

**St Raphael's Hospice**  
**Meeting of the Finance & Resources Committee**  
**To be held at St Raphael's Hospice**  
**At 14:00 on Tuesday 23<sup>rd</sup> April 2024**

Members: Alan Cogbill (AC – meeting Chair)

Ed Cook (EC)

Paul Holmes (PH)

Sr Kathleen O'Reilly (KO'R)

In attendance: Nick Stevens (NS – CEO)

John Groom (JG – Director of IT & Facilities)

Alex Rudkin (AR – Director of Quality and Governance)

Neena Vadgama (NV – Head of Finance)

Anna Machin (AM – Governance – AM)

Item	Time	Description	Purpose	Lead
1.	14.00-14.05	Welcomes, apologies for absence and declarations of interest	Discussion	Chair
2.	14.05-14.10	Review of minutes from 25 <sup>th</sup> January 2024 Committee meeting	Approval	Chair
3.		Actions List and update on matters arising – see <i>actions in meeting minutes</i>	Discussion	
4.	14.10-14.40	Finance Report including: <ul style="list-style-type: none"> <li>• Management accounts to end of February 2024 – detailed &amp; summary</li> <li>• Verbal update on 2023/24 year-end 'latest estimate'</li> <li>• Balance sheet &amp; cash movements</li> <li>• Update on investments</li> <li>• KPI report</li> </ul>	Discussion	NS, NV
5.	14.40-15.20	2024/25 budget	Discussion	NS, NV
6.	15.20-15.35	Cashflow projections	Discussion	NS
7.	15.35-15.50	IT & Estates report	Discussion	JG
8.	15.50-15.55	Committee Terms of Reference; Financial Delegated Authorities	Recommend to Board	AM
9.	15.55-16.00	Any Other Business & Date of next meeting	Discussion	Chair

**Dates of future meetings:** 2-4pm Tuesday 16<sup>th</sup> July 2024

**St Raphael's Hospice**  
**Minutes of a Meeting of the Finance & Resources Committee**  
**Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX**  
**At 9:00 on Thursday 25<sup>th</sup> January 2024**

Members: Joe Ryan (JR – Chair)  
 Alan Cogbill (AC – Trustee - virtual)  
 Ed Cook (EC – Co-opted Committee member and Board Advisor)  
 Paul Holmes (PH – Trustee – virtual)  
 Sr Kathleen O'Reilly (KO'R – Trustee - apologies)

In attendance: Nick Stevens (CEO – NS)  
 John Groom (Director of IT & Estates – JG)  
 Alex Rudkin (Director of Quality & Governance – AR – virtual)  
 Neena Vadgama (Head of Finance – NV)  
 Anna Machin (Governance – AM - virtual)

**Actions arising**

<b>Agenda item</b>	<b>Action</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Ref.</b>
3.4. Update on investments	Bring proposed approach to allocation of Sarasin funds to Board for approval	Nick Stevens	31 <sup>st</sup> January 2024 meeting	25.01.24/01

*The meeting commenced at 9.10am*

**1. Welcome, apologies for absence and declarations of interest**

The Chair welcomed Committee members and colleagues to the meeting. Apologies were received and accepted from Sr Kathleen O'Reilly. There were no declarations of interest from Committee members.

**2. Review of minutes from 17<sup>th</sup> October 2023 Committee meeting & matters arising**

The minutes of the previous meeting were reviewed and approved as an accurate record of proceedings by the Committee, and it was confirmed that actions around finalisation of the annual report and accounts had been completed, alongside taking forward the discussion on the Sarasin account to the Board at the meeting held at the end of November.

Key themes from October were discussed, and confirmation was given that no further correspondence had been received from the NHS in relation to the potential pension liability. Contingency plans for key man risk for the finance team for any short-term absence have been outlined; any substantive absence would require external cover.

The Committee asked for an update on communications with the ICB around core funding. Correspondence has been sent jointly with other Hospices to the Chair and CEO of the SWL ICB in readiness for a meeting arranged with the Royal Trinity Chair. ICB have now postponed that meeting until mid-February. NS has also contacted CFO at ICB and has a direct meeting on 30<sup>th</sup> January to discuss the budget 2024-25.

### 3. Finance Report

#### 3.1. 2023/24 year-to-date report – Neena Vadgama presented key points from the Finance Report:

- The in-year shortfall is currently £1.8m compared to a budgeted shortfall at this point in the year of £1.7m. Broadly mirroring this position, cash in bank is £3.79m, vs a projection of £3.82m, a difference of £35k. NHS income is £64k below budget, and there has not been any confirmed increase over the 2022-23 rates.
- In terms of legacies in the pipeline, this is sitting at £713k and there are small individual legacies on a monthly basis. £330k has recently been accrued within the management accounts, with paperwork being processed.
- Donor income is £53k below budget, primarily due to the fact that the summer appeal did not take place. The Christmas appeals were successful, with Light up a Life bringing in £75k, the Santa Dash and other festive community activities reaching £30k, the Raphaelite magazine appeal drawing £30k, and Lower Morden Lights around £20k, with final funds still being banked.
- The second Lottery campaign has been delayed until spring 2024, costs are therefore much lower which brings upside to the budget, though income growth will be delayed. It is anticipated that the Campaign will re-start in March, after the darker winter months are over.
- In terms of Retail, all shops are performing well aside from Wimbledon Park, and EBay and rag income are both below expectations. The Donation Centre income level is higher since the new centre opened and commenced selling bigger items and furniture.
- Key factors in variance to budget are that costs have increased to almost £100k over budget, in part due to pay increases increased on lower paid staff, bank staff costs and more costs on waste disposal and shop consumables (like wrapping and bags).
- Investments sit at £2.075m, with £750k in cash deposits. Net assets are at £3.7m as at December.
- There are IT investments due to be made which supports effective cyber practices and is being overseen by the IT team. Cyber insurance is now in place.

