

2016 Business Plan and Budget

Purpose of paper	To propose a business plan and draft budget for 2016
Action	For decision
Public/Closed	Public
Corporate Strategy 2013-15	<p>The 2016 Business Plan aims to achieve both the objectives and outcomes of the Corporate Strategy</p> <p>As the Corporate strategy is in the proses of being revised, the 2016 business plan has taken into account the draft proposals where appropriate</p>
Business Plan	Scope and prepare a draft business plan for 2016 for consideration alongside a realistic and fully costed budget
Decision Trail	<p>The Finance and Performance Committee, 16 September 2015, agreed to recommend that the draft business plan and budget with operating expenditure in 2016 of £44.3m, be recommended to the Council</p> <p>On 16 July 2015 the Council noted and commented on an outline draft budget for 2016</p> <p>The Finance and Performance Committee, 30 June 2015 received a report on the 2015 Q2 forecast and a first draft of the 2016 budget, together with a slide presentation, for noting</p>
Recommendations	<p>The Council is asked to:</p> <ul style="list-style-type: none"> a) Approve the 2016 draft business plan b) Note the 2016 budget that envisages an operating spend of £44.3m
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Appendices	<p>Appendix 1: 2016 Draft Business Plan</p> <p>Appendix 2: Waterfall charts 2015 to 2018</p> <p>Appendix 3: Expenditure analysis by cost centre</p> <p>Appendix 4: Risks and Considerations</p>

Executive Summary

1. This paper sets out a draft Business Plan and a proposed budget for 2016 which includes operating expenditure, capital expenditure and efficiency savings. The draft Business Plan is attached as Annex 1, and an analysis of proposed expenditure by cost centre can be found at Annex 3.
2. The draft budget projects total expenditure of £44.3m in 2016, compared with £44.9m forecast in 2015. Underlying operating spend for 2016 excluding one off items is forecast at £43.8m, compared with £43.9m forecast in 2015.
3. The two worst case scenarios are based on alternative fitness to practise 18 month rolling forecast model statistical process control measures, to maintain the comparative integrity of the calculations. The scenarios can be summarised as:
 - a. Worst case1: Assumes an increase in complaint levels (3,589) and adverse movement in conversion rates at the various stages of the fitness to practise process, increasing fitness to practise costs by some £2.8m
 - b. Worst case 2: Assumes an increase in complaint levels (3,589), with conversion rates at the various stages of the fitness to practise process remaining constant (i.e. same as realistic case), increasing fitness to practise costs by some £2.2m
4. On the basis of the Executive's recommendation, supported by the Finance & Performance Committee, that no changes in the current Annual Retention Fee (ARF) levels are approved by the Council, there would be a projected surplus in 2016 of income compared with expenditure of £2.2m, following a forecast surplus in 2015 of £1.3m. On this basis, reserves at 31 December 2015 and 2016 are projected to be of the order of 2.7 and 3.3 months of operating spend respectively. The three year outlook indicates that reserves will increase to 6.0 months by December 2017 and 7.8 months by December 2018. Whilst it is noted that reserves at December 2015 and 2016 are projected to be less than the target set on in the GDC reserve policy¹, it is demonstrated that this target is achieved in 2017.
5. The financial proposals per the draft budget are summarised as follows:

	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m
Income	33.7	46.2	46.5	47.8	48.1
Expenditure	40.0	44.9	44.3	40.0	41.3
(Deficit) / Surplus	(6.3)	1.3	2.2	7.8	6.8
Reserves - closing value	8.7	10.0	12.2	20.0	26.8
<i>Number of months reserves cover</i>	<i>2.6</i>	<i>2.7</i>	<i>3.3</i>	<i>6.0</i>	<i>7.8</i>
Cash balance at the lowest point	12.6	9.0	11.0	16.9	23.5

¹ The GDC aims to maintain the reserves level within a range of four to six months of annual operating expenditure

6. A review of efficiency savings indicates that new saving initiatives in 2015 and 2016 will generate additional savings in 2016 of some £1.5m, whilst saving from prior year initiatives will generate a further £5.1m in 2016. A review as to how we present historical saving initiatives is to be considered by the Audit and Risk Committee in November.

Introduction and background

7. The Business Plan sets out the challenges we will seek to address in 2016 and sets out a programme of activity for 2016, the first year of a new Corporate Strategy. Each of the activities is designed to help achieve the new strategic aims and objectives, as set out in the current draft of the corporate strategy. A more detailed Operational Plan - an aggregation of individual team plans - will contain a further level of detail for each activity, including key milestones, ownership and associated risk.
8. On 16 July 2015, the Council received a slide presentation, for noting on a first outline of the 2016 budget. This indicated an operating surplus for 2016 of some £3.1m. In a paper distributed by email to the Council on 31 July 2015, the projected 2016 surplus was reduced to £2.9m, however it was noted that a further review with budget holders would be completed.
9. Further reviews have been completed, with particular emphasis on:
 - a. An in-depth assessment of the assumptions made in relation to the capacity of the in-house legal team to take on further prosecution cases from July 2015, with full capacity now identified as not being achievable until Q4 2016. Based on this, changes have been made to both the 2015 forecast and the 2016 draft budget;
 - b. An update of the fitness to practise rolling 18 month forecast model, taking into account the most recent complaints information available;
 - c. A full review of the Registration directorate new initiatives [original provision was £1.0m];
 - d. Organisational change programme costs and benefits, specifically in Fitness to Practise, Strategy and Governance;
 - e. Identification of further cost efficiencies.
10. The Finance and Performance Committee on 16 September 2015, considered a draft 2016 business plan - they were made aware that the Executive were still in the process of finalising the draft business plan as presented to the Committee. The final proposals that are not materially different in scope are attached at Annex 1.

2016 Draft Business Plan

11. Creating the 2016 Business Plan:
 - a. During July and August 2015, budget holders identified their principal activities for 2016. This list contained both existing activities expected to continue into 2016, and new activity planned to start in 2016. Each proposed activity must

contribute to a strategic aim and objective in the draft Corporate Strategy 2016 - 2019.

- b. The resource needed for each activity is accounted for in the draft 2016 Budget.
- c. Budget holders also identified activities which would require the support and resources of other staff teams for successful execution. This helped identify any capacity issues and lead to greater certainty in setting milestone dates.

12. Planning context:

- a. The draft Corporate Strategy 2016 - 2019 has been used as the reference document for business planning purposes.
- b. The Organisational Change Programme in 2015 has strengthened the organisation which is now better equipped to take forward the 2016 business plan.
- c. Activities presented in the Business Plan will include those acting as major controls for both strategic and operational risks.

13. Examples of opportunities and challenges the business plan seeks to exploit and overcome:

- a. The implementation of a new Communications Strategy will not only help to mitigate existing risk, but will also be a key support in other activity such as stakeholder engagement, and sharing more information with patients.
- b. There is a key focus on improving further our performance on key indicators such as timeliness and customer service in fitness to practise to ensure we meet the Professional Standards Authority's standards.
- c. In 2016, there is the opportunity to take forward the findings projects in 2015 such as the NHS pilots to explore the potential for greater local resolution of complaints.
- d. The implementation of case examiners in 2016 will enable more streamlined fitness to practise case management and reduction in costs.

