

CNHC Monthly Report May 2009

At a meeting between the CNHC and the DoH which took place on the 27th March the CNHC agreed to supply the Department by the 28th April with specific information arising from the CNHC's first year of operation in shadow form and the first three months of 2009 when the CNHC's register went live.

It was subsequently agreed that the report would be forwarded after the meeting of the CNHC's Finance Committee (FC); this was to allow any appropriate comments for the FC to be included within the report.

This report to the DoH is the first monthly report on progress within the CNHC against Targets and Key Performance Indicators and it also contains updated financial projections and end of year accounts. Future reports will contain information on the CNHC's financial activities and monitoring of income and expenditure against the budget projections.

The FC received a verbal report from [REDACTED] and the Finance Officer [REDACTED]. A number of papers were prepared for the FC all of which are available should you wish to see them.

The committee noted that the CNHC would end the year within budget attachment FC 2009-11 contains the end of year accounts. There was one outstanding debt vis legal fees of £20,000 that have now been paid to the CNHC's lawyers. Thus the end of year surplus was £4,038.

The FC noted that the CNHC had managed to stay within budget despite the fact that monies had been expended by a previous employee of the CNHC which had not brought any benefits to the organisation and had in some instances required additional unbudgeted for expenditure.

The FC noted that the coChairs had both been working full time for many months and that their role in addressing outstanding issues which had financial implications had made a significant contribution to the CNHC achieving all its activities within budget in its first fifteen months of operation.

The FC were content that the audit trail confirmed that no monies had been misappropriated rather; the former employee had ignored express instructions in relation to for example ordering stationary which could not be used and failing to ensure that changes to the register and website were implemented and tested before the date that they were due to go live.

The FC received and discussed a paper on Registration number and income which is attached as paper FC 2009-13. The committee has asked that the projections within this paper be expressed as a GANT chart or similar and that actual registrations are shown against projections, they asked for these figures to be contained in a monthly report that will be emailed to them.

There was a detailed discussion of the FC in relation to the CNHC Business Plan and Heads of Income and Expenditure. The FC requested projections of income and expenditure for the next three financial years. This paper is attached entitled "Financial Projections 2009/10-2011/12.

The coChairs will be presenting an amended CNHC Business Plan to the Board at its meeting on the 14th May. The Board will also receive an updated Risk Register. If these documents are approved by the Board we would be happy to share them with you. In addition a major agenda item for the next Board meeting is to discuss and agree the CNHC's Key Performance Indicators (KPIs).

It is our intention to share the KPIs with the FC and with the Department and we anticipate that the first paper on the CNHC's KPIs will be contained in the June report to the Department.

Inclosing we are pleased to report that;

We had another successful meeting with the Professional Associations on the 28th of April which was attended by more than 70 people,

The Register opened to admit Aromatherapists on the 5th of May.

██████████ and ██████████ CNHC coChairs.

CNHC MONTHLY FINANCIAL REPORT
Month March 2009

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CNHC Summary
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CNHC	Current Month			Year to date		
	Plan	Results	Variance	Plan	Results	Variance
Financial results						
Month: March 2009						
Income						
Initial Registration Proff Ass Package	0	1590	1590		5660	5660
Initial Registration On Line Apps	0	510	510		1840	1840
Renewal Fees	0	0	0			0
Department of Health Funding	0	0	0	293496	293496	0
Interest	0	0	0	183	302	119
	0	2100	2100	293679	301298	7619
Commentary						

