

Annex B to 7

Background

1. The budget for the financial year 2023-24, which supports the delivery of the Business Plan activity, is presented below in two ways. First, by setting out the total cost of delivering each department's programme of work and second by the category of expenditure within each department.

Income and Expenditure Account

2. The total cost of delivering each department's programme of work is set out in the Income and Expenditure Account below. The budget presented shows a small surplus of c.£15k.

	FY2023-24 £	FY2022-23 £	Variance £
Income			
Registration fees	2,871,850	2,857,250	14,600
Other income	32,000	32,500	(500)
Total	2,903,850	2,889,750	14,100
Expenditure			
Employment costs	1,650,650	1,561,000	89,650
Education and professional standards	151,800	148,250	3,550
Communications, research and development	137,000	185,650	(48,650)
Registration administration	11,000	10,000	1,000
IT infrastructure	77,500	106,400	(28,900)
Fitness to practise, including legal	444,000	450,000	(6,000)
Governance	181,822	154,000	27,822
Administration and establishment	235,000	260,000	(25,000)
Total	2,888,772	2,875,300	13,472
Surplus	15,078	14,450	628

3. Registration fees are forecast to be c.£2.87m, compared to c.£2.86m the previous year.
4. Other income is primarily made up of investment income and other miscellaneous income streams. The budget does not include any potential additional income streams, for example, from rental income.

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Categories of expenditure by area/department

5. The expenditure budget for each department is set out below with comments where appropriate.

Employment costs

	FY2023-24	FY2022-23	Variance
Expenditure		£	£
Staff salaries and pensions	1,588,650	1,513,000	75,650
Training and development	24,000	20,000	4,000
Recruitment	22,000	15,000	7,000
Other employment costs	16,000	13,000	3,000
Total	1,650,650	1,561,000	89,650

6. Salary, national insurance, and pension costs have been estimated at c.£1.59m. The budget allows for an increase in salary to be determined by the People Committee, along with the additional human resource expertise requirements to support staff well-being.
7. The increase in other areas of employment costs expenditure reflects the general state of the national economy with rising inflation.

Education and professional standards

	FY2023-24	FY2022-23	Variance
Expenditure		£	£
Quality assurance	124,500	111,800	12,700
Osteopathic Practice Standards	-	4,000	(4,000)
Research projects	20,500	15,000	5,500
GOPRE engagement	-	-	-
Patient engagement	4,000	13,750	(9,750)
CPD provider meetings	2,800	2,800	-
Publications and subscriptions	-	900	(900)
Total	151,800	148,250	3,550

8. The cyclical nature of the work around quality assurance, specifically the varying number of scheduled RQ visits, includes the costs outlined in the Quality Assurance Contract with Mott MacDonald. The budget provision includes an RQ visit and a review of the Nescot part-time programme.

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9. The Quality Assurance provision of c.£125k includes the cost of two renewal visits, annual report analysis, mobilisation, visitor preparation and training, contract management and communications. It also includes engagement with educators, focus groups and face to face regional and student meetings through year to support development of values, problem solving and professional judgement.
10. Included in the Research projects costings of c.£21k is a provision of £10k for external research to support on the next steps in terms of developing resources for professional judgement research projects. A further research project is planned to update registration modelling, also commissioning specific work to increase data about leaving the register.
11. The budget of £4k for patient engagement is a co-production to continue supporting the patient voice in project work and to prepare patient voice for strategic input longer term. We are planning to develop patient stories and resources for communication and consent and an animation about GOsC and how we work to support patient involvement.

Communications, research and development

	FY2023-24 £	FY2022-23 £	Variance £
Expenditure			
Publications	27,500	31,800	(4,300)
Engagement and events	7,000	37,100	(30,100)
Registration / Stakeholder survey	-	-	-
Patients / YouGov survey	-	-	-
Digital	36,500	49,500	(13,000)
Subscriptions	-	1,250	(1,250)
<i>Research</i>			
NCOR infrastructure (net)	28,000	28,000	-
IJOM	38,000	38,000	-
Total	137,000	185,650	(48,650)

12. Publication production costs of c.£28k, includes a slight reduction on last year's online resources costs, which received increased resources to improve accessibility of materials on our website for example, editable pdf of documents including student application forms and complaint forms for members of the public, including easy read for accessibility.
13. The publication budget also allows for the conclusion of rebranding project - design, typesetting for new branding and corporate materials.

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14. Contemplating the effects of the economic downturn and the greater uncertainty around the future, has reflected in a measured cost cutting policy and careful monitoring of spend. Engagement and events provision has therefore reduced on last year. We have provisioned c.£7k for face-to-face engagement at in-person meetings, staff travel and costs as well as online meetings, plus incentives for osteopaths to attend online meetings and disseminate information. This approach will also include support for regional groups and communities which we have identified as being a priority for our Communications and Engagement Strategy.
15. The provision of £25k in the 2022-23 budget for the externally commissioned registrant and stakeholder survey plus qualitative interviews was delayed due to ongoing discussions with PEC. This is an additional cost that results from the Council discussion about the impact of the communications and engagement strategy and the need to establish a baseline. It is proposed that this cost is financed by way of a designated fund.
16. An allocation of c.£37k for digital activity has been made within the Communications budget. This is to allow for ongoing web hosting costs with additional investment in website development. Costings include a photo shoot with allowances for the use of image libraries to increase diversity as part of our EDI strategy.
17. Expenditure for the International Journal of Osteopathic Medicine (IJOM) and the funding for the National Council of Osteopathic Research (NCOR) is included within this directorate, although the Chief Executive and Registrar is responsible for the expenditure and not the Communications department. The cost of NCOR and IJOM remains unchanged.

