

Finance and Facilities Management Departments November 2007 Report

General

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

Supplier payments

At the end of September, at least 99% by value of the £192k Creditor payments (Sept Aged Creditor Listing) are in the 30 days or less category.

Fee adjustments and income receipts handling

At the 8th November, there was a backlog in Registrant direct debit cancellations and amendments of about 5 processing days. We had about 5 days processing backlog on rejected payments/refunds and zero days backlog on mid-cycle lapsing of Registrants. Banking of Registrant cheques was up to date and credit card reconciliations were almost 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. AS, BS and ODP collections occurred in October. OT, DT, CH and BS collections are scheduled for November. Most of the income comprises Renewal fees collected.

Pensions

At the end of October, there were 49 active members in the Friends Provident Scheme and 2 remaining active members in the Capita Flexiplan Scheme, excluding the "notional" members.

Barnet Waddingham (BW) stated at 19th Oct that 16 transfers had been paid across to the Friends Provident scheme. This leaves a maximum of 17 further potential transfers outstanding. BW also advised they were awaiting confirmation for AVC monies to be paid across to Friends Provident scheme.

Funds under Management

At 2nd November, the Business Reserve account balance was £382k earning an interest rate of 2% per annum. A further £4.17M was invested in the Special Interest-bearing Account (SIBA) on a rolling monthly basis, earning 5.75% per annum. NatWest, Barclays and HSBC are active Money Market providers for HPC. The value of our investment portfolio (including cash) at the end of Sept was £1,986M.

Regarding the Reserves Policy, three average budgeted months of Operating Expenses totals £3.123M. At the end of Sept, the sum of Investments and Working Capital totalled £4.85M.

March 07 Annual Report

Signed off by HPC and the auditors. Waiting to be tabled and approved in Parliament. Still awaiting definitive clarification from HM Treasury 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.

Significant Financial Projects/Issues (next few months)

- Financial System Upgrade project (to April 08)
- Five Year Plan update
- Fee Change 2009 project
- LISA Access Rights project (Sept – March 08)
- Financial Procedures update – will present at Feb 08 Finance & Resources Committee meeting

Date	Ver.	Dept/Cmte	Doc Type	Title	Status
2007-10-15	a	F&R	RPT	Finance and Facilities Management Department Report Nov 2007	Final DD: None

Int. Aud.
Public RD: None

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, Travel 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 project timetable – refer separate paper for details.

Health and Safety Issues

Following approval of the H&S policies, implementation of Lawrence Webster Forrest Health & Safety¹ and Fire Safety policies (including training) to be progressed in the next 4-6 months.

Procurement

A Procurement Officer contract post is being recruited for to support “supplier relationship managers” at HPC in improving procurement practices and analysing opportunities for ongoing cost savings.

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 Sep £000	Budget Sep £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	1,785							5,572	6,193	(621)	12,552
Department of Health Capital Grant Released	0	0	0	0	0	0							0	0	0	0
Miscellaneous Income	0	0	20	(20)	0	0							0	0	0	0
TOTAL INCOME*	835	926	838	974	1,049	1,785	0	0	0	0	0	0	5,572	6,193	(621)	12,552
EXPENDITURE																
Approvals & Monitoring	3	60	65	29	32	32							218	309	(91)	657
Chief Executive	21	36	17	19	21	42							135	128	7	256
Committees & PLG	(4)	14	24	(3)	8	18							61	193	(132)	396
Communications	19	98	31	34	62	70							295	383	(88)	1,016
Council	3	46	47	29	9	22							154	235	(81)	423
Facilities Management	102	58	44	65	62	174							402	546	(144)	981
Finance	57	43	34	20	63	74							234	223	10	449
Fitness to Practise	185	273	347	299	351	611							1,882	1,772	110	3,592
Human Resources & Partners	50	77	47	73	37	108							342	245	97	491
IT Department	70	104	62	70	78	121							436	414	21	844
Operations Office	17	20	13	21	27	36							119	130	(11)	259
Policy & Standards	11	17	16	16	15	29							92	215	(124)	431
President	2	3	2	4	2	4							15	24	(9)	48
Projects	(2)	0	2	3	0	1							6	306	(300)	353
Registration	16	149	160	161	119	153							742	1,062	(319)	2,022
Secretariat	38	(2)	15	22	33	68							136	137	(1)	274
TOTAL EXPENDITURE	590	996	927	863	920	973	0	0	0	0	0	0	5,268	6,323	(1,055)	12,493
SURPLUS/(DEFICIT)	245	(70)	(89)	112	129	222	0	0	0	0	0	0	304	(130)	434	59

