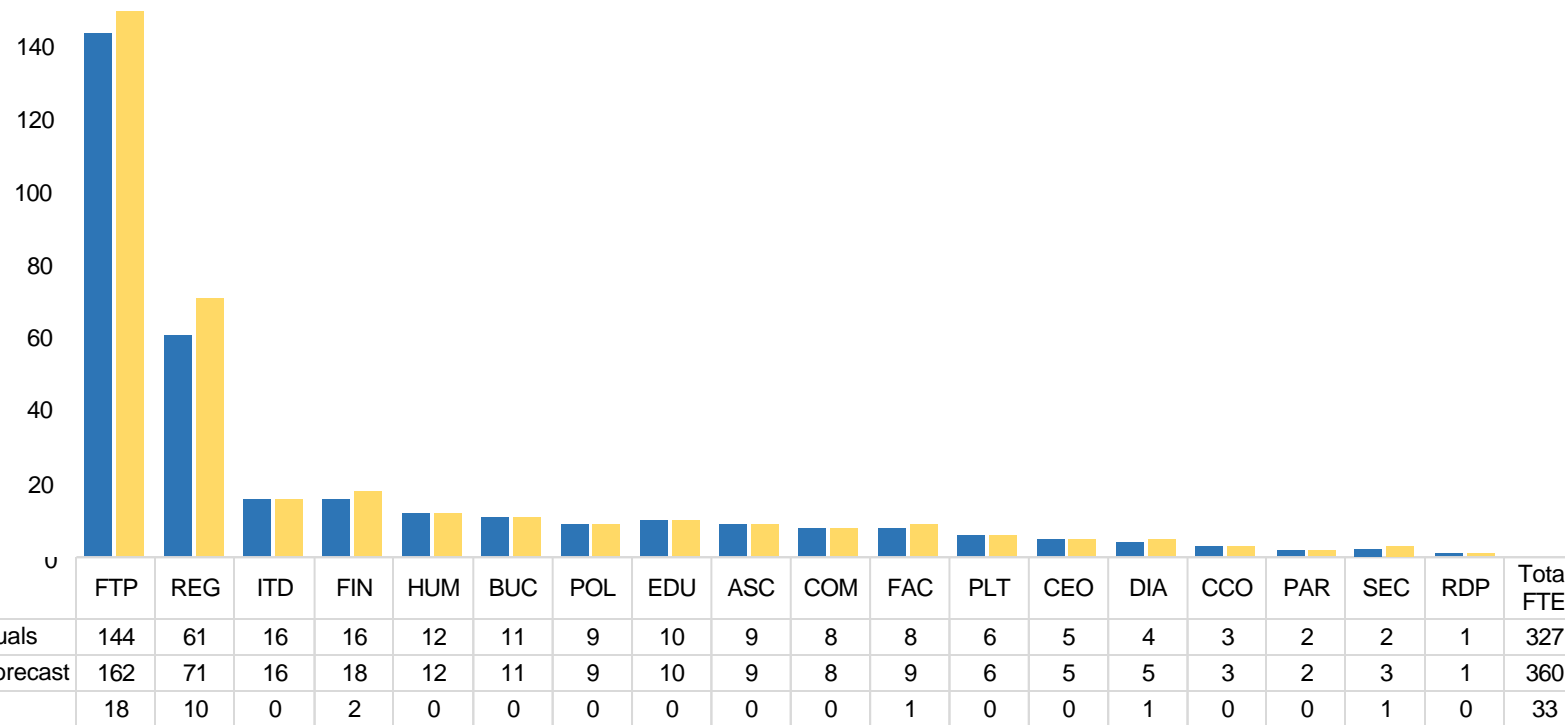


- **Payroll:** Underspend of £20k due to unfilled vacant positions in Fitness to Practise.
- **IT Costs:** Overspend of £28k due to timing. Cost anticipated to align with forecast in subsequent months.

‘Other Costs’ includes categories with variances approximately £20k or less

Note. Please refer to ‘Appendix 1.1 – Income and Expenditure (By Department)’ or ‘Appendix 3 Expenditure October-24 YTD (by Category)’ for a full breakdown.

Employee Full Time Equivalents as at 31 October 2024



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

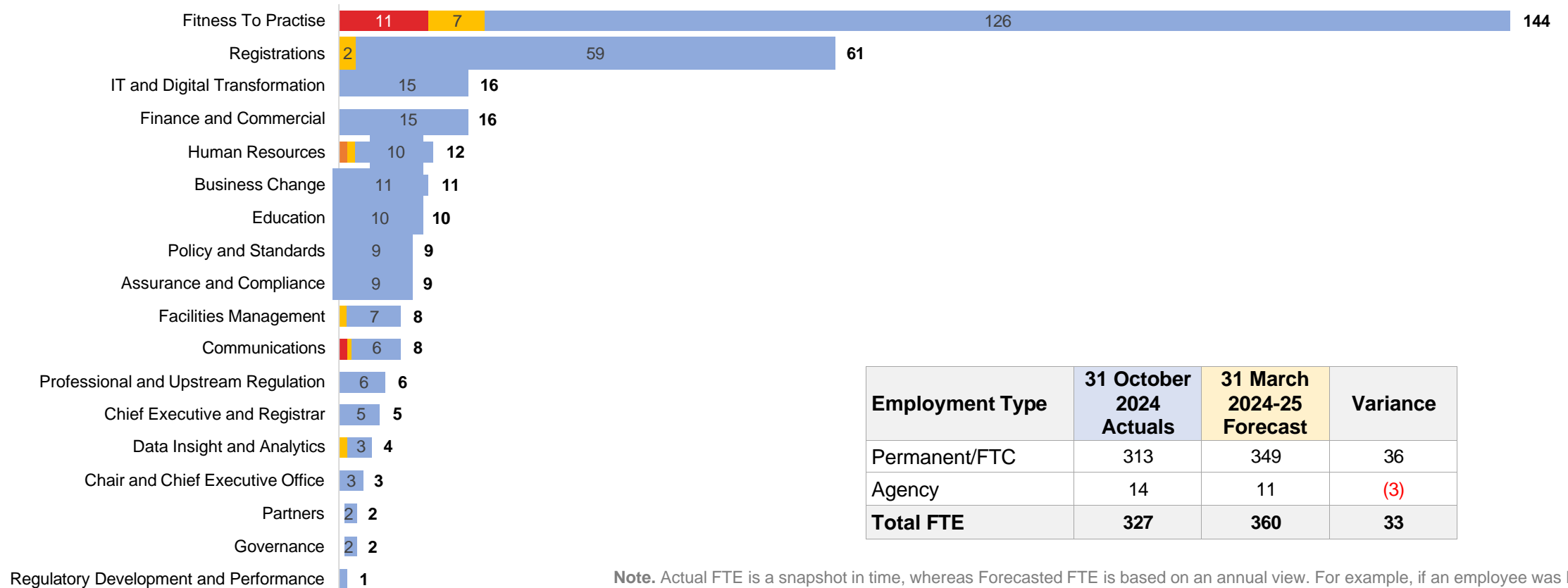
- **Fitness to Practise (FTP):** Unfilled vacant posts (expected to be filled from Q3 onwards).
- **Registration (REG):** New operating model in progress with vacant posts expected to be filled in Q3.

