



**Council**

**Financial performance report: six months to 30 Sept 2019 (inc. Q2 2019/20 forecast)**

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**Meeting:** 13 November 2019

**Status:** For noting

**Lead responsibility and paper author:** Mark Webster (Director of Resources)

**Purpose**

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1. To provide a summary of the financial reports presented to Audit & Risk Committee (ARC)

**Recommendations**

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1. Council is asked to note the content of this report and the annexes.

**Strategic objective**

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2. This work contributes towards the achievement of the following strategic objective: organisational transformation.

**Background**

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3. The latest financial performance of the organisation is presented to ARC for discussion every quarter.
4. The reports presented cover
  - The latest actual financial results for the current year to date.
  - A forecast of the full current financial year.
  - Updated financial projections for the following two years.
5. Summary reports are presented to council combined with verbal comments for the Chair of ARC

**Analysis**

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6. ARC discussed the financial performance reports covering
  - the six months to 30 September 2019. (annex one)
  - second quarter forecast (Q2) for the year to 31 March 2020 against the revised budget (annex two); and

- outline financial projections on a year by year basis to 31 March 2022 (annex three).
7. Key points are highlighted within the paper, with the bulk of the narrative and financials in the respective annexes.

### Headlines

8. The GOC continues to perform ahead of its financial targets and whilst recognising there remain financial challenges ahead it is on course to achieve a breakeven position by 2021-22.

### 6 months to 30 September 2019

9. The results before unrealised gains for the six months show a net deficit of £145k. This is £383k favourable to the budgeted deficit of £528k and £325k favourable to the budget re-visit deficit of £470k.
10. The total registrant income of £4,717k is £122k less than the budget and £23k less than the budget re-visit. Higher than expected refunds due to the end of the three-year CET cycle contributed to the negative variance to the budget revisit.
11. The total expenditure of £5,054k is £446k favourable to budget and £290k favourable to the budget re-visit.
12. The key drivers of the improved performance are:
- staff costs:- Delays in appointments, reviewing the need for replacing leavers, a focus on efficiencies and several current staff vacancies have driven the current positive variance. Some staff needs are being met with temporary resourcing which is categorised under “other staff costs”;
  - member costs through better organising of education visits; and
  - IT expenditure reflecting slight delays and re-prioritisation of plans. It is expected that this will be mainly reversed in the second half of the year.
13. The investment portfolio valuation improved by £0.1m during Q2 (£0.3m in Q1). This has meant the **overall result after unrealised gains for the 6 months period show a net surplus of £249k**. This is £660k favourable to the budgeted deficit of £411k and £602k favourable to the budget re-visit deficit of £353k.
14. The portfolio valuation as at 30 September 2019 is £8,645k (31 March 2019 £8,288k).

15. Overall reserves as at 30 September 2019 £7,281k (31 March 2019 £7,032k).

### **Q 2 Forecast for 2019-20**

16. The forecast result before unrealised gains for the financial year to 31 March 2020 has improved from a deficit of £1,294k to a deficit of £968k; a £326k improvement.
17. Overall income is now forecast to be £9,623k against the budget re-visit of £9,657k; £34k lower. Registration income has a £73k negative variance. Revised registrant numbers due to higher than expected refunds at the end of the three-year CET cycle reduced the registration income. Dividend income at £252k is £34k favourable.
18. Total expenditure (including project expenditure) in the Q2 forecast is £10,592k which is £360k favourable to the budget re-visit. The key drivers are:-
- CEO / HR department. Contingency is being released to offset external legal advice for a complex employment matter.
  - Case progression. External panel firm costs and expert witness costs continue to exceed initial expectations.
  - IT shows a net saving of £45k across the department and the project. Progress is slower than initial plans suggested and these are now being revised by the newly appointed Head of IT.
  - Registration. Aside from headcount savings, specifically the vacant CRM manager; costs for non-UK assessors are running below budget.
  - Work required for the ESR and CET projects have been reassessed resulting in lower cost forecasts.
19. Overall, given the actual six months result to 30 September being £325k ahead of the budget revisit, the forecast outturn is at the higher end of expectations.
20. The key risks to achieving, or bettering the forecast are continued HR legal costs and external advisory costs within case progression.

### **Three-year projection**

21. The GOC continues to track towards a surplus in year three.
22. It is recognised that work has to continue on driving efficiencies across the business and that investment in key projects is needed to continue to facilitate some of this work. In year two investment in projects (ESR, CET and IT) totals £579k.

23. The latest projection for year three is a surplus of £357k.

24. Annexes four and five are graphs showing the improving future reserves position at each iteration of financial review since November 2018. These show that we are now projecting total reserves as at 31 March 2022 (accounting for modest portfolio gains) of £6,757k.

### **Finance**

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25. There are no additional financial implications of this work

### **Risks**

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26. The following risks are associated with the issue, as identified in the corporate risk register.

- The GOC fails to deliver value for money.
- The GOC is unable to deliver its strategic plans, programme of change, and business as usual either sufficiently quickly or effectively.

27. Reporting and monitoring financial performance against budgets and forecasts is a fundamental process in delivering this strategic objective.

### **Equality Impacts**

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28. No equality impact has been undertaken

### **Devolved nations**

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29. There are no implications for the devolved nations

### **Communications**

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#### **External communications**

30. None planned

#### **Internal communications**

31. The financial reports are shared with the Leadership Team as part of the regular financial reporting process.

### **Attachments**

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Annex one: Financial performance report for six months to 30 September 2019.