In relation to NHS payments, Nick Stevens confirmed that payments were being made to the Hospice on the basis of the current rolling contract, until discussions on the next contract have been finalised. When considering factors behind the ICB meeting being delayed, it is recognised that there will be demands from a range of other hospices and health bodies for increased funding, given rising inflation and need. The Hospice has secured legal advice on mechanisms that can be triggered should a dispute be raised around entering into the next contract, and the first stage of this is to hold a meeting with Board-level stakeholders from both organisations.

A next stage would be mediation, and then expert determination. As there is no agreed contract currently in place, the legal foundation is not yet in place in order to trigger the mechanism. A judicial review is a mechanism that could be prompted on a national level and is advised by the lawyers, but is not a route that would be taken by St Raphael's or the other local hospices alone. The Committee reflected that expert determination would be an effective route. It was agreed that the Hospice was put into an inequitable position whereby it has to sign a contract in order to receive funds and yet that contract is unfair.

The achievements around Christmas fundraising were recognised, alongside endeavours from the Fundraising team to build further relationships with organisations linked to existing supporters e.g. near to Lower Morden Lights. There have been savings on fundraising costs e.g. Raphaelite mail-outs, and income in these areas has been sustained, showing a better return on investment.

The Committee discussed the approach to allocation of support costs, and the approach to splitting across clinical delivery and non-clinical costs. The approach to allocation of small capital items was also covered including IT funds – the team shared that a recent donation of £8k to the Hospice towards capital costs had been used to fund laptop purchases.

**3.2. Balance sheet and cash movements** – the Committee noted the balance sheet and forward projections included in meeting papers, and asked for the key factors behind the rise in debtors. Neena Vadgama confirmed that this was due to the accrued legacy figures of £330k. Creditors have grown by projecting the draw-down from DoC, which then takes place at the end of the financial year.

**3.3. Verbal update on 2024/25 timeline for budget development** – Nick Stevens shared a headline update on assumptions behind income projections. For commercial income, current Retail and the Donation Centre figures are being used to project forwards, noting that Wimbledon Park will need to show improvements as it is not currently viable otherwise a decision would need to be made to sublet. A key focus is also going to be on cost control for the shops, including volunteer recruitment to reduce the number of Bank staff needed, and also tightening Gift Aid processes and moving back towards pre-covid levels.

The Fundraising team are reviewing the projected forward-look figures brought together in the prior year by Ruth Sorby (Fundraising Consultant) and generally agree with the targets, even though they present a stretch across budget lines on this year's income. The one area that is likely to be down-scaled is the appeal. These projections are shown and rated in the table on the top of page 4 in the Finance Report, and collectively this would increase targets from the revised figure for 2023-24 of £1.075m to £1.4m in 2024-25, £1.625m in 2025-26 and £1.9m in 2026-27.

The Committee reflected that targets needed to be ambitious and grow in order to evidence the Hospice's sustainability, but that further detail should be shared with the Board on assumptions sitting behind the targets, to enable effective support and challenge and understand how realistic they would be. For example, growth in community funds from £100k to £180k in one year is a steep rise. Legacies income is projected to rise steadily from £1.3m upwards.

Nick Stevens confirmed that the 20<sup>th</sup> March Board strategy day would focus in detail on funding projections, enabling this testing and discussion, prior to the April Finance Committee and May Board at the start of the next financial year. Nick Stevens shared that the target of £1.4m has been budgeted over the past few years but was disrupted by changes in staff and the pandemic, but now there is a full and strong fundraising team, it is paramount for this new level of fundraised income to be met.

In terms of expenditure, the Remuneration Committee has agreed increases that amount to an average of 5.2% for non-clinical staff, with lower paid colleagues receiving a higher % and higher paid a lower amount. For clinical staff who are aligned with Agenda for Change pay deals, the draft budget assumes a 5% increase, even though inflation over time is expected to move down to 4%.

The outcomes of discussions with the NHS will be critical as, notwithstanding the drive to grow other revenue streams, this is the main avenue for closing the inflation-related funding gap. The Daughters of the Cross (DoC) will take account of the outcome of these discussions when they deliberate over further funding.

**3.4. Update on investments & market report** – a meeting was held with Sarasin by Nick Stevens and Joe Ryan as agreed with the Board following discussion in November. Sarasin shared that markets are now recovering – this has since been evidenced by the increase in fund value, as noted in the report in the board paper pack, which means that the amount held in the investment fund is now just over the £2m originally invested in the fund.

The advice from Sarasin was that there is expected to be volatility in the markets but with a much better overall trend, and that a decision to move invested funds into their cash deposits should be made according to the cashflow needs of the Hospice. A 2-3 year horizon is the optimal horizon on which fund values can increase without being impacted by short-term volatility.