CNHC	Current Month			Year to date		
	Plan	Results	Variance	Plan	Results	Variance
Financial results						
Month: March 2009						
Staff						
Project Manager	0	0	0	15375	15375	0
Administrator	0	1393	-1393	14139	15148	-1009
CEO	2400	2	2398	28108	24526	3582
Co Chairs	0	4454	-4454	0	8788	-8788
Finance Manager	1200	1251	-51	3600	3752	-152
Business Manager	4200	4171	29	18117	17655	462
Admin Assistant	2250	2207	43	6750	6721	29
Assessors/Other Attendance Fees	0	750	-750	0	750	-750
Freelance Support	0	0	0	100	100	0
	10050	14228	-4178	86189	92715	-6526
Office						
Serviced offices	3163	3661	-498	14733	16339	-1606
Recruitment of permanent staff	0	0	0	14112	9112	5000
Specialist consultancy - Mandate & [REDACTED]	1000	920	80	4706	6467	-1761
Legal & professional	0	200	-200	1485	1685	-200
Website/Register	3287	-1	3288	47782	51120	-3338
IT support	600	758	-158	4852	7575	-2723
Database		0	0	0	0	0
Marketing	5000	0	5000	19081	4081	15000
Travel	500	661	-161	2900	2906	-6
Telephone	396	5	391	1631	560	1071
Printing	5000	46	4954	20838	7072	13766
Postage	150	10	140	666	236	430
Stationery	50	89	-39	267	1099	-832
Insurance	0	0	0	1338	1560	-222
Corporate branding	0	0	0	5053	5053	0
Office Equipment	0	118	-118	10488	14369	-3881
Staff training & development	0	0	0	2000	0	2000
Bank charges	0	43	-43	25	168	-143
	19146	6510	12636	151957	129402	22555

**Complementary and Natural Healthcare Council
Balance Sheet - March 2009**

Fixed assets

Equipment

£0

Current assets

Prepayments

£6,324

Cash at bank

£38,363

£44,687

Creditors: due within one year

Accruals

£7,653

Creditors: Short Term

£9,477

HMRC

£3,519

Pension

£0

£20,649

Net current assets

£24,038

Net assets

£24,038

Reserves

£24,038

£0

FINANCIAL YEAR	2009/10	2010/11	2011/12
INCOME			
Application & Registration fees	175,157	393,902	627,725
Renewal fees 2010/2011	0	218,888	334,067
Department of Health grant (2008/09 and 2009/10)	409,300	127,750	
Total Income	584,457	740,540	961,792
EXPENDITURE			
Staff			
CEO	60,000	61,800	63,654
Business Manager (FTE)	42,000	43,260	44,558
Admin. Assistants (2 x FTE)	30,000	45,000	46,350
Bookkeeper	13,000	13,390	13,792
On costs for core staff (@20%)	29,000	32,690	33,671
<i>Sub-total: core staffing costs</i>	<i>174,000</i>	<i>196,140</i>	<i>202,024</i>
Temporary Admin & Freelance Support	25,000	25,000	25,000
<i>Sub-total: admin & freelance support</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>
Staff training & development	4,000	5,000	6,000
<i>Sub-total: staff training & development</i>	<i>4,000</i>	<i>5,000</i>	<i>6,000</i>
Subtotal: Core Staff Costs	203,000	226,140	233,024
Professional Support / Activities			
Complaints Procedure:			
Case Manager	20,000	30,000	45,000
Attendance Fees: Conduct & Competence Cttees	15,090	22,635	33,953
Travel Costs	1,950	2,925	4,388
Venue, catering costs for hearings	8,400	12,600	18,900
Legal & medical advice	12,500	18,750	28,125
Training for Conduct & Competence Committees	7,000	3,750	5,625
IT Support:			
Imaginit	30,000	30,900	31,827
IRIS/IT	2,600	2,678	2,758
PR/Marketing	60,000	61,800	63,654
Other Specialist Consultancy	10,000	10,300	10,609
Sub-total: Professional Support/Activities	167,540	196,338	244,838
Office costs			
Serviced Offices	44,500	45,835	47,210
Recruitment of staff / panel members	20,000	20,600	21,218
Travel	5,000	5,150	5,305
Telephone	5,000	5,150	5,305
Printing	5,000	5,150	5,305
Postage & Courier	1,500	1,545	1,591
Stationery	3,000	3,090	3,183
Insurance	3,000	3,090	3,183
Periodicals, journals & professional memberships	2,000	2,060	2,122
Equipment ' office sundries	2,000	2,060	2,122
Sub-total: Office Costs	91,000	93,730	96,542

