

Members of the Board are asked to:

1. Note the contents of the update

The most recent finance subgroup meeting was held on 18 May 2015. The notes of the last meeting are attached with this paper.

The main points to highlight are:

- There has been high expenditure in staff variable overheads due to the office move; this has mainly been on new desktop computers or laptops for those staff that frequently work away from the main office
- A legal services budget line will be added in preparation for a potential tendering process in 2016

Finance subgroup meeting notes

18 May 2015 - 2pm

Higham House, Newcastle upon Tyne

Finance subgroup members present

Bev Bookless (BB)

Sarah Cowling (SC)

In attendance

Steph Edusei (SE)

Chief Executive, Healthwatch Newcastle (HWN)

Deborah Hall (DH)

Information Support Worker, HWN

Graeme Lyall (GL)

Finance Manager, Newcastle CVS

Beth Nichol (BN)

Apprentice Administrator

1. Welcome and apologies for absence

1.1. Apologies were received from Anne Bonner and Alison Walton.

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. Steph Edusei (SE) had discussed Children North East (CNE) representing Healthwatch Newcastle during the children and young people's mental health services review; however, this will not be possible as CNE is attending in its own capacity. This work will be managed by the staff team initially until an appropriate Associate individual or organisation can be found to represent Healthwatch.

3.2. Item 4.4: Deborah Hall (DH) will prepare an asset register by the end of May.

3.3. Item 3.3: Julie Marshall (JM) is speaking to Involve North East to see if the health literacy tool is a useful method to assess the ESOL pilot.

4. Healthwatch finance report (paper 1)

4.1. Graeme Lyall (GL) went through the figures in the paper, which covered actual expenditure against the budgeted figures for the period from 1 April 2014 to 31 March 2015.

4.2. Some key points included:

- Equipment and subscriptions are new lines
- Expenditure on equipment is high because it includes IT items, (for example a server and PCs) and setting up the new office
- Subscriptions are for a two-year subscription for Patient and Care Opinion
- ESOL- it appears there is an underspend but Jobs, Education and Training (JET) has not yet invoiced for the second half of this fee.

- 4.3. Subgroup members were happy with the finance report, which will be presented to the next Board meeting.

Action: DH to prepare the finance paper for the 1 June Board meeting

- 4.4. GL tabled a proposed budget for the financial year 2015-16.
- 4.5. Staffing costs include services from Newcastle CVS, such as health & safety expertise from Judith Temple, and also for Chief Executive's Sally Young's time. Staff fixed overheads are higher for 2015-16 than they would be usually as the office relocation is not due to happen until June. Therefore, Newcastle CVS and Involve North East will both be paid for the first quarter's overhead charge.
- 4.6. The subgroup discussed adding a legal services budget line as it is likely that the Healthwatch Newcastle contract will be re-tendered at some point. The legal funding required will depend on discussion about the future operating model for Healthwatch Newcastle and this will be discussed at a meeting of the futures subgroup in the autumn.

Actions:

GL to add legal services to the budget

DH to arrange futures subgroup for October (by end of August)

- 4.7. There was a £4.5k deficit, but the underspend from the previous year was carried over and would accommodate this. The subgroup members noted that while this was funded, they would have to be mindful of this in the future and that the quarterly report from the Finance Manager will support the monitoring of ongoing expenditure. However, further examination of the figures showed that the ESOL funding had been repeated for 2015-16. The subgroup members noted that this was an error and that there will therefore be no overall deficit.
- 4.8. Bev Bookless (BB) asked if SE received monthly finance reports to allow her to monitor expenditure. SE replied that she didn't at the moment. GL added that this was something that might be possible in the future.

Action: Finance Manager Jim Dodd (see 5.1 below) to send quarterly (at least) reports to SE

- 4.9. SE also said that the 2015-18 business plan will build in an objective to raise funds from external sources as there is no guarantee that the current level of funding will continue, or be sufficient to support an ambitious work programme. Income generation has already begun in a modest way as Healthwatch Newcastle is working with Northumbria University to deliver some training for NHS England.

5. Any other business

GL will shortly be leaving Newcastle CVS for a role in private practice and he was thanked for so ably supporting Healthwatch Newcastle. Jim Dodds will be the new Finance Manager, and because he already works at Newcastle CVS there will be a very smooth handover process.

Actual V Budget	2014/15	Reforecast annual budget at Feb 2015	12 Months Actual to 31.3.2015	Variance
Period 1 April 2014 to 31 March 2015	Initial Annual Budget	at Feb 2015	Actual to 31.3.2015	£
	£	£	£	£
Income	215,078	215,078	215,078	0
Expenditure				
Delivery costs (partners)				
Staffing costs	136,893	127,525	127,278	247
Staff Fixed overheads	20,731	20,731	20,731	0
Staff variable overheads				0
Travel	1,950	1,461	1,574	-113
Training	4,000	1,444	2,079	-635
Recruitment		259	195	64
Equipment		3,990	10,939	-6,949
Subscriptions			1,383	-1,383
Consultancy			375	-375
Miscellaneous			37	-37
Activity Budget (Healthwatch Newcastle Board)				0
Project Management Board	1,200	1,200	1,200	0
Healthwatch board support and volunteer expenses	3,500	892	778	114
Marketing and publicity	8,000	7,238	6,674	564
Database and Website maintenance	1,350	0	0	0
Freephone costs	420	434	468	-34
Events, workshops, meetings, signpost venues	6,600	7,524	6,843	681
Participation support including interpreters, BSL, language Braille	1,600	0	0	0
Financial services	1,920	2,113	2,113	0
Developing Young Persons Shadow Healthwatch board	4,977	4,977	4,977	0
Esol for Health		4,611	2,085	2,526
Total expenditure	193,141	184,399	189,729	-5,330
Surplus of income over expenditure	21,937	30,679	25,349	-5,330
Opening Funds	38,383	38,383	38,383	
Closing Funds	60,320	69,062	63,732	-5,330

Healthwatch Newcastle			
Actual V Budget			
Period 1 April 2015 to 31 March 2016			
	12 Months Actual to 31.3.2015	Budget 1.4.2015 to 31.3.2016	Variance
	£	£	£
Income	215,078	215,078	0
Expenditure			
Delivery costs (partners)			
Staffing costs	127,278	149,072	-21,794
Staff Fixed overheads	20,731	6,349	14,382
Staff variable overheads			
Rent		5,740	-5,740
Telephone (inc set up)		1,410	-1,410
Printing		300	-300
Travel	1,574	1,500	74
Training	2,079	2,000	79
Recruitment	195		195
Equipment	10,939	3,000	7,939
Subscriptions	1,383	1,400	-17
Consultancy	375	10,000	-9,625
Miscellaneous	37	500	-463
Activity Budget (Healthwatch Newcastle Board)			
Project Management Board	1,200	1,200	0
Healthwatch board support and volunteer expenses	778	1,500	-722
Marketing and publicity	6,674	8,000	-1,326
Database and Website maintenance	0	1,350	-1,350
Freephone costs	468	700	-232
Events, workshops, meetings, signpost venues	6,843	10,000	-3,157
Participation support including interpreters, BSL, language Braille	0	1,000	-1,000
Financial services	2,113	2,500	-387
Developing Young Persons Shadow Healthwatch board	4,977	4,977	0
Esol for Health	2,085	7,137	-5,052
Total Expenditure	189,729	219,635	-29,906
Surplus of income over expenditure	25,349	-4,557	-29,906
Opening Funds	38,383	63,732	
Closing Funds	63,732	59,175	-29,906