

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

**COSTING MODEL UPDATE - PUBLIC PAPER**

**Executive Summary and Recommendations**

**1. Introduction**

This paper is an update of the Costing Model, used by HPC as an input into the forthcoming fee rise proposal.

**2. Decision**

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

**3. Background information**

An action point from Item 9.06/202/19.12 of the Council meeting on 4<sup>th</sup> October was to re-allocate Approvals and Monitoring costs from the UK Graduate (Approved Courses) chargeable service to the Renewals chargeable service.

**RESULTS BEFORE RE-ALLOCATION**

Activity basis used: 2006/07 <sup>1</sup>						
	Registration (UK Grad)	Registration (Intl/Grandp)	Readmission	Renewal	International Scrutiny	Grandparenting Scrutiny
Revised Total costs	1,271,851	895,471	424,379	7,344,447	1,464,153	135,419
Indicative registrant volumes	8,886	3,547	4,000	171,299	4,131	375
<b>Revised Indicative unit costs</b>	<b>143</b>	<b>252</b>	<b>106</b>	<b>43</b>	<b>354</b>	<b>361</b>

**RESULTS AFTER RE-ALLOCATION**

Activity basis used: 2006/07 <sup>2</sup>						
	Registration (UK Grad)	Registration (Intl/Grandp)	Readmission	Renewal	International Scrutiny	Grandparenting Scrutiny
Revised Total costs	618,613	895,471	424,379	7,997,684	1,464,153	135,419
Indicative registrant volumes	8,886	3,547	4,000	171,299	4,131	375
<b>Revised Indicative unit costs</b>	<b>70</b>	<b>252</b>	<b>106</b>	<b>47</b>	<b>354</b>	<b>361</b>

<sup>1</sup> Volumes are restated at July 2007 values, but the majority of costs are based on a 3 year average ending March 2007

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**Looking at the combined cost over the two year cycle for each chargeable service (Option 2 proposed in the Consultation document):**

<b><u>Option 2 (£30 and a 50% discount on UK Grad Fee)</u></b>	<b>Existing Fee</b>	<b>New Fee Proposed</b>	<b>Fee Increase</b>	<b>Unit Cost</b>	<b>Mark up on cost</b>
International Scrutiny	320	544	70%	448	21%
Grandparenting Scrutiny	320	544	70%	455	20%
UK Grad (Approved Courses)	60	102	70%	164	-38%
Other UK	120	424	253%	346	23%
Renewal	120	144	20%	94	53%
Readmission	120	254	112%	200	27%
Restoration	120	254	112%	200	27%

**4. Resource implications**

Nil

**5. Financial implications**

Nil

**6. Background papers**

Nil

**7. Appendices**

- Table 4 Cost Schedule (updated)

**8. Date of paper**

8<sup>th</sup> November 2006

**TABLE 4 REVISED**

	Registration n UK	Registrati on Int	Registrati on Int	Registration Grand/Other	Readmission	Renewals	Intl	Grandp
	Percentage Allocation							
	37%	26%	15%	20%	2%	0%	0%	0%
	8%	4%	3%	5%	80%	0%	0%	0%
	25%	33%	20%	20%	2%	0%	0%	0%
	37%	26%	15%	20%	2%	0%	0%	0%
	0%	10%	10%	0%	0%	74%	6%	6%
	1%	1%	1%	0%	98%	0%	0%	0%
	0%	0%	10%	10%	80%	0%	0%	0%

Base Costs (£)

Registrations	473,587
Recruitment & temporary si	219,903
Legal advice & Other prof f	28,368
Other department costs	146,493
All department costs	1,137,075
All department costs	2,491,349
All department costs	816,547

**Total Direct Costs 5,313,322**

	Registration UK	Registrati on Int	Registrati on Int	Registration Grand/Other	Readmission	Renewals	Intl	Grandp
	Cost Allocation (£)							
	175,227	123,133	71,038	94,717	9,472	-	-	-
	17,592	8,796	6,597	10,995	175,922	-	-	-
	7,092	9,361	5,674	5,674	567	-	-	-
	54,202	38,088	21,974	29,299	2,930	-	-	-
	-	113,708	113,708	-	-	-	841,436	68,225
	24,913	12,457	12,457	-	2,441,522	-	-	-
	-	-	81,655	81,655	653,238	-	-	-
	<b>279,027</b>	<b>305,543</b>	<b>313,102</b>	<b>222,339</b>	<b>3,283,651</b>	<b>841,436</b>	<b>68,225</b>	<b>68,225</b>

	Registratio n UK	Registrati on Int	Registrati on Int	Registration Grand/Other	Readmission	Renewals	Intl	Grandp
	Percentage Allocation							
	5%	1%	1%	2%	89%	2%	0%	0%
	5%	1%	1%	2%	89%	2%	0%	0%
	12%	10%	8%	10%	60%	0%	0%	0%
	0%	0%	0%	0%	0%	90%	10%	0%
	5%	1%	1%	2%	89%	2%	0%	0%
	5%	1%	1%	2%	89%	2%	0%	0%
	5%	1%	1%	2%	89%	2%	0%	0%
	5%	1%	1%	2%	89%	2%	0%	0%
	5%	1%	1%	2%	89%	2%	0%	0%
	5%	1%	1%	2%	89%	2%	0%	0%

Base Costs (£)

Secretariat	276,578
Chief Executive	271,081
Registration	1,069,460
International	582,799
Information Technology	220,168
Finance	565,353
Facilities Management	539,835
Fitness to Practise	961,369
Human Resources	280,680
Approval & Monitoring	820,785
Communications	634,290

**Total Absorbed Costs 6,222,398**

**Total Direct Costs + Total Absorbed Costs 11,535,720**

	Registration UK	Registrati on Int	Registrati on Int	Registration Grand/Other	Readmission	Renewals	Intl	Grandp
	Cost Allocation (£)							
	12,785	3,578	1,525	5,755	246,453	5,943	540	540
	12,530	3,507	1,495	5,641	241,555	5,825	529	529
	128,335	106,946	85,557	106,946	641,676	-	-	-
	10,177	2,848	1,214	4,581	196,187	4,731	429	429
	26,133	7,314	3,117	11,764	503,774	12,148	1,103	1,103
	24,953	6,984	2,977	11,233	481,036	11,599	1,053	1,053
	44,438	12,437	5,301	20,004	856,656	20,657	1,875	1,875
	12,974	3,631	1,548	5,840	250,108	6,031	548	548
	37,940	10,619	4,526	17,079	731,385	17,636	1,601	1,601
	29,319	8,206	3,497	13,198	565,203	13,629	1,237	1,237
	<b>339,586</b>	<b>166,070</b>	<b>110,757</b>	<b>202,040</b>	<b>4,714,033</b>	<b>622,717</b>	<b>67,195</b>	<b>67,195</b>
	<b>618,613</b>	<b>471,613</b>	<b>423,858</b>	<b>424,379</b>	<b>7,997,684</b>	<b>1,464,153</b>	<b>135,419</b>	<b>135,419</b>