

Finance and Resources Committee – 16 March 2009

January 2009 Management Accounts

Executive summary and recommendations

**Introduction**

**Decision**

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

**Background information**

Nil

**Resource implications**

Nil

**Financial implications**

Nil

**Appendices**

Consolidated Management Accounts for the 9 months ended 31 January 2009.

Variance Commentary

Summary of Management accounts for the 9 months ended 31 January 2009.

**Date of paper**

4 March 2009

# **HEALTH PROFESSIONS COUNCIL**

## **Consolidated Management Accounts For the 10 months ended 31st January 2009**

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009  
DETAILED SUMMARY

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>INCOME</b>					
<b>Professions</b>					
Arts Therapists	95,690	141,059	(45,369)	(32.16)	171,671
Biomedical Scientists	1,384,246	1,486,752	(102,506)	(6.89)	1,784,103
Chiropodists	729,851	747,788	(17,937)	(2.40)	897,345
Clinical Scientists	270,446	230,964	39,482	17.09	277,156
Dietitians	340,166	399,112	(58,946)	(14.77)	478,934
Occupational Therapists	1,854,974	1,844,894	10,080	0.55	2,213,873
Operating Department Practitioners	515,908	478,887	37,021	7.73	574,664
Orthoptists	85,499	77,190	8,309	10.76	92,631
Paramedics	833,224	809,311	23,913	2.95	971,173
Physiotherapists	2,683,241	2,708,173	(24,932)	(0.92)	3,266,870
Prosthetists & Orthotists	52,702	54,595	(1,893)	(3.47)	65,514
Radiographers	1,579,647	1,743,097	(163,450)	(9.38)	2,099,320
Speech and Language Therapists	741,424	696,957	44,467	6.38	836,348
<b>Registration Income</b>	11,167,018	11,418,779	(251,761)	(2.20)	13,729,602
<b>Department of Health Capital Grant Released</b>	0	0	0	0.00	0
<b>Miscellaneous Income</b>	2,980	0	2,980	0.00	0
<b>TOTAL INCOME</b>	<b>11,169,998</b>	<b>11,418,779</b>	<b>(248,781)</b>	<b>(2.18)</b>	<b>13,729,602</b>
<b>EXPENDITURE</b>					
<b>Departments</b>					
Approvals & Monitoring	435,615	519,781	84,165	16.19	660,872
Chief Executive	245,119	231,225	(13,894)	(6.01)	277,563
Council, Committees & PLG	336,010	400,876	64,866	16.18	547,387
Communications	697,225	863,127	165,902	19.22	1,020,074
Facilities Management	784,706	776,860	(7,846)	(1.01)	909,684
Finance	521,479	471,275	(50,204)	(10.65)	570,454
Fitness to Practise	3,619,085	3,909,733	290,648	7.43	4,621,621
Human Resources & Partners	579,199	587,594	8,395	1.43	662,423
IT Department	780,688	901,369	120,681	13.39	1,136,657
Operations Office	348,293	318,455	(29,839)	(9.37)	375,095
Policy & Standards	245,984	337,359	91,375	27.09	384,074
President	42,267	40,106	(2,161)	(5.39)	49,433
Projects	77,895	83,234	5,339	6.41	262,631
Registration	1,278,702	1,417,898	139,196	9.82	1,714,259
Secretariat	172,023	242,715	70,692	29.13	292,536
<b>Operating Expenses</b>	10,164,291	11,101,607	937,315	8.44	13,484,762
<b>SURPLUS / (DEFICIT) - Excl. Unrealised Gains/(Losses)</b>	<b>1,005,707</b>	<b>317,173</b>	<b>688,534</b>	<b>(217.09)</b>	<b>244,840</b>
Impairment of Freehold Land and Buildings	0	0	0	0.00	
<b>Interest payable</b>	<b>(10,451)</b>	0	<b>(10,451)</b>	0.00	0.00
<b>Investment Income - Excl. Unrealised Gains/(Losses)</b>	167,950	87,500	80,450	(91.94)	175,000
<b>Investment - Unrealised Gains / (Losses)</b>	<b>(301,822)</b>	0	<b>(301,822)</b>	0.00	0
<b>SURPLUS / (DEFICIT)</b>	<b>861,384</b>	<b>404,673</b>	<b>(456,711)</b>	112.86	<b>419,840</b>

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009

CONSOLIDATED DETAILED SUMMARY

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Consolidated Income</b>					
Registration fees	608,873	<b>388,969</b>	219,904	56.54	466,766
Registration fees (part year)	90	<b>0</b>	90	0.00	0
Readmission fees	175,212	<b>220,413</b>	(45,201)	(20.51)	264,495
Renewal fees	9,334,311	<b>9,838,863</b>	(504,552)	(5.13)	11,833,699
International scrutiny fees	577,447	<b>699,660</b>	(122,213)	(17.47)	839,592
Confirmation letter fees	0	<b>0</b>	0	0.00	0
Grandparenting scrutiny fees & other	-215	<b>0</b>	(215)	0.00	0
UK scrutiny fee/Graduated < 2 years	471,300	<b>270,875</b>	200,425	73.99	325,050
	<u>11,167,018</u>	<u><b>11,418,779</b></u>	<u>(251,761)</u>	<u>(2.20)</u>	<u><b>13,729,602</b></u>

