



Council
8 February 2024
Business Plan and Budget 2024-25

Classification	Public
Purpose	For decision
Issue	This paper provides Council with the draft Business Plan and Budget for 2024-25.
Recommendation(s)	<ol style="list-style-type: none">1. To consider the draft Business Plan 2024-25.2. To consider the draft Budget 2024-25.3. To consider the Equality Impact Assessment.
Financial and resourcing implications	These are set out in the paper and specifically Annex B, the budget for financial year 2024-25.
Equality and diversity implications	<p>The Business Plan 2024-25 includes activities that relate to Equality, Diversity and Inclusion.</p> <p>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 has been completed and is annexed to the paper.</p>
Communications implications	The Business Plan and Budget are public documents and available on our website.
Annex(es)	A: Business Plan 2024-25 B: Budget 2024-25 C: Equality Impact Assessment
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Key messages from paper:

- The draft Business Plan for 2024-25 is presented at Annex A and represents the first year of the new Strategy, towards 2030. The budget is presented at Annex B.
- The Business Plan has been streamlined to only focus on those activities which progress the Strategy, removing activities which are considered too operational in nature for Council.
- Therefore, the 2024-25 Business Plan is significantly shorter than previous iterations and has a different feel and tone.
- Given this change in style and tone, the Business Plan is presented in draft format for Council's consideration.
- The 2024-25 budget has been balanced with a small surplus of c.£13k forecast.
- The expenditure budget is similar to previous years but with some noticeable differences that demonstrate the Executive have taken active steps to rebalance where resources are to be deployed.
- An Equality Impact Assessment has been completed for the introduction of the Business Plan and Budget 2024-25 and is presented at Annex C.

Background

1. The new General Osteopathic Council (GOsC) Strategy begins on 1 April 2024.
2. Underpinning each year of the Strategy will be 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 and the performance against budget.
3. This paper presents to Council the proposed business plan and budget for the first year of the new Strategy, towards 2030.
4. The paper builds on the discussions held in November 2023 when Council considered the budget strategy.

Discussion

Strategy, towards 2030

5. The Strategy, towards 2030, sets out a new strategic vision and three priority areas. Subject to any amendments arising from the February 2024 Council paper,

'Our vision is to be an inclusive, innovative regulator trusted by all'

6. The three key priority areas of the Strategy are:

- Strengthening Trust
- Championing Inclusivity
- Embracing Innovation

Business Plan development

7. The Business Plan for 2024-25 is attached at Annex A.
8. In a change to previous business plan iterations, this version has been significantly streamlined to only include those items which progress the three key priority areas, removing from the plan detail which the Executive felt was too operational and where delivery arguably better sits with the Senior Management Team. As an example, the 2023-24 Business Plan includes activity such as '*provide training to panel members*'; we have removed such detail from the draft 2024-25 Business Plan.
9. As such, the 2024-25 Business Plan is significantly shorter than previous iterations and has a different feel and tone. As this is a departure from previous plans, we present the Business Plan in draft format for Council to consider and discuss its direction.
10. In the event that Council is content with the direction and style of the 2024-25 Business Plan, we will finalise the plan by adding into the document key deadlines/milestones so progress can be tracked by Council over the year ahead.
11. Headlines from each priority area include:

Strengthening Trust

- Work collaboratively with osteopathic and wider health stakeholders to gather insight of issues affecting the sector and health system, so to develop an understanding of our role/remit in relation to those issues.
- Work with patients, educational providers and others to understand and develop good practice for the involvement of patients in osteopathic education and training.
- Work collaboratively with the sector to support the transition from graduate to newly qualified osteopath.
- Publish an invitation to tender to scope out our new public website.

Championing Inclusivity

- Publish in-year Equality Impact Assessments for all policies and processes which allow GOsC to demonstrate changes made or mitigations put in place where it has identified that there is an undue impact on those with protected characteristics.

- Conduct a comprehensive review, and make amendments, of all Fitness to Practise guidance both at the initial stages and hearings stage of the Fitness to Practise process to ensure the guidance adequately address allegations that involve racist and discriminatory behaviours.
- Publish a new Equity, Diversity, Inclusion and Belonging Framework 2024-30.
- Increase EDI data collection, and publish results, as part of registration renewal following implementation of the new CRM system.

Embracing Innovation

- Conduct a comprehensive review of the GOsC Threshold Criteria for Unacceptable Professional Conduct taking into account developments within wider regulation and regulatory reform and feedback from Internal and External Stakeholders.
- Implement new CRM system within GOsC and ensure a smooth transition for internal and external users.
- Embed the GOsC Values within strategic decision-making culture at Council and report on where/how this has happened.
- Scope and develop a financial and asset strategy which underpins GOsC business continuity and sustainability.

Budget

12. Council received a budget strategy paper in November 2023 which, at that time, set out the projected income and expenditure predictions for 2024-25. While these predicted levels were subject to further interrogation by the Senior Management Team, the budget strategy enabled Council to have a high-level private discussion about the environment/context within which GOsC operates.
13. Council and the Executive recognise that the environment is one which is challenging and there are financial pressures on all types organisations across all sectors, be that inflationary pressure, volatility within cost models and, as is the case for many within the healthcare sector, pressure on workforce numbers with a lower number of new entrants to a profession and/or retaining existing registrants on the Register.
14. With that context, the Senior Management Team present to Council a budget which is balanced for approval alongside the business plan for the first year of the new strategy.
15. In presenting the budget, the Senior Management Team, propose the following actions be taken:

- Basing registration fee forecasts on the data GOsC holds within its CRM system and, at this stage, not on external forecasts/data analysis.
- Using short-term bonds/investments for any excess cash held at the bank to generate income, i.e. interest.
- Reducing expenditure levels where appropriate and prudent to do so.
- Establishing a five-year designated fund to support the work of NCOR.
- Establishing a five-year designated fund to cover the costs of governance appointments (Council, Committees, Fitness to Practise).
- Establishing a short-term designated fund for legal costs associated with Fitness to Practise.

