

## Finance and Resources Committee - 17 November 2009

6 Month Reforecast for year ending 31 March 2010

Executive summary and recommendations

### Introduction

Discussions were held with each of the budget holders to indentify the likely year end financial position for each department. The forecast total operating surplus or deficit at the year end for the organisation, together with a comparison with the original budget can be seen in appendix one. Downturns in International scrutiny fees and additional graduate applications received have been taken into account.

### Decision

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

A 9 month reforecast will be prepared and presented for the Finance and Resource committee in February 2010.

### **Background information**

Resource implications Nil

**Financial implications** As outlined in appendix one

#### **Appendices**

Appendix One - Income and Expenditure report with narrative.

Date of paper

6 November 2009

Int. Aud. Public RD: None

DD: None



Year End Position

# **Finance Department Report**

#### **Income and Expenditure Account** Cile Manih Daf

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bin Month Reforecast	Year End Position				
	6 Month	Annual	Varian	ce	
	Reforecast	Budget			
	£	£	£	%	Note
Income					
Registration fees	642,036	504,257	137,779	27.3%	1
Readmission fees	371,450	458,569	(87,119)	(19.0%)	2
Renewal fees	12,715,896	13,004,002	(288,106)	(2.2%)	
International scrutiny fees	540,425	936,600	(396,175)	(42.3%)	3
Grandparenting scrutiny fees	113,400	141,540	(28,140)	(19.9%)	4
UK scrutiny fee	546,218	514,842	31,376	6.1%	
			0		
Registration Income	14,929,426	15,559,811	(630,385)	(4.1%)	
Cheque/credit card write offs	(3,000)	0	(3,000)	0.0%	
Total Income	14,926,426	15,559,811	(633,385)	(4.1%)	
Expenditure by Department					
Chief Executive	372,357	322,357	(50,000)	(15.5%)	
Council, Committees & PLG	358,884	447,701	88,817	19.8%	Α
Communications	1,086,538	1,076,199	(10,339)	(1.0%)	
Depreciation	374,863	452,804	77,941	17.2%	В
Education	626,874	766,271	139,397	18.2%	С
Facilities Manangement	873,507	911,698	38,191	4.2%	
Finance	594,217	635,442	41,225	6.5%	
Fitness to Practise	5,860,398	5,581,599	(278,799)	(5.0%)	D
Human Resources	461,238	367,517	(93,721)	(25.5%)	Е
Human Resources Partners	346,659	375,611	28,951	7.7%	F
IT Department	831,565	944,125	112,560	11.9%	G
Operations Office	433,987	450,977	16,990	3.8%	
Policy & Standards	300,768	417,428	116,660	27.9%	н
President	49,433	49,433	0	0.0%	
Projects	374,197	420,197	46,000	10.9%	I
Registration	1,847,542	2,023,511	175,968	8.7%	J
Secretariat	282,667	304,247	21,581	7.1%	
Operating Expenditure	15,075,694	15,547,116	471,422	3.0%	
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Operating Surplus/ (Deficit)	(149,269)	12,694	(161,963)		



### Notes to Reforecast Income and Expenditure Account

Note	Narrative
1	Due to an increase in the number of Graduates taking a discounted renewal fee. The budget was calculated using an average of 3.5% of renewals are at a discounted rate, where as the actual figure is 8%.
2	Due to a decrease in the number of registrants lapsing from an average of 6.5% to 3.5% the less registrants will be applying for readmission, based on the first 5 professions in renewal. (decrease from 4822 to 3230 applications).
3	The budget included 2230 applications being received from International applications. The number of applications has decreased and based on the applications received in the first six months of the year, the forecast figure of actual applications being received is predicted to be 1287.
4	337 applications were budgeted for to be received from the Practitioner Psychologists in relation to Grandparenting applications. We predict 270 applications being received in this financial year.
A	The budget was prepared based on the old council and committee structure. (25 members and 13 alternates). There is now one FTP Committee and 20 council members. There has also been a saving of £30K on appointments.
В	The depreciation has been recalculated due to the delay in the Online renewals project.
С	The budget for the Education was based on there being 70 visits. There are now going to be 43 visits in this financial year. There is also a saving in payroll of £50k due to some positions being vacant during the year.
D	The increase in cost in the FTP department is mainly due to the increase in the number of allegations being received (increase from 826 to 938) and also an increase in the length of hearings. (increase from 513 days to 634 days). This has also resulted in an increase staff from 31 to 35.
E	The main increase in the HR department is an increase in Staff recruitment from £100K to 190K, which is in line with previous financial years.
F	The decrease in the IT department costs is mainly due to the reversal of an accrual made at the year end for £90K for Microsoft licences.
Н	The decrease in Policy and Standards in due to the delay in research of £50K and saving of £67K on payroll due to a position remaining vacant during the year.
Ι	The saving of £46K on projects is mainly due to £34k being saved on the Practitioner Psychologists project, as less partners were recruited than was budgeted for.
J	The decrease in Registration costs is mainly due to the decrease in International and Grandparenting assessments. There is also a decrease in the number of CPD assessments (decrease from 2616 profiles to 2420 profiles) and a decrease in the number of CPD assessment days from 8 to 6.