

Background

1. The budget for FY2020-21, 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 £12,760.

	FY2020-21	FY2019-20	Variance
	£	£	£
Income			
Registration fees	2,940,000	2,910,000	30,000
Other income	49,500	39,500	10,000
Total	2,989,500	2,949,500	40,000
Expenditure			
Employment costs	1,488,320	1,471,250	17,070
Education and professional standards	139,670	137,945	1,725
Communications, research and development	204,000	202,500	1,500
Registration administration	15,000	15,000	-
IT infrastructure	90,000	84,843	5,157
Fitness to practise, including legal	585,000	595,000	(10,000)
Governance	169,000	161,782	7,218
Administration and establishment	285,750	270,750	15,000
Total	2,976,740	2,939,070	37,670
Surplus	12,760	10,430	2,330

3. Registration fees are forecast to be £2.94m and is based on Council's decision in November 2019 that registration fees should be held at their current level in 2020-21. Other income is primarily made up of interest and advertising income.

Categories of expenditure by area/department

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

Employment costs

	FY2020-21	FY2019-20	Variance
	£	£	£
Expenditure			
Staff salaries and pensions	1,437,070	1,420,000	17,070
Training and development	20,000	20,000	-
Recruitment	18,000	18,000	-
Other employment costs	13,250	13,250	-
Total	1,488,320	1,471,250	17,070

5. Salary, national insurance and pension costs have been estimated at £1.437m. The budget includes the existing staff team and allows for an increase in salary to be determined by the Remuneration and Appointments Committee.
6. The budget also allows for increases in the cost of training, the cost of recruitment and the premiums for health insurance and death in service cover.
7. Employment costs can be broken down per department as follows:

Department	£	%
Professional Standards	310,172	21.58
Communications	270,300	18.81
Registration and Resources	252,445	17.57
Fitness to Practise	379,390	26.40
Governance	224,763	15.64

Education and professional standards

	FY2020-21	FY2019-20	Variance
	£	£	£
Expenditure			
Quality assurance	106,750	94,625	12,125
Osteopathic Practice Standards	3,000	21,000	(18,000)
Research projects	23,000	21,400	1,600
GOPRE engagement	3,000	-	3,000
Patient engagement	3,000	-	3,000
Publications and subscriptions	920	920	-
Total	139,670	137,945	1,725

8. We have allowed for a prudent increase in the quality assurance budget this year as we are currently undertaking a tender exercise and the future costs are

unknown. However, this increase is more than offset by a reduction in the budget for the Osteopathic Practice Standards which were implemented in 2019.

9. The cyclical nature of the work around quality assurance, specifically the varying number of scheduled RQ visits, includes estimates for existing recognition visits at a cost of c.£20k per review, follow-up on action plans c.£7k contract management costs c.£13k, training of new visitors c.£7k, performance reviews c.£6k, and annual report and handbook analysis c.£15k. The budget provision excludes any unscheduled visits.
10. The budget includes a research provision of £23k which relates to two specific projects being values work (£20k – piloting of questionnaires, engagement work and report writing) and boundaries (£3k – cost of disseminating a discussion document and associated engagement).
11. A budget allocation of £3k has been set aside for work connected to our patient, partnership involvement specifically the co-production of resources and stories to support communication and consent. A separate budget, also of £3k, has been allocated for engagement activity connected to the review of the Guidance of Osteopathic Pre-Registration Education.
12. It is planned that costs associated with the CPD scheme are funded from reserves as outlined in the main business plan and budget cover paper and are not included within the operational budget.

Communications, research and development

	FY2020-21	FY2019-20	Variance
	£	£	£
Expenditure			
Publications	90,100	90,100	-
Engagement and events	9,600	9,600	-
Digital	33,550	33,550	-
Subscriptions and publications	750	750	-
<i>Research</i>			
NCOR infrastructure (net)	28,000	27,500	500
IJOM	42,000	41,000	1,000
Total	204,000	202,500	1,500

13. The budget for Communications, research and development represents a business as usual year.
14. Publication production £90k primarily consists of expenditure for the production and distribution of the osteopath magazine, the bi-monthly journal (£80k) and for a re-order/re-print of GOSC publications including the osteopathic standards folder and GP consent forms (£6k). The balance of spend in this area (£4k) is

attributable to expenditure on the Welsh Language Scheme and the production of the Annual Report and Accounts and the Fitness to Practise Annual Report.

15. Engagement and events are scheduled to cost £10k and includes a budget allowance for attendance and engagement and events around the UK including the iO conference, the Scottish Government Regulatory Conference, PSA symposium events (including Wales) and international collaboration events such as attendance at FORE.
16. An allocation of £34k for digital activity has been made within the Communications budget. Of this amount, £18k relates to the public and o zone hosting and maintenance, with a further £12k allocated for usability testing. The purpose will be to improve the navigation and cohesion of the websites and to enhance and improve on the visual design. The balance of expenditure is for webinars, e-bulletins and other digital communication channels.
17. Expenditure for the International Journal of Osteopathic Medicine and the funding for the National Council for Osteopathic Research have increased slightly.

Registration administration

	FY2020-21 £	FY2019-20 £	Variance £
Expenditure			
Registration documentation	5,000	5,000	-
Registration assessments	10,000	10,000	-
Total	15,000	15,000	-

18. Total expenditure for Registration administration remains the same in FY2020-21 as it did in FY2019-20. 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.