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009

CODE	INVESTMENT & OTHER INCOME				Annual Budget £
	Finance Director				
BUDGET MANAGER	Actual £	Budget £	Variance £	Variance %	
<b>Consolidated Income</b>					
Bank interest - Business Reserve	8,855	10,000	(1,145)	(11.45)	20,000
Bank interest - SIBA	116,938	46,500	70,438	151.48	93,000
Bond interest	0	0	0	0.00	0
Portfolio income	58,398	31,000	27,398	88.38	62,000
P & L on disposal of investments (Realised)	(16,241)	0	(16,241)	0.00	0
	<u>167,950</u>	<u>87,500</u>	<u>80,450</u>	91.94	<u>175,000</u>
Gain or loss on unrealised investments	(301,822)	0	(301,822)	0.00	0

0

HEALTH PROFESSIONS COUNCIL

CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009

OVERHEAD TOTAL

	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Payroll</b>					
Basic	2,960,244	3,099,696	139,452	4.50	3,724,470
Overtime	23,951	34,995	11,044	31.56	40,220
National Insurance	314,457	397,471	83,013	20.89	476,998
Pension costs	277,784	255,513	(22,271)	(8.72)	306,649
Medical insurance	1,328	1,000	(328)	(32.79)	1,200
Staff recruitment	139,625	117,286	(22,339)	(19.05)	135,215
Temporary staff	196,153	280,558	84,405	30.08	383,916
Payroll Contingency	2,750	15,000	12,250	81.67	15,000
	<b>3,916,293</b>	<b>4,201,520</b>	<b>285,227</b>	<b>6.79</b>	<b>5,083,668</b>
<b>Staff travelling and subsistence</b>					
Fares	105,261	78,325	(26,937)	(34.39)	93,492
Car expenses and car park	1,242	1,500	258	17.17	1,500
Subsistence	48,086	50,425	2,339	4.64	61,180
Entertaining	1,808	500	(1,308)	(261.63)	500
Conferences	23,137	14,100	(9,037)	(64.09)	19,850
	<b>179,535</b>	<b>144,850</b>	<b>(34,686)</b>	<b>(23.95)</b>	<b>176,522</b>
<b>Council and committee expenses</b>					
Fees	150,815	164,396	13,581	8.26	219,542
Travelling and subsistence	110,049	123,246	13,197	10.71	159,112
Tax Cost (NI ER and PAYE)	22,120	27,000	4,880	18.07	36,000
Conference expenses	11,630	21,160	9,530	45.04	25,400
Training	5,379	6,892	1,513	21.95	7,840
Professional Liaison Groups	2,973	35,640	32,667	91.66	59,400
Elections and Appointments	61,249	56,900	(4,349)	(7.64)	76,900
Annual General Meeting	317	3,000	2,683	89.43	3,000
	<b>364,531</b>	<b>438,233</b>	<b>73,702</b>	<b>16.82</b>	<b>587,194</b>
<b>Property services</b>					
Business rates	72,851	95,200	22,349	23.48	108,000
Water	1,699	1,760	61	3.45	2,120
Electricity	(1,668)	37,500	39,168	104.45	45,000
Gas	10,662	6,660	(4,002)	(60.09)	8,000
Cleaning contractors	38,934	39,160	226	0.58	47,000
Cleaning materials	4,486	2,740	(1,746)	(63.72)	3,300
Waste disposal	11,549	12,500	951	7.61	15,000
Repairs and maintenance	21,324	17,140	(4,184)	(24.41)	20,576
Maintenance contracts	15,968	22,150	6,182	27.91	26,596
Security	19,951	26,750	6,799	25.42	32,300
Building Refurbishment	59,575	66,800	7,225	10.82	67,360
Property disposals	0	0	0	0.00	0
Property depreciation	35,167	35,000	(167)	(0.48)	42,000
	<b>290,499</b>	<b>363,360</b>	<b>72,861</b>	<b>55</b>	<b>417,252</b>