On the basis of discussion, it was agreed that a proposal would be brought to the 31<sup>st</sup> January Board meeting for £0.5m to be brought into a deposit account which can build interest, and £1.5m to remain in the investment fund. Should an unanticipated cash need arise, the Committee received assurance that this could be drawn down in a short timeframe of 2-3 days. This approach would mean that no loss to investments would be crystallised, risk would be spread, and potential upside from investments could be gained.

#### **4. IT & Estates update**

John Groom updated on recruitment to the team which is progressing well, although time is required to provide induction on the specific systems used by the Hospice. EMIS Mobile is being rolled out, which gives continuity of access to patient records on different devices. Information sharing with GPs is now activated with 48 practices. DatixWeb has been migrated to the cloud successfully, and the paper contains information on further migrations due such as email filtering software and the website.

It is believed that the cyber-attack that hit the Hospice in October was through the Citrix Netscalers, the access used to the Hospice's secure site, and the solution to reduce the likelihood of further attacks via this route is to put in place more regular patching. The Committee asked about the total fees relating to the cyber-attack. It was confirmed that this is currently at £50k legal and forensic fees. The ICO's response to the Hospice's latest submission is to be received.

John Groom raised that the IT budget is being set for 2024-25 as hardware expires in August. The Hospice is moving further into the cloud and so looking at other ways to offset hardware costs by savings around other processes and systems. The IT team will aim, over time, to reduce the total number of servers on-site which would reduce cost in future but need to have them in place for now.

The Committee commented on the impressive nature of IT work, and also recognised pressures on John Groom over past year on the team without the full complement of staffing in place within the department. The time taken by IT team in responding to cyber-attack during this period to report to regulators was also acknowledged, in terms of the opportunity cost in delay to other priorities. Board had held awareness of cyber-risk and actively discussed it during meeting cycles last year and external assurance had shown the strength of the Hospice's response.

In terms of Estates priorities, new fire doors are being put in place in IPU alongside refurbishment of the St Bede's kitchen area. More discussions are being held with Spire hospital around pipes of oxygen. The Committee noted some Red risks on the IT and Estates risk register have been moved down to Yellow ratings.

#### **5. Annual Corporate Governance and Health & Safety Report**

Alex Rudkin was invited to present the report, and focused initially on preparation of the data protection toolkit submission due in June, and extent of activity around the cyber-attack meaning that substantive updates will be made to the submission to show the breadth of measures in place. There is a well-established system of review for the 180 internal policies and process documents, and 57 have been reviewed since the last report to this Committee, with an 87% in-date review record and goal to move this to 90%+. As shared by John Groom, H&S is a continued priority with the IPU fire doors at the main action.

2023 has shown strong engagement with process of central recording of incidents, and the report is also shared with Commercial Director for internal join-up and visibility.

The Committee thanked Alex Rudkin for report.

**6. Any Other Business and Dates of future meetings**

There were no further items raised under Any Other Business. The date of the next meeting was confirmed as 24<sup>th</sup> April 2024.

*The meeting ended at 10.45am.*

Approved.....

Date.....