14. A draft version of the 2016 business plan is set out at Annex 1.

15. Risk and Performance Management - by identifying and assessing the risk associated with each business plan activity, we will be able to improve both our identification and management of risk at a strategic and operational level.

2016 Budget

- 16. The proposed draft budget projects total expenditure of £44.3m in 2016, compared with £44.9m forecast in 2015. The draft budget assumes no increase in ARF in 2016, which would give rise to a projected operating surplus of £2.2m, compared with a forecast surplus of £1.3m in 2015.
- 17. A review of efficiency saving indicates that new saving initiatives in 2015 and 2016 will generate additional savings in 2016 of some £1.5m, whilst saving from prior year initiatives will generate a further £5.1m in 2016. These have been incorporated in the proposed draft budget. It is also estimated that savings of £1.8m may result in the first

year after implementation of the section 60 order on Case Examiners. However, as the legislation is not yet enacted and as the exact extent of the powers to be given to case examiners remains uncertain, only the implementation costs have been included in the 2016 budget year. The potential savings arising from case examiners are included in the 2017/18 outlook years.

18. Analysis of one-off costs

	2015 £M	2016 £M
Surplus	1,251	2,200
One-offs:		
Organisational change programme	(1,309)	
Case Examiners development costs		(300)
FtP Panel recruitment	(230)	
Corporate legal costs	(300)	
Casework external legal costs	(144)	
Registration project costs		(184)
HMRC income tax & NIC refund	1,000	
Total one-off costs	(983)	(484)
Surplus / (deficit) excluding one-offs	2,234	2,684

19. In parallel, as part of the assessment of budget requirements for 2016, budget holders were asked to re-forecast expenditure for the remainder of 2015. In October 2014, the Council approved a budget for 2015 with a surplus of £2.1m. The Q2 forecast for 2015 indicates a reduced surplus of £1.2m. The key reasons for the reduced surplus relate to costs related to the organisational change programme of £1.3m and other one-off costs shown in the above table. These were offset by the projected net refund from HMRC relating to recovery of prior year income tax and NIC cost for Associates of £1.0m. This refund is proposed by HMRC but not yet received.

Budget Summary and Assumptions

20. The 2016 draft budgeted income and expenditure account for the GDC, based on the current ARF of £890/£116 for dentists and Dental Care Professionals (DCPs) respectively and with 2017 and 2018 projections, is as follows:

	Actual 2014	Budget 2015	Q2 Forecast 2015	Budget 2016	Worst Case 1 Budget 2016	Worst Case 2 Budget 2016	Budget 2017	Budget 2018
Income								
Fees	31,560	44,214	43,949	44,178	44,178	44,178	44,408	44,640
Application Scrutiny Fee					0	0	1,000	1,000
Investment income	538	436	347	200	200	200	300	400
Exam income	1,564	1,691	1,852	2,080	2,080	2,080	2,080	2,080
Miscellaneous income	15	0	19	7	7	7	0	0
Total Income	33,677	46,341	46,167	46,465	46,465	46,465	47,788	48,120
Expenditure								
Meeting fees & Expenses	8,233	9,972	9,709	9,306	9,884	10,086	9,610	9,928
Legal & Professional	10,552	11,327	13,255	10,618	12,275	11,756	7,361	7,538
Staffing costs	15,532	17,387	17,072	17,994	18,544	18,278	18,639	19,384
Other staff costs	931	1,021	1,115	1,046	1,046	1,046	1,067	1,088
Publications & Communication	534	663	494	498	498	498	508	518
IT costs	840	895	882	930	930	930	949	968
Office & Premises costs	2,077	1,658	1,968	1,977	1,977	1,977	2,017	2,057
Finance costs	323	286	328	325	325	325	332	338
Depreciation costs	941	948	1,093	1,271	1,271	1,271	1,271	1,271
Budget Contingency	0	0	(1,000)	300	300	300	(1,800)	(1,800)
Total Expenditure	39,963	44,157	44,916	44,265	47,050	46,467	39,952	41,290
Operating surplus/(deficit)	(6,286)	2,184	1,251	2,200	(585)	(2)	7,836	6,830
Reserves								
Opening Reserves	15,155	8,678	8,678	9,929	9,929	9,929	12,129	19,965
Change in the year	(6,477)	2,184	1,251	2,200	(585)	(2)	7,836	6,830
Closing Reserves	8,678	10,862	9,929	12,129	9,344	9,927	19,965	26,795
Reserves target (3 months expenditure)	9,991	11,039	11,229	11,066	11,762	11,617	9,988	10,322
Variance from the target	(1,313)	(177)	(1,300)	1,063	(2,418)	(1,690)	9,977	16,472
Number of months expenditure cover	2.6	3.0	2.7	3.3	2.4	2.6	6.0	7.8

21. The key planning assumptions made by directorates are set out in the 'Key assumptions and activities by Directorate' section later in the paper. The following assumptions have been made in the budget:

a. 3,079 complaints received in 2015

3,148 complaints received in 2016

2.2% growth in complaints received in 2017 and 2018

b. Minimal reduction in the registrant base at 0.6% per annum (dentists) and minimal growth of 3.3% (DCPs)

- c. Headcount will be 341.9 FTE by December 2016 (328.6 at December 2015)
 - d. 4.4 additional posts in Fitness to practise
 - e. 6.3 additional posts in Registration
 - f. 1 additional post in HR and Governance
 - g. 1.6 additional posts in Corporate Services
 - h. A new salary structure, based on performance, was introduced from 1 April 2015, replacing the previous 'length of service' weighted structure. Provision made for employment costs to rise by 4% in 2016.
 - i. Employment costs to rise by 4% in 2017 and 2018
 - j. Other operating costs to increase by 2% in 2017 and 2018
22. The two worst case scenarios are based on alternative fitness to practise 18 month rolling forecast model statistical process control measures, to maintain the comparative integrity of the calculations. The scenarios can be summarised as:
- a. Worst case1: Assumes an increase in complaint levels (3,589) and adverse movement in conversion rates at the various stages of the fitness to practise process, increasing fitness to practise costs by some £2.8m
 - b. Worst case 2: Assumes an increase in complaint levels (3,589), with conversion rates at the various stages of the fitness to practise process remaining constant (i.e. same as realistic case), increasing fitness to practise costs by some £2.2m

Details of the specific assumption changes used in Worst Case 1 and Worst Case 2 are set out in the review of Key assumptions and activities by Directorate – Fitness to practise - below

Annual Retention Fee - Income analysis

- 23. Registration income predictions are developed through a forecasting model which takes into consideration trends in the number of people who have registered and renewed with the GDC for the past five years. The model uses a statistically sound approach known as decomposition forecasting, which produces a forecast of future activity based on analysis of a number of factors of past activity. This analysis identifies overall trends over the five year period, as well as seasonal trends, cyclical patterns and also identifies isolated shifts in the data that do not form part of a wider trend (which are excluded from influencing the forecasts for future activity).
- 24. The forecasts that emerge from the model become the first draft of the income predictions. The Registration management team then consider a number of known aspects of the business which may impact the number of people likely to register (for example, changes to EU membership or the opening or closing UK dental institutions). The team considers whether there is information to suggest that future activity will be different from past years. This review is fully documented in order to provide an audit trail of any changes made to the forecast based upon discussion.
- 25. A final set of forecasts is then produced which includes the manual amendments made to the data driven assumptions. The finance team make use of information from the model by converting the predictions of the number of people that will register and

renew into a financial forecast of how much income is likely to be received during the next year.

