

Finance and Facilities Management Departments – March 2008 Report

General

Since the last Finance & Resources Committee Meeting, the Finance department has produced the January Management Accounts and is completing the Feb Accounts.

Supplier payments

At the end of January, at least 99% by value of the £456k Creditor payments (Jan Aged Creditor Listing) are in the 30 days or less category.

Fee adjustments and income receipts handling

At 6 March, there was a backlog in Registrant direct debit cancellations and amendments of about 3 processing days. We had about 2 day processing backlog on rejected payments/refunds and zero days backlog on mid-cycle lapsing of Registrants. Banking of Registrant cheques and credit card reconciliations were 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. RA, CS, PO & SL collections occurred in February. PH and OT collections are scheduled for March. Most of the income comprises Renewal fees collected.

Pensions

At 4 March, there were 52 active members in the Friends Provident Scheme and 1 active member in the Capita Flexiplan Scheme, excluding the "notional" members.

Barnet Waddingham (BW) stated at 4 March that 27 transfers had been paid across to the Friends Provident scheme, totalling £876k inclusive of additional voluntary contributions.

Funds under Management

At 6 March, the Business Reserve account balance was £450k earning an interest rate of 2% per annum. A further £4.87M was invested in the Special Interest-bearing Account (SIBA) on a rolling monthly basis, earning 5.25% per annum. NatWest, Barclays and HSBC are active Money Market providers for HPC. The value of our investment portfolio (including £208k cash) at the end of February was £1.65M.

Regarding the Reserves Policy, three average budgeted months of Operating Expenses totals £3.12M. At the end of January, the sum of Investments and Working Capital totalled £4.35M.

22/26 Stannary St Ltd VAT deregistration

HMRC confirmed that the option to tax will be disappplied, once the Stannary St property is first used after the refurbishment and once the 'election to waive exemption' is received. In March, BDO Stoy Hayward provided the election to waive exemption and VAT certificate of registration documents relating to the original property company. These were passed on to Baker Tilly to proceed with the deregistration application.

March 07 Annual Report

Waiting to be tabled and approved in Parliament. Chief Executive has written to the Minister to try and resolve issues outstanding, including HM Stationery Office claim that the HPC Annual Report publication is their responsibility.

Employee training and staffing levels

There is a team of eight full-time permanent employees in the Finance department including the Director of Finance and Procurement Officer. Two Finance employees are enrolled in after hours, part-time professional accountancy qualifications (CIMA and CAT) at present.

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-02-28	a	F&R	RPT	Finance and Facilities Management Department Report Mar08	Final DD: None	Public RD: None

Temp staff are periodically hired to cover for staff on annual or 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 (core aspects on track, online purchase ordering delayed until July)
- Fee Change 2009 project (on track)
- LISA Access Rights project (delayed by the delay of the Application Server project)
- External Audit and Year End Reporting (on track)
- Completion of the 2008/09 Annual Budget (on track)

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 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 original project timetable.

Valuation of the premises by Stiles Harold, Williams, Chartered Surveyors and Valuers pre and post completion is being arranged. Detailed space planning has been completed and plans worked out for moving departments around, decorating and restacking the buildings, following completion of phase one of the 22/26 Stannary St project.

Health and Safety Issues

Implementation of HPC Health & Safety¹ and Fire Safety training to commence from April 2008.

Procurement Report

Work in progress to scan systematically key supplier service agreements into the centralised supplier database (Lotus Notes) and Data Protection agreements, as appropriate. Some HPC supplier contracts are also being updated with assistance from BDB lawyers.

Following ongoing problems with Portman, (the preferred travel supplier for HPC) and following re-tendering of the travel provider contract, we are in the process of appointing a new preferred travel provider.