Management Account March 2024	Year To Date				Full Year									
	Actuals 2023-24	Budget 2023-24	variance	YTD Prior Year	Actuals 2020-21	Actuals 2021-22	Actuals 2022-23	Draft 2023-24	Budget 2023-24	variance	Budget 2024-25	2025-26	2026-27	2027-28
Income from NHS	1,697,202	1,714,050	(16,848)	1,698,401	1,775,471	2,264,729	1,698,401	1,697,202	1,714,050	(16,848)	2,136,331	2,527,566	2,969,789	3,041,008
Other Income	623,175	447,716	175,458	350,702	1,662,681	588,934	350,702	623,175	447,716	175,458	413,819	470,570	482,819	495,468
<b>Service Income</b>	<b>2,320,377</b>	<b>2,161,767</b>	<b>158,610</b>	<b>2,049,104</b>	<b>3,438,152</b>	<b>2,853,662</b>	<b>2,049,104</b>	<b>2,320,377</b>	<b>2,161,767</b>	<b>158,610</b>	<b>2,550,150</b>	<b>2,998,136</b>	<b>3,452,608</b>	<b>3,536,476</b>
Direct Cost of Services	(4,876,354)	(4,698,112)	(178,243)	(4,516,639)	(3,713,542)	(3,878,465)	(4,516,639)	(4,876,354)	(4,698,112)	(178,243)	(5,094,734)	(5,235,442)	(5,343,274)	(5,453,366)
Hospice Depreciation	(109,815)	(140,386)	30,571	(95,392)	(155,282)	(95,491)	(95,392)	(109,815)	(140,386)	30,571	(125,765)	(127,767)	(77,664)	(72,606)
Support Costs	(780,379)	(663,265)	(117,114)	(698,011)	(678,829)	(670,239)	(698,011)	(780,379)	(663,265)	(117,114)	(806,247)	(809,247)	(826,964)	(843,461)
<b>Service Costs</b>	<b>(5,766,548)</b>	<b>(5,501,762)</b>	<b>(264,785)</b>	<b>(5,310,041)</b>	<b>(4,547,652)</b>	<b>(4,644,196)</b>	<b>(5,310,041)</b>	<b>(5,766,548)</b>	<b>(5,501,762)</b>	<b>(264,785)</b>	<b>(6,026,745)</b>	<b>(6,172,455)</b>	<b>(6,247,902)</b>	<b>(6,369,433)</b>
<b>Net Service Cost to be funded</b>	<b>(3,446,171)</b>	<b>(3,339,996)</b>	<b>(106,175)</b>	<b>(3,260,937)</b>	<b>(1,109,500)</b>	<b>(1,790,534)</b>	<b>(3,260,937)</b>	<b>(3,446,171)</b>	<b>(3,339,996)</b>	<b>(106,175)</b>	<b>(3,476,595)</b>	<b>(3,174,319)</b>	<b>(2,795,294)</b>	<b>(2,832,957)</b>
	29%	31%		32%	39%	49%		32%	29%	31%	35%	41%	48%	48%
<b>Fundraising Activity</b>														
Legacy Income	1,533,001	1,250,000	283,002	1,646,106	2,228,142	1,532,596	1,646,106	1,533,001	1,250,000	283,002	1,312,500	1,378,125	1,447,031	1,519,383
Donor Income	1,168,678	1,312,500	(143,822)	1,132,220	1,222,685	996,411	1,132,220	1,168,678	1,312,500	(143,822)	1,402,275	1,653,960	1,925,398	2,025,336
Fundraising Costs	(732,539)	(920,782)	188,243	(730,913)	(592,754)	(702,971)	(730,913)	(732,539)	(920,782)	188,243	(849,079)	(865,830)	(883,146)	(900,809)
	<b>1,969,140</b>	<b>1,641,717</b>	<b>327,423</b>	<b>2,047,412</b>	<b>2,858,074</b>	<b>1,826,036</b>	<b>2,047,412</b>	<b>1,969,140</b>	<b>1,641,717</b>	<b>327,423</b>	<b>1,865,696</b>	<b>2,166,255</b>	<b>2,489,283</b>	<b>2,643,909</b>
Lottery Income	354,369	401,852	(47,483)	368,285	454,014	422,996	368,285	354,369	401,852	(47,483)	448,680	556,724	652,797	679,932
Lottery Costs	(229,846)	(518,863)	289,017	(169,462)	(188,041)	(195,515)	(169,462)	(229,846)	(518,863)	289,017	(394,029)	(400,550)	(413,850)	(211,998)
	<b>124,523</b>	<b>(117,011)</b>	<b>241,534</b>	<b>198,823</b>	<b>265,973</b>	<b>227,480</b>	<b>198,823</b>	<b>124,523</b>	<b>(117,011)</b>	<b>241,534</b>	<b>54,652</b>	<b>156,174</b>	<b>238,947</b>	<b>467,935</b>
Shop Income	1,715,681	1,717,424	(1,743)	1,418,215	203,693	1,109,995	1,418,215	1,715,681	1,717,424	(1,743)	1,962,895	2,232,788	2,585,802	2,869,351
Shop Costs	(1,672,673)	(1,558,335)	(114,338)	(1,200,945)	(913,626)	(1,123,843)	(1,200,945)	(1,672,673)	(1,558,335)	(114,338)	(1,767,202)	(1,922,639)	(2,159,551)	(2,288,014)
	<b>43,008</b>	<b>159,089</b>	<b>(116,081)</b>	<b>217,270</b>	<b>(709,933)</b>	<b>(13,848)</b>	<b>217,270</b>	<b>43,008</b>	<b>159,089</b>	<b>(116,081)</b>	<b>195,693</b>	<b>310,149</b>	<b>426,250</b>	<b>581,338</b>
	3%	9%		15%		-1%		3%	9%		10%	14%	16%	20%
<b>Support Costs</b>	<b>(390,189)</b>	<b>(331,633)</b>	<b>(58,557)</b>	<b>(349,005)</b>	<b>(339,414)</b>	<b>(335,119)</b>	<b>(349,005)</b>	<b>(390,189)</b>	<b>(331,633)</b>	<b>(58,557)</b>	<b>(403,123)</b>	<b>(404,623)</b>	<b>(413,482)</b>	<b>(421,731)</b>
<b>Fundraising Contribution</b>	<b>1,746,482</b>	<b>1,352,162</b>	<b>394,319</b>	<b>2,114,500</b>	<b>2,074,699</b>	<b>1,704,549</b>	<b>2,114,500</b>	<b>1,746,482</b>	<b>1,352,162</b>	<b>394,319</b>	<b>1,712,917</b>	<b>2,227,956</b>	<b>2,740,998</b>	<b>3,271,451</b>
<b>Shortfall before DOC Funding</b>	<b>(1,699,689)</b>	<b>(1,987,834)</b>	<b>288,144</b>	<b>(1,146,437)</b>	<b>965,199</b>	<b>(85,985)</b>	<b>(1,146,437)</b>	<b>(1,699,689)</b>	<b>(1,987,834)</b>	<b>288,144</b>	<b>(1,763,678)</b>	<b>(946,363)</b>	<b>(54,296)</b>	<b>438,494</b>
DOC Funding	500,000	1,000,000	(500,000)	750,000	280,000	666,666	750,000	500,000	1,000,000	(500,000)	850,000	450,000	103,334	0
Contingency Drawdown							0							
<b>Surplus/(Shortfall) for period</b>	<b>(1,199,689)</b>	<b>(987,834)</b>	<b>(211,856)</b>	<b>(396,437)</b>	<b>1,245,199</b>	<b>580,681</b>	<b>(396,437)</b>	<b>(1,199,689)</b>	<b>(987,834)</b>	<b>(211,856)</b>	<b>(913,678)</b>	<b>(496,363)</b>	<b>49,038</b>	<b>438,494</b>

