**AGENDA ITEM No**: **7.2**

**AGENDA ITEM**: **Finance and General Purposes Sub-Committee Chair’s Report**

**PRESENTING:** Deborah Fowler

**PREVIOUS DECISION**: N/A

**EXECUTIVE SUMMARY**: The Committee is asked to note the summary of key matters discussed at the Finance and General Purposes Sub-Committee meetings of Thursday 28 January and Wednesday 27 April 2016.

**RECOMMENDATIONS:** Committee Members are asked to **NOTE** the content of the report, particularly the proposed discussion for the August Committee workshop.

**2015/16 Financial Accounts**

The 2015/16 financial year-end position was £3.744m against an original budget (including project spend) of £4.5mn, meaning an under-spend of 17.3%. Spending constraints had been deliberate policy, in anticipation of budget cuts being imposed in 2016/17.

F&GP Members felt it was important to **explore allocating staff pay costs** across the three cost centres and, where possible, into individual work streams, and asked Joanne Crossley to undertake some work on this. It was important for the organisation to have some understanding of the real costs of key areas of work, so that some approximate assessment could be made of where HWE budgets should be allocated and of the relative cost‑effectiveness of different major programmes.

It was noted that comparing the 2015/16 and 2016/17 financial accounts will be difficult as the budget allocations and priorities had changed year on year.

**Procurement and Payments**

These were reviewed for 2015/16. Staff training was under way to improve understanding of procurement processes. Helpful additional support was being provided by the CQC.

**2016/17 Budget and Business Plan**

There was a strategic discussion about **how topics of focus for Healthwatch England would be identified** within the priorities. It was recognised that there may occasionally be issues that arise at a national level in which Healthwatch England may wish to play a role, even though the topic has not arisen through local Healthwatch. Further, given the range of different issues being explored by local Healthwatch across the country, it would of course not be possible for Healthwatch England to pursue *all* of them at a national level, so a prioritisation mechanism was needed.

F&GP recommended that a strategic discussion was needed by the Committee to help determine both the extent to which Healthwatch England might sometimes play a leadership role based on national intelligence, and also to identify what sort of prioritisation criteria were to be used for deciding which local Healthwatch issues should be taken to a national level. F&GP asked for this to be **explored at the August Committee workshop**, if possible.

F&GP Members had been updated in January of the intention to review the business planning process and revise the organisation’s priorities to produce a six-month plan of priorities with the expected reduced budget. This had now been completed and the 2016/17 Business Plan had been approved by Committee Members at the February meeting.

It was noted that staff members objectives are now linked to the business plan and there is clarity on how each person’s role is linked directly with the business plan, and F&GP welcomed this.