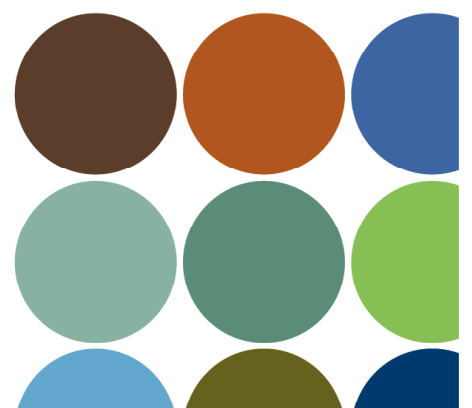
Annex two: Q2 Forecast Report for 12 months to 31 March 2020

Annex three: Three year forecast report

Annex four: Graph of Forecast Annual Reserves before Portfolio Gains

Annex five Graph of Forecast Annual Reserves after Portfolio Gains

# Financial Performance Report for the 6 months ending 30 September 2019



**General Optical Council  
Financial Performance Report for the 6 months ending 30 September  
2019**

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**General Optical Council**  
**Financial Performance Report for the 6 months ending 30 September**  
**2019**

G O C :- Summary P & L to 30 September 2019

	Actual £000's	Budget £000's	Variance £000's	Budget re-visit £000's	Variance £000's
Registrant Income	4,717	4,839	(122)	4,740	(23)
Other Income	192	133	59	134	58
Total Expense	(5,054)	(5,500)	446	(5,344)	290
Surplus / (Deficit) before portfolio gains	(145)	(528)	383	(470)	325

**Highlights**

The results before unrealised gains for the 6 months period ending 30 September 2019 show a net deficit of £145k. This is £383k favourable to the budgeted deficit of £528k and £325k favourable to the budget re-visit deficit of £470k.

**Registrant Income**

The total registrant income of £4,717k is £122k less than the budget and £23k less than the budget re-visit. Higher than expected refunds due to the end of the three year CET cycle contributed to the negative variance.

**Expenditure (including Projects)**

The total expenditure of £5,054k is £446k favourable to budget and £290k favourable to the budget re-visit.

**The key drivers of the improved performance are:**

**Staff Costs**

Delays in appointments, reviewing the need for replacing leavers, a focus on efficiencies and several current staff vacancies (ref. table on Page 5) have driven the current positive variance in staff salaries costs. Some staff needs are met with temporary resourcing which is categorised under “other staff costs”.

