

Members of the Board are asked to:

1. Note the contents of the update

The most recent finance subgroup meeting was held on 24 August 2015. The notes of the last meeting are attached with this paper.

The main points to highlight are:

- Expenditure on equipment is higher than the budget, mainly due to IT items for the new office, however this was planned expenditure and had been taken into account when considering the decision to relocate
- English for speakers of other languages - it appears there is a year to date overspend; the expenditure shown is the total cost for the year, therefore there will be an underspend by the end of the year
- Staff costs - Nicci Donnelly has left Healthwatch Newcastle and her role is not being replaced so there will be an £11k underspend; however, there is currently uncertainty regarding future staff requirements so it was agreed to leave this line as it is for now
- There are restricted reserves that include an underspend from year 1 and start-up costs. Some of this will be spent on the initial purchase of the feedback centre that will support HWN to achieve its goal to increase the volume of quality information and insights obtained to ensure a sound basis to identify issues, trends and best practice.

# Finance subgroup meeting notes

24 August 2015 - 2pm

Higham House, Newcastle upon Tyne

## Finance subgroup members present

Bev Bookless (BB)

Anne Bonner (AB)

Sarah Cowling (SC)

Alison Walton (AW)

## In attendance

Jim Dodds (JD)

Ellison Services Manager, Newcastle CVS

Steph Edusei (SE)

Chief Executive, Healthwatch Newcastle (HWN)

Deborah Hall (DH)

Information Support Worker, HWN

## 1. Welcome and apologies for absence

- 1.1. There was a round of introductions; Jim Dodds (JD) was welcomed to his first subgroup meeting.

## 2. Minutes of the last meeting

- 2.1. The minutes of the last meeting were agreed as a true record.

## 3. Matters arising

- 3.1. Item 3.3: Steph Edusei (SE) said that JET thought something simpler and more pictorial than the health literacy tool was needed to evaluate ESOL. The materials are currently being revised, following feedback from ESOL tutors.
- 3.2. Item 4.6: JD to add legal services to the budget; a futures subgroup meeting has been arranged for 20 October.
- 3.3. The subgroup had a brief discussion about the business plan consultation. What were the reasons for the low response: could it be due to disinterest in the actual business plan, or in Healthwatch Newcastle (HWN) itself? It was felt there was unlikely to be much response if it wasn't part of someone's job role.

## 4. Healthwatch finance report (paper 1)

- 4.1. JD went through the figures in the paper, which covered actual expenditure against the budgeted figures for the period from April to June 2015.
- 4.2. The Newcastle CVS system is unable to compare expenditure with the original budget, therefore the finance report is in a slightly different format.

#### 4.4. Key points include:

- Expenditure on equipment is higher than the budget, mainly due to IT items for the new office, but this deficit will reduce over the coming months; any costs over £1k may be transferred to capital items and include some depreciation
- ESOL - it appears there is an overspend but this expenditure is the total for the year, therefore there will be an underspend by the end of the year
- Consultancy - is mainly for a project management framework and costs are likely to even out over the financial year; also, three associates submitted quotes for providing comms support on a retainer basis and Highlight PR was selected at £6k per year
- Staff costs - Nicci Donnelly has left HWN so there will be an £11k underspend; however, there is currently uncertainty regarding future staff requirements so it was agreed to leave this line as it is

4.5. A discussion took place on the requirement for a legal costs line, the funding of which may come out of reserves. HWN could require legal support if it decides to become an independent legal entity in the future or if the contract is re-tendered.

**Action:** SE to chat with Tim Care to get a sense of legal costs that may be required

4.6. SE, Sally Young and Kieran Conaty will be meeting commissioners in October to discuss the future of HWN beyond September 2016. There is uncertainty as to whether the contract will be re-tendered in Newcastle. Should the contract be re-tendered and awarded to another organisation then TUPE would apply to staff. The subgroup agreed there is a need to be proactive in finding out Newcastle City Council's intentions and demonstrating impact and value for money. The Public Service (Social Value) Act 2013 was also mentioned and evidence should be gathered in order to demonstrate HWN's social impact. Ways of generating additional income were briefly mentioned. It was acknowledged that income generation should not impact on HWN core work.

4.7. There are restricted reserves that include an underspend from year 1 and start-up costs. Some of this will be spent on the feedback centre.

4.8. Subgroup members were happy to accept the finance report.

4.9. It was agreed to hold the next finance subgroup meeting on 16 November, 4pm to 5pm at Higham House.

Month and year April to June 2015 (3 months)

	Annual Budget	Budget to Date	Actual to Date	Difference
Income	£	£	£	£
Healthwatch grant	215,078	53,770	53,770	-
	-	-	-	-
<i>Total budgeted income</i>	£215,078	£53,770	£53,770	£-

Expenditure				
Delivery costs (partners)				
Staff costs	149,072	37,268	37,720	(452)
Staff fixed overheads	6,349	1,587	1,868	(281)
Rent	5,740	1,435	860	575
Telephone (inc set up)	1,410	353	958	(606)
Printing	300	75	-	75
Travel	1,500	375	453	(78)
Training	2,000	500	-	500
Equipment	3,000	750	5,155	(4,405)
Subscriptions	1,400	350	-	350
Consultancy	10,000	2,500	4,728	(2,228)
Miscellaneous	500	125	310	(185)
<i>Total delivery costs (partners)</i>	£181,27	£45,318	£52,053	£(6,735)

Activity budget (Healthwatch Newcastle)				
Project management board	1,200	300	-	300
Healthwatch board support and vol	1,500	375	-	375
Marketing and publicity	8,000	2,000	634	1,366
Database and website maintenance	1,350	338	-	338
Freephone costs	700	175	15	160
Events, workshops, meetings,	10,000	2,500	745	1,755
Participation support inc.	1,000	250	-	250
Financial services	2,500	625	-	625
Developing young person's board	4,977	1,244	-	1,244
Esol for health	3,000	750	2,486	(1,736)
<i>Total activity budget</i>	£34,227	£8,557	£3,879	£4,677

Deficit of income over expenditure	(420)	(105)	(2,163)	
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