

Budget 2020

Purpose of paper	To propose a budget for 2020 for recommendation to the Council, in line with our wider work on the CCP 2020-22.
Status	Public
Action	For decision
Corporate Strategy 2016-19	Performance - Objective 2: To improve our management of resources so that we become a more efficient regulator
Decision Trail	<p>SLT – 5 March 2019 – SLT discussed and approved the proposed approach and timetable for the development of the 2020-22 CCP.</p> <p>SLT – 17 June 2019 & 1 July 2019 – SLT held workshops to review, challenge and prioritise newly proposed initiatives that had emerged from the organisation wide planning rounds during Q2 2019.</p> <p>SLT – 2 July 2019 – SLT reviewed the version 1 draft of the CCP 2020-22 ahead of discussion with FPC.</p> <p>FPC – 17 July 2019 – FPC reviewed the assurance process and content of the version 1 draft of the CCP 2020-22.</p> <p>SLT – 6 August 2019 – SLT review of the draft budget, budgeting assumptions, and principles in relation to our approach of fee setting.</p> <p>CEO – 8 August 2019 - Initial review of CCP and budget 2020 following SLT discussion.</p> <p>FPC – 21 August 2019 - Initial review of the draft 2020 budget</p> <p>EMT – 2 September 2019 – CCP Scrutiny session</p> <p>SLT – 3 September 2019 – review of draft budget 2020</p> <p>FPC – 10 September 2019 – review of draft budget 2020</p> <p>Council – 11 September 2019 – review of draft budget 2020</p>
Next stage	N/A
Recommendations	The Council is asked to approve the 2020 budget that envisages an operating spend of £40.43m

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<p>Appendices</p>	<p>Appendix 1 - Summary of variances between the 2019 budget and 2019 Q2 forecast .</p>

1. Executive summary

- 1.1. Following a change to the fees policy, the GDC is, for the first time, aligning our budget and fees to our three-year plan of strategic activity. We have been developing our three-year Costed Corporate Plan 2020-22 (CCP) which covers the period of the new strategic cycle and all plan activities are aligned to its strategic aims.
- 1.2. The budget setting process has for the first time been built from the work on the CCP, which ensures that we apply a consistent approach to costing the work to be carried out in delivery of our Corporate Strategy. The draft 2020 budget projects total operating expenditure of £40.43m in 2020, compared with £43.00m in 2019 (6%). The draft 2020 budget is 2.5% lower than the current Q2 2019 forecast.
- 1.3. The draft budget projects a total operating expenditure requirement of £40.43m, compared with our prediction of £40.49m in the development of the Corporate Strategy. This is a small decrease of £0.06m over that projected. The envelope for the three-year CCP period is £1.38m under the total envelope we outlined in the Corporate Strategy consultation.
- 1.4. Activity initiated in years prior will continue to deliver significant efficiency savings in 2020, all of which have been factored into the compilation of the CCP. Most notable efficiencies impacting 2020 are driven by the successful delivery of the Estates Strategy (that completes in December 2019) and phase 1 of the E2E review.
- 1.5. As we set out in our consultation of the Corporate Strategy, the fees charged to registrants will include the cost of funding the activity over the three-year period and maintain our level of free reserves within the range specified in the Council's reserves policy. Within that range, Council assessed the level of free reserves necessary to ensure the GDC remains a viable organisation by 31 December 2022, to be equivalent to four and a half months of operating expenditure over the same period. The approach to funding the CCP, including the recommended level of ARF for the period 2020-22 is covered in a separate funding paper presented to Council for approval today.

