

1. General

The management accounts for the month of September are attached. We have now produced the 6 month reforecast and a summary of this is also attached.

2. Employees

The department is fully staffed to meet current requirements.

3. Income and expenditure

Income in September was £1,496k, £40k more than budget and expenditure was £1,620k, £176K under budget, leaving an operating deficit of £124k, £216k better than budget. For the year to date, income is £9,043k and expenditure £9,224k leaving an operating deficit of £181k. We have spent £886k in the six months to September in connexion with the GSCC transfer and invoiced the Department of Health for £794k to date.

The Department of Health has paid £288k of these invoices and has confirmed that the invoices rendered up to the end of August totalling £290k will be paid early in November.

The cash balance at 31 October was £11.1M.

4. Funds under management

At the end of October 2012, £5.1M was held in short term accounts at Lloyds and NatWest, mostly earning 1.25%. The following have been invested for longer periods at fixed rates: £2M in a Lloyds deposit account earning 3.25% (1 year to 13.08.13), £0.5M in a Nat West Bond at 3.0% (1 year to 27.03.13) 1.5M in a NatWest fixed term deposit at 3.00% (1 year to 10.07.13) and £2M in a Lloyds deposit account earning 2.60% (1 year to 28.10.13).

5. Flexiplan pension scheme

The second hearing in the court case on the Flexiplan Pension Scheme took place over 3 days from 9 October.

The judge reserved judgement and it is hoped that there will be news before Christmas. We continue to pay £4,495 per month.

	YTD Movement	YTD Budget	Variance
Total Income	9,555,378	8,735,739	(819,640)
Total Expenditure	10,117,000	10,645,424	528,424
Total surplus/(deficit)	(561,622)	(1,909,685)	(1,348,063)
Core Cost			
Income	9,042,871	8,735,739	(307,133)
Departments Operating Expenditure	9,224,111	9,699,062	474,951
Variance	(181,240)	(963,323)	(782,083)
Cost Relating to GSCC & Herbal Medicine			
Grant Income	489,711	0	(489,711)
Expenditure	892,889	946,362	53,473
Variance	(403,178)	(946,362)	(543,184)
Investment Income	22,796	0	(22,796)

Total Surplus/(deficit) September 2012.

September is reporting a variance to budget of (£1.3m), although the YTD movement on all expenditure is an underspend of £528k (£10.1m actual and £10.6m budget), expenditure incurred is higher than income received leading to a deficit.

Total Income

Total income to the end of September was £9.5m, against a budget of £8.7m, leading to a surplus income variance of £820k over budget, this also includes Investment income of £23k and a grant of £490k from DOH. The main increase in income is due to increases in international and UK scrutiny fees .

Annex A

Provides an explanation of the commentary for departments.

Expenditure September 2012, Commentary for Core Departments

Department	Description	Permanent	Phasing		
Chair	Council Committee Costs		2,105		7% variance to budget.
	Other		331	2,436	
Chief Executive	Office Services		(2,165)		Overall var (9%) against the budget .
	Travel/subsistence & other cost		(18,047)		
	Property Services		5,676		
	Professional Fees		(3,965)	(18,501)	
Committees	Council Committee Costs	17283			An under spend against budget of 30%, due to cancellation of meetings, F & R in April, Communications in June and variances on all committee lines.
	Catering	273		17,556	
Council	Committee Costs	10192			Savings on council cost/meeting, 10% surplus to budget.
	Catering Specific Departmental Cost	(12)	(2,826)	7,354	
Communications	Payroll		185		Travel & subsistence, office services, Conferences & Exhibitions and events being coded to the SW project, 7% under spend against YTD budget.
	Travel and Subsistence		13,325		
	Office Services		7,796		
	Annual Reports		814		
	Brochures		(2,571)		
	Campaigns	32,000	(32,449)		
	Conference & Exhibition		34,829		
	Internal communications	(28,446)			
	Market Research		(8,334)		
	Marketing & promotions& media relations		992		
	Meet the HCPC Event		(9,192)		
	Public Affairs & stakeholders		21,554		
	Translation		2,895		
	Web		3,722		
	Departmental costs		(3,335)		
Internet/3G		155			
				33,940	
Depreciation			(47,082)		(12%) variance to budget, figures to be reviewed as part of the reforecast.
				(47,082)	
Education	Payroll	18,843			Delays in recruitments of permanent staff, savings on office cost and approvals requiring less visits than budgeted for. 19% variance to budget
	Travel and Subsistence	14,662			
	Office Services	4042	11976		
	Partners	40,301			
	Professional Fees	2,500			
	Internet/3G		70		
	Subscription s and training		3741		
				96,135	
Finance	Payroll	40,514			Delays in staff recruitment, overall under spend var 10% against the budget .
	Travel & Subsistence	947			
	Office Services		1,795		
	Professional Fees	9,758			
	Small Projects	(6,370)			
	Departmental Cost	(10,444)			
				36,200	