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 Jan £000	Budget Jan £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	950	1,193	717	1,135	987			9,604	10,432	(828)	12,552
Department of Health Capital Grant Released	0	0	0	0	0	0	0	0	0	0			0	0	0	0
Miscellaneous Income	0	0	20	(20)	0	0	0	6	0	0			6	0	6	0
TOTAL INCOME*	835	926	838	974	1,049	950	1,193	723	1,135	987	0	0	9,610	10,432	(822)	12,552
EXPENDITURE																
Approvals & Monitoring	3	60	65	29	32	29	38	34	23	36			349	525	(175)	657
Chief Executive	21	36	17	19	21	20	24	22	25	22			228	214	14	256
Committees & PLG	(4)	14	24	(3)	8	21	11	52	(2)	11			132	336	(204)	396
Communications	19	98	31	34	62	51	34	118	63	80			591	919	(328)	1,016
Council	3	46	47	29	9	19	33	35	(1)	15			235	353	(117)	423
Facilities Management	102	58	44	65	62	72	74	82	53	60			670	833	(163)	981
Finance	57	43	34	20	63	17	39	65	51	65			454	374	80	449
Fitness to Practise	185	273	347	299	351	426	298	368	233	388			3,169	2,938	231	3,592
Human Resources & Partners	50	77	47	73	37	58	26	50	39	45			503	409	94	491
IT Department	70	104	62	70	78	51	67	79	57	55			693	691	2	844
Operations Office	17	20	13	21	27	19	19	20	18	41			217	216	1	259
Policy & Standards	11	17	16	16	15	18	20	45	27	23			207	359	(152)	431
President	2	3	2	4	2	2	3	3	3	5			28	40	(12)	48
Projects	(2)	0	2	3	0	3	4	2	2	30			44	339	(295)	353
Registration	16	149	160	161	119	137	130	187	147	113			1,320	1,707	(387)	2,022
Secretariat	38	(2)	15	22	33	30	25	24	11	16			213	227	(14)	274
TOTAL EXPENDITURE	590	996	927	863	920	973	845	1,187	751	1,004	0	0	9,054	10,478	(1,424)	12,493
SURPLUS/(DEFICIT)	245	(70)	(89)	112	129	(23)	348	(464)	384	(17)	0	0	555	(46)	602	59

* Total Income is excluding investment income

Health Professions Council
January

Consolidated Department Monthly Variances

Finance Department

	2007									2008			Total to Jan £000	Budget Jan £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	11	21	22	24	17			175	525	349
Chief Executive	0	(15)	4	2	0	1	(2)	(1)	(3)	(1)			(14)	214	228
Committees & PLG	32	22	1	50	16	12	44	(22)	35	14			204	336	132
Communications	16	(63)	44	30	(33)	95	71	127	(0)	43			328	919	591
Council	4	1	(41)	116	(3)	3	32	(10)	23	(8)			117	353	235
Facilities Manangement	(30)	13	29	7	80	45	(2)	(10)	20	12			163	833	670
Finance	(21)	(6)	4	17	(26)	21	(2)	(27)	(13)	(28)			(80)	374	454
Fitness to Practise	109	21	(57)	54	(117)	(119)	11	(81)	51	(102)			(231)	2,938	3,169
Human Resources & Partners	(9)	(36)	(6)	(32)	4	(17)	15	(9)	2	(4)			(94)	409	503
IT Department	(1)	(35)	7	(1)	(9)	18	2	(9)	12	14			(2)	691	693
Operations Office	4	1	8	0	(6)	3	2	2	3	(19)			(1)	216	217
Policy & Standards	25	19	20	20	21	18	15	(9)	9	13			152	359	207
President	2	1	2	0	2	2	1	1	1	(1)			12	40	28
Projects	9	7	11	10	18	244	4	6	8	(24)			295	339	44
Registration	185	38	4	16	46	29	65	(17)	(3)	23			387	1,707	1,320
Secretariat	9	7	7	0	(19)	(4)	(2)	(2)	11	6			14	227	213
TOTAL BUDGET VARIANCE	395	(26)	37	303	(17)	363	275	(41)	178	(44)	0	0	1,424	10,478	9,054
TOTAL MONTHLY BUDGET	985	970	963	1,166	904	1,336	1,120	1,146	929	960	0	0			10,478
TOTAL EXPENDITURE	590	996	927	863	920	973	845	1,187	751	1,004	0	0			9,054