26. External consultants have verified the forecasting model as fit for purpose. We have put process controls in place to monitor the accuracy of the predictions, which includes a monthly monitoring report which is circulated to the senior members of the Registration management team.
27. Predictions are reviewed in full twice annually in order to revise the baseline assumptions for the next 18 month period. As with any forecasting model, there can be less certainty in predictions the further forward in time we attempt to forecast. Therefore, whilst we are able to predict further into the future, where projections are made for 2017 and 2018, we recognise that these are indicative forecasts that are not likely to prove as accurate as the ones for the immediate 18 month period.
28. Finally the registration management team suggests proposes a caution rating of between 0.5 - 3% based on the confidence of the assumptions . The finance team then apply this to the overall forecast;the caution rating proved worthwhile in 2015 when the numbers of dentists renewing ARF declined further than anticipated due to the increase fees. In the table below a 1% caution rating has been applied to registrant numbers for 2016, 2017 and 2018.

Volume and Income Analysis - ARF			
Description	Dentists	DCPs	Total
2015 Forecast renewals	45,529	69,331	114,860
2016 Budgeted renewals	45,263	71,643	116,906
2017 Projected renewals	45,706	72,345	118,051
2018 Projected renewals	45,888	73,347	119,235
<i>2016 budgeted increase in registrants</i>	<i>(266)</i>	<i>2,312</i>	<i>2,046</i>
<i>2017 projected increase in registrants</i>	<i>443</i>	<i>702</i>	<i>1,145</i>
<i>2018 projected increase in registrants</i>	<i>182</i>	<i>1,002</i>	<i>1,184</i>
2015 Forecast income £'000	£36,229	£7,720	£43,949
2016 Budgeted income £'000	£36,118	£8,060	£44,178
2017 Projected income £'000	£36,271	£8,137	£44,408
2018 Projected income £'000	£36,450	£8,190	£44,640
<i>2016 budgeted increase in ARF income '000</i>	<i>(£111)</i>	<i>£340</i>	<i>£229</i>
<i>2017 projected increase in ARF income £'000</i>	<i>£153</i>	<i>£77</i>	<i>£230</i>
<i>2018 projected increase in ARF income '000</i>	<i>£179</i>	<i>£53</i>	<i>£232</i>

29. Based on the current ARF for dentists and DCPs of £890 and £116, respectively, total 2016 ARF income from dentists and specialists is predicted to decrease by £111,000

to £36.1m, based on the volume assumptions set out in the table above. Total 2016 ARF income from DCPs is predicted to increase by £340,000 to £8.1m.

30. It is estimated that 45,263 dentists will renew their registration in 2016, compared with 45,529 who renewed in 2015
31. The draft budget projects that 71,643 DCPs will renew their registration in 2016, compared with 69,331 who renewed in 2015.

Review of Fitness to Practise model

32. Each year, we must determine the future resources required for Fitness to Practise. Historically, the output from this process has not proved to be sufficiently sophisticated to predict fitness to practise cost for the budget year.
33. In December 2014, a project began to create a rolling 18 month forecast model to refine this process and to support the monitoring of key budget assumptions. Whilst the initiative was undertaken by the GDC's management Information team in liaison with finance and fitness to practise stakeholders, external consultancy was used at discrete points to assist with the creation and quality assurance of the model.
34. The model and its accompanying guidance were delivered on 29 May 2015. It has been used by fitness to practise management and the finance team to create the key inputs to the draft 2016 budget process.
35. It is in effect a stock or inventory model. It monitors all key inputs, outputs and caseload levels at each stage of the fitness to practise process, as well as key assumptions for the length of time taken to progress cases and the corresponding resources required to maintain stability across all areas of activity.
36. The process for setting the fitness to practise budget is undertaken in three main stages:
 - a) The model is maintained by the management Information team using corporate reporting data and statistical process control techniques to ensure it accurately reflects the fitness to practise process and provides output reports over an 18 month rolling forecast period.
 - b) These output reports are then referred to fitness to practise management and the finance team for discussion at preliminary meetings and a budget workshop to determine the staffing and non-staffing budgets required in the coming year.
 - c) The finance team agrees staffing levels and non-staffing budgets with fitness to practise management as supported by the model to create a full, validated budget for review and approval by the executive. At any point, further analysis of data arising from the model may be used to re-evaluate key budget assumptions and conduct sensitivity analysis on potential alternative future scenarios within the fitness to practise process.
37. The model is a detailed, systematic tool supported by recognised forecasting and process control techniques. It will continue to be used to monitor budget assumptions and fitness to practise activity and will be updated in line with major process changes as required.

Key assumptions and activities by Directorate

38. The following assumptions and planned activities underpin each directorate business plan and draft budget:

Fitness to Practise

Triage

39. Based on the fitness to practise budget model, it is assumed that 3148 complaints will be received in 2016, compared with 3079 forecast to be received in 2015.
40. An increased number of complaints is assumed in the Worst Case 1 and Worst Case 2. The numbers of complaints for both cases are 3589.
41. Triage will close 35% of the complaints received in 2016 and under Worst Case 2. For Worst case 1, it is assumed that Triage will close 27.5% of complaints.

Case Assessment

42. Assessment will receive 2,040 referrals from Triage and will close 56% of them in the year. This is an improvement on the 2015 budgeted figure of 54%.
43. Under Worst Case 1, Assessment will receive an extra 286 referrals and under Worst Case 2, 241 referrals. Under both scenarios, the extra cases will be processed by external legal firms.

Investigating Committee

44. An estimated 924 cases will be listed for consideration by the Investigating Committee in 2016, compared with 830 cases forecast to be considered in 2015.
45. It is assumed that 11 cases will be considered at each meeting and 65% of cases will be closed.
46. Under Worst Case 1, it is assumed that the Investigating Committee will be required to hold an extra 16 meeting days.

Prosecutions

47. The draft budget assumes that the number of new cases referred for prosecution in 2016 will be 318 and that they will be split 83%:17% between the in-house fitness to practise legal service team (ILPS) and external legal service providers (ELPS).

	2015	2016	2017
ILPS new cases	284	264	284
ELPS new cases	155	54	41
Total new cases	439	318	325
<i>ILPS % of total new cases</i>	65%	83%	87%

Hearings

48. 1655 scheduled hearing days (up to 9 concurrent hearings) are assumed in 2016 compared with 1622 days forecast in 2015.

49. Under Worst Case 1 an extra 232 hearing days would be required and 165 under Worst Case 2.

Registration

Examinations

50. Exam fees were increased from July 2015 to cover the costs of providing the Overseas Registration Exam (ORE).

Operational Excellence

51. The draft budget includes the introduction of indemnity checking for applicants for registration.
52. The processes to enable implementation of enhanced Continuing Professional Development (CPD) will continue to be developed during 2016.

Strategy (previously Policy & Communications)

53. As part of the organisational change programme a review of the structure and ways of working of the communications team has been carried out. The 2016 draft budget reflects the restructuring of the communication team, with a net reduction of two posts, which will achieve an annual savings of £131,000.

