



**Council**  
**29 January 2020**  
**Business Plan and Budget 2020-21**

<b>Classification</b>	Public
<b>Purpose</b>	For decision
<b>Issue</b>	This paper provides Council with the draft Business Plan and Budget for 2020-21.
<b>Recommendation(s)</b>	<ol style="list-style-type: none"><li>1. To consider the draft Business Plan 2020-21 at Annex A.</li><li>2. To consider the draft Budget 2020-21 at Annex B.</li><li>3. To consider the ring-fencing of reserve funds for CPD implementation and information technology initiatives.</li></ol>
<b>Financial and resourcing implications</b>	These are set out in the paper.
<b>Equality and diversity implications</b>	<p>The Business Plan for 2020-21 specifically includes a review of our approach to Equality and Diversity.</p> <p>Equality Impact Assessments will also be undertaken as required with the results reported to Council.</p>
<b>Communications implications</b>	None.
<b>Annex(es)</b>	A: Business Plan 2020-21 B: Budget 2020-21
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## Background

1. The General Osteopathic Council (GOsC) Strategic Plan was approved by Council last year and covers the period 2019-2024.
2. Underpinning each year of the Strategic Plan 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 objectives and the performance against budget.
3. Performance against year one of the Strategic Plan, (2019-20), is covered elsewhere on the Council agenda.
4. This paper presents to Council the proposed business plan and budget for the second year of the strategic plan, 2020-21, for approval. It builds on the Budget Strategy paper which Council approved at its November 2019 meeting.

## Discussion

### *Strategic Plan 2019-24*

5. 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.

6. 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*

7. The business plan has been structured to follow the four strategic goals with the detailed activity articulating the work which underpins each area. 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 continue to support and empower registrants to meet the requirements of the CPD scheme.
- We will evaluate CPD and Osteopathic Practice Standards (OPS) implementation data to inform our work.
- We will continue to support research including into the concerns prevalent to osteopathic care.
- We will learn from our fitness to practise processes and consult on new guidance as appropriate.

**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 identify challenges it might be facing.
- We will review our quality assurance method including completing the quality assurance tender process.
- We will continue to embed the OPS within education provision and within the student communities.

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

- We will work with patients, registrants and others to promote awareness and accessibility of the Register and the visibility of materials on our website.
- We will aim to increase the number of patients in the reference group including the diversity of patients.
- We will collect feedback from those involved in our fitness to practise process.
- As a charity, we will build closer links with our local community.

**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 enhance our approach to Equality and Diversity.
- We will develop our capacity for using data more effectively.
- We will utilise IT to streamline our processes and work.
- We will develop our approach to Corporate Social Responsibility.

8. The Business Plan activities, set out in detail in Annex A, build on our successful work programmes and continue to be ambitious in nature. We should take pride in celebrating that ambition and we should 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.

9. The Business Plan describes how we wish to empower and support our registrants; it describes collaboration with our partners; it places the patient at the heart of what we do; but importantly, the plan does not deviate from delivering our core statutory functions.
10. There are a range of new activities included in the Business Plan which lay the foundations for the organisation to succeed in the short, medium and long-term. Examples include:
  - Looking to increase the number of patients who participate in our work;
  - Our plans to support registrants as they progress through the CPD scheme, with a specific focus this year on peer discussion;
  - Our intention to develop our data capacity and to enhance our IT systems, and;
  - A review of our approach to equality and diversity across the full range of our business activity.
11. 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.

### *Budget*

12. Total income is expected to be £2.99m with expenditure forecast to be £2.98m, resulting in a small surplus of £12k.
13. Within the income forecast is money received from registration fees. At its meeting in November 2019, Council agreed that registration fees should be held constant in 2020-21, the sixth year in succession that fees have been held steady, following three previous years of fee reductions between 2012-2014.
14. 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.
15. The 2020-21 budget takes account of:
  - An increase in staff salaries and associated employment costs such as health insurance and death in service premiums.
  - The likely increase in costs for quality assurance activity as we undertake a tender exercise.
  - The need for enhanced provision for IT security testing.
  - A need for assurance activities, specifically around equality and diversity.

*Budget stress-test*

16. 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.
17. It was reported to Council in November 2019 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.91% (£2.72m) 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.£250k (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.

*Ringfenced funds from Reserves (CPD and Information Technology initiatives)*

*CPD:*

18. Council will recall that at the end of the last financial year we received a significant business rate refund from Southwark Council due to our registered charity status. That refund was c.£175k.
19. Council previously ring-fenced reserves for specific work activities most notably for CPD implementation. During 2019, Council and the Policy Advisory Committee have advised the Executive that if additional resources were required for the implementation of the CPD scheme, to bring this to Council's attention.
20. Members will be aware from the financial update paper on the agenda at Item 6, that as at 31 December, c.£13k remains in the CPD reserve fund. This will be spent by the year-end 31 March 2020.
21. We are at an important stage in our CPD implementation, with all registrants now in the new scheme and many registrants starting to transition from their first year into their second year of the three-year cycle.
22. With an emphasis on planning for the peer discussion review, and a desire to maintain engagement with the profession through a variety of different methods, we feel that ring-fencing further reserve funds is necessary. We would propose using a proportion of the refund obtained from Southwark Council (up to £100k) for the implementation of the CPD scheme, and for these funds to be spent carefully over the next 2-3 years which follows our usual prudent, financial approach.
23. As with the previous CPD reserve fund, we would report to Council in more detail as to how we would intend to use the reserve fund before expenditure was committed. More detailed plans can be presented at either the May 2020 or July 2020 Council meeting.

*Information Technology initiatives*

24. The Budget Strategy paper referred to information technology initiatives which would lead to the streamlining of activities that are currently paper-based, manual in nature or a combination of the two. Examples of such initiatives may include:
  - Introduction of paperless Council and committee meetings from 1 April 2020.
  - Moving renewal of registration to an online only process (this requires the introduction of online direct debit updates, a feature we do not provide).
  - Moving away from hard-copy registration certificates to online only.
  - Developing/implementing an online student application tool.
  - Improving communication technologies (i.e. telephony, webinars etc.)

25. It is suggested using the balance of the business rate refund be set aside for information technology initiatives which lead to streamlined business activity. In the same way that more detailed plans be presented to either the May 2020 or July 2020 Council meeting for how CPD funds will be utilised, we would do the same for the information technology initiatives. The detailed plans will clearly outline the return on investment, i.e. how the investment in streamlining our work will lead to either financial and/or time savings.
26. In addition, appropriate equality impact assessments would need to be completed for any activities which saw the introduction of online only processes.

**Recommendations:**

1. To consider the draft Business Plan 2020-21 at Annex A.
2. To consider the draft Budget 2020-21 at Annex B.
3. To consider the ring-fencing of reserve funds for CPD implementation and information technology initiatives.