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 Full Time Equivalents as at 31 October 2024

Actual FTE by Employment Type

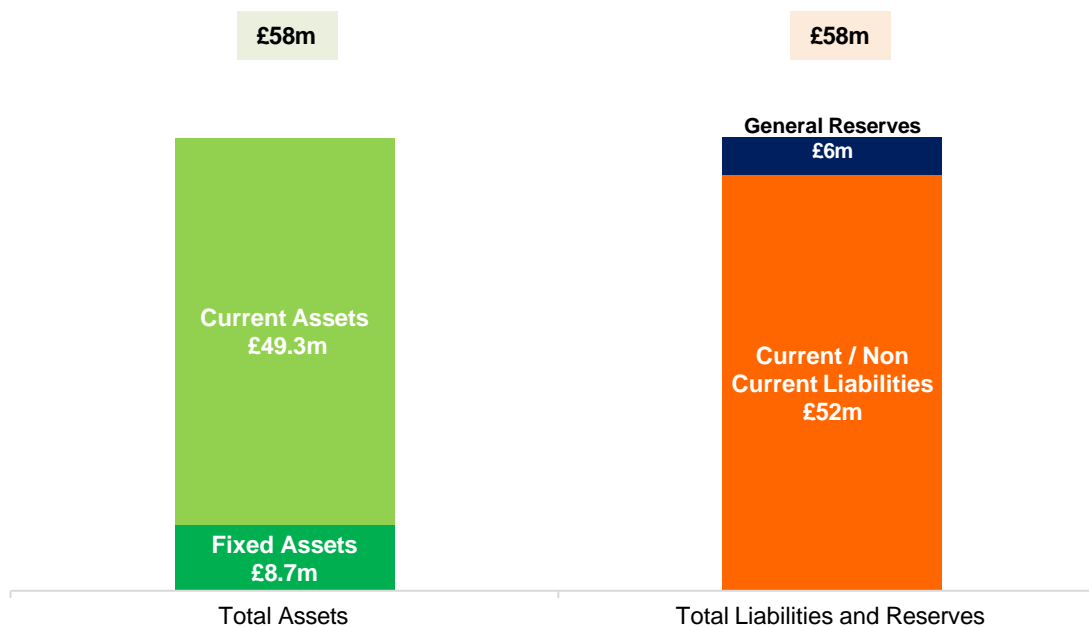
■ Agency ■ Apprentice ■ Fixed Term ■ Permanent



Employment Type	31 October 2024 Actuals	31 March 2024-25 Forecast	Variance
Permanent/FTC	313	349	36
Agency	14	11	(3)
Total FTE	327	360	33

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 September-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 October 2024



- **Current assets:** mainly comprise of ‘cash and cash equivalents’ of around £31m and ‘account receivables’ of around £18m.
- **Liabilities:** mostly relate to ‘deferred income’ of around £47m as a result of registrants paying their fees in advance.
- **General reserves (or net assets):** were approximately £6.2m.
- **Positive realisable net assets:** were around £3.1m, calculated by taking our reserves position of approximately £6.2m less our ‘intangible assets’ of around £3m. This represents less than a month of our total operating expenditure. **Note.** The HCPC’s reserves policy requires us to hold positive realisable net assets
- To view the full Balance Sheet Statement, please refer to ‘Appendix 5 – Balance Sheet’.

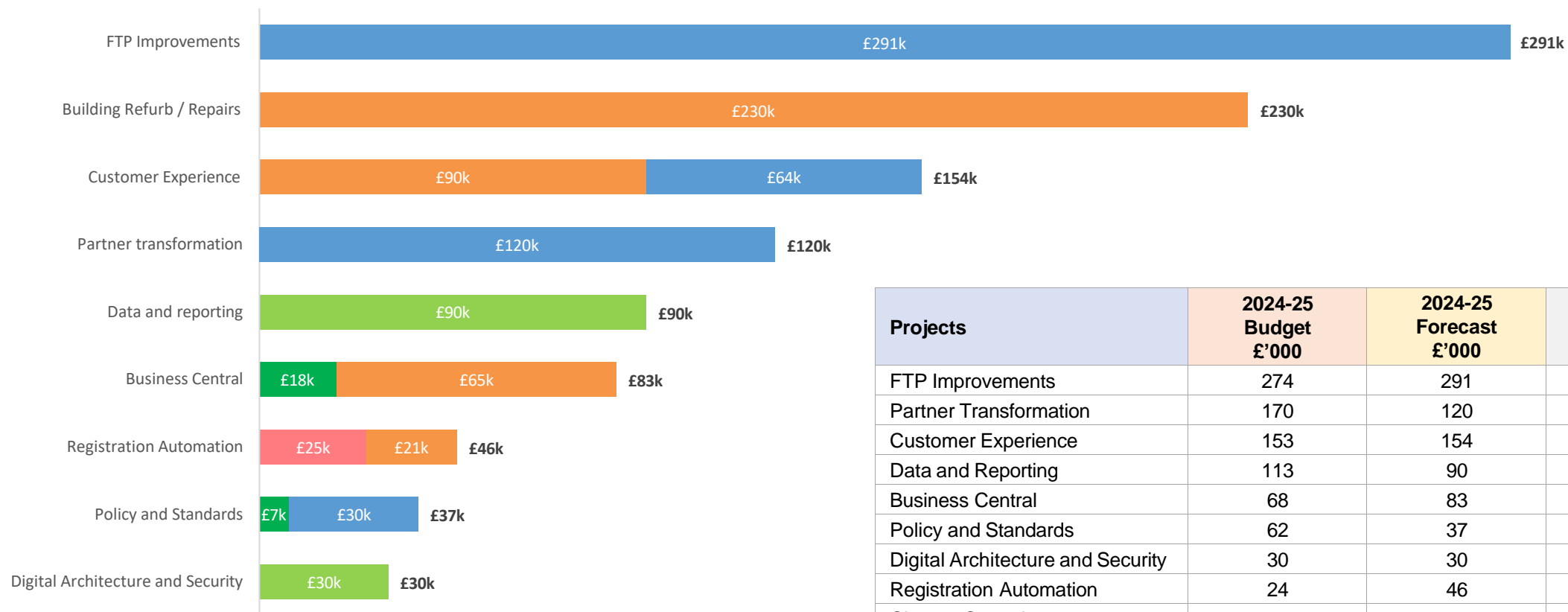
	31 October 2024 Actuals	31 October 2024 Forecast	Variance
	£'000	£'000	£'000
Opening Reserves	3,895	3,895	0
Surplus/(Deficit)	2,320	2,321	(1)
GENERAL RESERVES	6,215	6,216	(1)
Realisable Net Assets	3,119	3,189	(70)

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.