<b>OVERHEAD TOTAL</b>
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	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Office services</b>					
Printing and stationery	378,270	399,823	21,553	5.39	463,023
Photocopying	8,828	3,000	(5,828)	(194.28)	3,600
Postage	90,734	49,530	(41,204)	(83.19)	59,447
Telephone	34,486	29,090	(5,396)	(18.55)	34,908
Mobile telephone	7,087	8,681	1,593	18.35	10,746
Couriers	11,834	5,000	(6,834)	(136.68)	6,000
Office equipment < £1000	34,718	15,000	(19,718)	(131.45)	15,000
Office equipment rental	5,653	3,590	(2,063)	(57.47)	4,317
Catering	39,876	45,889	6,014	13.10	55,454
Other office services	31,795	37,250	5,455	14.64	44,700
Room Hire	142,286	111,757	(30,529)	(27.32)	125,301
Office equipment disposals	0	0	0	0.00	0
Video Conferencing	0	6,750	6,750	100.00	7,500
	<b>809,524</b>	<b>736,360</b>	<b>(79,914)</b>	<b>(612)</b>	<b>855,193</b>
<b>Computer services</b>					
Hardware < £1000	2,207	8,400	6,193	73.72	10,400
General Hardware support and maintenance	11,447	16,000	4,553	28.46	25,000
Software Purchases	9,931	31,000	21,069	67.96	39,000
General Software support & maintenance	63,131	49,250	(13,881)	(28.19)	57,500
NetRegulate Software support and maintenance	104,372	111,660	7,288	6.53	134,000
Managed Web/Internet services	110,357	129,356	18,999	14.69	156,000
Internet/3G	8,492	7,299	(1,193)	(16.34)	8,774
IT Consumerables	5,335	10,670	5,335	50.00	14,000
HPC Computer training	9,744	10,000	256	2.56	10,000
Other computer services costs	15,027	0	(15,027)	0.00	0
Offsite tape data archive	2,677	840	(1,837)	(218.67)	1,000
Specialist external support	(1,175)	3,750	4,925	131.33	5,000
IT Other Professional Fees	0	410	410	100.00	0
IT Hardware Disposals	481	0	(481)	0.00	0
Hardware depreciation	215,044	139,560	(75,484)	(54.09)	167,469
Secure hardware disposal	637	600	(37)	(6.19)	1,000
	<b>557,708</b>	<b>518,795</b>	<b>(38,913)</b>	<b>152</b>	<b>629,143</b>
<b>Communications</b>					
Campaigns	110,138	143,960	33,822	23.49	190,000
Annual Reports (Design, Distribute)	2,131	19,752	17,621	89.21	19,752
Brochures (Design, Distribute)	19,391	44,000	24,609	55.93	44,000
Listening Events	18,771	45,000	26,229	58.29	45,000
Market Research	10,599	55,000	44,401	80.73	65,000
Translations	11,828	10,000	(1,828)	(18.28)	10,000
Public Affairs & Stakeholder	38,056	48,282	10,226	21.18	65,000
Standards of Proficiency (Design,Prod,Dist)	300	0	(300)	0.00	0
Web Site Design	11,916	10,700	(1,216)	(11.36)	10,700
Marketing & Promotions	16,093	9,000	(7,093)	(78.81)	9,000
Conference & Exhibitions	23,962	41,390	17,428	42.11	55,000
General Events (Internal & External)	0	20,000	20,000	100.00	25,000
Media Relations	2,259	30,000	27,741	92.47	30,000
Registrant Welcome Pack	0	15,000	15,000	100.00	15,000
General Public Literature	5,872	40,000	34,128	85.32	40,000
Internal Communications	38,668	36,000	(2,668)	(7.41)	36,000
Bi-Annual opinion polling	0	0	0	0.00	0
	<b>309,983</b>	<b>568,084</b>	<b>258,101</b>	<b>632.86</b>	<b>659,452</b>

<b>OVERHEAD TOTAL</b>
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	Actual £	Budget £	Variance £	Variance %	Annual Budget £
<b>Partners</b>					
Partners Recruitment	45,979	57,140	11,161	19.53	70,420
Partners Training	124,946	121,200	(3,746)	(3.09)	120,000
Panels (Allowance & Travel )	691,928	708,380	16,452	2.32	853,306
Approvals	64,638	72,527	7,889	10.88	103,610
Assessors fees (All Professions)	177,536	246,970	69,434	28.11	287,980
Test of Competence (All Professions)	6,748	13,270	6,522	49.15	15,928
Registration Appeals	17,840	18,240	400	2.19	22,800
Annual Monitoring	4,652	11,146	6,494	58.26	16,710
Major/Minor Change	5,351	8,960	3,609	40.28	11,200
CPD assessments	42,130	56,960	14,830	26.04	71,200
Aptitude tests	0	5,068	5,068	100.00	5,792
	<b>1,181,748</b>	<b>1,319,861</b>	<b>138,113</b>	<b>10.46</b>	<b>1,578,946</b>
<b>Project Costs</b>					
Major Projects	77,895	83,234	5,339	6.41	262,631
Small Projects	37,019	119,838	82,819	69.11	150,570
	<b>114,914</b>	<b>203,072</b>	<b>88,158</b>	<b>75.52</b>	<b>413,201</b>
<b>Specific departmental expenses</b>					
Archive storage	20,464	18,800	(1,664)	(8.85)	22,400
Auditors' fees	50,829	40,630	(10,199)	(25.10)	48,760
Bank charges	52,254	38,301	(13,953)	(36.43)	55,000
Books and publications	9	410	402	97.93	500
Conselling	1,197	2,250	1,053	46.82	3,000
Disaster contingency plan	14,179	12,000	(2,179)	(18.16)	12,000
EMT Training	3,655	7,500	3,845	51.26	7,500
General insurance	26,776	37,670	10,894	28.92	45,200
Health and safety	18,105	12,300	(5,805)	(47.20)	14,770
Miscellaneous Expenses	314	0	(314)	0.00	0
Internal Audit	15,798	23,850	8,052	33.76	28,620
Legal advice	295,743	248,962	(46,780)	(18.79)	299,260
Legal expenses	1,530,189	1,514,535	(15,654)	(1.03)	1,762,500
Legal insurance	18,375	33,330	14,955	44.87	40,000
Legal -Transcript Writer	150,403	292,690	142,287	48.61	351,627
Other professional fees	45,064	26,750	(18,314)	(68.46)	35,200
Other legal costs	24,855	85,000	60,145	70.76	110,000
Pension administration	11,672	21,000	9,328	44.42	25,200
Personal Performance Consultancy	0	7,000	7,000	100.00	7,000
ISO 9001 Certification	2,446	5,700	3,254	57.09	6,200
Reward Data	6,815	9,000	2,185	24.28	9,000
Subscriptions to professional bodies	24,421	27,594	3,173	11.50	34,304
Taxation advice	12,120	2,001	(10,119)	(505.70)	2,000
Training	113,873	140,198	26,325	18.78	164,150
	<b>2,439,554</b>	<b>2,607,472</b>	<b>167,917</b>	<b>6.44</b>	<b>3,084,191</b>
<b>OVERHEAD TOTAL</b>	<b>10,164,291</b>	<b>11,101,607</b>	<b>937,316</b>	<b>8.44</b>	<b>13,484,762</b>