2. Background and approach

- 2.1. Following a change to the fees policy, the GDC will now set fees aligned to a three-year programme of strategic activity. The PMO, Finance and People Services teams have been working together to produce the CCP. This comprises the budget and long-term financial forecast, the workforce plan, and the overall delivery plan of operational activities and key programmes and projects.
- 2.2. We have been developing our planned activities for the next three years. The plan covers the period of the new strategic cycle and all plan activities are aligned to its strategic aims. The budget setting process being part of the build of the CCP ensures that we apply a consistent approach to costing the work to be carried out in delivery of our Corporate Strategy.
- 2.3. The cost of the plan will be met from the income sources available to the GDC. These are:
 - First registration fees
 - Annual retention fees (ARF)
 - Examination fees for overseas registrants (ORE)
 - Investment income
- 2.4. As change projects have been identified in the build of the CCP, they have been prioritised and their costs have been analysed (including the impact on cross-cutting enabling functions) and factored into the draft 2020 budget.

- 2.5. Templates were sent to budget holders in April for them to assess their future resource requirements. Scrutiny meetings were then held with each Executive Director and their directorate Heads of Service.
- 2.6. SLT then held a workshop to validate all collated information provided by each directorate, and to challenge new proposed initiatives in June, with a further SLT workshop being held in July to prioritise the directorate change proposals.
- 2.7. At FPC's meeting in July, we presented our work on the development of the CCP which included the key budget assumptions which underpin our approach to budget setting across the period, and the potential cost implications of the CCP. FPC further reviewed the development of this ongoing work at its meetings in August and September 2019.
- 2.8. As we set out in our consultation of the Corporate Strategy, the fees charged to registrants will include the cost of funding the activity over the three-year period and maintain our level of free reserves within the range specified in the Council's reserves policy. Within that range, Council assessed the level of free reserves necessary to ensure the GDC remains a viable organisation by 31 December 2022, to be equivalent to four and a half months of operating expenditure over the same period.

3. High-level budget assumptions

- 3.1. The CCP has been prepared whilst we continue to undertake a major programme of work on the People Strategy and where work is ongoing to firm up the costs associated with this programme. The proposed pay progression model being designed as part of this work has a number of 'levers' which we can adjust to ensure that the project will be at least cost neutral over the life of the plan.
- 3.2. From 2020, the ARF will be set according to the GDC 2018 Fees Policy and the relative income contributions of registrant groups will change. Fee levels will be set for the entirety of the new strategy cycle beginning 2020 with the aggregate costs of the plan in mind. From January 2020, first time registration fees will also be chargeable, which need to be set at an appropriate level to ensure cost recovery and minimise and cross-subsidy.
- 3.3. We currently assume that the number of successful applicants to the register will remain in line with the current projections, however any reduction on income will need to be met by a call on free reserves or reducing the organisational spend through reviewing the three year plan in order to reduce costs.
- 3.4. The key risk to income forecasting remains Britain's exit of the EU. In 2019 we removed the caution rating applied to our income budgets and we do not intend to apply a caution rating for 2020. Initial scenario analysis was completed to understand the potential sensitivity on the ARF of any volatility in registrant numbers as part of our development of the Corporate Strategy Consultation. This work has been revalidated as part of final budget setting process and is being presented as part of the separate funding paper. Any income risk will need to be met from the reserves and is being treated as a financial risk.
- 3.5. 2020 staffing costs have been based on the current 2019 establishment, as modified by projected resource requirements identified by managers and agreed by directors during the building of the CCP. All posts, including vacant posts are costed at market rate.
- 3.6. Pay differentials for Birmingham-based posts have remained set at a discount of 15% to London salaries in line with the Estates strategy programme assumptions and consistent with the assumptions being used within the pay progression project. A pay award assumption of a maximum of 3% has been applied to GDC payroll costs from April 2020. Further work on the pay award will be completed in Q1 2020. A further 1.0% has been budgeted for in-year salary increases to include salary reviews, role re-grades and performance-related awards.
- 3.7. Following the results of the 2018 triennial valuation of the defined benefit pension scheme, and our additional contribution of £2.3m to that scheme, the employer contribution rate was

increased to 20.3% from April 2019. This level of employer contribution has been retained for the period of the CCP.