Capital Expenditure 2024-25 Forecast

Capital Expenditure 2024-25 Forecast

■ Backlog ■ Active ■ Complete ■ ELT IC Review ■ IC being prepared ■ In Progress



Projects	2024-25 Budget £'000	2024-25 Forecast £'000	2024-25 Variance £'000
FTP Improvements	274	291	(17)
Partner Transformation	170	120	50
Customer Experience	153	154	(1)
Data and Reporting	113	90	23
Business Central	68	83	(15)
Policy and Standards	62	37	25
Digital Architecture and Security	30	30	0
Registration Automation	24	46	(22)
Change Control	21	0	21
Building Renovations	0	230	(230)
Total	915	1,081	(166)

Investment Case (IC)

Risks and Opportunities

Risks

Low	Medium	High
Decrease in International Applications: publications shows fall in overseas health and care worker visa applications (£ - TBC)	Legal Provisions: Cover legal disputes and employee relations issues (£2.1m)	Complex legal cases: Potential increase in legal cost for complex cases (£200k – £300k)
	Operating Reserves: Build-up of depleted reserves (£1m)	Council effectiveness review: review done every 3 years (£15k)
	International Application Costs: Associated costs with increase in volumes are covered through international scrutiny fees (£ - TBC)	

Opportunities

Low	Medium	High
Investment Income: The HCPC holds significant cash balances, with the potential to earn additional interest income (£ - TBC)	Software Licence Costs: Review of individual user requirements may reduce BAU costs (£ - TBC)	
	Increase in International Income: Additional international applications of around 500 for the year (£320k)	
	Rental Income: Rental of office and hearing room spaces (£ - TBC)	

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

October 2024 Finance Report

APPENDICES

Appendix 1.1 – Income and Expenditure (By Department)

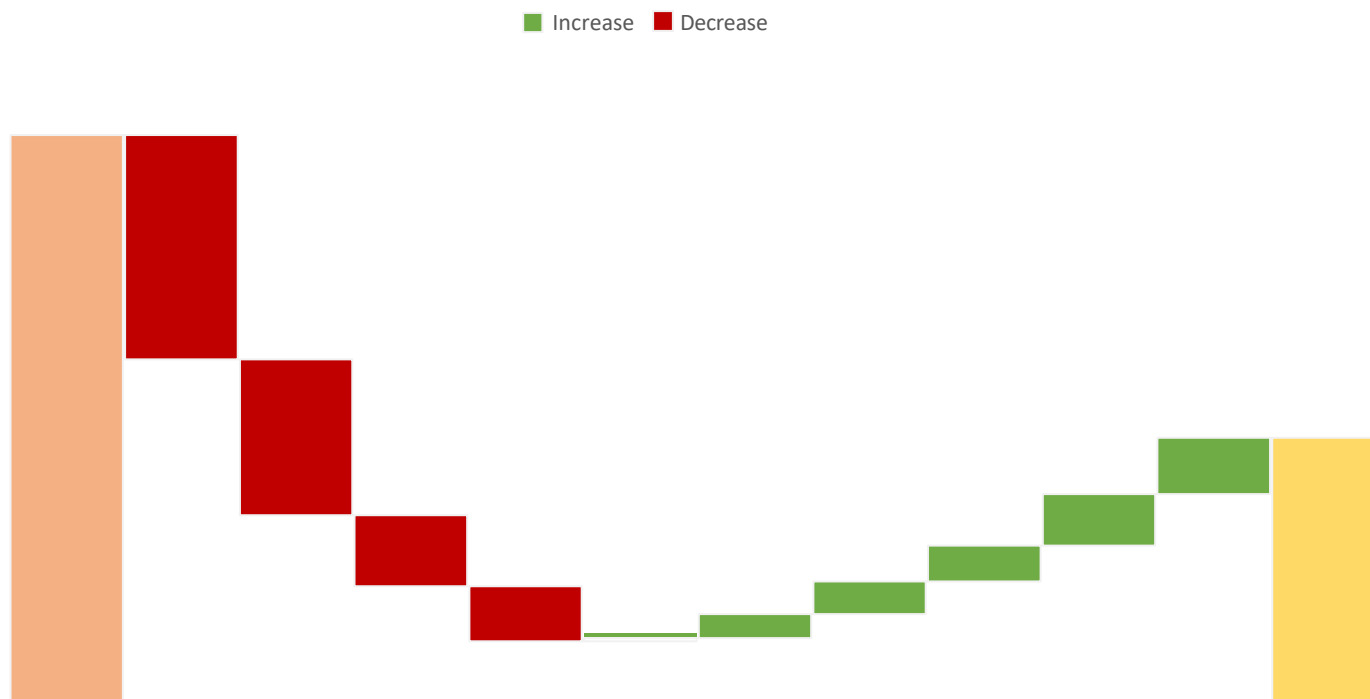
	October 2024 YTD			Full Year			Full Year Forecast	Notes
	Actuals	Forecast	Variance	Budget	Forecast	Variance	Actuals	
	£'000	£'000	£'000	£'000	£'000	£'000	%	
Total Income	24,939	24,948	(9)	40,439	42,304	1,865	59%	
Fitness to Practise	11,228	11,196	(32)	19,206	20,184	(978)	56%	1
Registrations	2,406	2,414	8	3,819	4,139	(320)	58%	2
IT and Digital Transformation	2,048	2,041	(7)	3,427	3,617	(190)	57%	
Chief Executive and Registrar	969	970	1	1,687	1,693	(6)	57%	
Finance and Commercial	904	904	0	1,356	1,532	(176)	59%	3
Facilities Management	665	672	7	1,566	1,335	231	50%	6
Depreciation	632	626	(6)	1,044	1,034	10	61%	
Human Resources	627	628	1	1,297	1,260	37	50%	
Communications	577	581	4	1,018	1,033	(15)	56%	
Business Change	442	445	3	823	823	0	54%	
Assurance and Compliance	365	369	4	531	642	(111)	57%	5i
Education	364	365	1	625	607	18	60%	
Policy and Standards	294	296	2	711	593	118	50%	
Professional and Upstream Regulation	213	225	12	392	397	(5)	54%	
Chair, Council and Committees	143	149	6	249	258	(9)	55%	
Governance	139	141	2	586	307	279	45%	5ii
Data Insight and Analytics	137	138	1	253	271	(18)	51%	
Partners	123	124	1	254	255	(1)	48%	
Chair and Chief Executive Office	85	86	1	0	148	(148)	57%	5iii
Regulatory Development and Performance	57	57	0	98	266	(168)	21%	4
Major Projects	2	2	0	200	200	0	1%	
Total Operating Expenditure	22,420	22,429	9	39,142	40,594	(1,452)	55%	
Operating Surplus/(Deficit)	2,519	2,519	0	1,297	1,710	413	147%	
Transformation costs	36	36	0	179	179	0	20%	
Contingency	0	0	0	773	645	128	0%	
Corporation Tax	163	162	(1)	159	261	(102)	62%	
Total Expenditure	22,619	22,627	8	40,253	41,679	(1,426)	54%	
Total Surplus/(Deficit)	2,320	2,321	(1)	186	625	439	371%	