Expenditure September 2012, Commentary for Core Departments

Department	Description	Permanent	Phasing		
Facilities	Payroll		(3,904)		
	Travel & Subsistence		858		
	Office services	(54,483)	15,812		
	Property Services	(26,134)	27,611		
	Computer cost & professional fees		428		
	Specific Departments Costs		3,761		
	Office Services Stannary Street	17,951			
	Property Services Stannary Street	(19,966)	26,067		
	Professional Advice Stannary Street	(5,840)			
					(17,839)
FTP	Payroll		50,414		
	Travel and Subsistence	(4,432)			
	Office Services		10,542		
	Property Services		2,000		
	Communications		14,500		
	Computer costs		741		
	Partners		29,742		
	Professional Fees	32,000	120,453		
Small Projects		22,062			
Departmental Cost		30,214			
				308,236	Planned savings £120,000 savings on permanent payroll, transcription writers, temporary staff and witness costs. 8% var to budget.
HR	Payroll	5,377			
	Recruitment		(15,055)		
	Travel & Subsistence		420		
	Office Services		(305)		
	Internet/3G		50		
	Professional fees		16,655		
	Specific Departments Costs		(3,948)		
				3,194	Low numbers of transfer of social workers has resulted in the need for additional recruitment. 2% variance under spend

Expenditure September 2012, Commentary for Core Departments

Department	Description	Permanent	Phasing		
Partners	Payroll	(1,469)			
	Travel & Subsistence		357		
	Office Services		2,074		
	Partners		32,508		
	Training		(56)		
	Legal advice		1,420		
				34,834	26% var under spend, delays in recruitment.
IT	Payroll		(15,908)		
	Travel & Subsistence		2,210		
	Office Services		8,906		
	Computer costs		(4,906)		
	Legal costs		1,705		
	Small Project costs		12,809		
	Training		(11,106)		
				(6,290)	Overspend on staffing, temporary staff cover, unbudgeted software and training cost. (1%) variance to budget.
Major projects	Major projects		5,153		
				5,153	4% under spend
Operations	Payroll	(19,718)			
	Travel & Subsistence	4,318			
	Office Services	(1,053)			
	Internet/3G	189			
	Professional Fees	(32,542)			
	Small Project Cost		24,865		
	Departmental cost	(15,660)			
				(39,601)	Increased cost on payroll for maternity cover, professional advice on employment and procurement. (13%) variance to budget
Policy	Payroll		(12,363)		
	Travel and Subsistence		8,067		
	Council Committee Costs		510		
	Office Services		2,372		
	Professional Fees		7,280		
	Departmental Cost		2,145		
					8,011
Registrations	Payroll	22,041			
	Travel & Subsistence		3,528		
	Office Services		44,277		
	Internet/3G		292		
	Partners	(76,709)			
	Professional Fees		8,968		
	Small projects		360		
	Departmental cost		2,847		
				5,604	0% Variance to budget
Secretariat	Payroll	(725)			
	Travel & Subsistence	1,037			
	Office Services		1,602		
	Legal advice	41,211			
	Training		2,484		
				45,609	Fewer Freedom of Information requests requiring external professional advice. 32% Variance to budget
Total		11,436	463,515	474,951	

