



Council
2 February 2021
Business Plan and Budget 2021-22

Classification	Public
Purpose	For decision
Issue	This paper provides Council with the draft Business Plan and Budget for 2021-22
Recommendation(s)	<ol style="list-style-type: none">1. To consider the draft Business Plan 2021-22.2. To consider the draft Budget 2021-22.3. To consider the Equality Impact Assessment.
Financial and resourcing implications	These are set out in the paper including an initial exploration of our 'value proposition'.
Equality and diversity implications	<p>The Business Plan 2021-22 includes activities that relate to Equality, Diversity and Inclusion. In relation to project activity outlined in the Business Plan, Equality Impact Assessments will be undertaken as required, with the results reported to Council.</p> <p>Finally, an Equality Impact Assessment for the introduction of the Business Plan and Budget 2021-22 has been completed and is annexed the paper.</p>
Communications implications	None.
Annex(es)	A: Business Plan 2021-22 B: Budget 2021-22 C: Equality Impact Assessment
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Key messages from paper:

- The draft Business Plan for 2021-22 is presented at Annex A and represents the third year of the Strategic Plan 2019-24. The budget is presented at Annex B.
- Business Plan activities are set out against the four Strategic Plan goals, with the plan identifying ongoing activity and new activity introduced in 2021-22.
- Headline activities per Strategic Goal can be found at paragraph 9, with new activities described at paragraph 12 of this paper.
- The income budget has been prepared with registration fees being frozen for the seventh successive year, following a period of fee reductions 2012-14. This means the GOsC has absorbed £250,000 of lost income over the same seven year period.
- The 2021-22 budget has been balanced with a small surplus of £14k forecast.
- We have started to develop our narrative around the concept of the 'value proposition', which articulates that our regulatory activities add value in the areas of:
 - Supporting patient health and wellbeing
 - Supporting the development of the profession
 - Maintaining integrity and organisation leadership
- An Equality Impact Assessment has been completed for the introduction of the Business Plan and Budget 2021-22 and is presented at Annex C.

Background

1. The General Osteopathic Council (GOsC) Strategic Plan covers the period 2019-24.
2. Underpinning each year of the Strategic Plan is an annual business plan and budget approved by Council. At every Council meeting the Executive team will report to Council progress against the delivery of the business plan objectives and the performance against budget. Performance against year two of the Strategic Plan, 2020-21, is covered elsewhere on the Council agenda.
3. This paper presents to Council the proposed business plan and budget for the third year of the strategic plan, 2021-22 which builds on the [Budget Strategy 2021-22](#) that Council considered at its November 2020 meeting.

Discussion

Strategic Plan 2019-24

4. The Strategic Plan 2019-24 sets out a vision and four strategic goals. The vision statement of the Strategic Plan is as follows:

A partnership in professional standards that fulfils our statutory duty to protect the public and promote patient safety and well-being through modern regulation which supports and develops osteopaths.

5. The four strategic goals as outlined in the Strategic Plan 2019-24 are:

We will support the osteopathic profession to deliver high-quality care, which will protect patients and the public in the context of changes in the dynamic landscape of healthcare.	We will develop our assurance of osteopathic education to produce high-quality graduates who are ready to practise.
We will build closer relationships with the public and the profession based on trust and transparency.	We will be an exemplar in modern healthcare regulation - accessible, effective, innovative, agile, proportionate and reflective.

Business Plan development

6. The Business Plan for 2021-22 can be found at Annex A.
7. The plan has been structured to follow the four strategic goals with the detailed activity articulating the work which underpins each area. We have structured the plan to identify which activities are new, and which represent ongoing business. The cost of each activity (and the overhead) has not been listed in the draft plan. The Executive consider that the programme is achievable within the budget set out at Annex B.
8. The Business Plan describes how we wish to empower and support our registrants, for example through the delivery of the continuing professional development scheme; it describes collaboration with our partners across the regulatory sector; it strengthens our approach which is to place the patient at the heart of what we do; but importantly, the plan does not deviate from delivering our core statutory functions.
9. Headline activities for each goal include:

Goal 1: We will support the osteopathic profession to deliver high-quality care, which will protect patients and the public in the context of changes in the dynamic landscape of healthcare.

- We will engage with, and listen to, our stakeholders, before analysing and responding to their feedback across the full range of our work.
- We will continue to support and empower registrants to meet the requirements of the Continuing Professional Development (CPD) scheme.
- We will evaluate CPD implementation data to inform our work.
- We will support new graduates (UK and Internationally qualified) making the transition into practice.
- We will continue to support research including into the concerns prevalent to osteopathic care.
- We will continue to learn from our fitness to practise processes.