- Note 1: £978k** adverse variance due to:
 - Increase FTP temporary staff to help cover existing operational pressures within the team (two months of costs initially budgeted for four individuals, around ten temporary staff now expected to remain until December 2024).
 - Cost pressures related to timing and complexity of legal cases from 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: £320k** 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 fees for processing transactions associated with the additional volumes of international applications (around £70k) and additional insurance cover for Cyber Security (around £32k).
- Note 4: £168k** adverse variance due to international assessment model development.
- Note 5:** Reallocation of resources across Governance, Assurance and Compliance and Chair and Chief Executive Office departments. Overall net variance across the three departments is **£20k** favourable.
- Note 6: £231k** favourable variance is mainly driven by reduction in building refurbishments costs that are unlikely to materialise this financial year.

Appendix 1.2 – Income and Expenditure (Prior Period)

	September 2024 Actuals	September 2024 Forecast	Variance
	£'000	£'000	£'000
Total Income	21,300	20,986	314
Fitness to Practise	9,470	9,492	22
Registrations	2,102	2,090	(12)
IT and Digital Transformation	1,676	1,693	17
Finance and Commercial	805	802	(3)
Chief Executive and Registrar	825	835	10
Facilities Management	578	581	3
Depreciation	537	537	0
Human Resources	549	558	9
Communications	485	501	16
Business Change	369	370	1
Education	314	313	(1)
Assurance and Compliance	331	324	(7)
Policy and Standards	248	247	(1)
Governance	103	106	3
Professional and Upstream Regulation	179	193	14
Partners	112	124	12
Chair, Council and Committees	121	126	5
Data Insight and Analytics	115	120	5
Regulatory Development and Performance	49	49	0
Major Projects	2	2	0
Chair and Chief Executive Office	73	74	1
Total Operating Expenditure	19,043	19,137	94
Operating Surplus/(Deficit)	2,257	1,849	408
Transformation costs	36	36	0
Corporation Tax	138	129	(9)
Total Expenditure	19,217	19,302	85
Total Surplus/(Deficit)	2,083	1,684	399

Appendix 2 – Key Movements (Q1 Forecast vs Q2 Forecast)



RDP - Regulatory Development and Performance, ITD - IT and Digital Transformation

Note. 'Other' includes departments with variances approximately £30k or less

- **Fitness to Practise: £531k** adverse mainly due to increase in legal costs in relation to timing of progression of cases (see 'Appendix 12 – Fitness to Practise' for further details).
- **Contingency: £369k** adverse due to increase in contingency funds to cover additional cost pressures (£145k), potential increase in legal costs for complex cases (£200k) and 2025-26 spend to be brought forward into this financial year (£300k).
- **Regulatory Development and Performance: £168k** adverse due to international assessment model development to improve the international application process.
- **ITD: £131k** adverse mainly due to increase in telephony services as a result of changes to contract agreement with service provider (£98k) and increase in data storage costs (£40k).
- **Grant Income: £57k** favourable due to approved grant from NHSE for the development of resources to support allied health professionals and their employers in optimising their scope of practice in relation to advanced practice.
- **Policy and Standards: £77k** savings mainly due to an artificial intelligence research project, anticipated to commence in 2024-25, has now been deferred to 2025-26.
- **Registration: £85k** underspend due to unfilled vacant posts.
- **Investment Income: £122k** favourable from increased bank interest received.
- **Registration Income: £133k** favourable due to increase in UK applications.