SRH Detailed Income and Expenditure	Year To Date					Actuals 2021-22	Actuals 2022-23	Forecast 2023-24
	Actual	Budget	Variance	Prior Year	Variance			
<b>29th February 2024</b>								
<b>NHS Grants</b>	<b>1,666,926</b>	<b>1,709,250</b>	<i>(42,325)</i>	<b>1,693,858</b>	<i>(26,932)</i>	2,256,244	1,693,858	<b>1,666,926</b>
<b>NHS Other Fees</b>	<b>30,277</b>	<b>4,800</b>	25,477	<b>4,544</b>	25,733	8,485	4,544	<b>30,277</b>
<b>Hospice Grants</b>	<b>135</b>	<b>0</b>	135	<b>10,710</b>	<i>(10,575)</i>	280,354	10,710	<b>135</b>
<b>Other income</b>	<b>338,259</b>	<b>289,960</b>	48,299	<b>323,075</b>	15,184	278,368	323,075	<b>338,259</b>
<b>Investment Income</b>	<b>255,142</b>	<b>133,239</b>	121,903	<b>(6,512)</b>	261,654	21,393	(6,512)	<b>255,142</b>
<b>Orangery Income</b>	<b>29,639</b>	<b>24,518</b>	5,121	<b>23,430</b>	6,209	8,819	23,430	<b>29,639</b>
<b>Operating Income</b>	<b>2,320,377</b>	<b>2,161,767</b>	158,610	<b>2,049,104</b>	271,273	<b>2,853,662</b>	<b>2,049,104</b>	<b>2,320,377</b>
Staff Costs	(3,976,838)	(3,883,226)	<i>(93,612)</i>	(3,695,964)	<i>(280,875)</i>	(3,139,795)	(3,695,964)	<b>(3,976,838)</b>
Training, Recruitment and subscriptions	(45,665)	(40,265)	<i>(5,401)</i>	(42,277)	<i>(3,388)</i>	(40,142)	(42,277)	<b>(45,665)</b>
Food and Catering	(47,192)	(45,327)	<i>(1,866)</i>	(41,584)	<i>(5,608)</i>	(24,342)	(41,584)	<b>(47,192)</b>
Cleaning and Waste Disposal	(41,322)	(40,471)	<i>(851)</i>	(35,249)	<i>(6,073)</i>	(31,903)	(35,249)	<b>(41,322)</b>
Travel and Motoring Expenses	(18,949)	(14,877)	<i>(4,072)</i>	(13,800)	<i>(5,148)</i>	(13,190)	(13,800)	<b>(18,949)</b>
Drugs, Dressings and Consumables	(142,879)	(121,989)	<i>(20,890)</i>	(127,947)	<i>(14,932)</i>	(93,361)	(127,947)	<b>(142,879)</b>
Rates and Utilities	(67,951)	(86,555)	18,604	(78,361)	10,410	(78,552)	(78,361)	<b>(67,951)</b>
Repairs and Maintenance	(111,177)	(88,320)	<i>(22,857)</i>	(109,402)	<i>(1,774)</i>	(101,318)	(109,402)	<b>(111,177)</b>
Telephones, Postage, Stationery & IT	(59,862)	(70,032)	10,169	(40,699)	<i>(19,163)</i>	(45,407)	(40,699)	<b>(59,862)</b>
Rent	(315,225)	(270,000)	<i>(45,225)</i>	(270,300)	<i>(44,925)</i>	(270,300)	(270,300)	<b>(315,225)</b>
Events	(1,191)	(1,700)	509	(1,079)	<i>(112)</i>	0	(1,079)	<b>(1,191)</b>
Communications and Marketing	(9,331)	(6,000)	<i>(3,331)</i>	(11,199)	1,867	(7,498)	(11,199)	<b>(9,331)</b>
Other Direct Costs	(49,293)	(37,050)	<i>(12,243)</i>	(61,055)	11,761	(40,154)	(61,055)	<b>(49,293)</b>
<b>Direct Cost of Service</b>	<b>(4,876,354)</b>	<b>(4,698,112)</b>	<i>(178,243)</i>	<b>(4,516,639)</b>	<i>(359,715)</i>	<b>(3,878,465)</b>	<b>(4,516,639)</b>	<b>(4,876,354)</b>
<b>Depreciation</b>	<b>(109,815)</b>	<b>(140,386)</b>	30,571	<b>(95,392)</b>	<i>(14,423)</i>	<b>(95,491)</b>	<b>(95,392)</b>	<b>(109,815)</b>
<b>Direct Service Cost less Direct Income</b>	<b>(2,665,792)</b>	<b>(2,676,731)</b>	10,939	<b>(2,562,927)</b>	<i>(102,866)</i>	<b>(1,120,295)</b>	<b>(2,562,927)</b>	<b>(2,665,792)</b>
Staff Costs	(757,923)	(698,715)	<i>(59,208)</i>	(704,408)	<i>(53,515)</i>	(705,438)	(704,408)	<b>(757,923)</b>
Training, Recruitment and subscriptions	(23,521)	(26,314)	2,792	(25,747)	2,226	(16,060)	(25,747)	<b>(23,521)</b>
Telephones, Postage, Stationery & IT	(127,218)	(113,580)	<i>(13,638)</i>	(119,538)	<i>(7,681)</i>	(104,964)	(119,538)	<b>(127,218)</b>
Professional Services	(147,467)	(67,024)	<i>(80,443)</i>	(70,294)	<i>(77,173)</i>	(78,721)	(70,294)	<b>(147,467)</b>
Insurance	(34,195)	(35,333)	1,138	(31,371)	<i>(2,824)</i>	(32,024)	(31,371)	<b>(34,195)</b>
Communications & Marketing	(9,358)	(8,389)	<i>(969)</i>	(47,880)	38,522	(9,943)	(47,880)	<b>(9,358)</b>
Other Costs	(45,945)	(30,331)	<i>(15,614)</i>	(33,382)	<i>(12,563)</i>	(29,517)	(33,382)	<b>(45,945)</b>
VAT	(24,941)	(15,212)	<i>(9,729)</i>	(14,396)	<i>(10,546)</i>	(28,692)	(14,396)	<b>(24,941)</b>
Support charged to Income Generation	390,189	331,633	58,557	349,005	41,184	335,119	349,005	<b>390,189</b>
<b>Indirect Service Costs</b>	<b>(780,379)</b>	<b>(663,265)</b>	<i>(117,114)</i>	<b>(698,011)</b>	<i>(82,368)</i>	<b>(670,239)</b>	<b>(698,011)</b>	<b>(780,379)</b>
<b>Net Service Cost to be Funded</b>	<b>(3,446,171)</b>	<b>(3,339,996)</b>	<i>(106,175)</i>	<b>(3,260,937)</b>	<i>(185,234)</i>	<b>(1,790,534)</b>	<b>(3,260,937)</b>	<b>(3,446,171)</b>