FINANCIAL YEAR	2009/10	2010/11	2011/12
Governance Costs			
Board & Committees			
Co-Chairs Honorarium	12,000	12,360	12,731
Travel and accommodation for Co-Chairs & Members	16,000	16,480	16,974
Attendance for members	32,000	32,960	33,949
Ad hoc work (eg attending external meetings)	1,500	1,545	1,591
Venue hire	4,500	4,635	4,774
Catering, etc	2,000	2,060	2,122
<i>Sub-total: Board & Committees</i>	<i>68,000</i>	<i>70,040</i>	<i>72,141</i>
Other			
Auditors	8,000	8,240	8,487
Solicitors	30,000	20,000	20,600
<i>Sub-total: Other</i>	<i>38,000</i>	<i>28,240</i>	<i>29,087</i>
Sub-total:Governance Costs:	106,000	98,280	101,228
Total Expenditure	567,540	614,488	675,633
NET INCOME/(EXPENDITURE)	16,917	126,052	286,159
Reserves c/f from previous year	127,483	144,400	270,452
TOTAL	144,400	270,452	556,611

Finance Committee - Registration Numbers and income

Introduction

- 1 This paper summarises information on current registration numbers and numbers going through the process of registration (Annex 1) and projected registration numbers and registration income for 2009/10, 2010/11, 2011/12 and 2012/13 (Annex 2).

Background

Current Registration Numbers (Annex 1)

- 2 As indicated in Annex 1, 232 individuals were registered with the Council by 16 April 2009. In addition, a total of 62 individuals were part-way through the on-line registration process and 39 individuals were waiting to be registered through the Professional Association bulk upload route. Once these registrations have been completed, there will be 333 individuals registered with the Council.

Projected Numbers and Registration Fee Income (Annex 2)

- 3 As indicated in Annex 2, the total projected number of registrants to end April was 243. Actual registration numbers are therefore 11 (or 4%) lower than the projected figure. This is due to the fact that there has been a delay in registering individuals for nutritional therapy, and approximately 60 registrations are currently waiting to be processed.
- 4 The total projected registration income is £9,343 but actual income is £1,843 lower at £7,500 because of the delay in NT registrants. See 4.3 below – 38 registrants at £46 = £1,748.
- 5 One of the assumptions underlying these figures is that income as a result of NTC bulk uploads will vary and will be a proportion of the NTC registration fee of £80 payable in September, depending on when registration is processed. Any delay in processing the registration reduces the registration fee payable for each individual. If the NTC register closes in due course, this assumption will need to be revisited.
- 6 The projected income figures do not yet include income from re-registration which will impact on the figures from January 2010.

Recommended Action

- 3 The Finance Committee is invited to:
 - Note the registration figures and projected registration numbers and income
 - Comments on the assumptions underlying the projections in the final page of this paper

	Message	Nutritional therapy	Message and Nutritional therapy	Message and Aromatherapy	Total
Registered	194	38			232
Online registration (Pending)					
Awaiting reference or verification					53
Awaiting registration fee					9
Total	49	11	2		62
Additional registration through bulk uploads or direct transfers not included in above 'Registered' figures					
Total	35	2	0	2	39
GRAND TOTAL (Registration and pending registration)					333
Rejected					4
Applied for other discipline					1
On file - awaiting action (prospective registrants)					121

