

**Health Professions Council**  
**Finance and Resources Committee Meeting – 20<sup>th</sup> November 2006**

**PROJECT REPORTING - PUBLIC PAPER**

**Executive Summary and Recommendations**

**1. Introduction**

The HPC will introduce a new project financial reporting system from the start of the next financial year starting 6<sup>th</sup> April 2007. To date, project spend has been embedded in Department's annual budgets, in terms of both operating expenses and capital expenditure. Whilst this may have been a pragmatic solution in the early days of HPC's existence and during its initial period of rapid growth, this is no longer the case. Project managers, Department Heads, the EMT, Committees and the Council now require frequent, timely and accurate financial reports on significant individual projects to ensure that they are delivered to specification, on time and on budget.

**2. Decision**

**The Finance and Resources Committee is requested to approve the new reporting process.**

**3. Background information**

HPC undertakes three categories of projects :

- i. Major projects e.g. 22 – 26 Stannary Street premises renovation
- ii. IT enhancement projects e.g. minor LISA enhancements
- iii. Business as usual projects (not Major or IT enhancement ones)

A paper on criteria for classifying projects titled "Project Management at HPC" is included separately.

**3.1 Initiation of financial reporting of projects**

Once project have commenced, they will be monitored in two ways. Firstly, progress in terms of meeting the project timetable and milestones – refer the HPC Major Projects Scorecard in the appendices. Secondly, a new project financial reporting system will be used – refer Sample Reports in the appendices.

**3.2 Project Financial Reporting**

Significant Major Projects

Each project will be allocated a unique identifier, by way of a reference number that aligns financial reporting with the project status reporting. Financial reports on significant major projects (the Fees Project, the CPD Project, the 22-26 Stannary St project and the Equality and Diversity<sup>1</sup> project) will be prepared on a monthly basis. The reports will outline capital (CAPEX) and operational expenses (OPEX) against budget. Examples are attached for MP24, the 22-26 Stannary St Project.

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<sup>1</sup> Because of its size, multi-year duration and affect on multiple departments, the Equality and Diversity (E&D) project will likely be reported on as a number of discrete E&D projects.

In the case of the 22-26 Stannary St Cost Centre, for simplicity, ongoing external business-as-usual costs (utilities, rates etc) will also be charged to the cost centre. Similarly, for the Continuing Professional Development (CPD) initiative, once the CPD project is completed (after the first CPD audit in 2008), ongoing CPD costs will be charged to that Cost Centre, so that the ongoing costs of CPD can be monitored.

Project reports will be prepared on a monthly basis by the Finance Department and issued to the EMT as well as the Project Managers/Leads for those projects. The Finance Manager will also present an overview report at each meeting of the Finance and Resources Committee.

#### Major Projects

Capital spending (CAPEX) will be reported on a monthly basis – refer Appendix on Capital Expenditure – LISA Projects. Major Project Operational spending (OPEX) if any, will remain embedded in department annual budgets and will continue to be included in the monthly financial reports as a department cost. If further detail of project OPEX cost is required (because it is significant), this would need to be analysed out separately as an ad hoc manual exercise.

Significant Major Projects and Major projects running for more than one financial year can be monitored across the total duration of the project. However this would need to be done as an ad hoc reporting exercise on request, as is a manually-intensive job. To elaborate, historical costs have been coded as departmental costs and would have to be searched out and identified as project costs under the new definitions of specific HPC projects (MP1, MP2 etc.). Furthermore, there are management judgements required for some historical costs, as to which projects they should be identified as. For example LISA/SAGE.system interface and Comms dept costs.

#### Business as usual and Enhancement Projects

Capital spending (CAPEX) will be reported on a monthly basis. OPEX spending will remain embedded in department annual budgets and will continue to be included in the monthly financial reports as a department cost. If further detail is required, this would need to be analysed out separately as an ad hoc manual exercise, on request, as at present.

When the Finance Department upgrades, or replaces, its existing SAGE Line 100 financial reporting software, a project-reporting module will probably be purchased to enable improved project reporting.

### **3.3 Capitalisation of Project Costs**

When project reporting commences, we do not intend to allocate internal costs, such as the cost of employee time spent on projects, or to capitalise those costs. However, external costs such as systems development and testing will continue to be capitalized to specific projects. Note that depreciation expenses recognised from project capital spending will become a business-as-usual opex cost to a department, once the project is completed.

Where project costs are capitalised, they won't be depreciated until the project is completed and project benefits start occurring.

### **3.4 Project Evaluations versus Project Reporting**

Projects will continue to be evaluated in advance, on their merits. These include examining the overall benefits against the overall costs<sup>2</sup> and weighing up other non-financial considerations. Project reporting referred to above relates to the period *after* approval has been granted and the project is in progress.