Registration administration

	FY2023-24	FY2022-23	Variance
Expenditure	£	£	£
Registration assessments	11,000	10,000	1,000
Total	11,000	10,000	1,000

18. The budget includes costs associated with the assessment of international registration applications and specifically the need to ensure that our registration assessors receive appropriate training and support. The Business Plan includes a review of how we undertake this activity, and we will look to identify if there are alternative ways of operating.

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IT infrastructure

	FY2023-24	FY2022-23	Variance
	£	£	£
Expenditure			
Software – Licensing	13,500	12,700	800
CRM – Service Contracts	30,000	43,500	(13,500)
Infrastructure	30,000	36,200	(6,200)
IT Security	-	10,000	(10,000)
Cyber Security Essential Plus	-	-	-
IT consultancy cover	4,000	4,000	-
Total	77,500	106,400	(28,900)

19. The prior year budget was included the deployment of funds to reflect the additional costs incurred as a result of hybrid working, mitigating for associated risks identified from reviewing our business process, along with modernising and streamlining our approach. The provision this year benefits from the prior year's outlay and savings of c.£29k are captured in the costings for the IT operational spend.
20. Concerns around cyber security were raised by Audit Committee, the risks of which will be greatly reduced by security testing, monitoring, CyberCNS security assessment and vulnerability management, penetration testing, amongst other security management processes. We included provisional costs of c.£30k in the budget last year. Resource challenges lead to a delay in undertaking a tender process in year. It is proposed that a discussion around how we use our reserves to finance spend outside of the budget, which places emphasis on one-off costs, is considered in the near future. This will include consideration of any costs that may be connected to the upgrade of the GOsC CRM system.
21. The provision of £4k mitigates for outsourcing costs of annual absence cover for our sole in-house IT specialist. We have retained the services of NexGen Cyber, who were contracted, as a pilot, to cover several weeks, with favourable reviews.

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Fitness to practise, including legal

	FY2023-24	FY2022-23	Variance
	£	£	£
Expenditure			
Other legal costs	-	6,000	(6,000)
Statutory Committee costs			
- Investigating Committee	70,000	70,000	-
- Professional Conduct Committee, incl. Health Committee	373,000	373,000	-
Section 32 cases	1,000	1,000	-
Total	444,000	450,000	(6,000)

22. The total budget for Fitness to Practise, including legal, represents the largest area of spend for the GOsC outside of employment costs. In an attempt to normalise our approach to blended hearings and remote working, we have acknowledged cost savings and reduced the provision.
23. It is important to be conservative in this area as the potential for varying workloads represents the most risk in terms of expenditure forecasts. Council has been watchful in recent times to ensure this area has an appropriate level of resource. For this reason, the headline assumptions include:
- Referred complaints and Interim Suspension Orders likely to stay at the same volume.
 - Nine Investigating Committee (IC) meetings scheduled (excluding the IC annual training day).
 - Up to 25 substantive Professional Conduct Committee (PCC) and Health Committee (HC) hearings (125 hearing days) forecast. Though we have seen a rise in complex multi-day hearings, we have reflected the reduction in the overall number of cases recorded since the pandemic.
 - Three PCC review hearings (three hearing days).
 - Three ISO hearings (based on an average of the last three years and a recent high risk case movement).
 - Two Section 32 prosecutions (two cases).
24. We will closely monitor spend in this area and in the event of increased costs being incurred we will report this to Council immediately alongside any proposed actions.

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Governance

	FY2023-24	FY2022-23	Variance
	£	£	£
Expenditure			
Honorariums/responsibility allowances	105,000	105,000	-
Council costs	15,000	12,500	2,500
Cost of Governance appointments	36,322	-	36,322
Tax liability (expenses)	1,000	2,000	(1,000)
PSA Levy	14,500	14,500	-
Other committee costs	10,000	16,000	(6,000)
Assurance activity	-	-	-
Council Associates Programme	-	4,000	(4,000)
Equality and Diversity Consultancy Support	-	-	-
Total	181,822	154,000	27,822

25. Members' fees and responsibility allowances account for 58% of the Governance budget. It is anticipated that with the tentative resuming of face-to-face meetings, this year, a tax liability on expenses will be incurred and therefore a provision of £1k is included.
26. The cost of Governance appointments is estimated at c.£36k, to include the Chair of Council appointment, Council members appointment of x2 lay and x1 registrant, IC appointment of x2 lay members (of which one is panel chair) and x2 registrant members, PCC appointment of x3 lay members (of which one is panel chair) and x3 registrant members, and an external resource to do pre-sift.

Administration and establishment

	FY2023-24	FY2022-23	Variance
	£	£	£
Expenditure			
Premises	67,000	79,000	(12,000)
Office administration	50,000	61,000	(11,000)
Financial audit	22,000	18,500	3,500
Financing	34,000	33,000	1,000
Depreciation	60,000	66,000	(6,000)
Publications and subscriptions	2,000	2,500	(500)
Total	235,000	260,000	(25,000)

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27. The total budget provision for FY2023-24 is significantly lower than the prior financial period due to cost saving measures applied throughout the year in preparation for the decisions required to absorb inflationary increases in other areas. The pandemic has shown we can operate our business with a limited requirement for stationery, printing, photocopying and postage costs.
28. We are aware that our financing costs have been escalating, the planned to banking tender undertaking is to be rescheduled.