- 3.8. The FtP budget model has generated a set of forecast FtP assumptions which the business will continue to review, scrutinise and challenge. Work carried out by budget holders in the FtP function to forecast future resources is underpinned by output from the model.
- 3.9. Non-payroll costs have been built bottom up by our budget holders and are assumed to have no more than 3% applied for inflationary purposes per annum.

4. 2020 GDC draft expenditure budget

- 4.1. The draft 2020 budget projects a decrease in total operating expenditure to £40.43m in 2020 from £43.00m, in 2019 (6.0%).
- 4.2. The draft budget projects a total operating expenditure requirement of £40.43m, compared with our prediction of £40.49m in the development of the Corporate Strategy. This is a small decrease of £0.06m over that projected. The envelope for the three-year CCP period is £1.38m under the total envelope we outlined in the Corporate Strategy consultation.
- 4.3. The draft budget is 2.5% lower than the current 2019 Q2 forecast.
- 4.4. Activity initiated in years prior will continue to deliver significant efficiency savings in 2020, all of which have been factored into the compilation of the CCP. Most notable efficiencies impacting 2020 are driven by the successful delivery of the Estates Strategy (that completes in December 2019) and phase 1 of the E2E review.

	Actual 2018 £k	Budget 2019 £k	Forecast Q2 2019 £k	Budget 2020 £k	Variance 2020 v 2019 %	Variance 2020 to Q2 %
Meeting fees & expenses	5,674	6,551	5,730	4,540	-30.7%	-20.8%
Legal & professional fees	6,798	7,619	7,650	7,639	0.3%	-0.1%
Staffing costs	21,574	20,390	19,567	19,783	-3.0%	1.1%
Other staff costs	977	1,536	1,249	1,090	-29.0%	-12.7%
Publications	381	741	757	787	6.2%	4.0%
IT costs	1,305	1,333	1,356	1,433	7.5%	5.7%
Premises	1,956	1,750	2,115	2,118	21.0%	0.2%
Finance costs	259	245	361	354	44.3%	-2.1%
Depreciation	1,061	1,175	1,122	1,149	-2.3%	2.4%
Contingency	-	1,662	1,549	1,533	-7.7%	-1.0%
Total	39,985	43,002	41,456	40,426	-6.0%	-2.5%

- 4.5. The key variances between the 2020 budget and 2019 budget are as follows:

Category	Variance
Meeting fees & expenses: Reduction in meeting costs following the termination of Smithfields contract and bringing hearings in house to Wimpole Street; saving around £1.4m per annum.	(£2.0m) (30.7%)
Staffing costs: Reduction in staff costs following completing of Estates moves seeing reduction for Birmingham salaries, cessation of dual running costs and efficiencies by a reduced headcount driven by the FtP E2E review.	(£607k) (3.0%)
Other staff costs: Reduction in recruitment fees and staff travel costs following the completion of Estates moves (2019 estates budget: £495k). Also includes the result of the review of recruitment cost budget in line with our internal recruitment strategy (£100k reduction).	(£446k) (29.0%)

Publications: Increase in request for funding research projects in line with the Shifting the Balance agenda.	£46k 6.2%
IT Costs: Increase in the costs of Microsoft and other software licences given current licence numbers and retendered costs.	£100k 7.5%
Premises: Following the 2018 end of year audit, a review identified that the accounting standard IFRS16 should be applied in the account for rent and the rent-free period on the Colmore Square accommodation. As a result, the 2019 budget was understated as the rent-free holiday is to be spread over the life of the lease.	£368k 21.0%
Finance Costs: Inclusion of Smith and Williamson investment management fee, estimated to be around £100k per annum, that were not included in the 2019 budget. Their exclusion was due to the timing of the decision to invest being made after the 2019 budget had been set.	£109k 44.3%

4.6. The summary of variances between the 2019 budget and 2019 Q2 forecast (as part of the Q2 Finance Review paper) is included at [appendix 1](#) to this paper for reference.