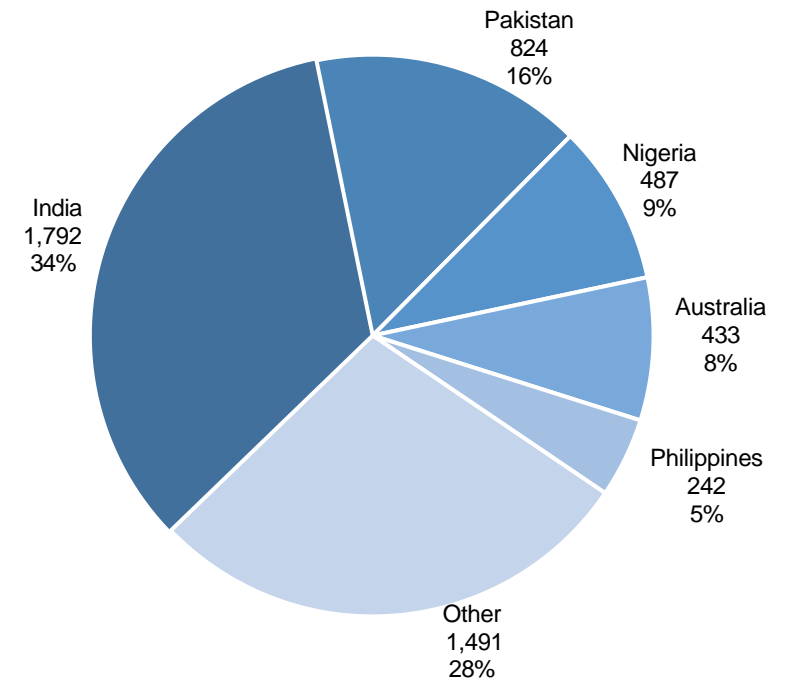
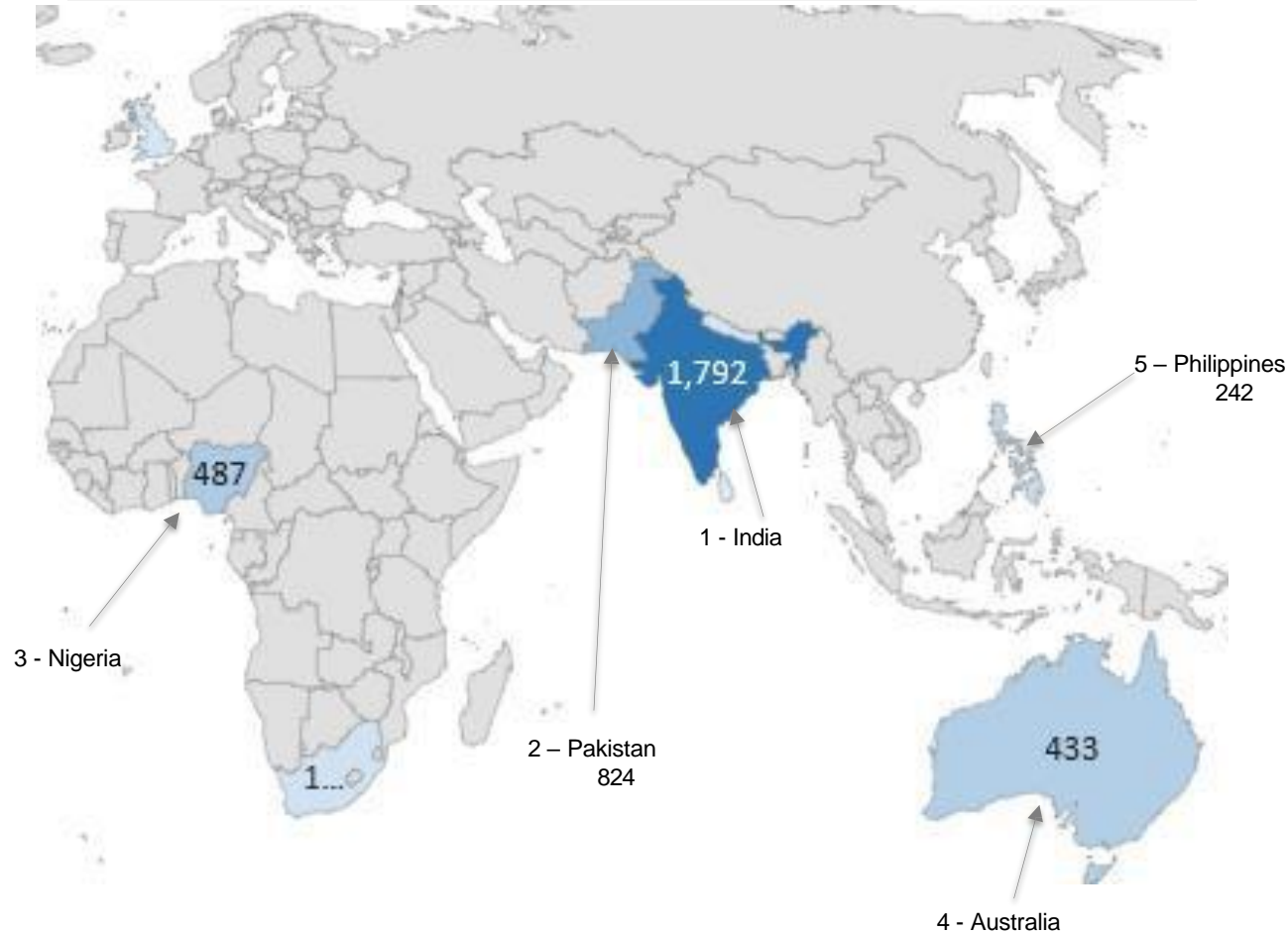
Appendix 3 – Expenditure October 2024 YTD (by Category)

	October-24 YTD			Full Year	Full Year Forecast
	Actuals	Forecast	Variance	Forecast	% of Actuals
	£'000	£'000	£'000	£'000	%
Payroll	9,264	9,284	20	16,842	55%
Legal Costs	6,136	6,148	12	11,076	55%
Partners	2,686	2,668	(18)	4,628	58%
Staff Related Costs	270	262	(8)	623	43%
IT Costs	1,323	1,295	(28)	2,195	60%
Temporary Staff	658	659	1	837	79%
Depreciation	637	635	(2)	1,064	60%
Other Costs	244	260	16	1,638	15%
Property Costs	216	220	4	441	49%
Utilities	177	178	1	330	54%
Communication Costs	210	214	4	386	54%
Office Services	262	277	15	669	39%
Corporation Tax	163	162	(1)	261	62%
Professional Fees	349	337	(12)	629	55%
Council Committee	0	0	0	0	0%
Travel and Subsistence	24	28	4	60	40%
Total Expenditure	22,619	22,627	8	41,679	54%

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 – October 2024 YTD
(By Geographic Location)**



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

	31 October 2024 Actuals	31 October 2024 Forecast	Variance	31 March 2025 Forecast
	£'000	£'000	£'000	£'000
Property, Plant and Equipment	5,514	5,521	(7)	5,390
Intangible Assets	3,096	3,027	69	2,444
Total Fixed Assets	8,610	8,548	62	7,834
Current Assets				
Trade and Other Receivables	18,463	24,848	(6,385)	24,848
Cash and Cash Equivalents	30,819	29,172	1,647	28,188
Total Current Assets	49,282	54,020	(4,738)	53,036
Total Assets	57,892	62,568	(4,676)	60,870
Current Liabilities				
Deferred Income	46,687	52,000	5,313	52,000
Trade and Other payables - other liabilities	4,908	4,270	(638)	4,270
Total Current Liabilities	51,595	56,270	4,675	56,270
Non-Current Liabilities	82	82	0	82
Total Liabilities	51,677	56,352	4,675	56,352
NET ASSETS	6,215	6,216	(1)	4,518
Opening Reserves	3,895	3,895	0	3,895
Surplus/(Deficit)	2,320	2,321	(1)	625
GENERAL RESERVES	6,215	6,216	(1)	4,520
Realisable Net Assets	3,119	3,189	(70)	2,076

Appendix 6 – Key Contracts (October 2024 YTD)