Income and Expenditure

Accounting Period
Cost Centre Name
Department Name

[Period 6 12-13](#)
[All Cost Centres](#)
[All Departments](#)

	Movement	Movement YTD	Budget YTD	Variance YTD	% Variance YTD
Graduate Registration fees	85,806	513,947	331,272	(182,675)	(55)
Readmission fees	14,260	86,825	96,761	9,936	10
Renewal fees	1,254,914	7,463,159	7,738,186	275,027	4
International scrutiny fees	62,160	424,620	135,003	(289,617)	(215)
Grandparenting fees	420	139,860	141,960	2,100	1
UK scrutiny fees	78,652	414,460	292,557	(121,903)	(42)
Registration Income	1,496,212	9,042,871	8,735,739	(307,133)	(4)
Cheque/credit card write offs	0	0	0	0	
Total Income	1,496,212	9,042,871	8,735,739	(307,133)	(4)
Chair	6,458	32,591	35,027	2,436	7
Chief Executive	28,854	222,842	204,341	(18,501)	(9)
Committee	14,979	41,564	59,120	17,556	30
Council	23,763	63,034	70,388	7,354	10
Communications	97,990	457,529	491,470	33,940	7
Depreciation	72,650	435,454	388,372	(47,082)	(12)
Education	62,426	409,069	505,205	96,136	19
Facilities Management	76,418	590,264	572,427	(17,838)	(3)
Finance	69,039	342,940	379,141	36,201	10
Fitness to Practise	738,938	3,743,016	4,051,251	308,235	8
Human Resources	30,449	192,444	195,638	3,194	2
Human Resources Partners	12,503	101,705	136,539	34,834	26
IT Department	119,283	620,184	613,893	(6,291)	(1)
Major Projects	325	126,089	131,242	5,153	4
Operations Office	57,915	334,890	295,290	(39,600)	(13)
Policy	17,863	111,784	119,794	8,011	7
Registration	173,326	1,302,348	1,307,953	5,605	0
Secretariat	17,613	96,364	141,972	45,608	32
Operating expenditure	1,620,791	9,224,111	9,699,062	474,951	5
Operating Surplus/(Deficit)	(124,579)	(181,240)	(963,323)	(782,083)	(81)
Grant Income	0	489,711	0	(489,711)	
Costs Relating to transfer of GSCC	360	406,856	450,687	43,831	10
Costs relating to the Name Change	8,023	113,618	138,943	25,325	18
Social Workers FTP	131,039	334,819	356,732	21,913	6
Employee Costs - GSCC staff transfer	694	31,117	0	(31,117)	
Costs Relating to Herbal Medicine	0	6,480	0	(6,480)	
Investment Income	9,912	22,796	0	(22,796)	
Corporation Tax	0	0	0	0	
P/L disposal on investment	0	0	0	0	
Total surplus/(deficit)	(254,783)	(561,622)	(1,909,685)	(1,348,063)	(71)

Statement of Financial Position

Account by Category

[All Categories](#)

Accounting Period

[Period 6 12-13](#)

