St Raphael's Hospice

Minutes of a Meeting of the Finance & Resources Committee

Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX with video call access

At 2pm on Tuesday 5th May 2026

Members:	Alan Cogbill (AC – Committee Chair and Trustee)
	Steve Chambers (SC – Trustee)
	Paul Holmes (PH – Trustee)
In attendance:	Rebecca Trower (RT – CEO)
	Nick Stevens (NS – Financial Consultant)
	John Groom (JG – Director of Operations)
	Alex Rudkin (AR – Head of Clinical and Governance)
	Neena Vadgama (NV – Head of Finance - apologies)
	Karen Monaghan (AM – Governance)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
4.7	Update the lottery governance and internal crime policies as discussed and circulate to the Committee	NS	14.07.2026	01.05/05/ 2026
7.	Update the TOR and circulate to the Board for approval.	KM	13.05.2026	02.05/05/ 2026

The meeting commenced at 2.00pm

1. Welcome, apologies for absence and declarations of interest

The Chair welcomed members and attendees to the meeting. Apologies were received from Neena Vadgama. There were no declarations of interest in relation to the items on the agenda. It was noted that Paul Holmes had rejoined the Committee and his membership would be formally ratified at Board.

2. Review of minutes from 20th January 2026 Committee meeting & matters arising

The minutes of the previous meeting were reviewed and approved as an accurate record of proceedings by the Committee.

3. Actions list and matters arising

The Committee then reviewed the action log. Members noted that the previously proposed £500k investment had not been progressed due to market instability, a decision which, in hindsight, had protected organisational funds during a period of volatility. Other actions, including communications and signage improvements, had been completed as planned.

4. Finance Report

4.1 Final 2026/27 Budget, final position 2025/2026: The Committee received a comprehensive financial update and spent considerable time exploring both headline performance and underlying sustainability.

It was noted that the organisation had delivered a modest operating surplus of approximately £98k vs a planned deficit. However, it was reiterated that the overall reported surplus would be significantly inflated by the inclusion of grant income, including a £500k unrestricted tranche and £1.5m of restricted capital funding from the DoC. While this strengthened the balance sheet and cash position, now materially ahead of budget, the Committee emphasised the importance of clearly communicating that this position does not reflect underlying operational performance. The discussion reflected a consistent theme of distinguishing accounting presentation from financial reality. Trustees recognised that, while cash reserves had increased to over £6m and net assets had strengthened, the organisation continues to operate within a structurally challenging financial environment, with underlying deficits still evident.

4.2Income: Income performance was broadly positive. NHS income had exceeded expectations, supported in part by pilot activity, and legacy income had performed strongly above budget. Donation income met target with cost efficiencies, reflecting effective fundraising activity. By contrast, retail performance weakened in the final quarter, with both income and contribution falling below expectations. Investment performance had been favourable overall, though members noted the exposure to market volatility.

4.3 Reserves: The Committee considered the reserves position in detail. Free reserves stood at approximately 5.4 months of expenditure, placing the organisation at the upper end of its policy range. However, Trustees recognised that this level remains relatively modest for an organisation facing income uncertainty and operational risk, and that reserves are expected to reduce over time as capital projects progress and deficits continue to be managed.

A significant part of the discussion focused on the remaining £1.4m balance of deferred income originating from the earlier £3.6m grant. The Committee explored the implications of releasing this balance either immediately or over time. Trustees recognised that releasing the full amount in a single year would materially inflate reported surplus without improving underlying financial resilience. There was also concern that doing so could create unhelpful external perceptions, particularly in the context of fundraising and sector-wide narratives regarding hospice funding pressures.

Decision:

The Committee agreed that the remaining balance of £1.4m should be released over a three- to four-year period, aligning with the original intent of supporting the organisation through a transition to sustainability.

This approach was seen as providing a degree of financial calibration while maintaining a more realistic presentation of performance.

At the same time, Trustees were clear that this accounting treatment does not remove the underlying challenge. The Committee reflected candidly on the organisation's medium-term outlook, noting that if income growth is not achieved, more fundamental corrective action may be required within a two- to three-year timeframe. The importance of aligning financial strategy with operational planning and income generation was strongly emphasised.

4.4 Key Judgements and Assumptions: The Committee reviewed and approved key accounting judgements underpinning the financial statements. This included increasing the assumed realisation rate for legacy income from 85% to 95%, reflecting recent experience, and applying a 4% uplift to the notional rental value associated with gifted land and buildings.Trustees were satisfied that these assumptions were evidence-based and appropriate, noting that future changes in asset base and depreciation would be managed through standard accounting treatment.

4.5. Funding Outlook and External Environment: The Committee considered emerging developments in NHS funding, noting early indications of a potential uplift in South West London. While this was welcomed, members recognised that the scale of increase remains uncertain and that even with additional funding, the organisation's longer-term financial position remains tight. The discussion highlighted the importance of continued engagement with system partners and the potential to expand pilot programmes and service models that demonstrate value, particularly in supporting hospital discharge and reducing system costs.

4.6. Audit Planning: An update on audit and compliance activity was received. Preparatory work for the external audit was progressing well, with fieldwork scheduled for the summer. Corporation tax was expected to result in a nil return, although the Committee noted ongoing work in relation to VAT, which may result in a modest liability and potential retrospective adjustment.

The Committee also reviewed the organisation's approach to fraud risk. While the overall risk was assessed as low, members acknowledged that oversight could be strengthened further. There was a shared view that fraud risk should be more explicitly considered within governance structures, and that policy frameworks relating to internal controls, anti-fraud and financial oversight would benefit from consolidation and clearer articulation.

4.7 Policies: Updated lottery governance and internal crime policies were considered. These were approved in principle, subject to amendments to improve clarity of roles, responsibilities and scope. The Committee noted that, while developed in response to lottery compliance requirements, elements of these policies may need to be extended to provide broader organisational coverage.

Action:

- **NS to update the policies as discussed and circulate to the Committee**

5. Non-Clinical Governance update

The Committee received a non-clinical governance update, noting continued compliance with data security requirements and plans to strengthen data mapping maturity. Progress was being made in implementing a new incident and feedback system, which would enhance reporting and oversight. Policy compliance was reported at approximately mid-80% levels. While this was considered acceptable, the Committee agreed that further improvement was required, particularly in HR-related areas, and that sustained focus would be needed to achieve higher levels of assurance.

Health and safety arrangements were also reviewed. A full audit and fire risk assessment were planned, alongside organisation-wide training to strengthen risk assessment capability. The Committee welcomed this proactive approach and the intention to use findings to inform future priorities.

6. IT & Estates Report

The Committee noted positive progress in estates and IT, including improved system resilience through enhanced connectivity, successful delivery of infrastructure upgrades, and the launch of the new website. Attention was drawn to challenges associated with the proposed new build project, particularly in relation to planning constraints and potential delays. Members recognised the importance of continued engagement with stakeholders to mitigate risks and maintain project momentum.

7. Committee Terms of Reference

The Committee undertook its annual review of Terms of Reference and Financial Delegated Authorities. Both were approved, subject to updates reflecting current roles and responsibilities.

Action:

- **KM to update the TOR and circulate to the Board for approval.**

8. Any Other Business and Dates of future meetings

The Committee received the Examples of Excellence Register for information, highlighting compassionate and responsive care provided by Hospice and Retail Staff.

The date of the next meeting was confirmed as **Tuesday 14th July 2026 at 2pm**.

The meeting ended at 3.53pm

Approved……..

Date……..