* Total Income is excluding investment income

	<i>Actual Mar 07 £000</i>	2007										2008			<i>Budget Mar 08 £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	3,952	4,174	4,298	4,601			5,387	
Investments	1,848	1,945	1,979	1,905	1,850	1,802	1,847	1,977	1,792	1,793	1,649			1,786	
TOTAL FIXED ASSETS	5,562	5,644	5,699	5,642	5,627	5,633	5,691	5,929	5,966	6,091	6,250	0	0	7,173	
CURRENT ASSETS															
Debtors	240	209	195	197	162	165	214	212	254	209	237			89	
Bank & Cash	4,049	3,620	3,032	2,520	2,886	2,964	4,129	4,641	4,269	4,030	4,047			2,436	
CURRENT LIABILITIES															
Creditors and accrued expenses	(1,840)	(1,176)	(1,349)	(1,297)	(1,281)	(1,293)	(1,338)	(1,291)	(1,673)	(1,362)	(1,586)			(1,117)	
WORKING CAPITAL	2,449	2,653	1,878	1,420	1,767	1,836	3,005	3,562	2,850	2,877	2,698	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)	(6,034)	(5,939)	(5,690)	(5,752)			(6,056)	
NET ASSETS	2,582	2,898	2,872	2,805	2,866	2,979	3,018	3,457	2,877	3,278	3,196	0	0	2,525	
Represented by:															
Revaluation Reserve	651	651	651	651	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	2,806	2,226	2,627	2,545			1,874	
	2,582	2,898	2,872	2,805	2,866	2,979	3,018	3,457	2,877	3,278	3,196	0	0	2,525	

* Balance sheet includes investment income

Health Professions Council
10 Months

Consolidated Cash Flow Actual and Forecast

Finance Department

	Actual Mar 07 £000	2007										2008			Total 10 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	4,639	4,267	4,030	4,047	4,047		
Registration Income		834	925	818	994	1,049	950	1,192	717	1,136	987			9,602	
Investment Income		2	8	44	4	5	44	5	5	13	49			179	
Investment Sales		0	20	84	0	27	0	25	90	17	30			293	
Deferred Income Movements		(29)	(694)	(447)	271	(37)	1,187	356	(96)	(247)	62			326	
Bank Loan															
Miscellaneous Income				20	(20)				6					6	
Total Cash Receipts		807	259	519	1,249	1,044	2,181	1,578	722	919	1,128	0	0	10,406	
Expenditure		590	996	927	863	920	974	845	1,187	750	1,003			9,055	
Depreciation		(15)	(14)	(17)	(3)	(17)	(12)	(16)	(17)	(17)	(16)			(144)	
Asset disposal / writeoff		0	0	0	0	0	0	0	0	0	0			0	
Aged Cred / Accrual Movements		664	(171)	51	16	(12)	(47)	48	(383)	313	(226)			253	
Debtor Movements		(31)	(15)	3	(34)	2	49	(3)	43	(48)	31			(3)	
Payments to Creditors		1,208	796	964	842	893	964	874	830	998	792	0	0	9,161	
Capital Expenditure		0	35	33	58	71	29	128	238	141	320			1,053	
Capital write-off		0	0	0	(14)	0	(4)	(3)	0	0	(1)			(22)	
Investment Purchases		29	16	32	0	0	27	70	26	17	0			217	
Loan Repayments		0	0	0	0	0	0	0	0	0	0			0	
Other Payments		29	51	65	44	71	52	195	264	158	319	0	0	1,248	
Closing Balance	4,050	3,620	3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,047	4,047	4,047		
Budgeted Closing Balance															
Variance			3,032	2,522	2,885	2,965	4,130	4,639	4,267	4,030	4,047	4,047	4,047		

* Cash flow includes investment income