	Balance	Prior Year Balance To Close
Non-Current Assets		
Land & buildings, at cost or valuation	3,244,775	3,172,172
Land & Buildings Depreciation	(14,836)	0
	<u>3,229,939</u>	<u>3,172,172</u>
Computer Equipment, at cost	741,895	654,038
Computer equipment Depreciation	(642,378)	(607,666)
	<u>99,517</u>	<u>46,372</u>
Office furniture and equipment, at cost	479,023	445,186
Office Equipment Depreciation	(403,810)	(388,916)
	<u>75,213</u>	<u>56,269</u>
Intangible assets	4,638,221	4,488,758
Intangible Depreciation	(3,161,292)	(2,793,581)
	<u>1,476,930</u>	<u>1,695,177</u>
Total Non-current Assets	<u>4,881,599</u>	<u>4,969,990</u>
Current Assets		
Other current assets	442,189	515,242
Cash & Cash Equivalentents	10,762,031	8,708,701
	<u>11,204,220</u>	<u>9,223,943</u>
Total Assets	<u>16,085,818</u>	<u>14,193,932</u>
Current Liabilities		
Trade and other payables	543,756	598,992
Other Liabilities	1,392,608	1,179,045
Deferred Income	12,790,337	10,495,068
	<u>14,726,701</u>	<u>12,273,106</u>
Total Assets Less Liabilities	<u>1,359,118</u>	<u>1,920,827</u>
General fund b/fwd	(1,920,740)	(1,983,942)
This periods (surplus)/deficit	561,622	63,115
Grant Income	0	0
General fund c/fwd	<u>(1,359,118)</u>	<u>(1,920,827)</u>
Rev Res - Land & Building	0	0
Rev Res - Investments	0	0
Revaluation reserve	<u>0</u>	<u>0</u>
Total	<u>(1,359,118)</u>	<u>(1,920,827)</u>

Management Accounts to 30 September 2012
Summary of Capital Expenditure

Property

Purchase of new property
 Canopy
 Windows
 Air conditioning unit

Actual £	Budget £	Variance £
		0
15,305	-	15,305
57,299	26,000	31,299
	-	0
72,604	26,000	46,604

Office Equipment

Photocopiers
 Coffee machines
 Replacement of Franking Machine
 Letter opener
 Meeting room table

0	18,000	18,000
28,707	35,000	6,293
0	25,000	25,000
4,080	-	(4,080)
4,352	-	(4,352)
37,139	78,000	40,861

Information Technology

Laptops and PCs
 Server replacement
 Software Licences
 SAN capacity increase
 Switches

64,900	80,326	15,426
0	12,000	12,000
73,972	92,000	18,028
13,102	17,000	3,898
9,855	-	(9,855)
161,829	201,326	39,497

Major Projects

75,491	74,032	(1,459)
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Total Capital Expenditure

347,062	379,358	32,296
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Summary of Project Expenditure