HR and Governance

54. During 2015 a new role of Director of Governance & HR was created. The Governance directorate has been restructured, with the corporate legal team now reporting to the Principal Legal Advisor, as part of the Fitness to Practise directorate, with the remainder of the governance team being restructured to provide improved support to the Council, Committees and the Executive. Moving forward, there will be three Council and Committee Managers who will provide support to the Council and Committees and act as Council and Committee secretaries. The Council and Committee Managers will also support the Executive in preparing for Council and Committee meetings. There will be a team of four staff to support the Chair and the Executive. Overall these changes will save £113,000 per annum.

Finance & Corporate Services

55. During 2016 the Finance team plan to upgrade the finance accounting system, that has been in place for 10 years and to investigate implementing an electronic expenses system for Council members, Associates and staff. Implementation of an upgraded finance system would be scheduled for 1 January 2017.

Efficiency savings

56. The organisation has been tasked with meeting challenging targets for new efficiencies. The result of that challenge includes the following:

	NEW 2015	NEW 2016	Pre 2015	TOTAL
	£'000	£'000	£'000	£'000
Fitness to Practice				
Hearings: 3 panel members per hearing instead of 5			1,195	1,195
Hearings: New venue hire contract	256		90	346
Hearings: New stenography contract			94	94
New external legal services contract			3,321	3,321
FTP IC: IC panel members reduced 3/4 from 5			243	243
New Triage process			927	927
In-house Legal Prosecution Services			3,581	3,581
Hearings: Recruit staff to manage case management activity			443	443
Registration				
ORE Exam Income increase	160	490	0	650
Saving achieved in ARF support line cost		10	0	10
Combine CPD mailing and ARF reminders			304	304
Removal of outsourced function and replace it by in-house for outgoing mail			308	308
E-bundles project (i-pads replacing bundles)			586	586
Policy & Communications				
Reduction in policy staffing resource	100	80	0	180
Communications department new structure		51	0	51
Savings in research costs		100	0	100
Gazette is not printed and posted but emailed			582	582
Savings in printing/publication costs from moving communications online	80		0	80
Savings in research costs from rationalising patient research	45		0	45
HR & Governance				
Savings achieved in recruitments adverts with Guardian online & Simply Law		23	0	23
Room hire for recruitment		4	0	4
Lower recruitment agency fees due to new PSL agreement		25	0	25
Governance new structure		113	0	113
Reduction in size of the Council			174	174
Finance and Corporate Services				
Renegotiation of members' status with HMRC to reduce tax and NI costs			2,777	2,777
New facilities management contract			274	274
NEW AV system replacing rental equipment			194	194
Outsourced H&S contract brought in-house			40	40
Various IT services contracts terminated			40	40
HMRC refund of previous years' employers contributions paid on fees			1,000	1,000
Other			201	201
TOTAL	641	895	16,373	17,908

Headcount

57. An increase in headcount to 341.9 FTE by December 2016 has been assumed. This compares with 315.1 FTE on the payroll at the end of July 2015 and 328.6 forecast by the end of December 2015.

58. In Registration, teams are currently being re-aligned to reflect two programmes of change within the directorate; a registration change programme aimed at enhancing the operation of the function and the registration enhancement programme aimed at new legislative requirements required to be implemented in 2016, such as European alert mechanism, indemnity and English language testing. As a result the headcount has been reviewed to ensure resources are available to effect the changes.
59. The requirement for additional headcount is due to following –
- a. Changes to the call centre team through the introduction of two smaller call centre teams to cover extended hours (8am to 6pm). In light of this, the current call centre manager role is being split into two team manager roles (one additional FTE). Each team manager will manage the existing call centre officers who will be split into two teams covering hours 8am-4pm/10am-6pm respectively.
 - b. In addition to the changes to the call centre team, responsibility for reception duties is being transferred from the Facilities department to the call centre team. Two receptionists (one for each of the teams) are being appointed to manage reception from 8am to 6pm.
 - c. The function of the Registration Operations team is expanding following changes in legislation. This includes the introduction of enhanced CPD, indemnity declarations and the introduction of alert mechanisms. As a result, the current duties and new additional duties of the Registration Operations team will be split across two teams including the Overseas Registration Examination.
 - d. Although Registration looks to introduce application scrutiny fees in 2016, the scope of this activity will be determined later in the year. This will include identifying the operational impact and any amendments to team remits. When considering the introduction of such fees, further considerations will be made on resources requirements. At present, it is too early to identify the impact on resources and this has therefore not been factored in the Registration headcount for 2016.
60. In the Fitness to Practise directorate it is proposed to restructure the management team, as part of the 2015 organisational change plan. Elements of the change programme will be completed in 2015 including the introduction of a dedicated triage team, with further changes planned to be implemented in 2016. The changes in 2016 will include the following:
- a. Merging the roles of the Head of Hearings and the Head of Investigating Committee into a new role of Head of Adjudication;
 - b. Establishing a post of Head of Fitness to Practise Change and Continuous improvement overseeing a small continuous improvement team, consisting of 2 FTE;
 - c. Creating the role of Head of Casework Progression (focussed solely on casework operations) in place of the current Head of Casework;
 - d. Recruiting one senior lawyer to support the Principal Legal advisor (who has responsibility for the corporate legal team, fitness to practise lawyers and the

illegal practise team) with post Investigating Committee legal work (including but not limited to approving case plans and sanction bids) ;

- e. Creating a new post of Head of Fitness to Practise Quality Assurance and Monitoring, in place of the current Head of Legal Services Commissioning. This role will discharge the line management responsibilities for Case Review and Legal Commissioning teams as well as overseeing the work of the Quality Assurance Group and the first line of case file audits in Fitness to Practise.

61. Head count by department:

Cost centre	Dec 2015 Budget	New Posts & Leavers	Dec 2015 Forecast	New Posts & Leavers	Dec 2016 Budget
FTP Management	2.0	1.0	3.0	5.0	8.0
FTP Casework	45.6	0.0	45.6	(1.0)	44.6
FTP Legal - Commissioning	14.0	(1.0)	13.0	0.0	13.0
FTP Investigating Ctte	20.0	0.0	20.0	(0.4)	19.6
FTP In-house Legal	36.0	0.0	36.0	(1.0)	35.0
FTP Illegal Practice	10.0	0.0	10.0		10.0
Hearings	37.6	0.0	37.6	(0.2)	37.4
Corporate Legal	5.3	0.0	5.3	2.0	7.3
TOTAL FITNESS TO PRACTICE	170.5	0.0	170.5	4.4	174.9
Registration	40.9	2.0	42.9	7.8	50.7
Exams	3.8	0.0	3.8	0.1	3.9
Operational Excellence	21.6	0.0	21.6	(1.6)	20.0
TOTAL REGISTRATION	66.3	2.0	68.3	6.3	74.6
Policy	3.0	0.0	3.0	0.0	3.0
Public Affairs & Comms	7.8	0.2	8.0	0.0	8.0
Quality Assurance	11.6	(0.2)	11.4	0.0	11.4
Standards	3.0	0.0	3.0	0.0	3.0
Continuing Assurance	1.0	(1.0)	0.0	0.0	0.0
Dental Complaints Service	9.4	(0.4)	9.0	0.0	9.0
TOTAL STRATEGY	35.8	(1.4)	34.4	0.0	34.4
Human Resources	10.0	0.0	10.0	1.0	11.0
Governance	9.0	0.0	9.0	0.0	9.0
TOTAL HR AND GOVERNANCE	19.0	0.0	19.0	1.0	20.0
CEO	1.0	0.0	1.0	0.0	1.0
Finance	10.4	0.0	10.4	0.6	11.0
Office Facilities	5.0	(1.0)	4.0	0.0	4.0
Information Technology	21.0	0.0	21.0	1.0	22.0
TOTAL CORPORATE SERVICES	37.4	(1.0)	36.4	1.6	38.0
TOTAL GDC HEADCOUNT	329.0	(0.4)	328.6	13.3	341.9