**HEALTH PROFESSIONS COUNCIL**  
**CONSOLIDATED BALANCE SHEET**  
as at 31 January 2009

	31 January 2009		Actual 31 March 2008	
	£	£	£	£
<b>FIXED ASSETS</b>				
<b>Tangible fixed assets</b>				
Land & buildings, at cost or valuation	3,388,184		3,090,000	
Depreciation	<u>(35,167)</u>		<u>0</u>	
Net book value		3,353,017		3,090,000
Computer Equipment, at cost	2,927,752		2,658,339	
Depreciation	<u>(2,235,399)</u>		<u>(2,032,094)</u>	
Net book value		692,354		626,245
Office furniture and equipment, at cost	406,348		387,804	
Depreciation	<u>(371,792)</u>		<u>(347,835)</u>	
Net book value		34,556		39,969
		<hr/>		<hr/>
<b>Total tangible fixed assets</b>		<b>4,079,926</b>		<b>3,756,214</b>
<b>Investments</b>		<b>1,329,423</b>		<b>1,528,047</b>
		<hr/>		<hr/>
<b>TOTAL FIXED ASSETS</b>		<b>5,409,348</b>		<b>5,284,260</b>
<b>CURRENT ASSETS</b>				
Debtors	424,491		80,898	
Prepayments	81,119		132,307	
Bank balances and cash	<u>5,058,100</u>		<u>4,899,109</u>	
		5,563,710		5,112,314
<b>CURRENT LIABILITIES</b>				
<b>Amounts falling due within one year</b>				
Creditors and accrued expenses	1,879,613		2,102,639	
		<hr/>		<hr/>
<b>WORKING CAPITAL</b>		<b>3,684,097</b>		<b>3,009,675</b>
<b>DEFERRED INCOME</b>				
Registration fees in advance	300,255		175,734	
Retention fees in advance	<u>6,432,753</u>		<u>6,693,458</u>	
		<b>(6,733,008)</b>		<b>(6,869,191)</b>
		<hr/>		<hr/>
<b>NET ASSETS</b>		<b>2,360,438</b>		<b>1,424,744</b>
<b>Represented by:</b>				
General Funds		1,077,308		1,979,272
Revaluation reserve		421,746		421,746
Surplus/(Deficit) for the period		861,384		<b>(976,274)</b>
		<u>2,360,438</u>		<u>1,424,744</u>
		<hr/>		<hr/>
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**HEALTH PROFESSIONS COUNCIL  
CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009**

**CAPITAL EXPENDITURE  
From 1st April 2008 - 31 March 2009**

		Actual £	Budget YTD £	Variance £	Annual Budget £
<u>Major Investment (£50K+ Individual Item)</u>					
Office Services	Renovation work to 22-26 Stannery Street. Phase 1	242,415	0	(242,415)	0
	Renovation work to 22-26 Stannery Street. Phase 2	55,769	73,038	17,269	422,875
	Sub Total	298,184	73,038	(225,146)	422,875
<u>Minor Investment (less than £50K individually)</u>					
Information Technology	PC/technology refresh		15,000	15,000	45,000
	Server replacements/upgrades		6,000	6,000	0
	Upgrade switches	5,227	20,000	14,773	6,000
	New/replacement laptops	10,318	10,000	(318)	0
					12,000
Office Services	Replacement B & W Copier	4,488	6,000	1,512	6,000
	CCTV	14,055		(14,055)	0
		34,088	57,000	(22,912)	89,000
Contingency		0	0	0	0
<u>Major Projects</u>		266,086	230,708	(35,378)	552,088
<b>Total Capital Expenditure</b>		<b>598,358</b>	<b>360,746</b>	<b>(283,436)</b>	<b>1,063,963</b>

**Note:** Total 22-26 Stannery Street project spend is £1,461,721 compared to a total budget of £1,639,000 (total spent in 2007-08 £1,219,306)

