

**HEARING AID COUNCIL (HAC)
COUNCIL MEETING 28 JANUARY 2009
ITEM 9 DRAFT BUDGET**

Issue

This paper provides the final budget for 2009/10.

Timing

For discussion at the HAC Council Meeting 28 January 2009 (Agenda Item 9)

Action

For consideration, discussion and agreement by Council.

Background

The budget has been updated since the Council meeting in November 2008.

The forecast outturn for 2008/09 has improved from a surplus of £3k in November (September management accounts) to a surplus of £48k (November management accounts). This surplus is carried forward into 2009/10 after deduction of the deficit in reserves brought forward (£15k) as at 1 April 2008.

Retention fees have been recalculated to allow for a reduction in the number of registered individuals (60) and companies (15) paying the fee for a number of reasons including; the impact of the financial climate; business failures; potential redundancies; voluntary removals; and removals by the HAC for non-payment of fees.

Estimated costs have been included in the budget for the provision of a qualification route onto the register for aptitude, and other candidates, with fees set, at the same level, to allow a break even position to be maintained.

Budgeted bank interest has been adjusted to allow for the recent contraction of interest rates.

Legal services – IC/DC costs have been budgeted for 2009/10 in line with the forecast outturn for 2008/09. Difficulties in scheduling DC cases, deferral of cases following legal advice and cases held pending receipt of Leading Counsel's advice may result in these cases being determined in 2009/10 with the related costs falling into that year. Provision has also been made in this budget for the progression of serious, large cases with related significant costs and to allow for increase in referrals due to the economic climate.

Provision has been made in the budget for the costs associated with the retention of all staff until the date of transfer as requested, and considered, by the Strategy Executive Committee. These costs will be closely linked to staff performance.

Non financial changes have already been implemented in the reduction of the working week, additional leave allowances and the provision of season ticket loans. The staff training budget has also been increased in this regard.

The budgeted surplus of £18k is held to cover any further provisions for doubtful debts that might arise in respect of DC debtors (£92k balance as at 30 November 2008) in the final period to transfer.

Summary

A retention fee of £695 is proposed in line with the attached budget for 2009/10 to enable the HAC to achieve financial balance before transfer in March 2010.

Recommendation

The Council agrees the final budget for 2009/10 and the related retention fee to be raised by the Council in the sum of £695.