Month	Department	Description of service	Contract Value	Contract Length	Supplier	Procurement Route
April 24	FTP	Case Management and Legal Services	£5,760,000	2 years	Blake Morgan	Contract Extension Process
April 24	FTP	Case Management and Legal Services	£5,760,000	2 years	Capsticks	Contract Extension Process
April 24	IT	Website Content Management System and Hosting	£219,455	2 years	Optimizely AB	SSR/Direct Award
May 24	FTP	Recording and Transcription Services	£375,000	18 months	MWC and Ubiquis	Contract Extension Process
May 24	IT	HCPC Service Desk Ticket Management Software	£73,425	3 years	SolarWinds	SSR/Direct Award
May 24	IT	Hypercare Support for the Education System	£25,920	12 months	Synchronicity Technology Solutions Ltd	SSR/Direct Award
June 24	FAC	Sustainability Advisory Agreement	£36,930	12 months	Acclaro Advisory Ltd	Finalising Contract Documents
June 24	FIN	Contract Variation Order for PTX Core and BACS DDM Subscription	£2,400	4 Weeks	Bottomline Technologies Ltd	Contract VO discussion and approval Process
June 24	Finance	Contract Variation Order for PTX Core and BACS DDM Subscription	£2,400	4 Weeks	Bottomline Technologies Ltd	Contract VO discussion and approval Process
June 24	IT	Check Point Support Services	£27,054	12 months	Camwey Technology	SSR/Direct Award
July 24	FTP	Service User Engagement	£20,000	12 months	The Patients Association	Contract Renewal Process
July 24	GOV	Physical and Digital Storage Services	£20,000	12 months	Deepstore Records Management	Direct Award Process
August 24	FAC	Head Office Blinds Maintenance	£5,000	12 months	Bright a Blind	Contract Extension Process
September 24	FTP	Frontloading Project A Variation Order was agreed with impact in Scope, Time and Cost	£201,384	12 months	ShareDo	Contract Extension Process
October 24	IT	International Application Standardised Assessment – Design Phase	£168,000	Based on proposed project duration	PWC	Public Tender Process.
October 24	IT	ShareDo Subscription	£318,470	24 months	Slicedbread	Direct Award Process.
October 24	IT	Automating requests resolution processes (PoC)	£41,004	12 months	EmailTree	Direct Award Process.
October 24	IT	Licenses and support for the Perform and Perform Plus solutions for FTP	£180,000	36 months	PWC	Direct Award Process.
October 24	IT	NetApp Support	£28,976.56	15 months	Logicalis UK Ltd	Direct Award Process.
October 24	BC/FTP	The execution of the Portal work stream within the Online Concerns project	£28,560	12 months	Synchronicity Technology Solutions Ltd	Direct Award Process.
October 24	GOV	External Facilitator for Council Effectiveness Review	£11,700 and £15,300	2 months	Scysm Ltd (Yasir Samir)	Direct Award Process.

Appendix 7 – Full Time Equivalent (FTE)

Department	2024-25 Budget			Q2 2024-25 Forecast			Variance
	Permanent/FTC	Temporary	Total	Permanent/FTC	Temporary	Total	
Fitness to Practise	143	1	144	153	9	162	(18)
Registration	61	3	64	71	0	71	(7)
Finance and Commercial	15	1	16	17	1	18	(2)
IT and Digital Transformation	15	1	16	16	0	16	0
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
Assurance and Compliance	7	0	7	9	0	9	(2)
Facilities Management	8	0	8	9	0	9	(1)
Policy and Standards	9	0	9	9	0	9	0
Communications	8	0	8	7	1	8	0
Professionalism 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	5	0	5	(1)
Chair and Chief Executive Office	0	0	0	3	0	3	(3)
Partners	2	0	2	2	0	2	0
Governance	8	0	8	3	0	3	5
Regulatory Development and Performance	1	0	1	1	0	1	0
Total Full Time Equivalents	326	6	332	349	11	360	(28)

Note. Negative variance shows increase in FTE

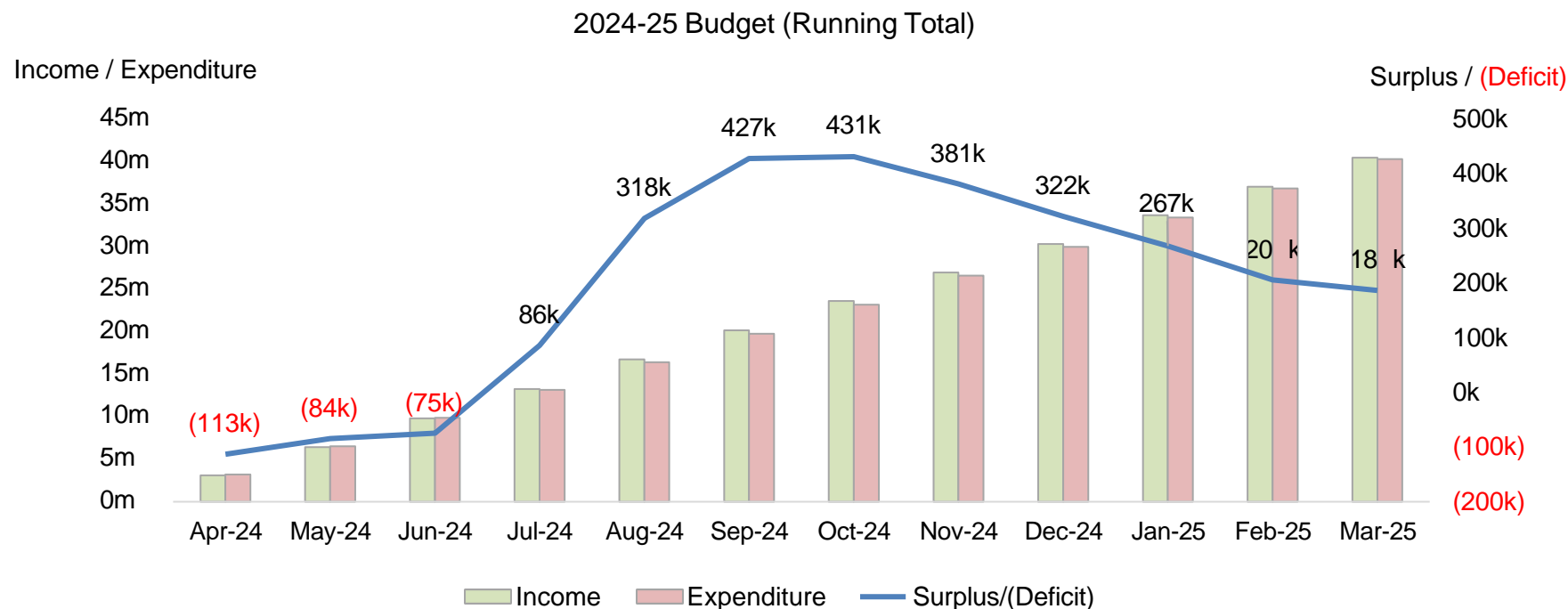
Appendix 8 – Contingency (as at 31 October 2024)

Description	£'000
General contingency	176
Ring-fenced annual partners and pension	597
2024-25 budget contingency	773
Online register (one-off)	(15)
Cyber security cost	(32)
FTP temporary staff costs	(450)
Total contingency as at 30 September 2024	276
Data storage, IT telephony and firewall costs	(148)
Data insight and analytics secondment position	(15)
International assessment model development	(168)
Contingency increase	700
Total contingency remaining	645

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.