SRH Detailed Income and Expenditure	Year To Date					Full Year		
	Actual	Budget	Variance	Prior Year	Variance	Actuals 2021-22	Budget 2022-23	Budget 2022-23
<b>29th February 2024</b>								
<b>Income Generation</b>								
<b>Legacies</b>	<b>1,533,001</b>	<b>1,250,000</b>	<b>283,002</b>	<b>1,646,106</b>	<b>(113,104)</b>	<b>1,532,596</b>	<b>1,646,106</b>	<b>1,533,001</b>
<b>Donations</b>	<b>1,108,295</b>	<b>1,250,000</b>	<b>(141,705)</b>	<b>1,078,619</b>	<b>29,676</b>	<b>947,496</b>	<b>1,078,619</b>	<b>1,108,295</b>
<b>Gift Aid</b>	<b>60,383</b>	<b>62,500</b>	<b>(2,117)</b>	<b>53,601</b>	<b>6,782</b>	<b>48,915</b>	<b>53,601</b>	<b>60,383</b>
Staff Costs	(525,495)	(497,048)	(28,447)	(451,042)	(74,453)	(458,168)	(451,042)	(525,495)
Training, Recruitment and subscriptions	(22,451)	(45,647)	23,196	(21,750)	(701)	(12,130)	(21,750)	(22,451)
Rent, Rates and Utilities	(42,401)	(37,114)	(5,287)	(33,585)	(8,816)	(34,715)	(33,585)	(42,401)
Repairs and Maintenance	(4,970)	(9,116)	4,147	(8,769)	3,800	(16,412)	(8,769)	(4,970)
Telephones, Postage, Stationery & IT	(20,393)	(22,031)	1,638	(20,067)	(326)	(21,613)	(20,067)	(20,393)
Events and Communications	(77,319)	(259,562)	182,243	(135,604)	58,285	(118,654)	(135,604)	(77,319)
Other Costs	(39,510)	(50,264)	10,754	(60,097)	20,587	(41,279)	(60,097)	(39,510)
<b>Net Fundraising Contribution</b>	<b>1,969,140</b>	<b>1,641,717</b>	<b>327,423</b>	<b>2,047,412</b>	<b>(78,272)</b>	<b>1,826,036</b>	<b>2,047,412</b>	<b>1,969,140</b>
<b>Lottery Income</b>	<b>354,369</b>	<b>401,852</b>	<b>(47,483)</b>	<b>368,285</b>	<b>(13,916)</b>	<b>422,996</b>	<b>368,285</b>	<b>354,369</b>
Staff Costs	(23,378)	(20,903)	(2,474)	(22,316)	(1,062)	(43,105)	(22,316)	(23,378)
Agency Staff	(78,084)	(352,935)	274,851	0	(78,084)	0	0	(78,084)
Printing, Postage and Marketing	(2,947)	(8,009)	5,062	(6,066)	3,119	(17,371)	(6,066)	(2,947)
Bank, Management and Other Charges	(47,437)	(55,015)	7,579	(57,580)	10,143	(53,040)	(57,580)	(47,437)
Lottery Prizes	(78,000)	(82,000)	4,000	(83,500)	5,500	(82,000)	(83,500)	(78,000)
<b>Net Lottery Contribution</b>	<b>124,523</b>	<b>(117,011)</b>	<b>241,534</b>	<b>198,823</b>	<b>(74,300)</b>	<b>227,480</b>	<b>198,823</b>	<b>124,523</b>
<b>Shop Income</b>	<b>1,667,181</b>	<b>1,624,042</b>	<b>43,139</b>	<b>1,369,457</b>	<b>297,724</b>	<b>1,046,865</b>	<b>1,369,457</b>	<b>1,667,181</b>
<b>Gift Aid</b>	<b>48,500</b>	<b>93,382</b>	<b>(44,882)</b>	<b>48,710</b>	<b>(210)</b>	<b>25,000</b>	<b>48,710</b>	<b>48,500</b>
<b>Rent received</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,775</b>	<b>0</b>	<b>0</b>
<b>Other Income (COVID grants)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>(48)</b>	<b>29,355</b>	<b>48</b>	<b>0</b>
Staff Costs	(887,950)	(840,932)	(47,018)	(606,924)	(281,026)	(498,256)	(606,924)	(887,950)
Training, Recruitment and subscriptions	(10,268)	(8,493)	(1,774)	(10,402)	135	(4,014)	(10,402)	(10,268)
Consumables and Goods for Resale	(63,367)	(36,370)	(26,996)	(35,988)	(27,379)	(36,330)	(35,988)	(63,367)
Cleaning and Waste Disposal	(43,320)	(35,955)	(7,365)	(26,934)	(16,386)	(33,513)	(26,934)	(43,320)
Rent, Rates and Utilities	(439,872)	(444,826)	4,955	(346,874)	(92,997)	(313,508)	(346,874)	(439,872)
Repairs and Maintenance	(48,810)	(25,454)	(23,356)	(26,058)	(22,752)	(53,594)	(26,058)	(48,810)
Depreciation	(88,095)	(62,404)	(25,691)	(48,344)	(39,751)	(73,373)	(48,344)	(88,095)
Telephones, Postage, Stationery & IT	(25,162)	(22,160)	(3,003)	(21,636)	(3,526)	(21,373)	(21,636)	(25,162)
Other Costs	(27,802)	(51,180)	23,378	(18,354)	(9,448)	(14,350)	(18,354)	(27,802)
Bank, credit card and cash collection	(24,534)	(18,657)	(5,878)	(13,390)	(11,144)	(17,454)	(13,390)	(24,534)
Professional Services	(3,716)	(3,000)	(716)	(37,426)	33,710	(51,563)	(37,426)	(3,716)
Insurance	(9,777)	(8,905)	(872)	(8,614)	(1,163)	(6,514)	(8,614)	(9,777)
<b>Net Shops Contribution</b>	<b>43,008</b>	<b>159,089</b>	<b>(116,081)</b>	<b>217,270</b>	<b>(174,262)</b>	<b>(13,848)</b>	<b>217,270</b>	<b>43,008</b>
<b>Support Costs</b>	<b>(390,189)</b>	<b>(331,633)</b>	<b>(58,557)</b>	<b>(349,005)</b>	<b>(41,184)</b>	<b>(335,119)</b>	<b>(349,005)</b>	<b>(390,189)</b>
<b>Net Contribution from Income Generating Activities</b>	<b>1,746,482</b>	<b>1,352,162</b>	<b>394,319</b>	<b>2,114,500</b>	<b>(368,018)</b>	<b>1,704,549</b>	<b>2,114,500</b>	<b>1,746,482</b>
<b>Net Shortfall before DoC funding</b>	<b>(1,699,689)</b>	<b>(1,987,834)</b>	<b>288,144</b>	<b>(1,146,437)</b>	<b>(553,252)</b>	<b>(85,985)</b>	<b>(1,146,437)</b>	<b>(1,699,689)</b>
<b>Drawdown from DoC grant / other DoC</b>	<b>500,000</b>	<b>1,000,000</b>	<b>(500,000)</b>	<b>750,000</b>	<b>(250,000)</b>	<b>666,666</b>	<b>750,000</b>	<b>500,000</b>
<b>Shortfall for period</b>	<b>(1,199,689)</b>	<b>(987,834)</b>	<b>(211,856)</b>	<b>(396,437)</b>	<b>(803,252)</b>	<b>580,681</b>	<b>(396,437)</b>	<b>(1,199,689)</b>