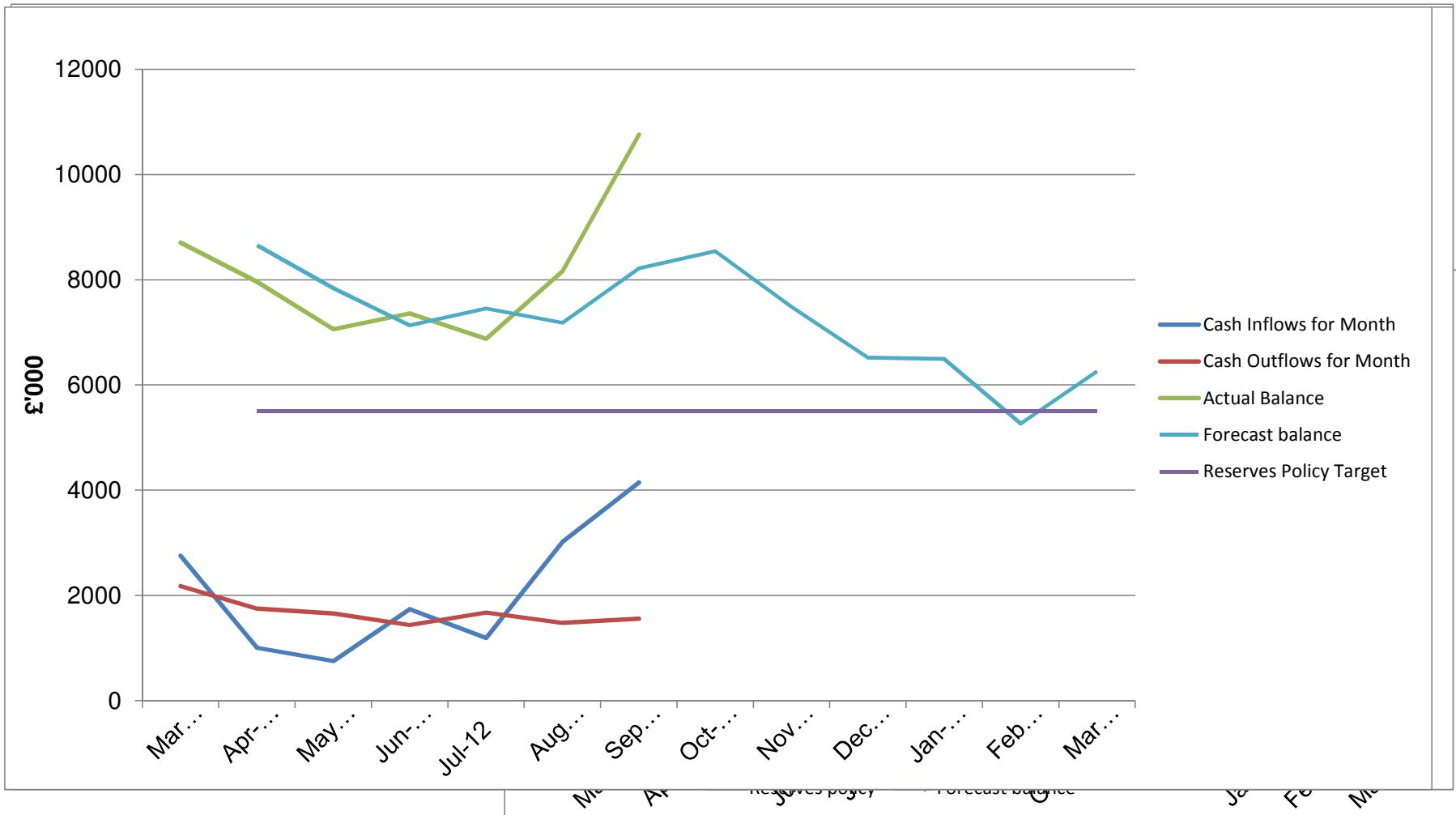
Capital expenditure
 MP36 FTP case management system
 MP46 Education Systems review
 MP52 Transfer of the GSCC
 MP57 NetRegulate Changes part 1
 MP58 Online Renewal Forms Request
 MP61 33 Stannary Street