**Member Costs**

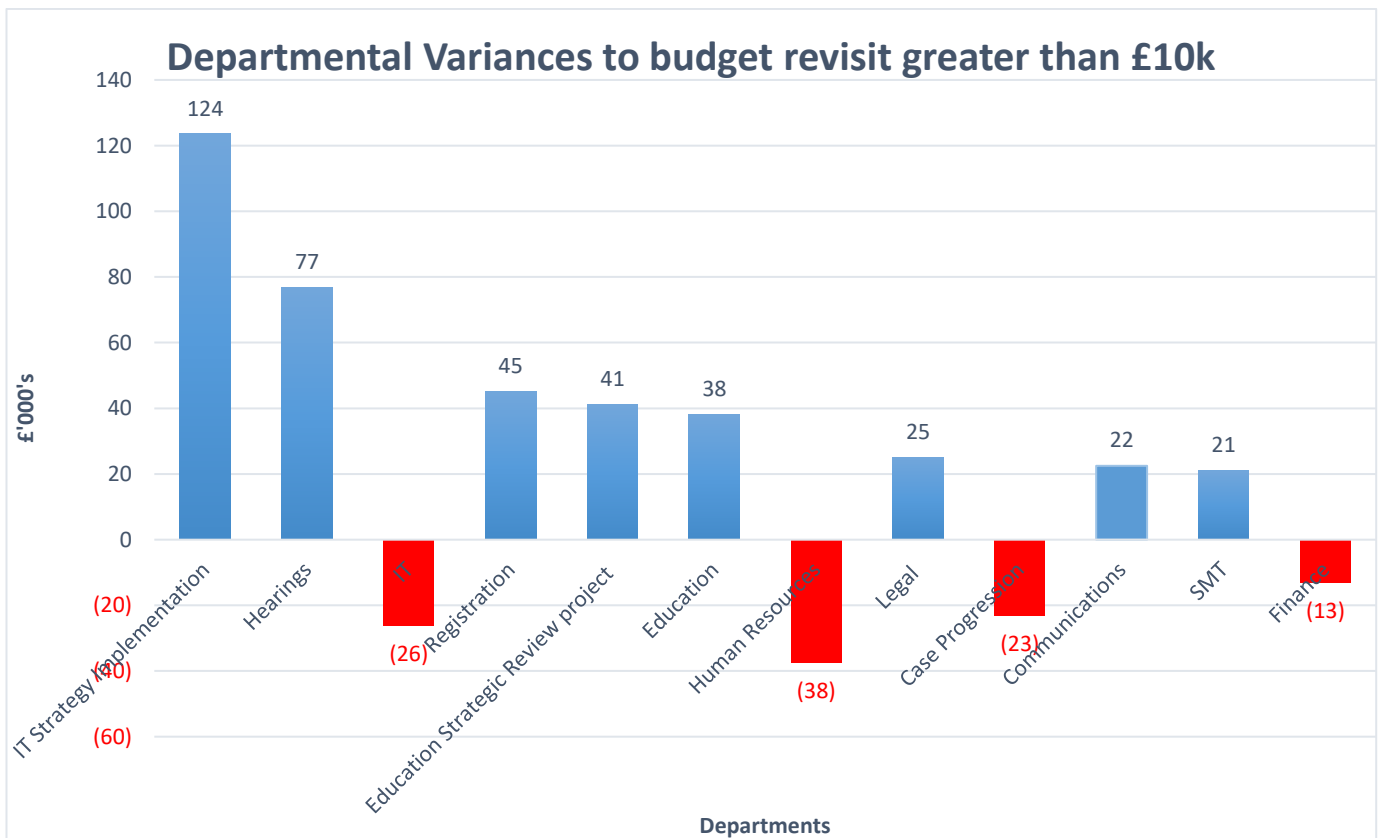
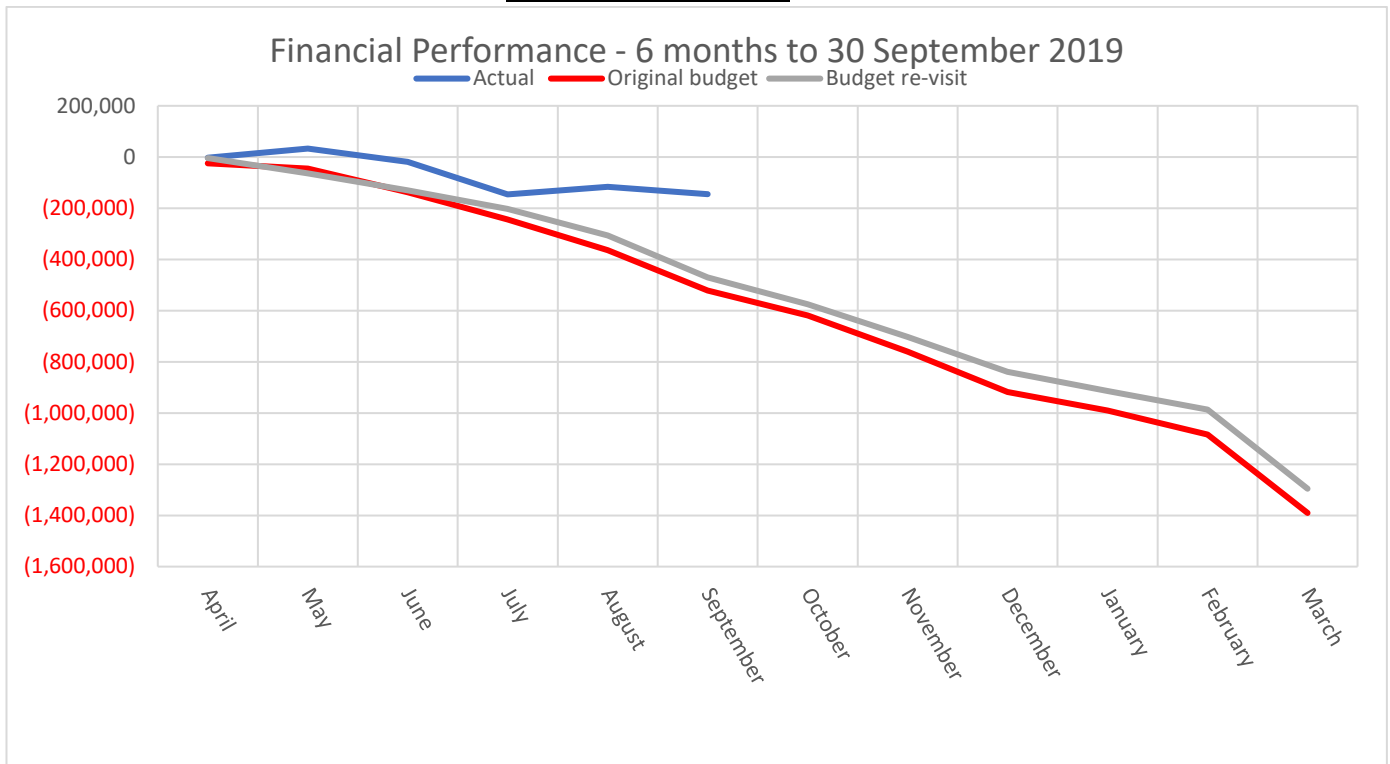
Better organising of education visits into smaller visits enabled in saving £12k visit fees.

**IT Costs**

The net expenditure in IT across the department and the investment project is £98k below the budget re-visit. This reflects slight delays and re-prioritisation of plans. It is expected that this will be mainly reversed in the second half of the year.

# General Optical Council Financial Performance Report for the 6 months ending 30 September 2019

## Graphical analysis





# General Optical Council

## Financial Performance Report for the 6 months ending 30 September 2019

### Cash and Cash Equivalent Summary

	Actual	Budget	Variance
	£'000	£'000	£'000
Cash at Bank	929	355	574
Short term Investments	2,000	2,000	0
<b>Working Capital</b>	<b>2,929</b>	<b>2,355</b>	<b>574</b>
Investments	8,645	7,916	729
<b>Total</b>	<b>11,574</b>	<b>10,271</b>	<b>1,303</b>

### **Headcount 2019-20 (F T E's)**

	Actual	Budget re-visit
	Sep-19	Sep-19
Chief Executive Office	2.0	2.0
Strategy	13.0	16.0
Education	15.0	16.0
FTP	34.5	37.0
Resources	28.5	29.0
<b>Total Headcount</b>	<b>93.0</b>	<b>100.0</b>

### **Risks to achieving the Budget / Forecast**

Delays in staff appointments may result in a lack of resources for achieving business plans. This is carefully managed within each directorate, appointing temporary staff and sharing staff where possible.

Difficulty in forecasting non-UK assessor fees due to several factors such as variable applications, Brexit and being a relatively new process.