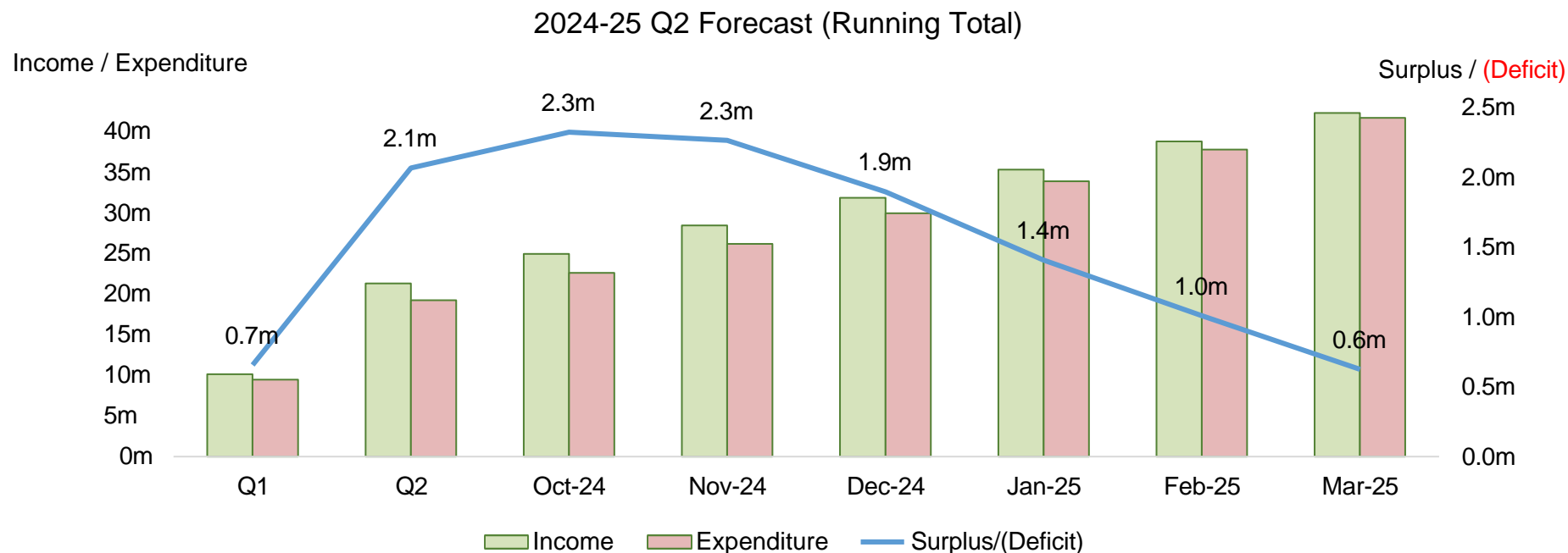
The Q2 forecast contingency is split between ring-fenced funds of £300k to cover 2025-26 spend to be brought forward into this financial year, £200k for complex legal cases and £145k of general contingency.

Appendix 9 – 2024–25 Budget Profile



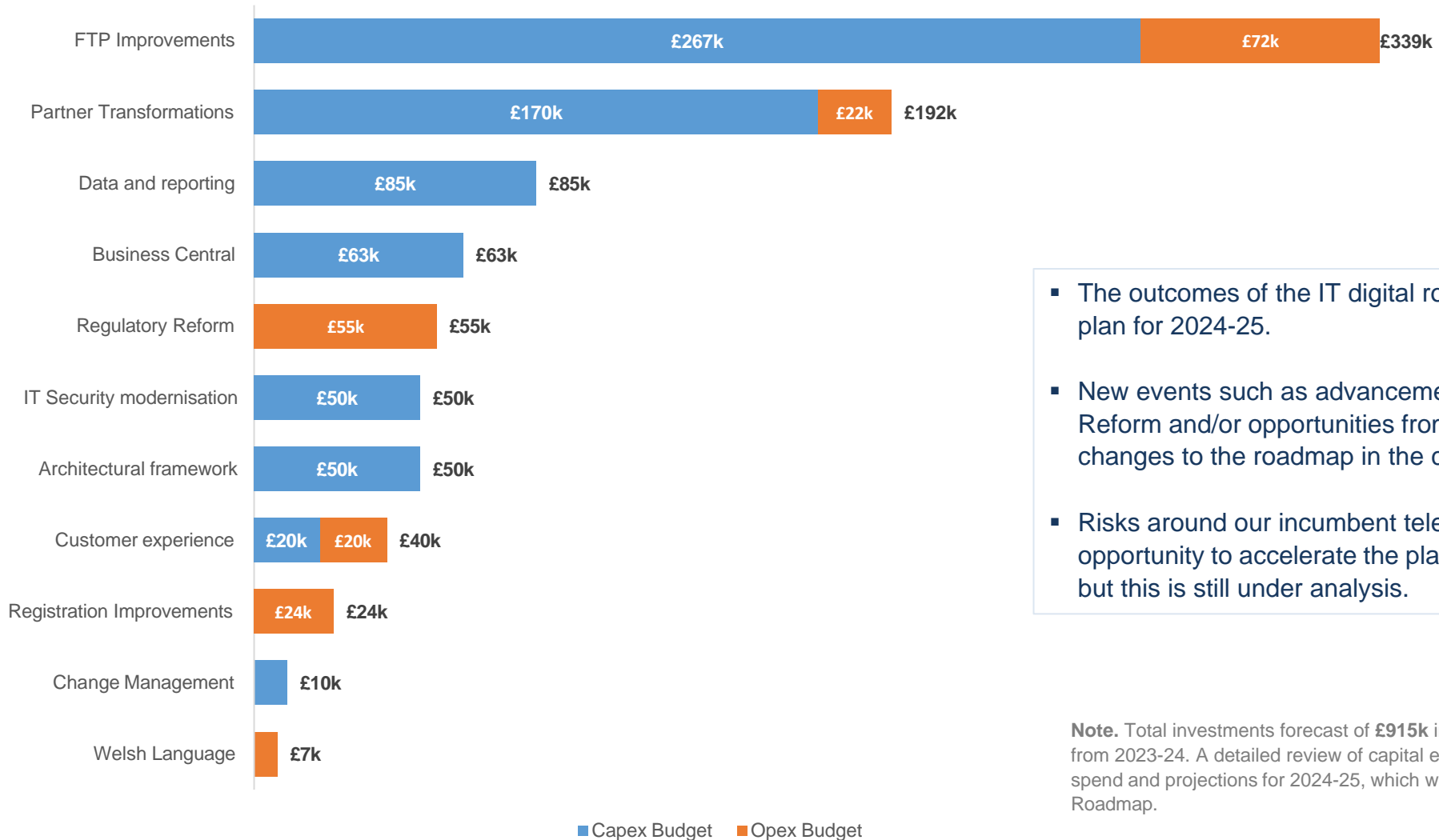
- The 2024-25 Budget assumes a deficit position in the first quarter, followed by a steady surplus trend for the remainder of the year.
- Income is budgeted to be lower for Q1 compared to later periods, whilst expenditure remains relatively consistent across the periods. The budgeted income for 2024-25 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 Q2 Forecast Profile