Capital Expenditure

62. Capital expenditure plans totalling £760,000 are analysed below:

Description of Capital Expenditure	2016 Full Year Budget
	£ '000
Facilities	10
On-going development of Dynamics CRM	200
Records management programme	150
IT hardware infrastructure replacement	200
Redevelopment of the GDC website	120
Software for enhanced CPD pilot	50
New links for Cloud	30
TOTAL	760

Outlook years 2017 and 2018

63. The outlook years 2017 and 2018 are based on the 2016 draft budget projections with the level of incoming fitness to practise complaints relatively steady, following 2016 draft budget predictions of 3,148 complaints, 2017 and 2018 are project as 3,217 and 3,288 respectively.
64. Other key assumption changes are:
- The implementation costs of 2016 new registration initiatives in 2016 have been assumed to be one off and therefore excluded from 2017 and 2018;
 - Fitness to practise legal costs have been revised in 2017 and 2018 to account for increased capability/capacity of the in-house legal team.
65. In addition to powers given to assess English language competency prior to registration, we have also been given the power to charge fees for both dentists and DCPs for assessing an application. This is a permissive power (commencing from 1 October 2015) therefore we would not be under an obligation to begin using it until we chose to do so (following consultation). English language testing comes into force from 1 April 2016 and we would wish to introduce a scrutiny fee following this. It is expected that the scrutiny fee could be introduced in late 2016.
66. Additional income of £1.0m in 2017 and £1.0m in 2018 has been provisionally included in relation to charging Registration scrutiny fees. To implement a scrutiny fee by 2017 will require a senior project manager and a business analyst full time for 6 months which is not factored into the 2016 draft budget, pending the outcome of any consultation on this topic.
67. We anticipate that, subject to the passing of a S60 Order and related rules, we will be able to introduce Case Examiners during 2016. The cost of preparing for the introduction of case examiners is included in the 2016 draft budget. Additional cost efficiencies of £1.8m have been included in 2017 and 2018 outlook years, reflecting the anticipated savings arising from the introduction of Case examiners.

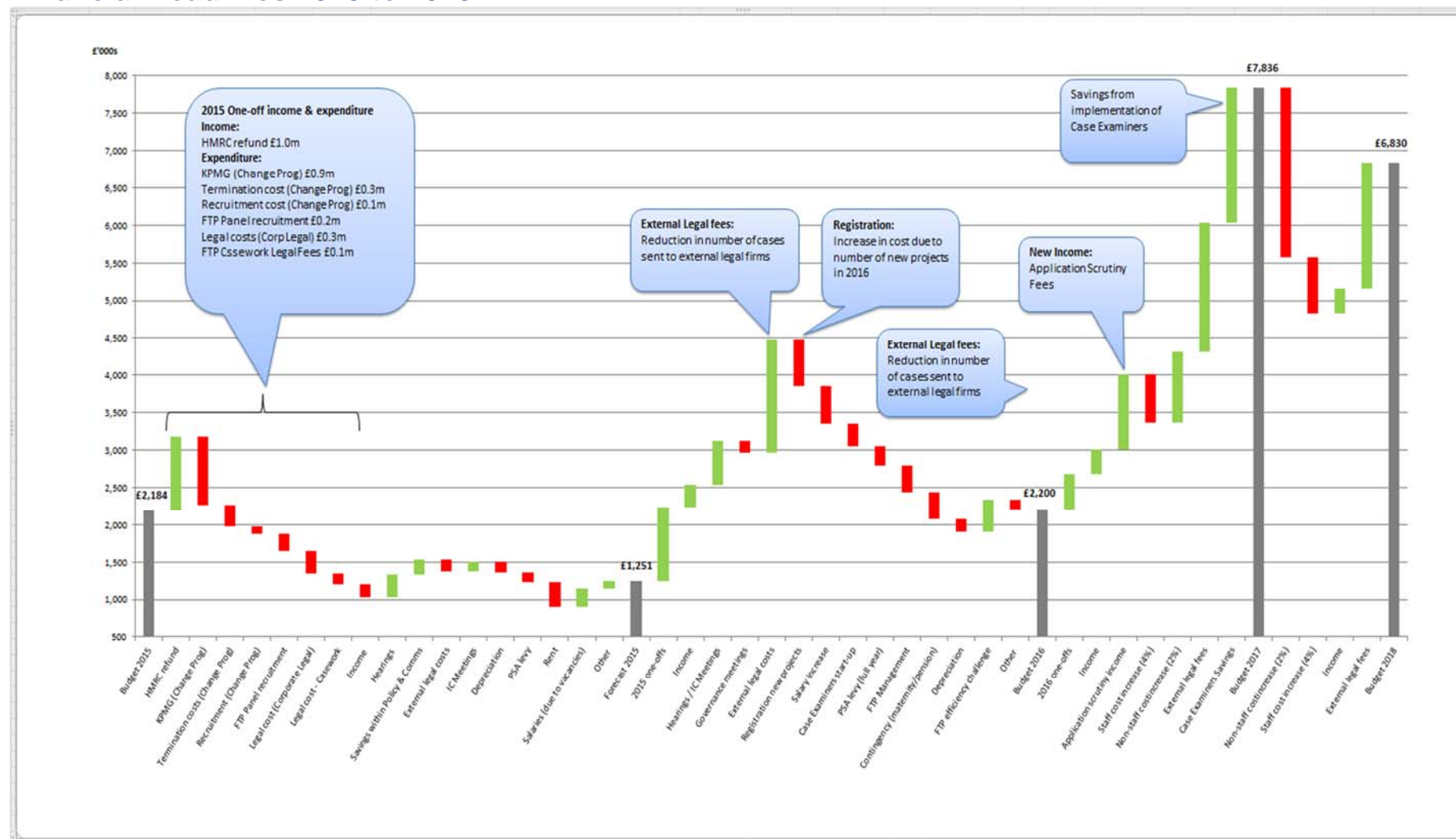
Recommendations

68. The Council is asked to:
- a. Approve the 2016 draft business plan;
 - b. Note the 2016 draft budget that envisages an operating spend of £44.3m;