5. Headcount

- 5.1. At the end of June 2019, actual GDC staff headcount was 376.8 FTE and total budgeted GDC headcount (including vacant posts) was 395.7 FTE, projected headcount to decrease to 362.3 FTE by the end of 2019.
- 5.2. The headcount requirements for 2020-22 were identified by each Executive Director as part of the work on developing the CCP. 11 new posts and 1 amendment to a grading of a post have been identified. Business cases are now to be submitted for approval of this additional headcount following the EMT CCP scrutiny session held on 2 September 2019.
- 5.3. A total of 5.0 FTE has been identified as potential dormant posts required for the life of the CCP to enable the GDC to manage resourcing reactivity to increased volume and consequence of incoming casework, cross-skilling development.
- 5.4. These newly identified posts and potential dormant posts have been factored into the detailed costing work of the CCP.
- 5.5. The table below summarises the 2020 headcount position by directorate, compared with actual headcount in 2018, budget and forecasted headcount in 2019:

	Actual Dec 2018 FTE	Budget Dec 2019 FTE	Forecast Q2 2019 FTE	Budget Dec 2020 FTE	Variance 2020 v 19 %	Variance 2020 v Q2 %
Fitness to Practice	108.0	96.0	89.3	87.7	-8.6%	-1.8%
Legal and Governance	72.4	79.4	80.8	76.2	-4.0%	-5.7%
Organisation Development	15.9	19.9	21.0	18.0	-9.5%	-14.3%
Strategy	34.5	37.8	38.4	37.2	-1.6%	-3.1%
Registration and Corporate Resources	140.8	138.2	132.8	139.8	1.2%	5.3%
Contingency	-	-	-	5.0	5.0	
Total	371.6	371.3	362.3	363.9	-2.0%	0.4%

5.6. Comparative years information in the table above has been reverse engineered to ensure like for like comparability over time since 2018 through to the 2020 budget. This represents the changes in directorate team allocations since 2018 below:

- Legal and Governance forming its own directorate and no longer being considered part of Organisation Development (72.4 FTE).

- Compliance team within Organisation Development being merged into the Internal Audit and Risk function in Registration and Corporate Resources (5.6 FTE).
- Facilities team moving from Organisation Development to Registration and Corporate Resources. (5.0 FTE).

5.7. As anticipated, FtP headcount is reducing year on year following the impact of the End to End Review. We are also seeing a reduction in ILPS headcount during 2020 due to lower volumes.

6. Key FtP budget assumptions

6.1. Finance work closely with both FtP and Legal Services to deliver a budget that is prepared with reference to the FtP budget model assumptions, as modified in line with management insight. This approach was agreed and developed at the end of Q1 2018 and the budget model is reviewed quarterly and the review signed off by both the Executive Director, Fitness to Practice and the Head of Finance and Procurement.

6.2. There is a fundamental review to be completed of the budget model in terms of refining the model to better reflect the changes to the FtP functions and processes as a result of the E2E review. Including incorporating streaming information that has been captured by FtP management in terms of developing greater insight into their incoming workload and providing a view of case complexity. This work is planned to commence in quarter 1, 2020.

6.3. The 2019 Q2 FtP budget model review was completed in July 2019 and the result supplemented with known management information. The following table shows performance against budget for the first two quarters. Any performance varying more than +/- 10 from the budget is shown in 'red' if the target is missed, and in 'green' if it is exceeded:

	Jan-19		Feb-19		Mar-19		Apr-19		May-19		Jun-19	
	Act	Bud	Act	Bud	Act	Bud	Act	Bud	Act	Bud	Act	Bud
Incoming cases	115	146	136	156	124	151	91	146	113	149	101	145
IAT referrals to Assessment	85	104	88	104	92	104	66	104	58	104	71	104
Assessment decisions	96	122	81	122	106	122	67	122	56	122	76	122
Case Examiner decisions	79	80	92	80	94	80	69	80	68	80	76	80
Case Examiners referrals to prosecution	20	23	33	23	33	23	23	23	24	23	28	23
Hearings utilisation	71%	80%	90%	80%	74%	80%	68%	80%	60%	80%	66%	80%