**HEALTH PROFESSIONS COUNCIL  
CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009**

**Project reporting  
From 1st April 2008 - 31 March 2009**

		Actual £	YTD Budget £	Variance £	Annual Budget £
<u>Project number</u>					
<u>Capital Expenditure</u>					
MP34	Online renewals	133,308	100,000	(33,308)	300,000
MP30	Fees Rise 2009	2,000	2,000	0	2,000
MP32	Equality & Diversity	40,126	30,000	(10,126)	30,000
MP3	Registration of the Practitioner Psychologists	3,660	-	(3,660)	15,000
MP4	Registration of Hearing Aid dispensers		15,000	15,000	15,000
	Independent Safeguarding Authority	0	21,000	21,000	21,000
MP33	FTP registrations system statuses rationalisation	60,400	57,420	(2,980)	63,800
	Contingency	0	-	0	100,000
MP27	Finance System Upgrade	11,903	5,288	(6,615)	5,288
MP28	NetRegulate Access Rights	9,083	-	(9,083)	-
	PRS Remediation Project	5,606	-	(5,606)	-
			-	0	-
			-		
	<b>Total Capital Expenditure</b>	<b>266,086</b>	<b>230,708</b>	<b>(35,378)</b>	<b>552,088</b>
<u>Operating Expenditure</u>					
MP34	Online renewals	9,390	18,331	8,941	22,100
MP30	Fees Rise 2009	2,545	14,500	11,955	14,500
MP32	Equality & Diversity	2,706	9,528	6,822	9,528
MP3	Registration of the Practitioner Psychologists	50,873	0	(50,873)	156,468
MP4	Registration of Hearing Aid dispensers	7,403	0	(7,403)	19,160
	Independent Safeguarding Authority	0	40,875	40,875	40,875
MP33	FTP registrations system statuses rationalisation	0	0	0	-
MP27	Finance System Upgrade	2,627	0	(2,627)	-
MP28	NetRegulate Access Rights	0	0	0	-
	PRS Remediation Project	2,351	0	(2,351)	-
	<b>Total Operating Expenditure</b>	<b>77,895</b>	<b>83,234</b>	<b>5,339</b>	<b>262,631</b>
		(0)	(0)		

# HEALTH PROFESSIONS COUNCIL

## CONSOLIDATED ACCOUNTS TO 31 JANUARY 2009

### CASH FLOW STATEMENT

From 1st April 2008 - 31 March 2009

	£	
Surplus /(deficit) over expenditure	1,005,707	
Depreciation charge for the year of tangible fixed assets	274,168	
(Increase)/decrease in debtors & prepayments	(292,406)	
Increase/(decrease) in creditors (CGT and VAT Tax not included)	(223,026)	
Increase /(decrease) in deferred income	(136,183)	
<b>Net cash In/(out)flow from operating activities</b>	<b>628,260</b>	
<b>Return on investments and servicing of finance</b>		
Investment Income (Excluding realised gains & losses)	184,191	
<b>Capital expenditure and financial investments</b>		
Purchase of tangible assets	(598,358)	
Disposal of tangible assets	12,220	
Purchase of investments	(410,712)	
Proceeds from sale of investments	279,534	
<b>Financing</b>		
Income from DOH	74,307	
Interest payable	(10,451)	
<b>Increase/(decrease) in Cash</b>	<b>158,991</b>	
Cash at 31 March 2008	4,899,109	
Cash at 31 January 2009	5,058,100	
Cash Movement	<b>158,991</b>	(0)

**HPC CONSOLIDATED Cash Flow: April 08 - March 09**

	Mar-08	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	
<b>Opening Balance 1st</b>		4,899,109	5,049,403	4,307,764	3,785,816	4,579,333	4,287,567	5,676,731	5,897,353	5,047,321	4,550,452	5,058,100	5,058,100	
<b>Receipts</b>														
Registration Income		1,097,883	964,628	1,164,492	1,048,614	1,174,160	1,167,481	1,199,540	1,144,887	1,057,632	1,147,702			
Investment Income		2,894	1,155	17,173	44,732	6,223	54,165	3,902	4,304	14,455	35,188			
Investment Sales		34,557	44,098	38,427	39,360	3,613	50,000	13,325	6,011	50,000	143			
Deferred Income Movements		502,815	(476,522)	(393,029)	588,402	(403,725)	1,079,741	66,099	(718,082)	(586,298)	204,416			
Bank Loan		0	0	0	0	0	0	0	0	0	0			
Miscellaneous Income		0	0	0	0	0	2,980	0	0	0	0			
<b>Total Cash Receipts</b>		1,638,149	533,359	827,063	1,721,108	780,271	2,354,367	1,282,866	437,120	535,789	1,387,449	0	0	11,497,540
<b>Payments</b>														
<b>Operational</b>														
Expenditure		607,778	1,416,461	1,291,553	851,018	944,310	1,007,508	1,156,100	993,011	1,061,588	834,964			
Depreciation		24,477	(73,630)	(24,196)	(25,323)	(25,247)	(18,462)	(25,841)	(38,100)	(33,920)	(33,926)			
Aged Cred / Accrual Movements		292,023	(21,602)	168,837	69,779	(69,628)	(56,728)	(48,604)	232,790	(343,325)	(516)			
Debtor Movements		225,068	(61,848)	(92,719)	(10,571)	(28,012)	(42,086)	(21,641)	27,408	276,577	20,230			
Payments to Creditors		1,149,346	1,259,381	1,343,475	884,903	821,423	890,232	1,060,014	1,215,109	960,920	820,752	0	0	
<b>Exceptional</b>														
Capital Expenditure		201,444	(16,892)	36,136	10,984	92,722	138,267	(8,215)	72,303	12,699	58,910			
Capital Write-off		0	0	0	0	0	0	0	(7,507)	0	(4,713)			
Investment Purchases		137,065	32,509	43,706	31,704	157,892	(63,296)	10,445	(3,204)	59,039	4,852			
Loan Repayments		0	0	0	0	0	0	0	0	0	0			
DOH Income		0	0	(74,307)	0	0	0	0	0	0	0			
		0	0	0	0	0	0	0	10,451	0	0			
<b>Total Payments</b>		1,487,855	1,274,998	1,349,010	927,591	1,072,037	965,203	1,062,244	1,287,152	1,032,658	879,801	0	0	
<b>Closing Balance</b>	<b>4,899,109</b>	<b>5,049,403</b>	<b>4,307,764</b>	<b>3,785,816</b>	<b>4,579,333</b>	<b>4,287,567</b>	<b>5,676,731</b>	<b>5,897,353</b>	<b>5,047,321</b>	<b>4,550,452</b>	<b>5,058,100</b>	<b>5,058,100</b>	<b>5,058,100</b>	(0)