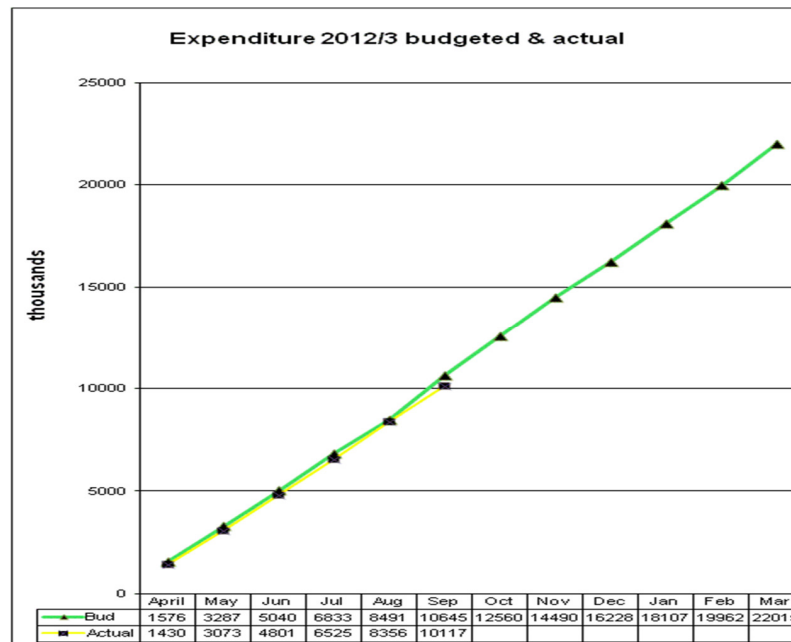
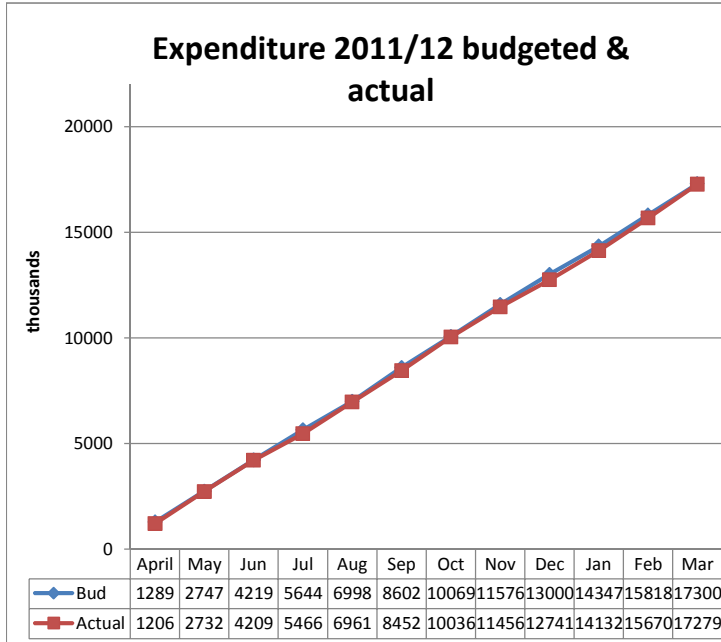
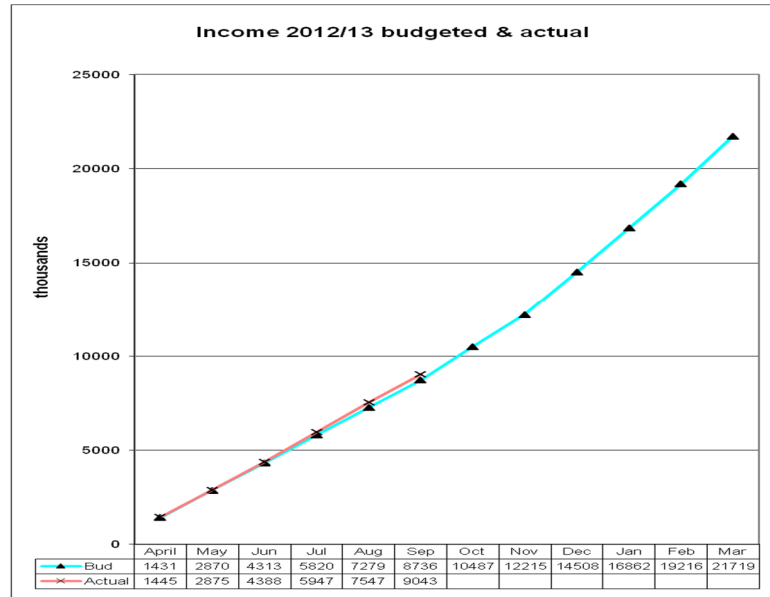
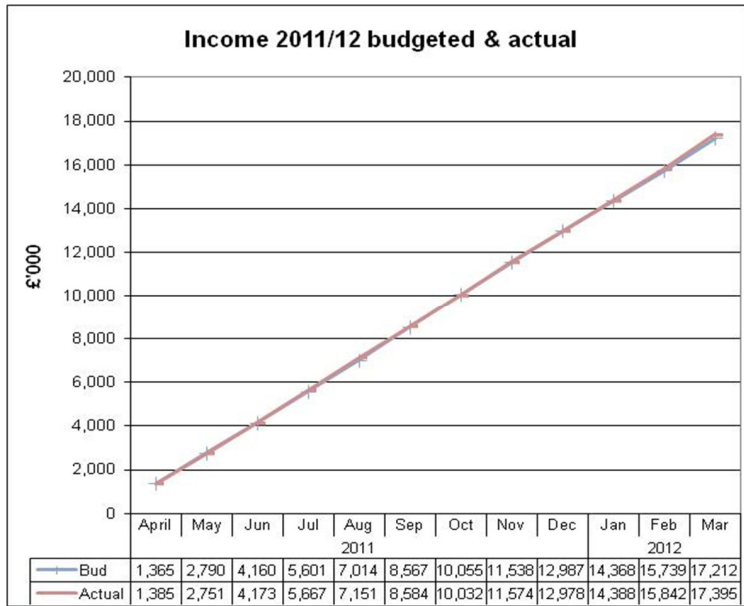
Actual	Budget	Variance £
25,634	0	(25,634)
1,440	22,000	20,560
13,413	0	(13,413)
27,222	25,032	(2,190)
7,782	0	(7,782)
0	27,000	27,000
75,491	74,032	(1,459)