6.4. In the second half of 2018 cases progressed by case examiners had been lower than forecast leading to lower legal costs incurred in the early part of this year. This position has reversed such that ILPS and ELPS are expected to exceed their allocation by 35 cases in 2019. The effect in the second half of 2019 will substantially reverse the underspend seen in the first six months (they are currently forecasting to utilise 100% of their annual budget), but some of the effects of this additional workload are expected to continue into the first half of 2020.

6.5. For the CCP this will simply affect the profiling of costs rather than increasing the budget overall (apart from the additional temporary headcount already factored in to the headcount resource requirement) but at this stage we are estimating that this could impact as much as a 10% increase in costs for conduct, counsel fees and experts in the 2020 budget. We have factored in a central provision of £250k to account for the impact of this materialising within the 2020 budget.

6.6. Key FtP assumptions, as set out in the table below, have been identified as the key drivers of cost for the organisation:

Key FTP assumptions	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Q2 F'Cast	2020 Budget
Incoming complaints	2,630	1,910	1,643	1,708	1,406	1,453
IC/CE referrals for prosecution	315	219	242	348	341	330
ILPs new referrals	208	165	202	282	275	264
ELPs new referrals	107	54	50	54	73	66
ELPS referrals contingency	-	-	-	-	-	-
Scheduled hearing days	1,746	1,658	1,282	1,236	1,122	1,224

6.7. The actual rate of incoming complaints has fallen from an average of 137 cases per month in 2018 to an average of 116 per month in 2019 year to date. The 2020 budget assumes a reduction of 10% on previously budgeted levels on incoming cases. Whilst incoming complaints are reducing, the numbers of serious cases are being sustained and there will not follow a mirrored reduction in cost.

6.8. The average case examiner referral rate in 2018 was 36% and is 38% year to date in 2019 (against a budget of 31%). The 2020 budget assumed a referral rate of 36%, as updated and agreed in our 2019 Q2 budget model review.

6.9. The 2020 budget presumes that hearings utilisation may increase up to 100% in 2020 as the excess work currently in progress at casework, Rule 4 and Case Examiner stage is cleared. £500k of additional provision for an increase in hearings cost as a result of the additional workload is being held in contingency.

7. Central provisions and contingencies

7.1. The Q2 2019 forecast and 2020 budget contain the following central provisions which will fund 'big-ticket activities', the costs for which are not yet certain:

2019 Q2 forecast - central provisions	£000
E2E review programme costs (2019 budget: £215k)	202
In-year salary increases (1%) (2019 budget: £200k)	100
	302

2020 budget - central provisions	£000
E2E review phase 2 - programme costs	233
Hearings – additional workload from 2019	500
ILPS/ELPS allocation of cases from 2019 referrals	250
In-year salary increases (1%)	200
	1,183

7.2. In line with 2019, the use of budget contingencies has been restricted. Budget holders continue to be challenged to justify holding amounts in their budgets that appear to be contingent.

7.3. Where we have identified specific provisions in budgets these have not been removed, but transferred from individual budgets into the CEO's budget:

2019 forecast - contingencies	£000
Legal advice – Corporate Legal	55
Registration appeals and FtP investigations – Illegal Practice	35
Professional fees – Corporate Projects	110
CEO general contingency	100
	300

2020 budget - contingencies	£000
CEO general contingency	100
Enabling provision for dormant posts	250
	350

8. Capital programme

8.1. Proposed capital expenditure included in the draft budget for 2020 relates to the following IT and Facilities projects:

	£000
Facilities:	
Renewal programme works 37 Wimpole Street	120
Provision for major plant failure	50
IT:	
iPad / MDM Replacement enterprise-wide	200
Rolling IT Infrastructure Upgrades	135
Finance Business Central Implementation	65
End-user compute (remaining laptop refresh)	100
HR Systems Strategy	200
	870