The number of cases for hearings can be only be determined four months in advance. Therefore, the Q4 hearings related expenses (panel fees, expenses, transcriber fees, etc.) can vary from the current forecasts.

Several activities were postponed, the budget holders are re-forecasting these activities and planning to carry out much of the postponed work before the year end. Some of this may be delayed to the following year (20/21). All changes will be reflected in the Q2 forecast.

Uplifts and additional cases or complicated cases may increase legal charges and related case progression expenditure. Although new cases are better managed with the new fee structure, a new set of solicitor panels and capped fees for professional fees; older and more complicated cases still pose risks of overspend.

# **General Optical Council**

## **Financial Performance Report for the 6 months ending 30 September 2019**

HR legal advice may increase due to the uncertain nature of the current ongoing employment-related issue.

### **Cost saving initiatives**

Over 15 separate strands within the efficiency programme have been identified. Limited impact had been captured within the budget re-visit. Further reductions in expenditure are expected to be reflected in the Q2 forecast.

Communications have been able to save additional costs though re-scoping business standards microsite and not using an external company in annual report designing.

Admin. sharing project is currently at an initial stage with a successful start.

Changes in education visits have contributed to cost savings in member fees.

Hearings have undertaken a number of initiatives which are having a positive impact on costs. These will be explained in the efficiency update.

**General Optical Council**  
**Financial Performance Report for the 6 months ending 30 September**  
**2019**

**Table A**  
**Income and Expenditure Accounts Including Project Expenditure**

	April - September			April - September Budget Re-visit		
	Actual £'000	Original Budget £'000	Variance £'000	Actual £'000	Re-visit £'000	Variance £'000
<b>Income</b>						
Registration	4,717	4,839	(122)	4,717	4,740	(22)
Dividend Income	155	112	43	155	112	43
Bank & Deposit Interest	22	12	10	22	11	11
Other Income	15	9	6	15	12	3
<b>Total Income</b>	<b>4,909</b>	<b>4,972</b>	<b>(63)</b>	<b>4,909</b>	<b>4,874</b>	<b>35</b>
<b>Expenditure</b>						
Staff Salaries Costs	2,310	2,537	227	2,310	2,442	132
Other Staff Costs	168	218	50	168	218	49
Staff Benefits	45	48	3	45	57	13
Members Costs	606	698	91	606	701	95
Case Examiners	76	98	23	76	95	19
Professional Fees	264	236	(28)	264	223	(41)
Finance Costs	53	48	(4)	53	51	(1)
Case Progression	487	416	(71)	487	424	(62)
Hearings	92	119	27	92	124	32
CET & Standards	104	140	36	104	114	10
Communication	25	25	(1)	25	26	1
Registration	7	7	(0)	7	7	(0)
IT Costs	263	321	58	263	298	35
Office Services	471	506	35	471	480	9
Depreciation & Amortisation	84	83	(1)	84	83	(1)
<b>Total Expenditure</b>	<b>5,054</b>	<b>5,500</b>	<b>446</b>	<b>5,054</b>	<b>5,344</b>	<b>290</b>
<b>Surplus / Deficit</b>	<b>(145)</b>	<b>(528)</b>	<b>383</b>	<b>(145)</b>	<b>(470)</b>	<b>325</b>
Unrealised Investment gains	394	117	277	394	117	277
<b>Surplus / (Deficit)</b>	<b>249</b>	<b>(411)</b>	<b>660</b>	<b>249</b>	<b>(353)</b>	<b>602</b>

**General Optical Council**  
**Financial Performance Report for the 6 months ending 30 September**  
**2019**

**Table B**  
**Income and Expenditure Accounts**

	April - September			April - September Budget		
	Actual £'000	Original Budget £'000	Variance £'000	Actual £'000	Re- visit £'000	Variance £'000
<b>Income</b>						
Registration	4,717	4,839	(122)	4,717	4,740	(22)
Dividend Income	155	112	43	155	112	43
Bank & Deposit Interest	22	12	10	22	11	11
Other Income	15	9	6	15	12	3
<b>Total Income</b>	<b>4,909</b>	<b>4,972</b>	<b>(63)</b>	<b>4,909</b>	<b>4,874</b>	<b>35</b>
<b>Expenditure</b>						
<b>CEO's Office</b>	<b>103</b>	<b>153</b>	<b>50</b>	<b>103</b>	<b>120</b>	<b>17</b>
<b>Strategy</b>						
Director of Strategy	75	78	4	75	79	4
Governance	363	365	1	363	366	2
Policy	85	111	26	85	87	2
Standards	48	49	1	48	48	0
Communications	105	132	28	105	127	22
<b>Total Strategy</b>	<b>676</b>	<b>736</b>	<b>60</b>	<b>676</b>	<b>707</b>	<b>31</b>
<b>Education</b>						
Director of Education	71	71	0	71	70	(1)
CET	200	219	19	200	196	(4)
Education	287	402	115	287	326	38
<b>Total Education and Standards</b>	<b>558</b>	<b>693</b>	<b>135</b>	<b>558</b>	<b>591</b>	<b>33</b>
<b>FTP</b>						
Director of FTP	65	67	1	65	66	0
Case Progression	1,055	1,038	(17)	1,055	1,032	(23)
Legal	185	220	35	185	210	25
Hearings	571	647	76	571	647	77
<b>Total FTP</b>	<b>1,876</b>	<b>1,971</b>	<b>95</b>	<b>1,876</b>	<b>1,955</b>	<b>79</b>
<b>Resources</b>						
Director of Resources	114	114	(0)	114	114	0
Facilities	502	521	19	502	494	(8)
Human Resources	300	205	(95)	300	262	(38)
Finance	155	133	(23)	155	142	(13)
IT	277	230	(46)	277	250	(26)
Registration	230	289	58	230	276	45