Aged Creditors	800,652	1,291,264	1,312,866	1,144,029	1,074,250	1,143,878	1,200,606	1,249,210	1,016,420	1,359,745	1,360,261	1,360,261	1,360,261	
Accruals	782,635													
Budgeted Expenditure 05/06												184		

Deferred Income Movements - ( ) Some income from deferred income and cash has already been received. If positive, cash received in advance and not recognised as income in current month.

Depreciation - Cash paid for fixed assets incurred in previous months make depreciation a non cash item, so is taken off the current month expenditure.

Aged Creditor Movements - ( ) Denotes an increase in aged creditors from the previous month and is taken off the current month expenditure as they haven't been paid. Vice versa for a positive figure.

Debtor Movements - If positive, debtors/prepayments have been paid without all being recognised in the I & E Account, so must be added to the expenditure for the month, Vice versa for a negative figure.

# HEALTH PROFESSIONS COUNCIL

## CONSOLIDATED MANAGEMENT ACCOUNTS FOR THE 10 MONTHS ENDED 31 JANUARY 2009 VARIANCE COMMENTARY

### INTRODUCTION

These accounts were compared to budget version 7, which was agreed by the Council on 27th March 2008. The format of the management accounts is the same as the last financial year.

### DETAILED SUMMARY

At the end of the financial year, we budgeted an operating surplus, after unrealised gains, of £245,872 compared to 2008's budgeted surplus of £234,736. The actual result for year to date was a surplus of £861,384 after unrealised gains; a favourable variance of £456,711.

Income totalled £11,169,998 with overheads at £10,164,291 thus giving the operating surplus before investments of £1,005,707.

### INCOME

Registration income is £251,761 below budget. Of this, the renewal fee is £504,552 below budget. The main reason for the renewal fee unfavourable variance, is that at the beginning of the current year we budgeted registrant numbers of 180,160 compared to an actual of 178,715, a difference of 1445 registrants. Also, £83K of income relating to the Dietitians renewal fee was recognised in the prior financial year due to an error in the income model. To elaborate, income had been recognised a month early in 2007/08 and therefore 3 months Dietitians renewal fee income relating to 2008/09 was recognised in the previous financial year. The income is reconciled to NetRegulate on a monthly basis, in accordance with the Audit Findings Report. The £83K is a permanent difference and will remain unchanged for the rest of the year.

Registration fees are showing a favourable variance of £220K. This is due to a higher amount of renewal fees being received at a discounted rate (Graduate renewal fees received in their first 2 years of registration). This can be offset against the unfavourable variance in the renewal fees.

There is an £122K unfavourable variance relating to international scrutiny fee income. This is likely to remain a permanent difference. We budgeted for 2,057 applications to be received this year where as the actual number received is to be around 1,700.

Year to date investment income is £80K above budget. There is also an unfavourable variance of £302K relating to the unrealised gain or loss on investment portfolio value, due to the current market conditions.

### DEPARTMENTS

Total Departmental expenditure year to date is £10,164,291 which is £937,316 below budget. The main under spends were in: Information Technology, Fitness to Practise, Communications, Registrations and the Policy and Standards departments.



## **OVERHEADS**

Below is an explanation of some of the main favourable and unfavourable variances:

### Payroll costs

Payroll costs show a favourable variance of £285K. Basic Pay shows a favourable variance of £139K and national insurance shows a favourable variance of £83K. This is due to some budgeted positions being vacant during the period due to staff leaving or positions not being appointed in the prior year. For example, in the Registrations, Secretariat, Communications and Fitness to Practise departments. The under spend in Temporary staff of £84K is mainly due to the Director of Operations now appointed as a permanent member of staff and the UAT temporary staff costs transferred to the capital expenditure budget.

### Staff travelling and subsistence

This shows an unfavourable variance (year to date £35K). This is mainly due to the Chief Executive travelling more frequently to Scotland and attending working groups and also conferences. There is also more travel being done by the communications department due to staff attending more conferences and external events, than was budgeted for.

