



General Osteopathic Council
29 January 2014
Business Plan and Budget 2014-15

Classification	Public.
Purpose	For decision.
Issue	This paper provides Council with drafts of the 2014-15 Business Plan and Budget.
Recommendations	<ol style="list-style-type: none">1. To agree the Business Plan 2014-15 at Annex A2. To agree the Budget 2014-15 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.
Annexes	<ol style="list-style-type: none">A. Draft Business Plan 2014-15B. Draft Budget 2014-15
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Background

1. The Corporate Plan 2013-16 sets out a three year programme of activities under three high-level strategic objectives:
 - a. To promote public and patient safety through 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 second year of activity will commence in April 2014.

Discussion

Business Plan

3. The Business Plan 2014-15 at Annex A follows a similar format to that adopted in previous years. 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.
4. We have also referenced activities that fall within the scope of our Francis Report Action Plan (marked **FR**) and also those that relate to best practice from other regulators identified in the 2012-13 PSA Performance Review (marked **PSA**).
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 which were identified across all business areas are delivered.
6. In previous years the Executive prepared a Business Plan Risk Assessment which was considered by the Finance and General Purposes Committee as part of its scrutiny of the Business Plan and Budget. This document sought to make linkages between the proposed activities and the existing high level risk register.
7. Council and the Audit Committee have been considering a new approach to the construction of the high level risk register which will use the activities in the corporate and business plans to define the high-level risks. Therefore, we do not propose to produce the Business Plan Risk Assessment in the previous form but expect that, when Council next reviews the Risk Register it will reflect more closely the Business Plan at Annex A.

Budget

8. Total income is expected to be £2.633m with expenditure forecast to be £2.619m, resulting in a small surplus of £14k
9. Within the income forecast is money received from registration fees. At its meeting on 17 October 2013, Council reaffirmed its view that cost reductions identified should be passed back to the profession through fee reductions.
10. Income required from registration fees is estimated as being £2.568m and the Council will be asked to agree the fee reduction, which will be effective for registrations from May 2014, later on the agenda.
11. Expenditure reductions within the 2014-15 budget include:
 - a. Employment costs: a provision for increasing employment costs is offset by the prior year reconfiguration of the GOsC IT delivery (£28k).
 - b. International Journal of Osteopathic Medicine: a re-negotiated contract price sees a reduction in expenditure (£10k).
 - c. Website and media monitoring: changes in business practice by the Communications team will result in a reduction in expenditure (£20k).
 - d. Fitness to practise costs: it is anticipated that the fitness to practise budget can be reduced by £50k reflecting changes in working practice, as for example, the team now record hearings rather than use an external company. Fitness to practise costs were significantly underspend in 2012-13 reflecting a lower volume of cases than normal. In 2013-14, a greater volume of work, particularly around interim orders, is being managed by the team. We are forecasting a return to the trend numbers of cases and hearings in 2014-15, which we believe allows us to make a prudent reduction to the budget. It is important to be conservative in this area as the potential for varying work loads represents the most risk in terms of expenditure forecasts.
 - e. IT infrastructure: the outsourced IT solution, implemented in the prior year, sees total infrastructure costs reduce as not all service/support contracts need to be maintained (£5k).
 - f. Tax liability: as a result of successfully arguing to HMRC that Fitness to Practise panellists are not 'officeholders' GOsC is able to reduce its tax liability on expenses paid to those individuals (£5k).
 - g. Mortgage interest: the mortgage outstanding on Osteopathy House will be repaid in full in July 2014 meaning the budget need not provide for the full year effect of interest payable (£6k).
12. The 2014-15 budget also takes account of:

- a. Inflationary pressures;
- b. Additional and recurring expenditure around registration assessments and in particular the appraisal and training of registration assessors (£25k).

Recommendations:

- 1. To agree the Business Plan 2014-15 at Annex A
- 2. To agree the Budget 2014-15 at Annex B