**General Optical Council**  
**Financial Performance Report for the 6 months ending 30 September**  
**2019**

Total Resources

1,579	1,491	(87)
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1,579	1,539	(40)
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**Table B (Contd.)**

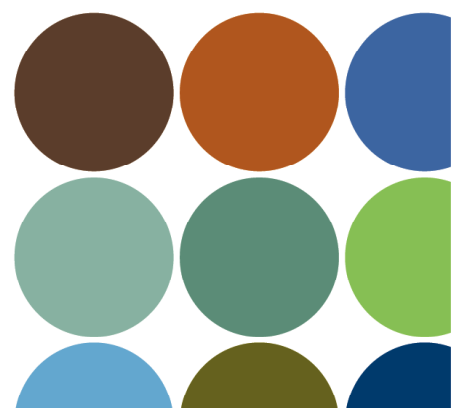
	April - September			April - September		
	Actual £'000	Original Budget £'000	Variance £'000	Actual £'000	Budget Re-visit £'000	Variance £'000
Depreciation	69	68	(1)	69	68	(1)
<b>Total Expenditure</b>	<b>4,862</b>	<b>5,113</b>	<b>251</b>	<b>4,862</b>	<b>4,981</b>	<b>119</b>
<b>Surplus / (Deficit) before project expenditure</b>	<b>47</b>	<b>(141)</b>	<b>188</b>	<b>47</b>	<b>(107)</b>	<b>154</b>
<b>Project Expenditure</b>						
Safe contact lens use project	1	0	(1)	1	0	(1)
CET Evaluation project	3	11	8	3	10	7
Education Strategic Review project	34	39	5	34	75	41
Standards project	21	42	21	21	20	(0)
IT Strategy Implementation	119	280	161	119	243	124
CRM Amortisation	15	15	0	15	15	0
<b>Total Project expenditure</b>	<b>193</b>	<b>387</b>	<b>195</b>	<b>193</b>	<b>363</b>	<b>171</b>
<b>Surplus / (Deficit) after project expenditure</b>	<b>(145)</b>	<b>(528)</b>	<b>383</b>	<b>(145)</b>	<b>(470)</b>	<b>325</b>
Unrealised Investment gains	394	117	277	394	117	277
<b>Surplus / Deficit</b>	<b>249</b>	<b>(411)</b>	<b>660</b>	<b>249</b>	<b>(353)</b>	<b>602</b>

**General Optical Council**  
**Financial Performance Report for the 6 months ending 30 September**  
**2019**

**Balance Sheet as at 30 September 2019**

	<b>2019-20</b> <b>30 September</b> <b>2019</b> <b>£'000</b>	<b>2018-19</b> <b>31 March 2019</b> <b>£'000</b>	<b>Variance</b> <b>£'000</b>
<b>Fixed Assets</b>			
Refurbishment	775	813	(38)
Furniture & Equipment	193	206	(13)
IT Equipment (Hardware)	53	63	(10)
IT software (Including CRM )	0	15	(15)
<b>Total Tangible Fixed Assets</b>	<b>1,020</b>	<b>1,097</b>	<b>(77)</b>
Investment	8,645	8,288	357
<b>Total Fixed Assets</b>	<b>9,665</b>	<b>9,385</b>	<b>280</b>
<b>Current Assets</b>			
Debtors, Prepayments & Other Receivable	659	667	(8)
Short term deposits	2,000	5,100	(3,100)
Cash and monies at Bank	929	1,999	(1,070)
<b>Total Current assets</b>	<b>3,588</b>	<b>7,766</b>	<b>(4,178)</b>
<b>Current Liabilities</b>			
Creditors & Accruals	1,023	1,071	(48)
Income received in advance	4,486	8,528	(4,042)
Provision for rent	463	520	(57)
<b>Total Current Liabilities</b>	<b>5,973</b>	<b>10,119</b>	<b>(4,146)</b>
<b>Current Assets less Current Liabilities</b>	<b>(2,384)</b>	<b>(2,353)</b>	<b>(31)</b>
<b>Total Assets less Current Liabilities</b>	<b>7,281</b>	<b>7,032</b>	<b>249</b>
Long Term Liabilities	0	0	0
<b>Total Assets less Total Liabilities</b>	<b>7,281</b>	<b>7,032</b>	<b>249</b>
<b>Reserves</b>			
Legal Costs Reserve	1,624	1,624	0
Strategic Reserve	2,983	2,984	(1)
Income & Expenditure	2,674	2,424	250
<b>Total</b>	<b>7,281</b>	<b>7,032</b>	<b>249</b>

# Q2 Forecast Report for 12 months to 31 March 2020



**General Optical Council  
Q2 Forecast Analysis Report – 2019/20**

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Changes in the annual financial performance 2019-20

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(from initial projection in November 2018 to Q2 forecast)