Modelling of Registration Income

Annex 2 to FC 2009-13

	2009											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Estimated registration numbers	61	61	61	61	364	410	678	678	702	721	547	521
Cumulative total	61	121	182	243	607	1,016	1,694	2,373	3,075	3,796	4,343	4,864
Actual registration numbers				232								
Variance				-11								
Variance (%)				-4%								
Income												
Estimated individual on-line applications	1,712	1,712	1,712	1,712	3,268	3,423	4,765	4,765	4,931	5,055	4,388	4,322
Estimated individual HC applications	90	90	90	90	172	180	251	251	260	266	231	227
Less payment to PAs for verification	-71	-71	-71	-71	-426	-479	-793	-793	-822	-843	-640	-610
	1,731	1,731	1,731	1,731	3,014	3,124	4,222	4,222	4,368	4,478	3,979	3,939
Bulk uploads	2,549	801	801	801	12,520	11,800	19,588	19,582	23,256	21,322	18,003	17,435
TOTAL	£4,280	£2,532	£2,532	£2,532	£15,534	£14,924	£23,810	£23,804	£27,624	£25,800	£21,982	£21,374
Cumulative total	£4,280	£6,811	£9,343	£11,874	£27,408	£42,332	£66,142	£89,947	£117,570	£143,370	£165,352	£186,726
Actual income				£7,500								
Variance				-£1,843								
Variance (%)				-20%								

	2010											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Estimated registration numbers	387	387	373	363	558	558	782	782	809	809	809	809
Cumulative total	5,251	5,638	6,011	6,374	6,931	7,489	8,271	9,052	9,861	10,670	11,479	12,288
Income												
Estimated individual on-line applications	4,602	4,602	4,507	4,436	5,769	5,902	7,235	7,235	7,342	7,422	7,422	7,422
Estimated individual HC applications	242	242	237	233	304	311	381	381	386	391	391	391
Less payment to PAs for verification	-453	-453	-436	-424	-652	-652	-915	-915	-946	-946	-946	-946
	4,392	4,392	4,308	4,245	5,420	5,561	6,702	6,702	6,782	6,866	6,866	6,866
Bulk uploads	16,289	16,089	15,788	15,392	23,990	25,105	33,674	33,474	36,525	36,851	36,680	36,480
TOTAL	£20,681	£20,481	£20,096	£19,638	£29,410	£30,666	£40,376	£40,176	£43,307	£43,717	£43,546	£43,346

Cumulative total | £207,407 £227,888 £247,983 £267,621 £297,031 £327,697 £368,073 £408,249 £451,556 £495,273 £538,819 £582,165

2011		Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Estimated registration numbers		831	831	831	831	939	939	1,063	1,063	1,063	1,072	1,079	1,079
Cumulative total		13,118	13,949	14,780	15,610	16,549	17,488	18,551	19,615	20,687	21,765	22,844	23,923
Income													
Estimated individual on-line applications		8,237	8,237	8,237	8,237	8,977	9,051	9,792	9,792	9,851	9,896	9,896	9,896
Estimated individual HC applications		434	434	434	434	472	476	515	515	518	521	521	521
Less payment to PAs for verification		-972	-972	-972	-972	-1,098	-1,098	-1,244	-1,244	-1,254	-1,262	-1,262	-1,262
		7,698	7,698	7,698	7,698	8,351	8,429	9,063	9,063	9,116	9,155	9,155	9,155
Bulk uploads		37,213	36,947	36,718	36,451	41,095	41,560	46,166	45,899	49,110	49,135	48,906	48,640
TOTAL		£44,912	£44,645	£44,416	£44,149	£49,447	£49,989	£55,229	£54,962	£58,225	£58,290	£58,061	£57,794
Cumulative total		£627,076	£671,721	£716,138	£760,287	£809,734	£859,723	£914,952	£969,914	£1,028,139	£1,086,429	£1,144,490	£1,202,284