Goal 2: We will develop our assurance of osteopathic education to produce high-quality graduates who are ready to practise.

- We will work with the education sector to facilitate strategic thinking and development.
- We will continue to embed the OPS within education provision and within the student communities.
- We will explore issues connected to the future sustainability of the profession.

Goal 3: We will build closer relationships with the public and the profession based on trust and transparency.

- We will ensure patients are at the centre of our regulatory approach across all parts of our business.
- We will introduce new communication around fitness to practise, such as ebulletins and webinars, to demystify and humanise our work in this area.
- We will further enhance our social media presence to include a greater recognition of equality and diversity.

Goal 4: We will be an exemplar in modern healthcare regulation – accessible, effective, innovative, agile, proportionate and reflective.

- We will comply with our statutory rules and legislation.
- We will introduce a new approach to Equality, Diversity and Inclusion.
- We will develop our capacity for using data more effectively.
- We will introduce a new 'Council Associates' programme for osteopaths to identify future leaders in governance.

10. The plan continues to be ambitious in nature and reflects our pride in being a high-performing and innovative regulator which does not allow the size of our

organisation and available resources, which are small in comparison to others, to limit our own expectations about what we can achieve.

11. We feel we have been realistic about what we can achieve within the context of an ever changing environment, particularly one which is unprecedented in nature, with the effects of a global pandemic being felt across all parts of society. To that end, Council will recognise that we have not introduced a large number of new activities, reflecting the environment within which we work.
12. New activities which have been included in the Business Plan include:
 - We will engage with, and listen to, our stakeholders, before analysing and responding to their feedback across the full range of our work (*reflecting our new Communications and Engagement Strategy 2021-24*)
 - We will promote registrants' wellbeing in order to support osteopaths to deliver high-quality patient care.
 - We will develop, consult on, publish and actively promote guidance on adjunctive and complementary therapies.
 - We will undertake a series of Fitness to Practise webinars with the profession and patients to help demystify the fitness to practise process.
 - We will further enhance our social media presence to include a greater recognition of equality and diversity.
 - We will scope, develop and plan a visible and meaningful patient voice across the full range of our business.
 - We will develop and implement an 'Associate Council member' programme for osteopaths.
 - We will introduce a new Equality, Diversity and Inclusion Framework 2021-24 and associated action plan.
 - We will sign up to 'The Mental Health at Work Commitment', building on the Stevenson/Farmer report, 'Thriving at work'.
 - We will develop and begin to implement a data and insight strategy to enhance our capacity for research including data collection, analysis and insight.

Business Plan: Value proposition

13. When considering the budget strategy paper in November 2020, Council discussed the conceptualisation of value added. In preparing the Business Plan for Council, we feel that the content of the plan articulates our 'value

proposition', i.e. that our plan is clear, compelling and differentiating, with activities that set out where and how the GOsC adds value in its regulatory role and why an individual/business would want to work in partnership with us.

14. As mentioned earlier in the paper, the Business Plan describes how we wish to empower and support our registrants, for example through the delivery of the continuing professional development scheme; it describes collaboration with our partners across the regulatory sector; it strengthens our approach which is to place the patient at the heart of what we do; but importantly, the plan does not deviate from delivering our core statutory functions.
15. The Executive feel that the value proposition is an area of our narrative that we can expand and develop further. While it has arguably always existed within our work, we have perhaps not been as successful at articulating that narrative.
16. We feel that we have an excellent opportunity, as we approach the end of financial year 2020-21, to develop the narrative around our value proposition and to thread this through our communications, starting with the Annual Report and Accounts that will need to be written over the coming months.
17. Last year we developed a more strategic approach to the narrative within the Annual Report and Accounts, describing our activities against the four Strategic Plan goals. For the coming financial year, we can continue that approach but enhance our narrative, and specifically the financial report, by moving away from a 'departmental spend' discussion to a more holistic consideration of value.
18. As an example, the value proposition could have three simple pillars, which we believe meet the aim of being clear, compelling and differentiating:

Value proposition pillar	Expenditure detail
Supporting patient health and wellbeing	Setting standards (OPS), handling concerns and complaints (FTP), registration, quality assurance
Supporting the development of the profession	Supporting continuing professional development (CPD), infrastructure support for NCOR, IJOM, Communication activities
Maintaining integrity and organisation leadership	Governance, administration, other legal

19. If we were to apply the value proposition to our expenditure from the last financial year, excluding the loss on investment, we are able to demonstrate that 70% of our expenditure is spent on supporting patient wellbeing and health, and the supporting the development of the profession.