### **3.5 Benefits**

The benefits to the new reporting system are as follows :

- More accurate budgeting
- Better monitoring of projects' progress and timely intervention if timetable and/or budgets are adrift
- Post-completion project evaluation

### **4. Resource implications**

- Management Accountant's time
- Project Lead and Project Manager's time

### **5. Financial implications**

Nil

### **6. Background papers**

Nil

### **7. Appendices**

- HPC Major Projects Scorecard 2006/07
- Sample Financial Reports

### **8. Date of paper**

8<sup>th</sup> November 2006

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<sup>2</sup> Typically there is a trade-off to consider between approving a proposal involving higher upfront process-automation cost and lower ongoing business-as-usual running cost versus approving an alternative proposal involving lower upfront process-automation cost and higher ongoing business-as-usual running cost.

# HPC Major Projects 2006/7 Scorecard

No.	Priority	Project name	Project Description	Project Sponsor	Project Lead	Project Charter	Project Plan	Business Reqs (if IT)	06/07 Budget*	06/07 Spend*	Due Date	Status
MP1	1	Infrastructure improvement	Testing and upgrade of IT infrastructure to ensure that HPC is secure	R Dunn	T Goulbourne	N	N	N	Internal	Internal	26/01/07	
MP2	2b	Continuing Professional Development (CPD)	Implementation of processes to audit & track registrants' evidence of CPD.	G Ross-Sampson	C Savage	N	Y	N	£25		30/06/08	
MP3	2b	On-boarding of the Applied Psychologists	On-boarding of the Applied Psychologists	G Ross-Sampson	C Savage	N	N	N	On hold	On hold	31/12/07	On hold
MP4	2b	On-boarding of Hearing Aid Council	Absorption of the Hearing Aid Council	G Ross-Sampson	C Savage	N	N	N	On hold	On hold	01/04/08	On hold
MP5	2b	Equality and Diversity Project	Revision of equality & diversity policies to ensure HPC is pro-actively eliminating discrimination	M Seale	K Johnson	Y	Y	N	£20		20/05/11	
MP6	2b	Return to Practise	Phase 1 : Creation of forms & guidance notes & rollout of process Phase 2 : LISA enhancement to record RTP	R Houghton	C Harkin	Y	N	Y			Phase 1 : Jul 06 Phase 2 : TBD	Phase 2 on hold
MP7	2c	Registration fee change	Realignment of registration fee charges	M Seale	S Leicester	N	Y	N			15/06/07	
MP24	2d	Stannery street	Refurbishment of Stannery Street building	M Seale	S Hall	N	N	N	£1M		31/10/07	
MP8	3	Fitness to Practise Database	Finalisation of Fitness to Practise database	K Johnson	E Seall	Y	N	N	Internal	Internal	22/09/06	

**Key:**

Green – Project is due to meet deadline

Amber – Indications are that it is probable that project will miss deadline

Red – Project has missed deadline

Date 2006-11-07

Ver. a

Doc Type AOD

Title Project summary November



Status of project has improved since last reporting cycle

Status of project is static since last reporting cycle

Status of project has declined since last reporting cycle

Status  
Draft  
DD: None  
Int. Aud.  
Internal  
RD: None

\* All amounts in £000's

# HPC Major Projects 2006/7 Scorecard

No.	Priority	Project name	Project Description	Project Sponsor	Project Lead	Project Charter	Project Plan	Business Reqs (if IT)	06/07 Budget	06/07 Spend	Due Date	Status
MP9	3	Education database	Improvements to existing Approvals MS Access database	G Ross-Sampson	A Creighton	Y	Y	Y	Internal	Internal	31/10/06	
MP10	3	BACS / IP	Upgrade to allow HPC to continue to accept DD payments	S Leicester	M Cheema	Y	N	Y	£10		01/12/06	
MP11	3	Intermediate Lapsing	LISA enhancement to automate mid-cycle lapsing	S Leicester	S Gillick	Y	Y	Y	£20		02/03/07	
MP13	4	Updating of Admissions forms	All Admissions forms and guidance notes to be updated & to include CPD and Return to Practise information	R Houghton	J Archibald / Huw Bevan	Y	Y	N	Internal	Internal	10/07/07	
MP12	4	Online Applications	LISA enhancement to allow applicants to apply & pay online.	G Ross-Sampson	R Houghton	N	N	N	£12			
MP14	4	Online LISA authentication	Giving registrants the ability to update their personal details online	G Ross-Sampson	R Houghton	N	N	N	£13.2			
MP15	4	Registration fee calculator	LISA enhancement to enable Registrations to calculate mid-cycle fees.	G Ross-Sampson	R Houghton	N	N	N	£25			
MP16	5	Bulk Letter generation	LISA enhancement to allow ad-hoc mail merge runs			N	N	N	£15			
MP17	5	E-pass list upload	LISA enhancement to allow the electronic verification of passlists	R Houghton	C Harkin	N	N	N	Internal	Internal		
MP18	5	HOMER improvements	Extension of HOMER system to include Council members	N O'Sullivan	N O'Sullivan	N	N	N				