IT infrastructure

	FY2020-21 £	FY2019-20 £	Variance £
Expenditure			
IT infrastructure (Cloud) / CRM Support	80,000	78,125	1,875
IT security testing	9,000	-	9,000
IT sundries/consultancy	1,000	6,718	(5,718)
Total	90,000	84,843	5,157

19. The total budget for IT expenditure is higher than the prior year due to the inclusion of a more appropriately funded allocation for IT security. The IT security testing will allow for penetration testing to be undertaken – a request made by the Audit Committee – and for other cyber security risks to be mitigated.
20. The cost of IT infrastructure, including a home working solution, and CRM support have increased slightly due to inflationary pressures.

Fitness to practise, including legal

	FY2020-21	FY2019-20	Variance
	£	£	£
Expenditure			
External commissioned audit	-	15,000	(15,000)
Other legal costs	15,000	15,000	-
Statutory Committee costs			
- Investigating Committee	85,000	80,000	5,000
- Professional Conduct Committee, incl. Health Committee	475,000	475,000	-
Section 32 cases	10,000	10,000	-
Total	585,000	595,000	(10,000)

21. The total budget for Fitness to Practise, including legal, represents the largest area of spend for the GOsC outside of employment costs.
22. 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. Council has been watchful in recent times to ensure this area has an appropriate level of resource. For this reason, the headline assumptions include:
 - a. Referred complaints and Interim Suspension Orders likely to stay at the same volume.
 - b. Seven Investigating Committee (IC) meetings scheduled (excluding the IC annual training day). The Executive are looking to implement a paperless meeting model for the IC which will lead to enhanced efficiency and cost savings.
 - c. Up to 30 substantive Professional Conduct Committee (PCC) hearings (100 hearing days) forecast. We have seen a rise in complex multi-day hearings and adjournments generally and are planning for 30 hearings. The Executive has actively looked at off setting costs through the continued use of fixed

external legal provider fees in all final hearings; introducing standard case directions for all cases referred to a final hearing which will streamline how cases are listed; and introducing a streamlined Rule 8 process and procedure.

- d. Four PCC review hearings (four hearing days).
 - e. Two substantive Health Committee (HC) hearings (four hearing days).
 - f. Two HC review hearings (two hearing days).
 - g. Up to 12 Interim Suspension Orders (relating to six cases: assume six IC hearing days and six PCC/HC hearing days).
 - h. Two Section 32 prosecutions.
23. The cost of the Investigating Committee (£85k) represents up to seven meetings, and some remotely held meetings, consisting of seven members and a legal assessor. The headline costs are for committee members who receive an attendance fee and reading allowance (£306/£75 per day – £24k in total) and the legal assessor who receives an attendance fee only (£720 per day – £6.5k in total). The Executive is exploring the possibility of remote IC meetings which will incur a reduced attendance fee and which may be more flexible and efficient.
24. The cost of the Professional Conduct Committee (£475k) represents c.100 days of hearing time. Panel member attendance fees (£306 per day) are estimated at up to £83k with the cost of the legal assessor (£720 per day) estimated at £65k. The Executive has introduced fixed external legal provider fees which will lower external costs and this continues to be monitored. Other costs include provision for general legal advice (£15k).

Governance

	FY2020-21	FY2019-20	Variance
	£	£	£
Expenditure			
Honorariums/responsibility allowances	100,000	100,000	-
Tax liability (expenses)	9,000	7,282	1,718
Council costs including reappointment	20,000	25,000	(5,000)
Other committee costs	15,000	15,000	-
PSA Levy	15,000	14,500	500
Assurance activity	10,000	-	10,000
Total	169,000	161,782	7,218

25. Members' fees and responsibility allowances account for 59% of the Governance budget. In addition, the tax liability on Council expenses continues because HMRC consider Council members to be officeholders.
26. Additional funds have been allocated this year for assurance activities with specific focus on work to enhance our performance in the area of equality, diversity and inclusion and to provide any support as we consider the topic of governance arrangements, board effectiveness and culture.

Administration and establishment

	FY2020-21	FY2019-20	Variance
	£	£	£
Expenditure			
Premises	86,000	83,116	2,884
Office administration	92,500	90,000	2,500
Financial audit	18,500	18,000	500
Financing	22,000	19,000	3,000
Depreciation	65,000	58,884	6,116
Publications and subscriptions	1,750	1,750	-
Total	285,750	270,750	15,000

27. The total budget provision for FY2020-21 is higher when compared to the prior financial period due to increases in several service contracts and associated office costs. In past years we have been able to absorb these costs, however, we need to make an increase in the budget allowance for inflationary pressures and cost rises.
28. The cost of office administration includes printing, postage, telephone, photocopying and insurance. Finally, the budget line 'financing' covering bank charges which is forecast to be £22k, another area which has also seen an increase in costs. We will look to the market in FY2020-21 to see if we can identify ways of reducing expenditure in this area.

Capital expenditure

29. Capital expenditure (i.e. the purchase of fixed assets) is a Balance Sheet Item with annual expenditure primarily being the upgrade of IT equipment which is no longer operational. We anticipate spend of no more than £10k this year.