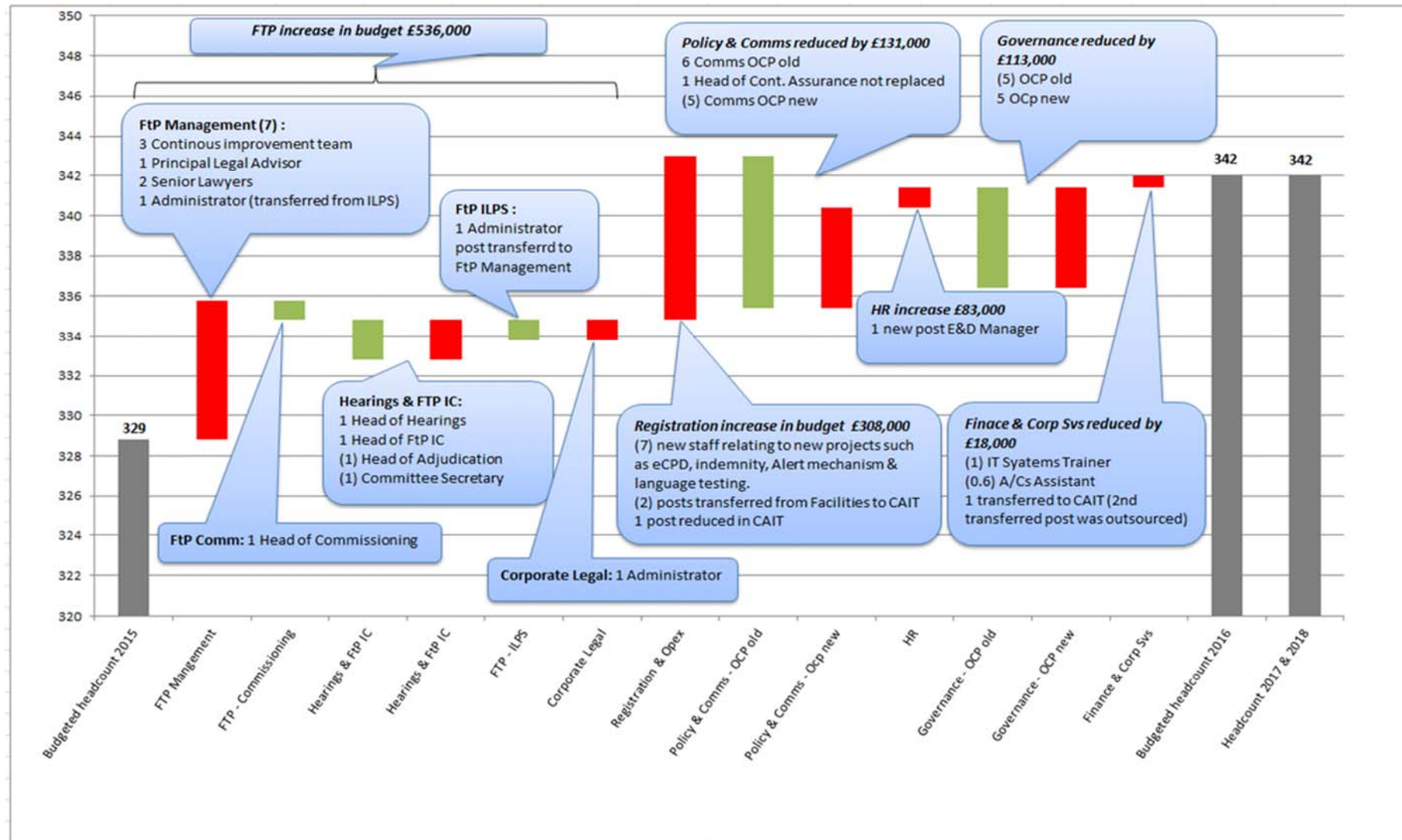
APPENDIX 1: 2016 draft Business Plan

APPENDIX 2: 2015 to 2018 waterfall charts

Financial Headlines 2015 to 2018



Headcount movement 2015 to 2018



APPENDIX 3: Expenditure analysis by cost centre

FtP	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
HEARINGS						
MEETING FEES & EXPENSES	7,537,839	7,871,039	7,945,273	6,171,847	333,200	(1,365,992)
LEGAL & PROFESSIONAL	0	10,109	0	22,418	10,109	22,418
STAFFING COSTS	1,702,100	1,515,573	1,615,904	1,223,207	(186,526)	(478,893)
OTHER STAFF COSTS	5,880	15,624	5,400	1,049	9,744	(4,831)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	1,800	900	1,800	0	(900)	(1,800)
OFFICE & PREMISES COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	9,247,618	9,413,245	9,568,376	7,418,521	165,626	(1,829,098)
FITNESS TO PRACTICE - COMMISSIONING						
MEETING FEES & EXPENSES	0	0	0	339	0	339
LEGAL & PROFESSIONAL	5,099,825	6,611,946	6,487,807	5,284,380	1,512,120	184,555
STAFFING COSTS	685,834	790,953	757,374	578,330	105,119	(107,504)
OTHER STAFF COSTS	15,720	12,431	15,750	6,479	(3,289)	(9,241)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	(30)	0	(30)
Budget Contingency						
TOTAL EXPENDITURE	5,801,379	7,415,330	7,260,930	5,869,499	1,613,951	68,119
FITNESS TO PRACTICE - IN HOUSE LEGAL						
MEETING FEES & EXPENSES	0	0	0	20	0	20
LEGAL & PROFESSIONAL	923,958	991,422	919,038	722,808	67,463	(201,150)
STAFFING COSTS	1,743,321	1,549,178	1,689,679	849,848	(194,143)	(893,472)
OTHER STAFF COSTS	41,900	51,946	58,400	24,761	10,046	(17,139)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	14	0	0	14	0
OFFICE & PREMISES COSTS	0	394	17,424	192,518	394	192,518
DEPRECIATION COSTS						
Budget Contingency						
TOTAL EXPENDITURE	2,709,179	2,592,953	2,684,541	1,789,956	(116,226)	(919,223)
FITNESS TO PRACTICE - ILLEGAL PRACTICE						
MEETING FEES & EXPENSES	0	0	0	0	0	0
LEGAL & PROFESSIONAL	71,050	47,559	60,000	11,715	(23,491)	(59,335)
STAFFING COSTS	540,951	535,506	503,176	454,555	(5,445)	(86,396)
OTHER STAFF COSTS	25,680	25,719	33,112	13,883	39	(11,797)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	1,500	979	1,008	700	(521)	(800)
OFFICE & PREMISES COSTS	0	0	0	10	0	10
FINANCE COSTS	0	199	0	0	199	0
Budget Contingency						
TOTAL EXPENDITURE	639,181	609,963	597,296	480,863	(29,218)	(158,318)
FITNESS TO PRACTICE - CASEWORK						
MEETING FEES & EXPENSES	0	0	0	224	0	224
LEGAL & PROFESSIONAL	985,648	1,147,565	873,000	690,106	161,917	(295,542)
STAFFING COSTS	1,919,707	2,000,861	1,824,964	1,788,224	81,154	(131,483)
OTHER STAFF COSTS	9,000	4,083	0	345	(4,917)	(8,655)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	1,140	6,000	3,624	1,140	3,624
Budget Contingency						
TOTAL EXPENDITURE	2,914,354	3,153,648	2,703,964	2,482,523	239,294	(431,831)