- The surplus at the end of the second quarter of 2024-25 was £2.1m, surpassing the budget by £1.7m. The forecasted full year surplus of £0.6m is £0.4m favourable compared to budget.
- The Q2 forecast shows a £0.6m surplus at the end of the financial year compared to the Q1 Forecast of £1.3m.
- There has been further increase to UK Scrutiny fees and registration income to account for current upward trend in UK applications. Investment income has also been revised due to higher principal amount held in our deposit accounts than expected. The forecast also includes NHSE grant income for the development of resources to support AHPs and their employers in optimising their scope of practice in relation to advanced practice.
- . This is offset by additional cost pressures expected in the year.
- Although expected surplus peaked at around £2.3m in Q3, a decrease in surplus is anticipated in Q4 due to majority of BAU projects being projected to be completed by this period.

Appendix 11 – Capital Expenditure 2024-25 Budgeted Spend



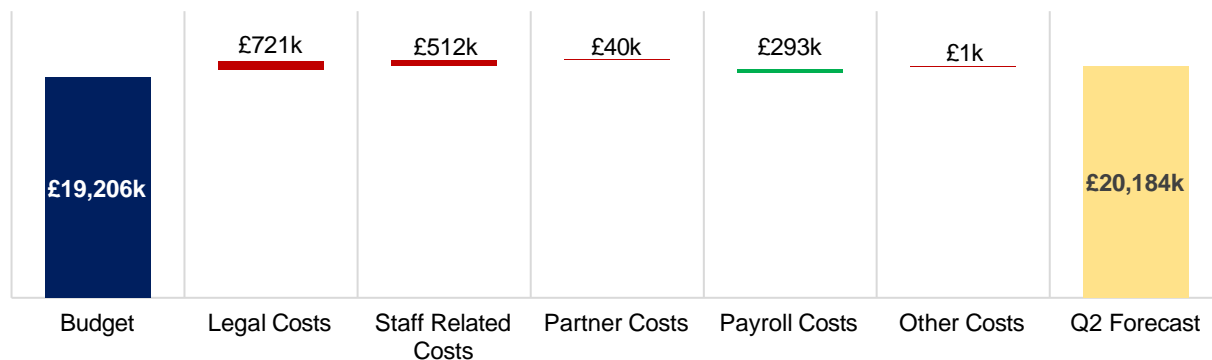
- The outcomes of the IT digital roadmap is aligned to the investment plan for 2024-25.
- New events such as advancements in the schedule for Regulatory Reform and/or opportunities from the Partners Review, may inform changes to the roadmap in the coming months.
- Risks around our incumbent telephony 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 Digital Roadmap.

Appendix 12 – Fitness to Practise

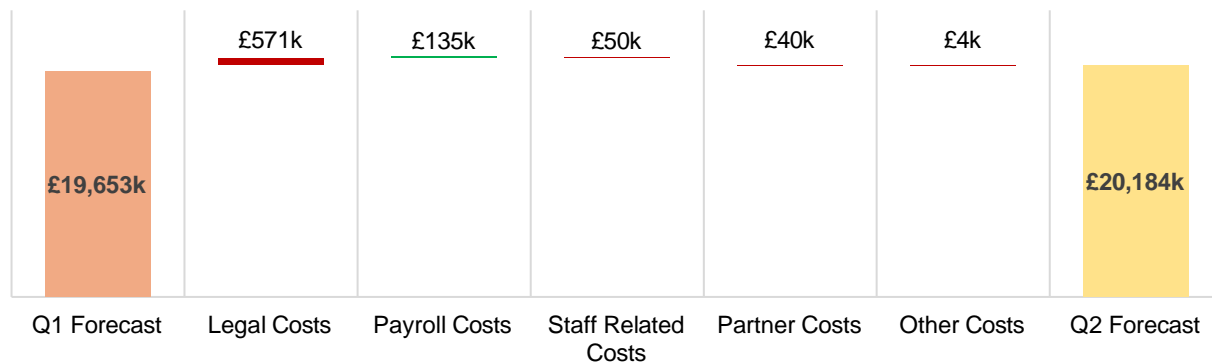
Budget v Q2 Forecast

■ Increase ■ Decrease



Q1 v Q2 Forecast

■ Increase ■ Decrease



Budget v Q2 Forecast

Adverse movement of around **£980k**. This comprises of the following:

- **Legal costs – £720k**
 - Additional costs related to our current legal providers of **£500k** due to timing of the progression of cases as well as additional fees related to complex cases.
 - Costs of legacy cases totalling **£220k** anticipated to have been completed last financial year.
- **Staff related costs – £510k** of additional costs related to the extension of temporary staff through to December 2024 (original contracts budgeted to end in May 2024).
- **Payroll Costs – £290k** favourable variance due to savings from unfilled vacant posts.

Q1 v Q2 Forecast

The Q1 forecast compared to latest projections indicate an adverse movement of around **£530k**.

- **Legal costs – £570k** mostly due to updating of legal costs from latest supplier reports and costs of complex cases being higher than anticipated.
- **Payroll Costs – £135k** favourable movement due to unfilled vacant posts.

Note. There are two practical measures in place to reduce the further increase in FTP costs; a gated system for cases being assigned to legal providers and recruitment of in-house lawyers to examine cases as part of the frontloading initiative.