Management Accounts to 30th September 2012
Cash Flow Statement
From 1st April 2012 - 30th September 2012

	£
Surplus over expenditure	(181,240)
Costs incurred in relation to the GSCC	(406,856)
Costs relating to Name Change	(113,618)
Costs relating to SW FTP cases	(334,819)
Costs relating to SW Staff transfer	(31,117)
Costs Relating to Herbal Medicine	(6,480)
Depreciation charge for the year of non-current assets	435,454
Increase in debtors & prepayments	73,053
Increase/(Decrease) in creditors	158,326
(Decrease)/Increase in deferred income	2,295,269
Net cash In/(out)flow from operating activities	1,887,973
Other income	
Investment Income (Excluding realised gains & losses)	22,796
Taxation	0
Capital expenditure and financial investments	
Purchase of tangible assets	(347,062)
Financing	
Income from DOH	489,711
Decrease in Cash	2,053,330
Cash at 31 March 2012	8,708,701
Cash at 31 August 2012	10,762,031
Cash Movement	2,053,330

CASH FLOW





Health Care Professions Council

6 Month Reforecast for year ending 31 March 2013

Income and Expenditure



Surplus

Deficit

	Approved Budget F & R Committee	6 Mths Reforecast	Var Approved Budget Vs Forecast	Explanation of Variance
	£	£		
INCOME				
Graduate Registration fees	699,572	879,003	(179,431)	Based on Income collected in first 6 months, higher than budgeted figure.
Readmission fees	386,722	289,957	96,765	Income collected in first 6 months, lower than budget figure.
Renewal fees	17,572,837	17,297,810	275,027	Income collected in first 6 months, lower than budget figure.
International scrutiny fees	270,060	624,120	(354,060)	Forecast on 1486 applications @ 420, budget prepared on basis of 643 applications.
Grandparenting fees	141,960	154,560	(12,600)	Reforecast figures 368 applications @ 420, budget prepared on basis of 338 applications.
UK scrutiny fees	762,405	812,405	(50,000)	Based on Income collected in first 6 months, higher than budgeted figure.
Registration Income	19,833,556	20,057,855	(224,299)	
Cheque/credit card adjustments	(3,000)	-	(3,000)	
TOTAL INCOME	19,830,556	20,057,855	(227,299)	
EXPENDITURE -Departments				
Chair	80,167	75,099	5,068	Fees, travel & subsistence and professional fees.
Chief Executive	384,902	418,093	(33,191)	Travel & subsistence and insufficient monies allocated to the budget.
Council, Committees & PLG	346,376	255,042	91,334	Cancellation of meetings as follows:- Communications in June, Finance and Resources in April and Fitness to Practise in October. There will be no PLG's held in 2012/13. Further savings made since there has been a reduction in the size of Council to 18 members.
Communications	1,132,779	1,033,907	98,872	Travel & subsistence, office services, Conferences & Exhibitions and events being coded to the SW project.
Education	1,012,851	900,105	112,746	Delays in recruitments of permanent staff, approvals requiring less visits than budgeted for.
Facilities Management +New Building	1,185,388	1,428,271	(242,883)	Use of staff to cover out of hours working for building maintenance. Unbudgeted spend to scope change for planned works, such as enhanced level of cleaning, windows, waste sacke for waste disposal, materials for 33 Stannary Street. Also included is anticipated cost for unforeseen repairs to roof and estimated cost for further works in Park House.