* Total Income is excluding investment income

	2006						2007						Total to Sep £000	Budget Sep £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	10							91	309	218
Chief Executive	0	(15)	4	2	0	1							(7)	128	135
Committees & PLG	32	22	1	50	16	12							132	193	61
Communications	16	(63)	44	30	(33)	95							88	383	295
Council	4	1	(41)	116	(3)	3							81	235	154
Facilities Management	(30)	13	29	7	80	45							144	546	402
Finance	(21)	(6)	4	17	(26)	21							(10)	223	234
Fitness to Practise	109	21	(57)	54	(117)	(119)							(110)	1,772	1,882
Human Resources & Partners	(9)	(36)	(6)	(32)	4	(17)							(97)	245	342
IT Department	(1)	(35)	7	(1)	(9)	18							(21)	414	436
Operations Office	4	1	8	0	(6)	3							11	130	119
Policy & Standards	25	19	20	20	21	18							124	215	92
President	2	1	2	0	2	2							9	24	15
Projects	9	7	11	10	18	244							300	306	6
Registration	185	38	4	16	46	29							319	1,062	742
Secretariat	9	7	7	0	(19)	(4)							1	137	136
TOTAL BUDGET VARIANCE	395	(26)	37	303	(17)	362	0	0	0	0	0	0	1,055	6,323	5,268
TOTAL MONTHLY BUDGET	985	970	963	1,166	904	1,335	0	0	0	0	0	0			6,324
TOTAL EXPENDITURE	590	996	927	863	920	973	0	0	0	0	0	0			5,268

* 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							5,387
Investments	1,848	1,945	1,979	1,905	1,850	1,802	1,847							1,786
TOTAL FIXED ASSETS	5,562	5,644	5,699	5,642	5,627	5,633	5,691	0	0	0	0	0	0	7,173
CURRENT ASSETS														
Debtors	240	209	195	197	162	165	214							89
Bank & Cash	4,049	3,620	3,032	2,520	2,886	2,964	4,129							2,436
CURRENT LIABILITIES														
Creditors and accrued expenses	(1,840)	(1,176)	(1,349)	(1,297)	(1,281)	(1,293)	(1,338)							(1,117)
WORKING CAPITAL	2,449	2,653	1,878	1,420	1,767	1,836	3,005	0	0	0	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)							(6,056)
NET ASSETS	2,582	2,898	2,872	2,805	2,866	2,979	3,018	0	0	0	0	0	0	2,525
Represented by:														
Revaluation Reserve	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							1,874
	2,582	2,898	2,872	2,805	2,866	2,979	3,018	0	0	0	0	0	0	2,525

* Balance sheet includes investment income

	Actual Mar 07 £000	2007									2008			Total 6 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	4,130	4,130	4,130	4,130	4,130	
Registration Income		834	925	818	994	1,049	950							5,570
Investment Income		2	8	44	4	5	44							107
Investment Sales		0	20	84	0	27	0							131
Deferred Income Movements		(29)	(694)	(447)	271	(37)	1,187							251
Bank Loan														
Miscellaneous Income				20	(20)									0
Total Cash Receipts		807	259	519	1,249	1,044	2,181	0	0	0	0	0	0	6,059
Expenditure		590	996	927	863	920	974							5,270
Depreciation		(15)	(14)	(17)	(3)	(17)	(12)							(78)
Asset disposal / writeoff		0		0	0	0	0							0
Aged Cred / Accrual Movements		664	(171)	51	16	(12)	(47)							501
Debtor Movements		(31)	(15)	3	(34)	2	49							(26)
Payments to Creditors		1,208	796	964	842	893	964	0	0	0	0	0	0	5,667
Capital Expenditure		0	35	33	58	71	29							226
Capital write-off		0	0	0	(14)	0	(4)							(18)
Investment Purchases		29	16	32	0	0	27							104
Loan Repayments		0	0	0	0	0	0							0
Other Payments		29	51	65	44	71	52	0	0	0	0	0	0	312
Closing Balance	4,050	3,620	3,032	2,522	2,885	2,965	4,130	4,130	4,130	4,130	4,130	4,130	4,130	
Budgeted Closing Balance														
Variance			3,032	2,522	2,885	2,965	4,130	4,130	4,130	4,130	4,130	4,130	4,130	

* Cash flow includes investment income