

Board Advisory Committee (BAC) Update

FOR DISCUSSION AND AGREEMENT

Overview

- This paper provides an **update** on the most recent meeting of the Board Advisory Committee.
- This paper asks Board to agree the following **recommendation**:
That the management accounts format for FY 2026 -2027 is adopted, in line with discussions at the most recent meeting of Board Advisory Committee.

Update on the BAC meeting 29 April 2026

The most recent meeting of the BAC included the following:

- Reflections on the operational activity of Healthwatch, including positive feedback on the effectiveness of the Chair's Action process; whose purpose is to balance the need for Board oversight and scrutiny in line with the scheme of delegation, with the pressures for prompt action and decision making by the CEO, in a time of significant flux and change.
- Reflections on the future, including the kind of continued value that Healthwatch expertise, experience, talent and networks can add to local people and system partners. A paper authored by the Vice Chair to support this discussion is provided in the private board pack of this meeting, as a prompt for discussions regarding the upcoming Board Away day in June.
- An update from Future Planning Working Group.
- Discussion and feedback on the DBS Policy, brought to this meeting for approval.
- Discussion of management accounts as at March 2026, including the proposed future format.

Recommendation to adopt a new management accounts format

BAC reviewed a proposed format for management accounts, to be used from Q1 in FY 2026/2027. This layout will support our ability to better judge the cost of activity per project, and produce more nuanced data that will inform our decision making going forward. This would also be helpful if we continue to operate and receive funding from different sources that must be accounted for in more discrete ways, and this updated format enables this:

- income and expenditure will be broken down by area of activity, in order to provide greater clarity over the true costs of delivering different aspects of Healthwatch Hertfordshire's work.
- variance reporting will be broken down into permanent and temporary categories, in order to provide greater clarity on how variances impact our overall financial position.

The proposed format is provided for illustrative purposes below, and **BAC agreed to recommend it to Board for approval.**

Management Accounts from Q1 2026/27 Onwards – NOT REAL DATA

Summary	Actual Apr - Jun 2026				Projections Apr 2026 - Mar 2027			
	Budget	Actual	Variance		Budget	Projected	Variance	
			Permanent	Temporary			Permanent	Temporary
Income								
Contract	£ 130,000	£ 130,000	£ -	£ -	£ 480,000	£ 485,000	£ 5,000	£ -
Charges to HWHT	£ 15,000	£ 20,000	£ -	£ 5,000	£ 40,000	£ 40,000	£ -	£ -
Bank Interest	£ 5,000	£ 5,000	£ -	£ -	£ 20,000	£ 20,000	£ -	£ -
HWHT donations	£ 5,000	£ 4,000	£ -	£ 1,000	£ 20,000	£ 20,000	£ -	£ -
Other	£ 5,000	£ 2,000	-£ 3,000	£ -	£ 20,000	£ 17,000	-£ 3,000	£ -
Total Income	£ 160,000	£ 161,000	-£ 3,000	£ 4,000	£ 580,000	£ 582,000	£ 2,000	£ -
Expenses								
Staff	£ 160,000	£ 162,000	-£ 2,000	£ -	£ 570,000	£ 577,000	-£ 7,000	£ -
Governance, office and running costs	£ 25,000	£ 25,000	£ -	£ -	£ 90,000	£ 90,000	£ -	£ -
Direct delivery costs	£ 20,000	£ 18,000	£ -	£ 2,000	£ 70,000	£ 70,000	£ -	£ -
Total Expense	£ 205,000	£ 205,000	-£ 2,000	£ 2,000	£ 730,000	£ 737,000	-£ 7,000	£ -
Surplus/deficit	-£ 45,000	-£ 44,000	-£ 1,000	£ 2,000	-£ 150,000	-£ 155,000	£ 9,000	£ -
Balance Sheet								
Cash at hand	£ 300,000	£ 301,000	-£ 4,000	£ 5,000	£ 300,000	£ 301,000	-£ 4,000	£ 5,000
Debitors	£ 10,000	£ 10,000	£ -	£ -	£ 10,000	£ 10,000	£ -	£ -
Creditors	£ 10,000	£ 10,000	£ -	£ -	£ 10,000	£ 10,000	£ -	£ -
Net current assets	£ 320,000	£ 321,000	-£ 4,000	£ 5,000	£ 320,000	£ 321,000	-£ 4,000	£ 5,000
Of which designated reserves*	£ 100,000	£ 100,000			£ 100,000	£ 100,000		
Of which free reserves*	£ 220,000	£ 221,000	-£ 4,000	£ 5,000	£ 220,000	£ 221,000	-£ 4,000	£ 5,000
* Breakdown of designated reserves								
Item 1	£ 80,000							
Item 2	£ 10,000							
Item 3	£ 10,000							