Key:

Green – Project is due to meet deadline

Amber – Indications are that it is probable that project will miss deadline

Red – Project has missed deadline



Status of project has improved since last reporting cycle



Status of project is static since last reporting cycle



Status of project has declined since last reporting cycle

\* All amounts in £000's

# Proposed HPC Major Projects 2007/8 Scorecard

No.	Priority	Project name	Project Description	Project Sponsor	Project Lead	Project Charter	Project Plan	Business Reqs (if IT)	06/07 Budget	06/07 Spend	Due Date	Status
MP19	6	Add UK Nations & Online register improvements	LISA enhancement to allow users and registrants to search on country						£30			
MP20	6	Trust Employee status tracking	LISA enhancement to allow Trusts to flag all employees on the system & check status						£25			
MP21	3	Education database	Lotus notes development of a database to track course approvals									
MP22	5	Returned Mail flag	LISA enhancement to enable Registrations to flag when mail is returned.						£15			
MP23	4	Online Renewals	LISA enhancement to allow applicants to renew online						£13.3			

**Key:**

Green – Project is due to meet deadline

Amber – Indications are that it is probable that project will miss deadline

Red – Project has missed deadline

Date 2006-07-07  
Ver. a

Dept/Cmte OPT

Doc Type AOD

Title Project summary



Status of project has improved since last reporting cycle

Status of project is static since last reporting cycle

Status of project has declined since last reporting cycle

Status  
Draft  
DD: None  
Int. Aud.  
Internal  
RD: None

**HEALTH PROFESSIONS COUNCIL  
TO 30 SEPTEMBER 2006**

**TOTAL CAPITAL EXPENDITURE (Projects and Departmental Capex spending)  
From 1st April 2006 - 30 September 2006**

	Project Ref	Actual £	Budget £	Variance £	Annual Budget £
<b>Major Investment (£50K+ Individual Item)</b>					
Facilities Management			0	0	999,925
Renovation work to 22-26 Stanney Street. Figures are based on a quantity surveyors estimations and the work will go out to tender early in the new financial year. £851,000 + VAT.					
	MP 24		0	0	999,925
	Sub Total				
<b>Minor Investment (less than £50K individually)</b>					
Information Technology		1,856	16,275	14,419	16,275
15 New Laptops or PCs (New Employees) - £1085 (average)					
		0	0	0	3,000
2 Dell 3300 Projectors - £1500 each					
		0	0	0	3,075
3 HP LaserJet 4200 DTN Printer - £1025					
		0	0	0	5,000
2 Procurve Switches (Server Room) - £2.5k average					
Server to Consolidate existing PC's being used as servers - £5000 + £2000 for a rack to house the new server.					
		0	0	0	7,000
Replacement UPS (battery)					
		0	0	0	3,000
Office Services		9,066	0	(9,066)	
Colour photocopier					
		2,332	0	(2,332)	
3x desk & storage					
		1,856	0	(1,856)	
Rackmount storage					
		3,845	0	(3,845)	
FujiScanner s500					
		0	0	0	5,363
1 Xerox Work Centre BW Photocopier with 4 Hole Punch - £4565+ VAT					
		0	0	0	5,000
Separate air conditioning units in server room					
		10,106	9,504	(602)	9,504
Access Control System (to cover 3 buildings & increasing employee numbers)					
		3,507	0	(3,507)	0
New compressor for airconditioning					
		2,872	0	(2,872)	0
Dishwasher for Kitchen					
		35,441	25,779	(9,662)	57,217
Contingency		0	0	0	50,795
LISA IT Projects		28,818	243,571	(214,753)	243,571
(see next sheet)					
<b>Total Capital Expenditure</b>		<b>64,259</b>	<b>269,350</b>	<b>(224,416)</b>	<b>1,300,713</b>