2012		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Estimated registration numbers		1,014	1,014	1,014	1,014	688	688	314	314	288	269	269	269
Cumulative total		24,936	25,950	26,963	27,977	28,665	29,353	29,667	29,982	30,270	30,538	30,807	31,076
Income													
Estimated individual on-line applications		7,449	7,449	7,449	7,449	5,224	5,001	2,777	2,777	2,599	2,465	2,465	2,465
Estimated individual HC applications		392	392	392	392	275	263	146	146	137	130	130	130
Less payment to PAs for verification		-1,186	-1,186	-1,186	-1,186	-805	-805	-368	-368	-337	-314	-314	-314
		6,655	6,655	6,655	6,655	4,693	4,459	2,555	2,555	2,398	2,280	2,280	2,280
Bulk uploads		45,568	45,501	45,444	45,378	30,684	28,422	13,719	13,652	13,184	12,240	12,183	12,116
TOTAL		£52,222	£52,156	£52,099	£52,033	£35,378	£32,881	£16,274	£16,208	£15,582	£14,520	£14,463	£14,397
Cumulative total		£1,254,506	£1,306,662	£1,358,761	£1,410,794	£1,446,171	£1,479,053	£1,495,327	£1,511,534	£1,527,117	£1,541,637	£1,556,100	£1,570,496

Assumptions

1 Total number of registrants

- 1.1 That 65% of the total number of potential registrants will wish to register and will be eligible to do so
- 1.2 That 20% of those who will register will register in the first year
- 1.3 That 30% of those who will register will register in the second year
- 1.4 That 40% of those will register in the third year
- 1.5 That the remainder (10%) will register in the fourth year

2 Total numbers registering per month

- 2.1 That 70% of those registering in the first year will register in the first six months to take advantage of the Early Bird offer
- 2.2 In the first year of the remaining 30% who have not yet registered, 5% will register each month over the remaining 6 months
- 2.3 In the second, third and fourth year 8.33% will register every month

3 Total payments - individual applicants

- 3.1 That 28/232 or 12% of applications will come from individual applicants
- 3.2 That 95% of individual applicants will register on-line and 5% will submit a hard copy
- 3.3 That on-line applicants registering during the first six months will pay an on-line application fee of £15, plus an early bird registration fee of £30, ie total of £45
- 3.4 That on-line applicants registering thereafter will pay an on-line application fee of £15, plus £45 registration fee
- 3.5 That individual applicants submitting a hard copy to register during the first six months will pay an application fee of £25 and a registration fee of £30
- 3.6 That individual applicants submitting a hard copy to register thereafter will pay an application fee of £25 and a registration fee of £45
- 3.7 That 35% of individual applicants will be members of a Professional Association and there will therefore be no charge for their validation
- 3.8 That 65% of individual applicants will not be members of a Professional Association and there will therefore be a charge made of £15 per applicant for validation

4 Bulk uploads Professional Associations

- 4.1 That 204/232 or 88% of applications for registration will come through Professional Associations
- 4.2 That apart from Nutritional and Massage Therapy , where special arrangements have been made with the GCMT and NTC, the normal fee income will be £30 per person during the first six months and £45 thereafter

- 4.3 That the income from NTC applications (which at present represents 100% of registration for Nutritional Therapy) will depend on the month registered. Since practitioners registering through the NTC will have paid a registration fee in September of £80, those registering in January will pay 7/12ths of £80 (ie £46) (38). There were no registrations between February and April so the remaining numbers for this year have been spread between May and December. (Fee in May - £27, June - £20, July - £13, August - £6. All renewals will be due in Sept 09.
- 4.4 That 600 Massage practitioners who are registered with GCMT will be admitted at a cost of £20/head for the first year in one bulk upload in July 2009
- 5 **Extra disciplines**
- 5.1 No account has been taken at this stage of the impact on fee income of those registering for more than one discipline (approximately £10 per person for an extra discipline rather than the whole registration fee (with a maximum of £60)
- 6 **Registration renewal**
- 6.1 The annual registration fee is £45 per person plus £5 for each additional discipline with a maximum of £50.