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
<b>Opening Balance on Operating Bank Account</b>	<b>£710,971</b>	<b>£614,229</b>	<b>£798,523</b>	<b>£495,771</b>	<b>£743,153</b>	<b>£736,706</b>	<b>£811,736</b>	<b>£489,335</b>	<b>£683,909</b>	<b>£838,114</b>	<b>£361,446</b>	<b>£1,110,824</b>
SWL ICB Income		£284,489	£142,245		£284,489	£142,245		£401,156	£200,578		£445,156	£222,578
Donations (in month)	£96,437	£106,886	£98,993	£136,560	£113,760	£92,513	£95,674	£134,071	£118,121	£149,757	£98,170	£94,558
Donations Gift Aid (Annual)	£60,693											
Retail Income (in month)	£151,427	£156,487	£151,427	£156,685	£156,685	£151,618	£164,202	£158,893	£164,202	£157,700	£142,401	£157,700
Retail Gift Aid (Annual)		£48,500										
Lottery	£27,564	£34,527	£27,679	£29,340	£55,369	£35,250	£46,136	£36,883	£36,823	£45,917	£36,638	£36,553
Legacies (receipts basis)	£314,000	£0	£100,000	£120,000	£120,000	£120,000	£120,000	£100,000	£0	£0	£750,000	£0
Other Income (in month)	£7,300	£8,084	£7,918	£9,665	£7,198	£7,760	£8,534	£10,712	£6,897	£20,292	£9,420	£7,535
<b>Operating Costs</b>												
Payroll	£(537,773)	£(544,761)	£(544,761)	£(550,124)	£(541,248)	£(540,748)	£(540,248)	£(539,748)	£(539,248)	£(538,748)	£(538,248)	£(541,329)
Rent Qtr days			£(101,875)			£(101,875)			£(107,708)			£(110,925)
Other Costs (prior month)	£(188,924)	£(153,184)	£(144,151)	£(155,299)	£(211,088)	£(216,128)	£(201,855)	£(173,679)	£(162,447)	£(149,264)	£(143,952)	£(135,791)
Fixed Asset Additions (prior month)	£(20,000)	£0	£(21,000)	£0	£(50,000)	£(65,000)	£0	£0	£0	£(45,000)	£0	£0
Other balance movements and transfers	£(7,464)	£243,265	£(19,226)	£554	£58,387	£(50,606)	£(14,844)	£66,285	£(63,012)	£(117,321)	£(50,207)	£165,201
Transfer from Investment Required				£500,000		£500,000			£500,000			
<b>Closing Balance on Operating Bank Account</b>	<b>£614,229</b>	<b>£798,523</b>	<b>£495,771</b>	<b>£743,153</b>	<b>£736,706</b>	<b>£811,736</b>	<b>£489,335</b>	<b>£683,909</b>	<b>£838,114</b>	<b>£361,446</b>	<b>£1,110,824</b>	<b>£1,006,903</b>
Investment Account	2,175,976	2,179,726	2,183,476	1,687,226	1,690,976	1,194,726	1,198,476	1,202,226	705,976	709,726	713,476	717,226
Other Bank Accounts	390,673	137,309	140,567	120,198	124,341	156,926	152,688	106,558	143,687	190,504	264,502	145,676
<b>Total Bank Accounts</b>	<b>£3,180,878</b>	<b>£3,115,558</b>	<b>£2,819,815</b>	<b>£2,550,577</b>	<b>£2,552,022</b>	<b>£2,163,388</b>	<b>£1,840,499</b>	<b>£1,992,693</b>	<b>£1,687,778</b>	<b>£1,261,676</b>	<b>£2,088,802</b>	<b>£1,869,805</b>