### Council and committee expenses

This shows a favourable variance (year to date £74K). There is an under spend of £14K in council and committee fees and £13K in travelling and subsistence. This is due to lower meeting attendance than expected and is approximately a £20K permanent difference. The remaining under spend is a timing difference which will reverse in the future months.. The Professional Liaison Groups shows an under spend of £33K. This is due to 3 groups being budgeted for in the year when only one group is taking place.

### Property services

This shows a favourable variance of £73K. Of this, £22K relates to business rates following the recent re-rating of HPC premises by the valuation office on behalf of Lambeth Council. There is also a favourable variance of £39K in Electricity. This is due to a refund received of £35K from the electricity company in respect to overpayments made in the previous financial year.

### Office services

This shows an unfavourable variance of £80K, mainly due to variances in office equipment <£1,000 of £20K, Room hire of £31K and Postage of £41K. The over spend in other office services and office equipment <£1,000 are due to the delay in completing the 22-26 Stannary Street project and the purchase of equipment for the new building. The overspend in room hire of £31K is due to storage costs at Red Devil Storage not budgeted for and additional hearings being held away from Park House. This is a permanent difference. The over spend of £41K in postage is due to a budget estimation error and is a permanent difference.

### Computer Services

This shows an unfavourable variance of £39K. Of this £15K relates to unfavourable variance in other computer services. These are costs relating to the cabling for 22-26 Stannary Street, which were budgeted in the previous financial year. This is offset against a favourable variance of £19K in managed web/internet services which is due to a timing difference and will reverse in future months. The depreciation overspend of £75K is a budget estimation error and is a permanent difference.

### Communications

This shows a favourable variance of £258K. The residual budget of £18K in Annual reports will not be spent this year and therefore will be a permanent difference. The under spends in Campaigns, Brochures, Listening events, and Media relations are due to a timing difference and will reverse in future months. The under spend on General events of £20K, Market research of £44K and Registrant Information Pack of £15K has been delayed into the following financial year and therefore is a permanent difference.

### Partners

The year to date accounts shows a favourable variance of £138K. The favourable variance in assessors fees of £69K is due to less applications being received and is a permanent difference. There is an under spend of £11K in partner recruitment due to a budget estimation error and therefore is a permanent difference.

### Auditors' fees

The year to date accounts shows an unfavourable variance of £10K. This is due to the additional audit done for the opening balances prepared under IFRS. This is a permanent difference.

### Legal advice

The year to date accounts shows an unfavourable variance of £46K. This is due to a budget estimation error and is a permanent difference.

### Legal – Transcript Writers

The year to date accounts show a favourable variance of £142K. This is due to the length of hearings being shorter than budgeted for and therefore their time required in hearings is shorter. This is a permanent difference.

### Taxation Advice

The year to date accounts show an unfavourable variance of £10K, which is due to VAT advice relating to the deregistration of 22-26 Stannary Street Limited. This is a permanent difference.

## **PROJECTS**

There is a favourable operating expense variance of £5K relating to major projects. Of the total, £41K relates to the Independent Safeguarding Authority project which has been delayed into the next financial year. There is a £12K favourable variance which relates to the Fees Rise 2009 project. This is offset with the unfavourable variance of £58K which has been spent in respect to the on-boarding of the Practitioner Psychologists and Hearing Aid Dispensers (timing difference).

Note that grant funding of £74K from the Department of Health, for the Practitioner Psychologists project has been received in June 2008 and is shown within the general funds on the balance sheet.

There has been capital expenditure of £266K in relation to NetRegulate Access Rights, Online Renewals, FTP statuses, Equality and Diversity and the new Finance System Upgrade projects. The over spend of £9K on the NetRegulate Access Rights project was due to a delay in the scheduling of the Application Server project. To elaborate, the entire budget for the NetRegulate Access Rights project was approved in the previous financial year. The overspend on the Equality and Diversity project of £10K is due to DSL not including VAT on the original quote and the UAT budget transferred from the IT opex budget. The over spend on the online renewals project of £33K is a timing difference and will reverse in future months.

£242K has been spent this year in relation to the 22-26 Stannary Street project phase 1, which was delayed from the previous financial year. The total spend to date on this project is £1,461K against a budget of £1,639K. Due to Phase 2 being delayed until the next financial year and there will be a permanent saving of £322K. The remaining budget is due to be spent in this financial year, once agreement on the outstanding CFC balance is reached. There was an over spend of £14K in relation to the CCTV, due to the delay in the building project and the budget being allocated in the prior financial year.

## **BALANCE SHEET**

The main movements in the balance sheet since the beginning of the year were a decrease in Creditors, increase in debtors and a decrease in deferred income. The net impact of these movements was a increase in the cash balance of £159K.

Working capital was £3,159K showing HPC continues to be in a stable financial position. The Net Assets are £2,360K including the Accumulated Fund of £1,938K and the Revaluation Reserve of £421K. The Accumulated Fund comprised £1,003K at the beginning of the financial year plus the net deficit for the year to date plus the funding from the Department of Health.

## **CASH FLOW**

The Cash Flow statement indicates a net increase in cash of £159K from 1 April 2008 to the end of January 2009. This is mainly due to the decrease in creditors, increase in debtors and decrease in deferred income during the period, the YTD surplus generated and the additional costs spent this year in relation to the 22-26 Stannary Street project. The project costs were budgeted for in the previous financial year.