9. Financial risk to the 2020 budget

9.1. An assessment of the known financial risks to the 2020 budget is ongoing. The current risk exposure of identified financial risks are:

Risk	Exposure (2020) £k
<p>Strategic contract tenders: Increase in strategic contracts for legal services.</p> <p>Other strategic contract tenders will not impact on 2020 but are being considered to the financial risks in the CCP planning period.</p>	<i>Little impact for 2020 as current contracts will run until late 2020.</i>
Income risk: risk of reduction in registration numbers. Based on impact of loss of 5% of DCP and Dentist registrants.	1,900
<p>Income risk: Unintended consequences of introduction of scrutiny fees on income generation seeing lower number of applications and increase in appeals.</p> <p><i>(Should 'free movement' drop away we will have the opportunity to revisit the first registration fee model as the legal risk around full cost recovery will reduce.)</i></p>	<p>Largely mitigated by legal limitation of recovery of full costs under model 1.</p> <p>(Assessed to be immaterial)</p>
<p>Risk of Brexit 'no deal' is recognised to now be much higher and will bring with it challenges of how we implement a change to registration following no deal. In the short term it is likely to be a holding position and we don't envisage there being a significant impact of 'no deal' during the initial 2-year period.</p> <p>We have already mitigated a number of our strategic contracts, such as Microsoft agreements, to move our data to UK data centres during 2019. There may be a need to necessitate short term feasibility projects, which would be absorbed by reprioritisation of existing work.</p>	<p><i>No material impact on 2020.</i></p> <p><i>Would be absorbed by cost recovery through first registration fees or reprioritisation of work</i></p>
Potential financial risk exposure	1,900

10. Risks and considerations

<p>Communications</p> <p>The GDC's proposed budget for 2020 will be in the public domain for the first time when this information is presented to the Council. Key messaging on the Budget 2020 and CCP 2020-22 will be included in the Corporate Strategy 2020-22 communication plan as all these activities are co-dependent with each other.</p> <p>Explaining these issues will help the GDC to fulfil its commitment to transparency following the consultation on a new fees policy and a costed corporate plan.</p>
<p>Equality and Diversity</p> <p>New policies, procedures and projects include equality impact assessments and therefore planned work in 2020 will systematically take into account equality and diversity implications.</p>
<p>Legal</p> <p>The GDC must be in a position to fulfil its statutory functions.</p>
<p>Policy</p> <p>Policy projects planned in 2020 are described in the Costed Corporate Plan 2020-22.</p>
<p>Resources</p>

The budget needs to be set appropriately to enable the GDC to fulfil its statutory duties and meet our commitments set out in the Corporate Strategy 2020-22.

The current reserves policy will be reviewed by Council in December 2019.

National

The budget being proposed will affect all four countries in a similar way.

Risks on registers

The budget links to the following risks on the strategic and operational risk registers:

FC4: We fail to continuously identify and implement significant cost efficiency measures.

CF1: The budget setting process and business planning does not deliver plans that are realistic, achievable and facilitate achievement of statutory functions.

11. Recommendation

11.1. The Council is asked to approve the 2020 budget that envisages an operating spend of £40.43m.

12. Appendices

- Appendix 1 - Summary of variances between the 2019 budget and 2019 Q2 forecast.