**General Optical Council**  
**Q2 Forecast Analysis Report – 2019/20**

**Income and Expenditure Accounts**

	2019-20				
	Nov'18 forecast	Feb'19 Approved Budget	June'19 Budget re-visit	Q2 19 Forecast	Variance from Budget re-visit
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Registration	9,320	9,590	9,396	9,322	(73)
Dividend Income	240	218	218	252	34
Bank & Deposit Interest	24	24	21	25	4
Other Income	16	18	23	24	1
<b>Total Income</b>	<b>9,600</b>	<b>9,850</b>	<b>9,657</b>	<b>9,623</b>	<b>(34)</b>
<b>Expenditure</b>					
<b>CEO's Office</b>	<b>307</b>	<b>307</b>	<b>280</b>	<b>241</b>	<b>39</b>
<b>Strategy</b>					
Director of Strategy	168	168	166	161	5
Governance	750	716	696	715	(19)
Policy	238	208	191	189	3
Communications	208	256	244	217	27
CET & Standards	535	536	498	507	(9)
Education	997	995	842	765	77
<b>Total Strategy</b>	<b>2,895</b>	<b>2,878</b>	<b>2,636</b>	<b>2,552</b>	<b>84</b>
<b>FTP</b>					
Director of FTP	157	157	131	131	0
Case Progression	2,044	2,061	2,050	2,098	(48)
Legal	429	429	415	369	46
Hearings	1,313	1,318	1,326	1,277	49
<b>Total FTP</b>	<b>3,942</b>	<b>3,966</b>	<b>3,922</b>	<b>3,875</b>	<b>47</b>
<b>Resources</b>					
Director of Resources	226	227	229	228	0
Facilities	1,057	1,041	1,004	1,011	(7)
Human Resources	371	392	455	491	(36)
Finance	378	376	358	359	(1)
IT	439	456	480	530	(50)
Registration	611	625	615	540	75
<b>Total Resources</b>	<b>3,083</b>	<b>3,116</b>	<b>3,141</b>	<b>3,159</b>	<b>(19)</b>
<b>Depreciation &amp; Amortisation</b>	<b>139</b>	<b>136</b>	<b>136</b>	<b>131</b>	<b>5</b>
<b>Total Expenditure</b>	<b>10,366</b>	<b>10,404</b>	<b>10,116</b>	<b>9,959</b>	<b>157</b>
<b>Surplus / (Deficit) before reserve expenditure</b>	<b>(766)</b>	<b>(555)</b>	<b>(458)</b>	<b>(336)</b>	<b>123</b>

**General Optical Council**  
**Q2 Forecast Analysis Report – 2019/20**

**Income and Expenditure Accounts (Contd.)**

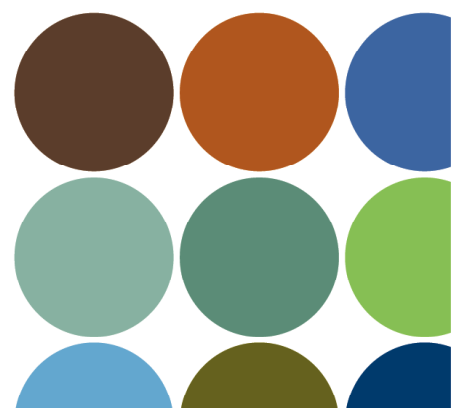
	2019-20				
	Nov'18 forecast	Feb'19 Approved Budget	June'19 Budget re-visit	Q2 19 Forecast	Variance from Budget re-visit
	£'000	£'000	£'000	£'000	£'000
<b>Project Expenditure</b>					
CET Evaluation Project	132	122	126	75	51
Education Strategic Review project	0	97	205	152	53
Standards Project	130	107	58	57	0
CRM Amortisation	15	15	15	15	0
IT Strategy Implementation	0	495	433	333	99
<b>Total Project expenditure</b>	<b>277</b>	<b>836</b>	<b>835</b>	<b>633</b>	<b>203</b>
<b>Surplus / (Deficit) after project expenditure</b>	<b>(1,043)</b>	<b>(1,390)</b>	<b>(1,294)</b>	<b>(968)</b>	<b>326</b>
<b>Surplus / Deficit</b>	<b>(1,043)</b>	<b>(1,390)</b>	<b>(1,294)</b>	<b>(968)</b>	<b>326</b>
Unrealised Investment gains	300	234	234	234	0
<b>Surplus / (Deficit)</b>	<b>(743)</b>	<b>(1,156)</b>	<b>(1,060)</b>	<b>(734)</b>	<b>326</b>

# Three Year Forecast Report covering

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2021-22

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## Q2 Forecast – Income and Expenditure Accounts

	2019-20	2020-21	2021-22
	Q2 Forecast	Year 2 Forecast	Year 3 Forecast
	£'000	£'000	£'000
<b>Income</b>			
Registration	9,322	9,872	10,349
Dividend Income	252	210	192
Bank & Deposit Interest	25	20	20
Other Income	24	20	20
<b>Total Income</b>	<b>9,623</b>	<b>10,123</b>	<b>10,581</b>
<b>Expenditure</b>			
<b>CEO's Office</b>	<b>241</b>	<b>324</b>	<b>331</b>
<b>Strategy</b>			
Director of Strategy	161	169	174
Governance	715	664	646
Policy	189	240	245
Communications	217	196	201
CET& Standards	507	457	438
Education	765	876	855
<b>Total Strategy</b>	<b>2,552</b>	<b>2,602</b>	<b>2,558</b>
<b>FTP</b>			
Director of FTP	131	136	139
Case Progression	2,098	1,858	1,808
Legal	369	425	419
Hearings	1,277	1,226	1,200
<b>Total FTP</b>	<b>3,875</b>	<b>3,644</b>	<b>3,567</b>
<b>Resources</b>			
Director of Resources	228	236	241
Facilities	1,011	1,090	1,094
Human Resources	491	415	408
Finance	359	392	381
IT	530	585	585
Registration	540	535	540
<b>Total Resources</b>	<b>3,159</b>	<b>3,253</b>	<b>3,250</b>
<b>Depreciation &amp; Amortisation</b>	<b>131</b>	<b>136</b>	<b>129</b>
<b>Total Expenditure</b>	<b>9,959</b>	<b>9,958</b>	<b>9,834</b>
<b>Surplus / (Deficit) before project expenditure</b>	<b>(336)</b>	<b>164</b>	<b>747</b>