** Target reserves are 3 months operating costs currently calculated as £100,000 Policy currently met

Breakdown	Actual Apr - Jun 2026				Projections Apr 2026 - Mar 2027			
	Budget	Actual	Variance		Budget	Projected	Variance	
			Permanent	Temporary			Permanent	Temporary
Statutory Duties								
Income								
HCC Core	£ 100,000	£ 100,000	£ -	£ -	£ 400,000	£ 400,000	£ -	£ -
Expenses								
Staff	£ 80,000	£ 82,000	-£ 2,000	£ -	£ 320,000	£ 322,000	-£ 2,000	
Governance, office and running costs	£ 10,000	£ 10,000	£ -	£ -	£ 40,000	£ 40,000	£ -	£ -
Direct delivery costs	£ 10,000	£ 8,000		£ 2,000	£ 40,000	£ 40,000	£ -	£ -
Surplus/deficit	£ -	£ -	£ 2,000	-£ 2,000	£ -	-£ 2,000	£ 2,000	£ -
Additionally commissioned projects								
Income								
HCC additional contracts/variation	£ 20,000	£ 25,000	£ 5,000	£ -	£ 50,000	£ 55,000	£ 5,000	£ -
other projects	£ 10,000	£ 5,000	-£ 5,000	£ -	£ 30,000	£ 30,000	£ -	£ -
Charges to HWHT	£ 15,000	£ 20,000	£ -	£ 5,000	£ 40,000	£ 40,000	£ -	£ -
Expenses								
Staff	£ 30,000	£ 30,000	£ -	£ -	£ 100,000	£ 105,000	-£ 5,000	£ -
Governance, office and running costs	£ 5,000	£ 5,000	£ -	£ -	£ 20,000	£ 20,000	£ -	£ -
Direct delivery costs	£ 10,000	£ 10,000	£ -	£ -	£ 30,000	£ 30,000	£ -	£ -
Surplus/deficit	£ -	£ 5,000	£ -	£ 5,000	-£ 30,000	-£ 30,000	£ 10,000	£ -
Other income/expense								
Income								
Bank interest	£ 5,000	£ 5,000	£ -	£ -	£ 20,000	£ 20,000	£ -	£ -
HWHT donations	£ 5,000	£ 4,000	£ -	-£ 1,000	£ 20,000	£ 20,000	£ -	£ -
Other	£ 5,000	£ 2,000	-£ 3,000	£ -	£ 20,000	£ 17,000	-£ 3,000	£ -
Expense								
Staff	£ 50,000	£ 50,000	£ -	£ -	£ 150,000	£ 150,000	£ -	£ -
Governance, office and running costs	£ 10,000	£ 10,000	£ -	£ -	£ 30,000	£ 30,000	£ -	£ -
Surplus/deficit	-£ 45,000	-£ 49,000	-£ 3,000	-£ 1,000	-£ 120,000	-£ 123,000	-£ 3,000	£ -
Net surplus/deficit	-£ 45,000	-£ 44,000	-£ 1,000	£ 2,000	-£ 150,000	-£ 155,000	£ 9,000	£ -