



**Council**  
**31 January 2018**  
**Business Plan and Budget 2018-19**

<b>Classification</b>	Public
<b>Purpose</b>	For decision
<b>Issue</b>	This paper provides Council with drafts of the 2018-19 Business Plan and Budget.
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. To agree the Business Plan 2018-19 at Annex A.</li><li>2. To agree the Budget 2018-19 at Annex B.</li><li>3. To note the indicative governance schedule at Annex C.</li></ol>
<b>Financial and resourcing implications</b>	These are set out in the paper.
<b>Equality and diversity implications</b>	Equality and diversity issues will be considered separately where relevant for each Business Plan activity.
<b>Communications implications</b>	None
<b>Annex</b>	<ol style="list-style-type: none"><li>A. Draft Business Plan 2018-19</li><li>B. Draft Budget 2018-19</li><li>C. Indicative governance schedule</li></ol>
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## Background

1. The Corporate Strategy 2016-19 sets out a three year programme of activities under three high-level strategic objectives:
  - a. To promote public and patient safety through patient-centred, proportionate, targeted and effective regulatory activity.
  - b. To encourage and facilitate continuous improvement in the quality of osteopathic healthcare.
  - c. To use resources efficiently and effectively, while adapting and responding to change in the external environment.
2. The third and final year of activity will commence in April 2018. Council will be aware of the plans in place to develop the new Corporate Strategy for 2019-2022.

## Discussion

### *Business Plan*

3. The Business Plan 2018-19 at Annex A follows a similar format to that adopted in previous years, with an additional Governance column to help Council identify which activities will be considered by the governance structure. Where the governance column has been left empty, this is because the Executive consider that it holds responsibility to deliver on those activities.
4. The activities are listed under the three high-level strategic objectives and grouped under sub-objectives reflecting the major projects or programmes of activity proposed. For ease of reference the lead department and the indicative timings have been appended to the activities.
5. The cost of each activity (and the overhead) has not been listed in the draft Business Plan. The Executive consider that the programme is achievable within the budget set out at Annex B. During the course of the year, it is our intention to continue to ensure that cost reductions are sought, and those identified, are delivered.

### *Budget*

6. Total income is expected to be £2.91m with expenditure forecast to be £2.90m, resulting in a small surplus of £10k.
7. Within the income forecast is money received from registration fees. At its meeting in November 2017, Council agreed that registration fees should be held constant in 2018-19, the fourth year in succession that fees have been held steady, following three previous years of fee reductions between 2012-2014.

8. Expenditure reductions identified within the 2018-19 budget include:
  - a. Rationalisation of email bulletin providers (£1k).
  - b. Ongoing engagement with regional communication network providers rather than expensive, single off meeting (£8k).
  - c. Removal of digital publication software (£1.5k).
  - d. Decrease in consultancy/support for work around student fitness to practise/professionalism (£5k).
  - e. Reduction in budget allocation for registration assessment activity (£9k).
  - f. No requirement for external IT audit (£7k).
9. The 2018-19 budget also takes account of:
  - a. An increase in staff salaries and associated employment costs such as health insurance and death in service premiums, which is offset by savings resulting from prior year staff reorganisation.
  - b. New budget provision for patient perceptions survey (£10k).
  - c. An allocation for the publication of the *Osteopathic Practice Standards* and associated engagement (£25k).

#### *Budget stress-test*

10. We have also undertaken a 'stress test' of the Business Plan, to consider to what extent it would be deliverable if we were to experience a sudden drop in resources (whether financial or of personnel in the order of 10-15%).
11. Our conclusion from this work is that the GOsC statutory functions have to take priority above all other activities. By this we mean we would need to maintain the education quality assurance programme; fitness to practise regime; registration assessment pathways and the governance structure. In addition, we would have on-going running costs to maintain the IT infrastructure and Osteopathy House, as well as having employment cost commitments.
12. Including employment cost commitments, the statutory function activities total £2.62m, the equivalent of 90% of the 2018-19 expenditure budget.
13. Therefore in order to ensure that the GOsC meets its statutory functions, we would need to slow the pace on, or bring to a conclusion, other activities which while important, would have to be classified as discretionary in the event of a significant drop in resources. These include activities within communication, engagement and research. In addition, it is likely Council would also need to

accept that delivery of the statutory functions be slowed to a pace which might mean we are outside of our KPIs.

14. It would also be critical that we scrutinise the staffing structure and reach proportionate decisions as to the level of staff required to deliver the core statutory functions.
15. If such steps were necessary due to a sudden reduction in financial resources, this would inevitably result – in the short-term – in the need for reserves to be utilised, which justifies Council's prudent financial management approach in terms of building up reserves for unforeseen or one-off events. The Council paper on Reserves, on this January 2018 agenda, refers.

*Indicative governance schedule*

16. The Executive has also sought to identify the key governance decision points for the 2018-19 Business Plan and produce a schedule of key governance activities/decision points for the year ahead. These are provided at Annex C.

**Recommendations:**

1. To agree the Business Plan 2018-19 at Annex A.
2. To agree the Budget 2018-19 at Annex B.
3. To note the indicative governance schedule at Annex C.