**Q2 Forecast - Income and Expenditure Accounts (Contd.)**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>Q2 Forecast</b>	<b>Year 2 Forecast</b>	<b>Year 3 Forecast</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Project Expenditure</b>			
CET Evaluation Project	75	156	81
Education Strategic Review project	152	221	207
Standards Project	57	102	2
 CRM Amortisation	 15	 0	 0
IT Strategy Implementation	333	100	100
<b>Total Project expenditure</b>	<b>633</b>	<b>579</b>	<b>390</b>
<b>Surplus / (Deficit) after project expenditure</b>	<b>(968)</b>	<b>(414)</b>	<b>357</b>
<b>Surplus / Deficit</b>	<b>(734)</b>	<b>(182)</b>	<b>626</b>

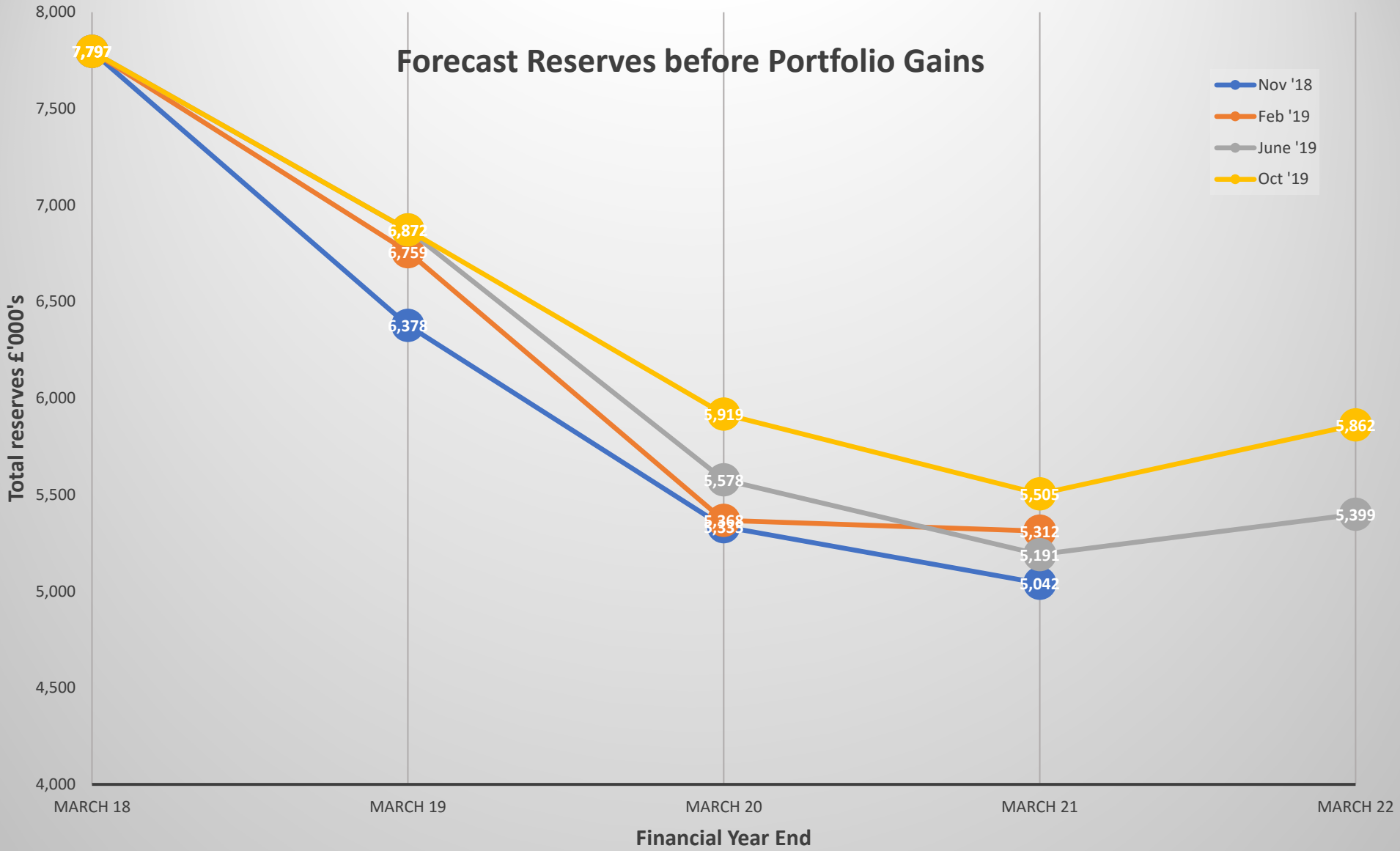
Year 2					
2020-21					
	Nov'18 forecast	Feb'19 Approved Forecast	June'19 Budget re- visit	Q2 20-21 Forecast	Variance from approved forecast
	£'000				
<b>Income</b>					
Registration	9,792	10,087	9,896	9,872	(24)
Dividend Income	228	189	210	210	0
Bank & Deposit Interest	26	20	20	20	0
Other Income	20	20	20	20	0
<b>Total Income</b>	<b>10,066</b>	<b>10,316</b>	<b>10,146</b>	<b>10,123</b>	<b>(24)</b>
<b>Expenditure</b>					
<b>CEO's Office</b>	<b>313</b>	<b>313</b>	<b>324</b>	<b>324</b>	<b>0</b>
<b>Strategy</b>					
Director of Strategy	172	172	170	169	1
Governance	719	666	653	664	(11)
Policy	279	242	238	240	(2)
Communications	212	256	204	196	7
CET&Standards	446	413	449	457	(8)
Education	954	957	889	876	13
<b>Total Strategy</b>	<b>2,783</b>	<b>2,707</b>	<b>2,603</b>	<b>2,602</b>	<b>1</b>
<b>FTP</b>					
Director of FTP	161	161	123	136	(13)
Case Progression	1,880	1,892	1,878	1,858	20
Legal	483	487	428	425	2
Hearings	1,301	1,288	1,290	1,226	65
<b>Total FTP</b>	<b>3,825</b>	<b>3,828</b>	<b>3,719</b>	<b>3,644</b>	<b>75</b>
<b>Resources</b>					
Director of Resources	233	233	236	236	0
Facilities	1,159	1,142	1,105	1,090	15
Human Resources	382	399	396	415	(18)
Finance	359	353	347	392	(45)
IT	438	458	497	585	(88)
Registration	623	623	591	535	56
<b>Total Resources</b>	<b>3,195</b>	<b>3,209</b>	<b>3,172</b>	<b>3,253</b>	<b>(80)</b>
<b>Depreciation &amp; Amortisation</b>	<b>142</b>	<b>139</b>	<b>136</b>	<b>136</b>	<b>0</b>
<b>Total Expenditure</b>	<b>10,258</b>	<b>10,196</b>	<b>9,954</b>	<b>9,958</b>	<b>(4)</b>
<b>Surplus / (Deficit) before reserve</b>	<b>(192)</b>	<b>120</b>	<b>192</b>	<b>164</b>	<b>(27)</b>
<b>Project Expenditure</b>					
CET Evaluation Project	15	90	156	156	0
Education Strategic Review project	0	0	221	221	0
Standards Project	86	86	102	102	0
CRM Amortisation	0	0			0
IT Strategy Implementation	0	0	100	100	0
Transformation Project	0	0			0
<b>Total Project expenditure</b>	<b>101</b>	<b>176</b>	<b>579</b>	<b>579</b>	<b>0</b>
<b>Surplus / (Deficit) after project expenditure</b>	<b>(293)</b>	<b>(56)</b>	<b>(387)</b>	<b>(414)</b>	<b>(27)</b>
<b>Surplus / Deficit</b>	<b>(293)</b>	<b>(56)</b>	<b>(387)</b>	<b>(414)</b>	<b>(27)</b>
Unrealised Investment gains	180	196	232	232	0
<b>Surplus / (Deficit)</b>	<b>(113)</b>	<b>140</b>	<b>(155)</b>	<b>(182)</b>	<b>(27)</b>