Finance	719,181	717,642	1,539	Minor variance.
Fitness to Practise	9,874,023	8,809,413	1,064,610	£317k savings on permanent salaries, transcription writers, temporary staff and witness costs (although this is counterbalanced with the overspend in the panel costs line). £747.8k balance figure is the budget for the Social Workers project which is shown below the line in the management accounts.
Human Resources	462,517	480,618	(18,101)	Lower than expected numbers of GSCC employees transferring, resulting in the need to recruit new employees, recruitment of apprentices and professional study for staff.
Human Resources Partners	393,106	379,840	13,266	Delays in recruitment of partners.
IT Department	1,226,874	1,268,588	(41,714)	Temp staff required to cover injured permanent staff, unbudgeted cost in software and training course for staff.
Operations Office	587,199	626,799	(39,600)	Increased salary cost for maternity cover, professional advice on EU procurement rules and employment advice.
Policy & Standards	331,886	325,654	6,232	Savings on staffing, reduced cost on travel & subsistence, printing & stationery, increase use of electronic mail.
Major projects	256,574	209,539	47,035	Fund for the following projects, Automated readmissions and Education Systems Review. New projects as follows Education Phase 2, HR & partners and Web Deployments.
Registration	2,347,141	2,516,243	(169,102)	10 extra temp employees to cover last 6 weeks of SW renewal period. Increased fees for assessors and grandparenting, this is covered by additional income received.
Secretariat	281,416	238,259	43,158	Less complex FOI requests requiring external legal advice.
Operating Expenses	20,622,381	19,683,112	939,269	
SURPLUS /(DEFICIT) Including SW Project	(791,825)	374,743	1,166,568	

Health Care Professions Council
6 Month Reforecast for year ending 31 March 2013
Capital Expenditure

	Approved Budget F &R Committee	Forecast	Variance	Explanation of Variance
<u>Project expenditure</u>	674,000	233,686	440,314	Budget not allocated to new projects and delays in commencing projects.
<hr/>				
<u>Computer Equipment</u>				
Laptops + PCs	80,326	80,326	-	
Server replacement	6,000	12,000	(6,000)	Insufficient budget allocation.
Software	10,000	10,000	-	
Windows server 2003 upgrade	2,420	2,420	-	
SAN capacity increase	17,000	17,000	-	
Licences	92,029	105,029	(13,000)	Original budget was based on a shortfall which has now been adjusted as part of the reforecast.
	<hr/>	<hr/>	<hr/>	
	207,775	226,775	(19,000)	
<hr/>				
<u>Office equipment</u>				
Photo Copier	30,000	30,000	-	
Vending Machines	35,000	28,707	6,293	Additional machines required for increase in staffing numbers.
	26,000	57,299	(31,299)	The approved budget was not adequate to cover the replacement of windows.
Replacement windows phase 2				
Franking Machine	25,000	25,000	-	
Letter opener	-	4,080	(4,080)	Unplanned cost.
Meeting room table	-	4,352	(4,352)	Unplanned cost.
Canopy	-	15,305	(15,305)	Unplanned cost.
	<hr/>	<hr/>	<hr/>	
	116,000	164,743	(48,743)	
<hr/>				
Total Capital expenditure	<hr/>	<hr/>	<hr/>	
	997,775	625,204	372,571	