The net increase or decrease in cash when compared to the accounting surplus or deficit can be significantly different. To arrive at the cash movement, non cash items such as depreciation are removed and balance sheet movements taken into consideration.

## **CONCLUSION**

Overall, at the end of the period to 31 January 2009 we had an operating surplus before investments of £1,005K against a budgeted surplus of £317K. HPC continues to be in a stable financial position.

**Charlotte Milner**  
**Financial Controller**  
**February 2009**

**Health Professions Council**  
**Year ended 31 March 2009**  
**Summary of Management Accounts for 10 months to 31 January 2009**

	<b>£ YTD</b>
	10 months
Budgeted surplus	317,173
Actual surplus	1,005,707
Difference	<u>(688,534)</u>
Difference made up of:	
Permanent differences	214,218
Timing differences	474,317

Summary of Permanent differences to date:	
	£
Income	(4,829)
Expenditure	<u>219,047</u>
	<u>214,218</u>

1

<u>Outlook for year ended 31 March 2009</u>	
	£
Budgeted surplus of the year	244,840
Permanent differences to date	214,218
Adjusted surplus for the year to date	<u>459,058</u>
Adjusted budgeted income for the year	13,724,773
Adjusted budgeted expenditure for the year	13,265,715
Adjusted surplus for the year	<u>459,058</u>
Future permanent differences - Income	(28,292)
Future permanent differences - Expenditure	65,989
Predicted surplus for the year	<u>496,755</u>

0

**Income**

	<b>£YTD</b>
	10 months
Budgeted income	11,418,779
Actual income	11,169,998
Difference	<u>(248,781)</u>
Difference made up of:	
Permanent differences	(4,829)
Timing differences	(243,952)

<u>Outlook for year ending 31 March 2009:</u>	
	£
Budgeted income for the year	13,729,602
Permanent differences to date	(4,829)
Adjusted budgeted income	<u>13,724,773</u>
Future Permanent differences	(28,292)
10 month forecast income	<u>13,696,481</u>

Summary of permanent income differences to date:

<u>Income Category</u>	<u>Description</u>	£
Renewal Fee	Dietians income recognised in 2007/08	(83,041)
International security fee	Downturn in international applications	(122,213)
UK security fee	Increase in UK graduate applications	200,425
	<b>Reduction in income</b>	<u>(4,829)</u>

## Expenditure

	<b>£YTD</b>
	10 months
Budgeted expenditure	11,101,607
Actual expenditure	10,164,291
Difference	<u>937,316</u>
Difference made up of:	
Permanent differences	219,047
Timing differences	718,269

<u>Outlook for year ending 31 March 2009</u>	
	£
Budget for the year	13,484,762
Permanent differences to date	219,047
Adjusted budgeted expenditure	<u>13,265,715</u>
Future Permanent differences	65,989
10 month forecast expenditure	<u>13,199,726</u>

### Summary of permanent expenditure differences to date:

<u>Expenditure Category</u>	<u>Description</u>	£
Basic pay & NI	Delay in recruitment of 2 employees in education	21,000
Basic pay & NI	Director of Operations now a permanent employee	18,795
Temporary Staff costs	UAT Testing shown in capital expenditure	75,900
Temporary Staff costs	Additional temporary staff for Registration dept	(14,330)
Travel and Subsistence	Chief Executive additional travel and conferences	(18,053)
Travel and Subsistence	Communications department additional expenditure	(22,144)
Council & Committee expenses	Lower attendance than expected	24,590
Electrons and appointments	Budget estimation error	15,651
Business rates	Re-rating of premises	22,349
Electricity	Refund from Electricity company	39,168
Photocopying	Increase in usage	(5,828)
Postage	Increase in usage	(41,204)
Telephone	Increase in usage	(5,396)
Couriers	Increase in usage	(6,834)
Office equipment <£1000	Replacement of old office chairs	(19,718)
Room hire	Additional storage costs not budgeted for and extra costs for FTP hearings	(30,529)
Other computer services costs	Cabling for 22-26 Stannary Street	15,027
Computer equipment depreciation	Budget estimation error	(75,484)
Annual reports	Producing the annual report	17,621
Conference & Exhibitions	Budget miscalculation	17,428
General Events	Delayed until 2009/9	20,000
Welcome Pack	Delayed until 2009/10	15,000
Assessor fees	Downturn in International Applications	69,434
Partner recruitment	Budget estimation error	11,161
Partner training	Budget estimation error	(3,746)
Major project costs	Independent Safeguarding Authority project delayed to 2009/10	40,875
Major project costs	Fee rise project consultation	10,825
Major project costs	Staff costs in relation to FSU and PRS project	(4,978)
External audit	Additional audit for IFRS	(5,000)
Bank charges	Budget estimation error	(13,953)
Legal expenses	Increase in disbursements	(15,654)
Legal advice	Budget estimation error	(46,780)
Other Professional Fees	Supplier contracts and work done in relation to IFRS	(18,314)
Transcript writer	Reduced length in hearings	142,287
Taxation advice	Advice in respect of deregistration VAT	<u>(10,119)</u>
<b>Net reduction in expenditure</b>		<b>219,047</b>