Year 3			
2021-22			
	June'19 Budget re- visit	Q2 21-22 Forecast	Variance
	£'000		
<b>Income</b>			
Registration	10,359	10,349	(10)
Dividend Income	192	192	0
Bank & Deposit Interest	20	20	0
Other Income	20	20	0
<b>Total Income</b>	<b>10,591</b>	<b>10,581</b>	<b>(10)</b>
<b>Expenditure</b>			
<b>CEO's Office</b>	<b>331</b>	<b>331</b>	<b>0</b>
<b>Strategy</b>			
Director of Strategy	174	174	1
Governance	653	646	7
Policy	244	245	(2)
Communications	208	201	8
CET&Standards	438	438	0
Education	864	855	9
<b>Total Strategy</b>	<b>2,580</b>	<b>2,558</b>	<b>22</b>
<b>FTP</b>			
Director of FTP	127	139	(12)
Case Progression	1,898	1,808	90
Legal	440	419	21
Hearings	1,299	1,200	99
<b>Total FTP</b>	<b>3,764</b>	<b>3,567</b>	<b>198</b>
<b>Resources</b>			
Director of Resources	241	241	0
Facilities	1,128	1,094	34
Human Resources	374	408	(34)
Finance	353	381	(28)
IT	482	585	(103)
Registration	601	540	61
<b>Total Resources</b>	<b>3,179</b>	<b>3,250</b>	<b>(71)</b>
<b>Depreciation &amp; Amortisation</b>	<b>136</b>	<b>129</b>	<b>7</b>
<b>Total Expenditure</b>	<b>9,990</b>	<b>9,834</b>	<b>157</b>
<b>Surplus / (Deficit) before reserve</b>	<b>601</b>	<b>747</b>	<b>146</b>
<b>Project Expenditure</b>			
CET Evaluation Project	81	81	0
Education Strategic Review project	211	207	4
Standards Project	2	2	0
CRM Amortisation			
IT Strategy Implementation	100	100	0
Transformation Project			
<b>Total Project expenditure</b>	<b>394</b>	<b>390</b>	<b>4</b>
<b>Surplus / (Deficit) after project expenditure</b>	<b>207</b>	<b>357</b>	<b>150</b>
<b>Surplus / Deficit</b>	<b>207</b>	<b>357</b>	<b>150</b>
Unrealised Investment gains	269	269	0
<b>Surplus / (Deficit)</b>	<b>476</b>	<b>626</b>	<b>150</b>



# GOC:- Progress towards Financial Sustainability

Forecast Reserves before Portfolio Gains



# GOC:- Progress towards Financial Sustainability

## Forecast Reserves after expected Portfolio Gains