**HEALTH PROFESSIONS COUNCIL  
CONSOLIDATED ACCOUNTS TO 30 SEPTEMBER 2006**

**CAPITAL EXPENDITURE - LISA PROJECTS**

Project number	Actual £	Budget £	Variance £	Bal as at 01.04.06 £	Bal as at 30.09.06 £
MP12 On Line Applications - 50% Complete in 2005/06	0	12,000	(12,000)	11,989	11,989
MP23 On Line Renewals - 50% Complete in 2005/06	11,989	13,374	(1,385)	13,374	25,363
MP14 Online LISA Authentication - 50% Complete in 2005/06	0	13,198	(13,198)	13,198	13,198
MP10 BACS-IP AUDDIS - 75% Complete in 2005/06	10,766	10,000	766	27,539	38,305
Supplementary Prescribing	6,063	20,000	(13,937)	0	6,063
MP11 Intermediate Lapsing	0	20,000	(20,000)	0	0
MP19 Add UK Nations	0	15,000	(15,000)	0	0
MP16 Generic Bulk Letter Handling	0	15,000	(15,000)	0	0
MP15 Registration Fee Calculator	0	25,000	(25,000)	0	0
MP22 Returned Mail Flag	0	15,000	(15,000)	0	0
MP20 Trust Employee Status Tracking	0	25,000	(25,000)	0	0
MP19 Online Register Improvements	0	15,000	(15,000)	0	0
MP5 Ethnicity & Diversity	0	20,000	(20,000)	0	0
MP2 CPD Audit Tracking	0	25,000	(25,000)	0	0
MP7 Registration Fee Change	0	0	0	0	0
MP15 Registration Fee Calculator	0	0	0	0	0
<b>Total Capital Expenditure</b>	<b>28,818</b>	<b>243,571</b>	<b>(214,753)</b>	<b>66,100</b>	<b>94,918</b>



**HEALTH PROFESSIONS COUNCIL  
SIGNIFICANT PROJECT REPORT - SEPTEMBER 2006**

<b>COST CENTRE CODE</b>	<b>22-26 Stannary Street STY</b>	<b>MP 24 OPEX ONLY</b>
<b>BUDGET MANAGER</b>	<b>Stephen Hall</b>	

Code	For Month of September			Year to Date			Annual Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance	
2301 /500/STY	810	1,000	190	4,939	6,000	1,061	7,061
2302 /500/STY	0	31	31	(95)	188	283	471
2303 /500/STY	559	341	(218)	(951)	2,048	2,999	5,046
2304 /500/STY	0	83	83	85	500	415	915
2305 /500/STY	0	450	450	0	2,700	2,700	5,400
2306 /500/STY	0	193	193	(154)	1,157	1,311	2,467
2307 /500/STY	0	189	189	0	1,133	1,133	2,266
2308 /500/STY	0	300	300	0	1,800	1,800	3,600
2309 /500/STY	72	136	64	432	815	383	1,198
2310 /500/STY	0	167	167	0	1,000	1,000	2,000
2313 /500/STY	0	7,667	7,667	20,604	46,000	25,396	71,396
2311 /500/STY	0	0	0	0	0	0	0
2312 /500/STY	875	1,738	863	5,250	10,428	5,178	15,606
<b>Property Services</b>	<b>2,316</b>	<b>12,295</b>	<b>9,979</b>	<b>30,110</b>	<b>73,769</b>	<b>43,659</b>	<b>117,426</b>
2406 /600/STY	0	0	0	0	0	0	0
2410 /600/STY	0	0	0	0	0	0	0
2414 /600/STY	0	0	0	78	0	(78)	(78)
2614 /800/STY	0	0	0	0	0	0	0
<b>Office Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78</b>	<b>0</b>	<b>(78)</b>	<b>(78)</b>
<b>DEPARTMENTAL TOTAL</b>	<b>2,316</b>	<b>12,295</b>	<b>9,979</b>	<b>30,188</b>	<b>73,769</b>	<b>43,581</b>	<b>117,348</b>

**Equality & Diversity Project MP5**  
 (Project Total Spend from Year XX to Year ZZ - Ad hoc reporting)

Actual PTD £	Budget PTD £	Variance PTD £	Total Budget PTD £
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**Capital Spending 1st May XX- 31st Sept ZZ**      10,000      30,000      -20,000      50,000 Outsourced FTP DB Development say

**Opex Spending 1st May XX - 31st Sept ZZ**

2007 /200/HUM Temporary Staff	1,000	0	1,000	1,500 Inhouse Dev & Testing say
2625 /800/ITD Training	500	0	500	1,000 Inhouse Dev & Testing say
2625 /800/LEG Staff training	2,000	2,500	-500	3,000 Diversity training say

**Project Opex Total**

**3,500      2,500      1,000      5,500**

Figure is illustrative only  
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