FtP (Cont'd)	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
Backlog						
Challenge for 2016 - FTP						
MEETING FEES & EXPENSES	(178,066)	0	0	0	178,066	178,066
LEGAL & PROFESSIONAL	(166,331)	0	0	1,353	166,331	167,684
STAFFING COSTS	(94,653)	0	0	523,400	94,653	618,053
OTHER STAFF COSTS	0	0	0	1,562	0	1,562
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	10	0	10
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	(439,049)	0	0	526,325	439,049	965,374
FITNESS TO PRACTICE MANAGEMENT						
MEETING FEES & EXPENSES	0	0	0	0	0	0
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	618,862	247,296	206,468	0	(371,566)	(618,862)
OTHER STAFF COSTS	14,830	9,217	2,595	0	(5,613)	(14,830)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	633,692	256,513	209,063	0	(377,179)	(633,692)
FITNESS TO PRACTICE - IC						
MEETING FEES & EXPENSES	540,880	622,336	790,417	889,277	81,456	348,397
LEGAL & PROFESSIONAL	12,000	76,950	27,000	277,668	64,950	265,668
STAFFING COSTS	955,031	991,662	1,012,907	912,677	36,631	(42,354)
OTHER STAFF COSTS	12,600	19,051	13,500	32,640	6,451	20,040
PUBLICATIONS & COMMUNICATIONS	0	299	0	0	299	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	1,520,511	1,710,298	1,843,824	2,112,262	189,787	591,751
CORPORATE LEGAL						
MEETING FEES & EXPENSES	0	2,521	0	3,848	2,521	3,848
LEGAL & PROFESSIONAL	300,000	541,178	200,000	316,950	241,178	16,950
STAFFING COSTS	438,979	398,888	383,228	336,726	(40,091)	(102,253)
OTHER STAFF COSTS	7,883	9,923	7,308	5,968	2,040	(1,915)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	25,000	25,000	25,000	24,846	0	(154)
OFFICE & PREMISES COSTS	0	94	0	6	94	6
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	771,862	977,604	615,536	688,343	205,743	(83,518)

Registration	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
Operational Excellence						
MEETING FEES & EXPENSES	0	0	0	122	0	122
LEGAL & PROFESSIONAL	65,000	266,650	145,000	(770)	201,650	(65,770)
STAFFING COSTS	1,014,339	965,195	992,914	1,252,483	(49,144)	238,144
OTHER STAFF COSTS	13,000	31,175	32,755	14,955	18,175	1,955
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	28	0	28
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	1,092,339	1,263,020	1,170,669	1,266,818	170,681	174,479
Registration Management						
MEETING FEES & EXPENSES	0	0	0	0	0	0
LEGAL & PROFESSIONAL	253,978	24,933	21,500	6,801	(229,045)	(247,177)
STAFFING COSTS	438,736	332,324	308,605	159,180	(106,411)	(279,556)
OTHER STAFF COSTS	42,790	5,636	3,930	173	(37,154)	(42,617)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	735,504	362,893	334,035	166,153	(372,610)	(569,351)
Registration - UK						
MEETING FEES & EXPENSES	0	0	0	42	0	42
LEGAL & PROFESSIONAL	501,236	406,855	451,236	433,126	(94,381)	(68,110)
STAFFING COSTS	1,210,150	957,474	992,078	955,893	(252,676)	(254,257)
OTHER STAFF COSTS	180	177	170	357	(3)	177
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	83	0	83
FINANCE COSTS	0	0	0	0	0	0
DEPRECIATION COSTS						
Budget Contingency						
TOTAL EXPENDITURE	1,711,566	1,364,506	1,443,484	1,389,500	(347,060)	(322,066)
Registration - Overseas						
MEETING FEES & EXPENSES	123,451	154,074	97,432	94,415	30,623	(29,036)
LEGAL & PROFESSIONAL	2,000	295	200	3,085	(1,705)	1,085
STAFFING COSTS	519,133	495,660	490,513	465,176	(23,473)	(53,958)
OTHER STAFF COSTS	370	985	120	113	615	(257)
PUBLICATIONS & COMMUNICATIONS	0	299	0	0	299	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	83	0	0	83	0
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	644,954	651,397	588,265	562,790	6,442	(82,165)
Exams						
MEETING FEES & EXPENSES	142,412	128,267	111,275	123,591	(14,145)	(18,821)
LEGAL & PROFESSIONAL	1,691,800	1,638,226	1,661,800	1,631,214	(53,574)	(60,586)
STAFFING COSTS	165,903	152,752	173,962	171,222	(13,150)	5,320
OTHER STAFF COSTS	0	0	0	0	0	0
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	2,000,115	1,919,245	1,947,037	1,926,027	(80,870)	(74,088)

Strategy	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
Corporate Policy						
MEETING FEES & EXPENSES	3,120	1,040	3,120	0	(2,080)	(3,120)
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	259,285	402,992	271,873	262,170	143,707	2,885
OTHER STAFF COSTS	9,840	6,536	7,800	1,505	(3,304)	(8,335)
PUBLICATIONS & COMMUNICATIONS	0	0	0	21,440	0	21,440
IT COSTS	1,200	0	1,200	1,020	(1,200)	(180)
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	273,445	410,567	283,993	286,135	36,007	12,690
Continuing Assurance						
MEETING FEES & EXPENSES	0	0	0	404	0	404
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	0	28,702	80,355	77,796	28,702	77,796
OTHER STAFF COSTS	0	388	2,220	1,634	388	1,634
PUBLICATIONS & COMMUNICATIONS	0	27,826	100,000	102,897	27,826	102,897
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	0	56,917	182,575	182,731	6,920	182,731
Public Affairs						
MEETING FEES & EXPENSES	0	0	0	690	0	690
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	482,311	456,181	533,018	480,638	(26,130)	(1,673)
OTHER STAFF COSTS	36,416	24,804	36,416	27,604	(11,612)	(8,812)
PUBLICATIONS & COMMUNICATIONS	456,772	459,583	556,772	409,456	2,811	(47,316)
IT COSTS	0	160	0	397	160	397
OFFICE & PREMISES COSTS	0	327	0	82	327	82
FINANCE COSTS	0	0	0	308	0	308
DEPRECIATION COSTS						
Budget Contingency						
TOTAL EXPENDITURE	975,499	941,055	1,126,206	919,175	41,703	(56,324)
DCS						
MEETING FEES & EXPENSES	53,490	44,403	50,070	41,920	(9,087)	(11,570)
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	459,706	447,203	438,199	420,716	(12,502)	(38,990)
OTHER STAFF COSTS	10,080	6,374	9,840	5,156	(3,706)	(4,924)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	90	30	0	156	(60)	66
OFFICE & PREMISES COSTS	71,717	73,384	62,854	75,465	1,667	3,748
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	595,083	571,395	560,963	543,413	43,013	(51,670)

Strategy (Cont'd)	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
Standards						
MEETING FEES & EXPENSES	10,080	38	10,080	988	(10,042)	(9,092)
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	192,921	196,497	201,829	192,968	3,576	46
OTHER STAFF COSTS	5,160	2,808	5,050	1,525	(2,352)	(3,635)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	208,161	199,343	216,959	195,480	16,354	(12,681)
QA						
MEETING FEES & EXPENSES	311,661	276,420	291,111	318,568	(35,241)	6,907
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	670,401	635,722	645,131	671,401	(34,680)	1,000
OTHER STAFF COSTS	29,400	28,368	27,230	30,672	(1,032)	1,272
PUBLICATIONS & COMMUNICATIONS	35,000	0	0	475	(35,000)	(34,525)
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	1,046,462	940,509	963,471	1,021,117	71,532	(25,345)