Value proposition pillar	% of total spend per pillar	£ of annual registration fee (£570) per pillar
Supporting patient health and wellbeing	43%	£250
Supporting the development of the profession	27%	£152
Maintaining integrity and organisation leadership	30%	£168

20. We would very much welcome Council's thinking around how we have started to frame the discussion of our value proposition.

Budget

21. Total income is expected to be £2.9m with expenditure forecast to be £2.886m resulting in a small surplus of £14k.
22. Within the income forecast is money received from registration fees. At its meeting in November 2020, Council agreed that registration fees should be held constant in 2021-22, the seventh year in succession that fees have been held steady, following three previous years of fee reductions between 2012-2014.
23. 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.£643. Council recognises that by not increasing registration fees in line with inflation, the organisation has absorbed approximately £250,000 of lost income, which demonstrates the cost efficiency and effectiveness of the GOsC.
24. The 2021-22 budget has been developed upon the following core principles:

Delivery of our core statutory functions: we will ensure appropriate levels of funding are available so that our core statutory functions can be delivered.

Ensure the patient voice is heard: we will make sure resources are allocated so that the patient voice informs our current and future work.

Look upstream: we will ensure we identify and fund activities which support upstream regulation and which are relevant and appropriate for our context.

Digital first: our focus will be on developing a digital first approach to our operation in order to streamline activities we undertake.

Continuous improvement: we will use our resources to drive continuous improvement so that we can be better organisation tomorrow, than we are today.

Cost efficiency and cost effectiveness: we will ensure we are careful where our resources are deployed in order to be cost efficient and cost effective.

25. The 2021-22 budget takes account of:

- Potential increase in staff salaries and associated employment costs.
- The new quality assurance contract with Mott MacDonald.
- An increase in funds associated with our patient involvement activity to ensure that we are engaging fully, and developing resources for and with, patients.
- The need to ensure sufficient funds are available for our statutory fitness to practise processes. NB: It is recognised that with the introduction of virtual/blended hearings there will need to be a full review of the FTP cost model to ensure we continue to budget appropriately.
- A need for independent assurance activities as identified by Audit Committee.

26. In preparing the budget we have identified areas where expenditure will not be as high as in the prior year. These areas include:

- **Print publications:** following the discontinuation of the osteopath magazine there are significant savings, both direct and indirect. From the perspective of the staff team, the time which has been freed through not producing content for the magazine can be refocused onto our engagement and 'listening' activities.
- **Appointment activities:** FY2020-21 saw appointment activity for a new member of the Remuneration and Appointments Committee and five fitness to practise panel members. In the coming year we will need to recruit a new Chair of the Audit Committee and one new fitness to practise panel member. This limited recruitment will lead to a cost reduction of c.£3k.
- **Taxation on Council member expenses:** with the pandemic forcing meetings online there will be a saving of around £5k on the tax payable on Council member expenses through no travel costs/expenses being incurred in the current financial year. (NB: tax is paid a year in arrears hence the saving in FY2021-22).
- **Printing, postage, photocopying:** the pandemic has demonstrated that we have been able to operate our business remotely without the need to incur printing, postage and photocopying costs. When we are able to return to some degree of office working in 2021, we do not need to return to our former ways of working, meaning that we can make cost reductions of around £35k.

Budget stress-test

27. A financially responsible organisation will continue to look hard to identify where it can streamline its work and make better use of its resources, both people and financial. This approach is something we are familiar with, and in 2020-21 we will continue to think hard about the work that we do, the value that it adds and how we operate to ensure we are modern, outward-looking, lean and importantly, fit for purpose.
28. It was reported to Council in November 2020 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.95% (£2.73m) 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.£150k (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.

Equality Impact Assessment

29. In preparing the Business Plan and Budget for 2021-22, the Executive have also prepared an Equality Impact Assessment (EIA). This is attached at Annex C.

30. Key headlines from the EIA are:

- The activities contained within the Business Plan will be individually assessed for EDI implications. Council and/or its Committees will consider those implications as part of the papers presented to them.
- The income budget is made up of registrants who pay their annual registration fees. Council in November 2020 agreed to freeze registration fees for a seventh successive year.
- There is no data which suggests that approval of the Business Plan and Budget will adversely impact on people with each/any protected characteristic.

Recommendations:

1. To consider the draft Business Plan 2021-22.
2. To consider the draft Budget 2021-22.
3. To consider the Equality Impact Assessment.