Appendix 1 – Summary of variances between the 2019 budget and 2019 Q2 forecast

Income	£000s
Fees: More Dentists renewing their registration and more Specialist initial registrations than budgeted.	85
Investment Income: Additional unbudgeted income generated from bank interest and Smith & Williamson investments is now included in the forecast.	437
Not analysed:	13
Increase in income forecast	535
Expenditure	
Hearings: A reduction in legal assessors and members fees as we had 193 unutilised days during the first 2 quarters. Where cases have closed early, these may have incurred professional costs. FtP and Legal have been looking at themes relating to the hearings closing early and have identified issues with witness evidence, however, there is no overall single driver. This isn't expected to be a trend as we are anticipating the costs will increase towards and during Q4. Not all costs will have been incurred by Q4, with throughput impacting 2020.	727
ELPS: The forecast has been increased due to an increase in the number of projected referrals. In the second quarter of the year, 37 cases were referred compared to the 30 cases budgeted.	(124)
Dentists Casework: The accommodation and meeting venue hire forecast have been reduced based on the current trend of spending related to planned meetings.	30
FtP Management: The spend on consultancy, professional fees and project costs all relate to the End to End review and are in line with the work planned at project stage. The reported variance is in relation to the allocation of costs against a budget held in central contingency. The budget has been released from central contingency in July 2019.	(13)
Finance: The Smith and Williamson management fee had not originally been included in the budget for 2019 The forecast has been updated to include the annual fee (£112,000). Depreciation has been reprofiled based on current trend of spend (£30,000)	(142)
IT: Software licenses and software licences support forecast have been reprofiled based on requirements over the two sites and as a result of dual working. IT cloud Hosting has also been reprofiled based on current expenditure.	(23)
Estates: Following the 2018 end of year audit, a review identified that the accounting standard IFRS16 should be applied in the account for rent and the rent-free period on the Colmore Square accommodation. As a result, the rent-free holiday has been spread over the life of the lease and the forecast has been updated to reflect this update. Additionally, services charges had not been included in the original budget at the rate being charged.	(291)
Recruitment - Estates: The recruitment forecast expenditure has been reduced as we continue to lead the recruitment process ourselves as part of our recruitment strategy.	201
Staffing costs: Savings in staffing costs are forecast across the GDC due to both vacant existing and budgeted new posts where recruitment is either on hold or has been delayed. (see note at 4.5).	891

HMRC Refund: Recovery over and above the level expected in relation to tax and national insurance overpayment for Associates expenses in 2010/11.	107
ILPS: New referrals have been allocated over the period; however, the forecast has been reduced based on the estimated throughput of the legal costs.	63
In-House Appeals and Criminal Services: Counsel fees increased due to additional rule 9 workstream internal review FTP allegations – external registration appeals.	(34)
In-House Legal Advisory Service: Increase costs due to 3 pending cases appeal against: a restoration committee, GDC is defending a challenge by a registrant and resolved a case by consent and are still waiting for the Court to finalise the order. A proportion of this is offset by a reduction in the budget of the reactive legal advice budgets.	(27)
Information Governance: Additional cost due to running a review and disposal project on the GDC's approach to archiving.	(15)
HR: A reduction to L&D expenditure due to: reprofiling the timing of the implementation of the coaching procurement framework; all staff conference being postponed; offer of in-house training as appointed someone internal to deliver.	60
HR: Unrequired Legal defence budget that is budgeted within IHLS	93
HR: Decrease in the forecast for HR external adverts due to leading the recruitment process ourselves as part of our recruitment strategy.	76
Facilities: Postage forecast has increased based on current levels of activity on the franking machine and special deliveries.	(18)
Facilities: Rent forecast increased in relation to the Baker Street rent due for January 2019 which wasn't budgeted for in error and update in forecasts for general rates increases from the City of Westminster.	(53)
Research: The publications budget has been increased based on the projects that are planned and the milestones that are expected to be achieved by the year-end. The projects forecasted are Public and Patients Survey, Professionals Survey, Scope of Practice Project and Patient and Public Panel.	(25)
Education QA: There has been a reduced forecast for the number of meetings to be held in the year and the calculation of the number of days payable to the associates. Offsetting this slightly in an increase in the travel forecast of £39k based on the current year to date expenditure.	57
Contingency: Proportionate adjustment for a reduction in contingency (see note at 4.6).	113
Not analysed: Aggregated variances less than £10k.	7
Total decrease in expenditure	1,660
Total decrease in operating expenditure	2,195