HR & GOVERNANCE	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
HR						
MEETING FEES & EXPENSES	180	180	360	484	0	304
LEGAL & PROFESSIONAL	332,000	425,776	322,000	440,811	93,776	108,811
STAFFING COSTS	798,184	745,832	719,507	807,293	(52,351)	9,109
OTHER STAFF COSTS	710,250	814,654	714,599	719,246	104,404	8,996
PUBLICATIONS & COMMUNICATIONS	0	299	0	0	299	0
IT COSTS	7,395	2,736	7,395	18,639	(4,659)	11,244
OFFICE & PREMISES COSTS	0	0	0	0	0	0
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	1,848,009	1,989,477	1,763,861	1,986,472	141,469	138,464
GOVERNANCE						
MEETING FEES & EXPENSES	747,283	587,308	653,970	579,896	(159,975)	(167,386)
LEGAL & PROFESSIONAL	0	0	0	18,492	0	18,492
STAFFING COSTS	451,019	419,419	564,252	491,996	(31,600)	40,977
OTHER STAFF COSTS	5,160	3,578	4,600	1,881	(1,582)	(3,279)
PUBLICATIONS & COMMUNICATIONS	0	27	0	0	27	0
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	0	0	1,015	0	1,015
FINANCE COSTS	0	0	0	0	0	0
<i>Budget Contingency</i>						
TOTAL EXPENDITURE	1,203,462	1,010,332	1,222,822	1,093,279	(193,130)	(110,183)

Finance & Corp Svcs	Budget 2016	Q2 2015 Forecast	Budget 2015	2014 Actual	Variance to Q2 2015 Forecast	Variance to 2014 Actual
CEO						
MEETING FEES & EXPENSES	10,000	17,875	13,800	2,155	7,875	(7,845)
LEGAL & PROFESSIONAL	0	768,889	0	457,331	768,889	457,331
STAFFING COSTS	580,914	611,897	703,425	413,537	30,982	(167,377)
OTHER STAFF COSTS	24,033	7,758	16,233	8,774	(16,275)	(15,259)
PUBLICATIONS & COMMUNICATIONS	6,000	6,000	6,000	0	0	(6,000)
IT COSTS	0	0	0	0	0	0
OFFICE & PREMISES COSTS	0	(2,152)	0	21,446	(2,152)	21,446
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency	300,000	0	0		(300,000)	(300,000)
TOTAL EXPENDITURE	920,947	1,410,267	739,458	903,244	489,320	(17,703)
FINANCE						
MEETING FEES & EXPENSES	3,610	3,791	4,600	3,692	181	82
LEGAL & PROFESSIONAL	503,000	236,300	115,600	167,696	(266,700)	(335,304)
STAFFING COSTS	701,282	717,162	723,156	625,605	15,880	(75,676)
OTHER STAFF COSTS	8,720	11,860	5,800	5,980	3,140	(2,740)
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	24,000	23,838	24,000	18,978	(162)	(5,022)
OFFICE & PREMISES COSTS	0	0	0	983	0	983
FINANCE COSTS	325,000	327,683	286,000	322,799	2,683	(2,201)
DEPRECIATION COSTS	1,270,663	1,092,636	948,477	941,273	(178,026)	(329,390)
Budget Contingency		(500,000)			(500,000)	0
TOTAL EXPENDITURE	2,836,275	1,913,271	2,107,633	2,087,007	(923,004)	(749,268)
FACILITIES						
MEETING FEES & EXPENSES	0	0	0	204	0	204
LEGAL & PROFESSIONAL	42,660	60,071	42,660	66,649	17,411	23,989
STAFFING COSTS	210,556	233,180	243,410	266,911	22,624	56,356
OTHER STAFF COSTS	800	145	750	820	(655)	20
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	0	401	0	0	401	0
OFFICE & PREMISES COSTS	1,903,883	1,893,818	1,570,267	1,781,584	(10,065)	(122,299)
FINANCE COSTS	0	0	0	0	0	0
Budget Contingency						
TOTAL EXPENDITURE	2,157,899	2,187,616	1,857,087	2,116,168	29,717	(41,731)
IT						
MEETING FEES & EXPENSES	0	0	0	0	0	0
LEGAL & PROFESSIONAL	0	0	0	0	0	0
STAFFING COSTS	1,329,518	1,243,555	1,310,619	1,149,737	(85,963)	(179,781)
OTHER STAFF COSTS	16,080	21,854	17,920	23,832	5,774	7,752
PUBLICATIONS & COMMUNICATIONS	0	0	0	0	0	0
IT COSTS	869,000	827,507	834,200	775,735	(41,493)	(93,265)
OFFICE & PREMISES COSTS	1,200	600	1,200	591	(600)	(609)
FINANCE COSTS	0	0	0	1	0	1
Budget Contingency						
TOTAL EXPENDITURE	2,215,798	2,093,516	2,163,939	1,949,897	(122,282)	(265,901)

Appendix 4: RISKS AND CONSIDERATIONS

Risks and Considerations	Sign off
Public Protection The Business Plan will focus on achieving the GDC's statutory duties, all of which have the aim of public protection	Graham Masters
Policy Policy projects planned in 2016 are described in the business plan	Janet Collins
Communications A Communications and Stakeholder Engagement Strategy is being developed alongside the Corporate Strategy and the Business Plan 2016.	Janet Collins
Equality and Diversity New policies, procedures and projects now include equality impact assessments and therefore planned work in 2016 will systematically take into account equality and diversity implications	Graham Masters
Legal The GDC must consult of the setting of the dentist ARF for 2015. The power to prescribe a fee for retention on the register is given to the GDC in the Dentists Act 1984, which requires that 28 days' notice be given to make changes to the fee regulations. The levels are set by the Rules made under the Act by the GDC. The ARF Level set will be in accordance with the Council approved ARF policy. The GDC must be in a position to fulfil its statutory functions	Susan Lightman
Risks The General Dental Council (Dentists) (Fees) Regulations 2013 provide that the renewal date by which payment of the ARF must be made is 31 December each year and that a notice of the ARF and a warning of the consequences of the failure to pay must be sent to each registrant no less than 28 days before the renewal date. In practice, the administrative measures for sending out notices starts well before that 28 day period. If the Council fails to make a decision on the ARF level before 16 November 2015 it would be too late to come into effect before the date on which the Regulations require notice of the ARF to be sent to registrants, so that the notices sent could only be in relation to the currently prescribed fee. If the Council decided after this date that some increase in the ARF is required, there would then need to be a process under which new regulations were made in order to require registrants to pay the difference between the currently prescribed fee and any higher fee set by the Council. It is not clear, given the terms of the Regulations, that the GDC would in fact have power to do this. Even if the GDC does have power to do this it would still mean that the time and cost of collecting the ARF would double, since two sets of notices would have to be sent out and two sets of payments from registrants processed	Graham Masters
Resources The ARF needs to be set at a level to enable the GDC to raise funds to carry out its statutory duties, whilst retaining an adequate level of general reserves, in accordance with the approved reserves policy.	Graham Masters

