

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



Note

1

2

3

4

Finance Department Report

Income and Expenditure Account 6th Month Reforecast

Registration fees
Readmission fees
Renewal fees
International scrutiny fees
Grandparenting scrutiny fees
UK scrutiny fee

Registration Income

Cheque/credit card write offs **Total Income**

Expenditure by Department

Chief Executive Council, Committees & PLG Communications Depreciation Education Facilities Manangement Finance Fitness to Practise **Human Resources Human Resources Partners** IT Department Operations Office Policy & Standards President **Projects** Registration Secretariat

Operating Expenditure

Operating Surplus/ (Deficit)

Year End Position					
6 Month	Annual	Variance			
Reforecast	Budget				
£	£	£	%		
642,036	504,257	137,779	27.3%		
371,450	458,569	(87,119)	(19.0%)		
12,715,896	13,004,002	(288,106)	(2.2%)		
540,425	936,600	(396,175)	(42.3%)		
113,400	141,540	(28,140)	(19.9%)		
546,218	514,842	31,376	6.1%		
		0			
14,929,426	15,559,811	(630,385)	(4.1%)		
(3,000)	0	(3,000)	0.0%		
14,926,426	15,559,811	(633,385)	(4.1%)		

	(15.5%)	(50,000)	322,357	372,357
Α	19.8%	88,817	447,701	358,884
	(1.0%)	(10,339)	1,076,199	1,086,538
В	17.2%	77,941	452,804	374,863
С	18.2%	139,397	766,271	626,874
	4.2%	38,191	911,698	873,507
	6.5%	41,225	635,442	594,217
D	(5.0%)	(278,799)	5,581,599	5,860,398
E	(25.5%)	(93,721)	367,517	461,238
F	7.7%	28,951	375,611	346,659
G	11.9%	112,560	944,125	831,565
	3.8%	16,990	450,977	433,987
Н	27.9%	116,660	417,428	300,768
	0.0%	0	49,433	49,433
I	10.9%	46,000	420,197	374,197
J	8.7%	175,968	2,023,511	1,847,542
	7.1%	21,581	304,247	282,667
	3.0%	471,422	15,547,116	15,075,694

12,694

(161,963)

(149,269)



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.
А	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.
I	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.