



Council
6 February 2019
Business Plan and Budget 2019-20

Classification	Public
Purpose	For decision
Issue	This paper provides Council with drafts of the 2019-20 Business Plan and Budget.
Recommendations	<ol style="list-style-type: none">1. To consider the draft Business Plan 2019-20 at Annex A.2. To agree the Budget 2019-20 at Annex B.
Financial and resourcing implications	These are set out in the paper.
Equality and diversity implications	Equality and diversity issues will be considered separately where relevant for each Business Plan activity.
Communications implications	None
Annex	<ol style="list-style-type: none">A. Draft Business Plan 2019-20B. Draft Budget 2019-20
Author	Matthew Redford

Background

1. The Business Plan and Budget for 2019-20 will represent the first year of the five-year Corporate Strategy 2019-24. This paper builds on Council's budget strategy discussion which took place in November 2018.
2. The budget strategy paper set out the ever-changing environment against which the budget has been prepared and members will be able to reflect on that information here: [Budget Strategy 2019-20](#)

Discussion

Corporate Strategy 2019-24

3. Council has already had a number of discussions on the Corporate Strategy for 2019-24. At this meeting in the planning cycle, it would normally be expected to agree the new Strategy. However, after the last Council meeting the Chair and Chief Executive felt it would be helpful to defer agreement of the new Strategy. This will enable the new Chief Executive, who takes up her post on 4 March 2019, to be able to input effectively into discussions.
4. There will be a further discussion on the draft Corporate Strategy in a private session of Council today and the final version will be brought to Council at its meeting on 8 May 2019.

Business Plan

5. The draft Business Plan 2019-20 presented at Annex A is set out in a format consistent with the early draft of Corporate Plan 2019-24 which commits the organisation to a programme of work with six themes being:
 - Assuring the quality of osteopathic education and training.
 - Registering qualified professionals and assuring their continuing fitness to practise.
 - Setting and promoting high standards of practice and conduct.
 - Protecting the public through transparent and proportionate fitness to practise processes that reflect best practice.
 - Supporting the ongoing development of the osteopathic profession.
 - Maintaining high standards of governance and regulatory practice.
6. Under each theme the Executive have recorded the activities it considers necessary to achieve that theme, the lead department(s), the timescale by which the activity will be delivered and whether the activity 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.
7. 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 year, it is our intention to continue to ensure that cost reductions are sought, and those identified, are delivered.

8. The Business Plan 2019-20 is presented in draft format on this agenda with Council having the opportunity to finalise the Business Plan in May 2019 alongside the new Strategic Plan.

Budget

9. Total income is expected to be £2.95m with expenditure forecast to be £2.94m, resulting in a small surplus of £10k.
10. Within the income forecast is money received from registration fees. At its meeting in November 2018, Council agreed that registration fees should be held constant in 2019-20, the fifth year in succession that fees have been held steady, following three previous years of fee reductions between 2012-2014.
11. Had registration fees increased in line with inflation from 2014 when the current fees were set, the headline fee, instead of being £570, would now be c.£620.
12. Expenditure reductions identified within the 2019-20 operational budget include:
 - a. Reduction in spend on research projects (£19k).
 - b. No requirement for YouGov survey (£10k).
 - c. Reduction in spend on *Osteopathic Practice Standards* which were introduced in the previous financial year (£4k).
 - d. No requirement for rebranding costs, which were incurred in the previous financial year (£3k).
 - e. More focused attendance at National Exhibitions (£1.5k).
 - f. Registration assessment fees offset by introduction of new charging structure.
13. The 2019-20 budget also takes account of:
 - a. An increase in staff salaries and associated employment costs such as health insurance and death in service premiums (£39k).
 - b. Provision for IT security testing (£7k).
 - c. An allowance for consultancy which can be used to support new thinking around how GOsC might undertake activities differently to support the development of a new long-term financial strategy to rebalance its resources across a new set of strategic objectives (£17.5k).

- d. Provision for an outsourced fitness to practise focused audit on the initial stage decisions (£15k).

Budget stress-test

14. It was reported to Council in November 2018 that as part of the budget setting process, a stress-test of the budget takes place. The Executive felt that it was important to reiterate the findings of this for Council in this paper.
 - The budget 'stress test' of the Business Plan considers 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%).
 - Our conclusion from this work is that the core statutory functions have to take priority above all other activities. By core statutory functions we mean 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. However, in the event of a significant downturn in available resources, a rationalisation of the staffing structure would be required.
 - When taken as a total sum (employment costs included in full before any rationalisation), this equals c.£2.7m, or 91%, of the budgeted expenditure. In addition to using its reserves, Council would need to slow the pace on, or bring to a conclusion, other activities, which would have to be classified as discretionary in the event of a significant drop in resources. The activity that might be classified as discretionary equates to c.£240k (excluding staff costs) within the current structure of the budget.
 - 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 2019 agenda, refers.

Recommendations:

1. To consider the draft Business Plan 2019-20 at Annex A.
2. To agree the Budget 2019-20 at Annex B.