Summary

16. Total income is expected to be c.£2.86m with expenditure forecast to be c.£2.85 resulting in a small surplus of £13k.
17. Designated funds totalling £400k are proposed, with funds to be spent across the next five years.

Income – Registration fees

18. Within the income forecast is money received from registration fees. The income projection is based on the data we hold within our CRM system and our understanding of the movement of the Register, which appears to be plateauing but not yet declining. As at end January 2024, we have 5,529 registrants on the Register which does not represent a fall/decline in total registrant numbers.
19. However, the impact of very limited growth or a plateau in growth is that income is likely to decline as those joining at a reduced registration fee are replacing registrants who pay a higher registration fee, meaning a negative financial impact for the GOsC.
20. For 2024-25, registration fee levels are not expected to change; however, Council will need to consider the financial viability of keeping fees at the same level beyond this point. Policy options will be presented to Council in 2024-25 for potential implementation in 2025-26 and beyond.
21. Applying this approach means that we forecast registration fee income to be £2.82m for 2024-25. This represents an increase on the November 2023 budget strategy paper but it is a lower registration fee income forecast than the current financial year 2023-24 (£2.87m). We consider this approach to be cautious and

prudent within the context of our challenging environment around student numbers and retention of the existing registrant base.

Income – Investments

22. The budget for 2024-25 does not propose any changes to the investment portfolio which Council has previously considered and agreed. However, the GOsC is holding excess funds in its bank account which could be put to better use, through for example, short-term low-risk bonds. Such an approach could generate around £10k in the 2024-25 year, which while not a vast income stream, still represents a contribution towards a balanced budget.

Expenditure

23. Council members will note that the budget for 2024-25 is similar to previous years, however we have recognised that there needs to be a tightening of spend due to the rising inflationary pressures all organisations are currently facing.
24. The budget takes account of:
- Our Education Quality Assurance costs.
 - The need to ensure our organisation infrastructure is maintained.
 - The need to ensure sufficient funds are available for our statutory processes.
 - The need to pay staff and members of the Governance structure.
25. In developing the budget for 2024-25, the Executive are proposing that new designated funds from reserves are established for NCOR, governance appointments and legal costs associated with fitness to practise.

Establishing a designated fund for NCOR

26. GOsC has been the significant financial backer for NCOR since its inception, and over time our financial contribution has reduced from the original pump-priming level (£100k) to between c.£28k per annum in recent years.
27. NCOR is an important stakeholder within the osteopathic community and it would not be appropriate to withdraw funding from NCOR without considering the consequences of doing so, and if funding was to be withdrawn, to ensure there was an appropriate lead-in period.
28. What is suggested, in order to release funds from the operational budget, and to provide time and space for appropriate conversations with NCOR and associated osteopathic partners about the future funding arrangements, is for a five-year designated fund to be established from the GOsC Reserves.

29. A designated fund would be established from 1 April 2024 – 31 March 2029 totalling £150,000.

Establishing a designated fund for Governance appointments

30. There has been a significant amount of recruitment to governance roles over the past few years and this will continue across with the opening half of the new strategy period from 2024 with Council appointments, Policy and Education Committee appointments and Fitness to Practise panel member appointments.
31. It is suggested, in order to release funds from the operational budget, that a designated fund be established for Governance appointments, which are conducted in-house and not through external agencies. Such a fund might also be appropriately used for any governance training, benchmarking and effectiveness reviews.
32. A designated fund would be established from 1 April 2024 – 31 March 2029 totalling £100,000.

Establishing a designated fund for legal costs associated with fitness to practise

33. Like most healthcare regulators, in the post-covid environment, meetings and hearings are being carried out online rather than in-person. We expect such a trend to continue for the foreseeable future and have based our budget assumptions on that position.
34. As this new approach to working is fully embedded the costs associated with fitness to practise have reduced on previous years where the trend was for in-person activity.
35. As such, we are suggesting a lower operational budget be set for Fitness to Practise in 2024-25 alongside the establishment of a designated fund for legal costs, (case specific and general), as a risk mitigation should unexpected costs arise in-year.
36. A designated fund would be established from 1 April 2024 totalling £150,000.
37. We suggest this is a short-term approach so that the new Council has the space and opportunity to consider and assess financial decisions for the medium-longer term.

Impact on reserves

38. Council considers its reserves position annually at the July Council meeting, and it will be aware that we currently are holding funds in excess of our target range, which is to hold reserves of between £350k-£700k.
39. As at 31 March 2023, GOsC was holding reserves of £1m – this is above the target range. NB: this already accounts for the IT designated fund established by Council for implementation of a new CRM system.

40. The creation of three new designated funds totalling £400k, most of which would be available for use across a five-year period, would not jeopardise the financial position/reserves of the GOsC.

Equality Impact Assessment

41. In preparing the Business Plan and Budget for 2024-25, the Executive have also prepared an Equality Impact Assessment (EIA). This is attached at Annex C.

42. Key headlines from the EIA are:

- Workstreams 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 Business Plan reflects the new GOsC Strategy, which has a key priority area to 'Champion Inclusivity'.
- The income budget is predominately funded by registrants who pay their annual registration fees. Registration fees are not expected to increase in 2024-25.
- 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 2024-25.
2. To consider the draft Budget 2024-25.
3. To consider the Equality Impact Assessment.