## **Terms of Reference for Finance & Resources Committee**

### **St Raphael's Hospice**

#### **Scope of Committee remit**

1. The Board of St Raphael's Hospice is responsible for the strategic direction of the charity, and Board members hold collective legal liability for oversight of the charity. The Board are supported in their strategic oversight of the charity's management of finance and resources by the Finance & Resources Committee.
2. The Committee takes responsibility for overseeing financial management, facilities management, health & safety, information technology, corporate governance and data protection activities in support of the Hospice's financial sustainability. Committee members will contribute expertise, human resource capacity, and their professional perspectives to the development and successful operation of the St Raphael's Hospice financial and operational activities.
3. The charity's Scheme of Delegation outlines the key decision-making structure within the charity, including delegation from the Board to the Committee.
4. The Committee reports directly to the Board of St Raphael's Hospice.

#### **Committee membership and composition**

5. In line with the Articles of Association, the number of Committee members shall not be less than two, of whom at least one must be a Trustee of St Raphael's Hospice. It will be general practice for Committees to consist of at least three individuals, of whom two will be Trustees.
6. Additional suitable Committee members may be co-opted who, in the opinion of the Board and Committee, will bring additional relevant skills and expertise. Co-opted Committee members do not hold the same legal duties as the charity's Trustees, but are expected to uphold high standards of governance and adhere to the policies and procedures applicable to Board members.
7. Committee members must be over 16 years in age, and must not be disqualified under the provisions of clause 5.6 of the Articles of Association and disqualification criteria set by the Charities Commission of England and Wales.
8. Appointments to the Finance & Resources Committee are made by the Trustees, for a period of three years. Following this first term, a Committee member may be appointed for up to two further terms of three years. This arrangement mirrors the term lengths for the St Raphael's Hospice Board of Trustees.
9. Committee members will receive no remuneration in relation to their role, and will adhere to the charity's expectations and procedures with regards to conflicts of interest and connected persons.
10. The Trustees will appoint a Chair of the Finance & Resources Committee, who shall be a Trustee.

## Role and responsibilities of the Committee

11. Subject to the provisions in the charity's Articles of Association, the members of the Finance & Resources Committee take delegated responsibility on behalf of the Board of Trustees for the following high-level areas:

### **Financial**

- To review the long-term strategic financial plans of the Hospice and undertaking detailed review of the annual, and multi-year, financial plan and budget, to make recommendations thereon to the Board of Trustees.
- To receive reports on progress against key financial objectives in the Hospice's annual Management Plan.
- Regularly review performance against plan and budget.
- Take responsibility on behalf of the Board for overseeing all financial aspects of charity operations, so as to ensure short and long-term viability.
- Approve, within limits agreed by the Board through the Financial Delegated Authorities, expenditure of a significant nature on new initiatives.
- Approve any significant changes in accounting policies or practices.
- Establish, maintain and retain appropriate financial reporting and records.
- Ensure trading activities are in line with charitable status.
- Identify priorities for additional expenditure or for savings, in parallel to the Income Generation & Communications Committee focus on profitability of fundraising and retail operations.
- Review the plans and requirements for Capital Expenditure and consider the fixed asset register from time to time.
- Review longer-term forecasts of income and expenditure and approve the form of presentation of financial information.

### **Investment**

- In the event that the Hospice intends to invest funds - to agree and review the charity's statement of investment principles.
- To agree and review the charity's investment policy, including the charity's stance on ethical investments.
- To agree and review the charity's attitude to financial risk and the charity's asset allocation strategy.
- To review the performance of the charity's investments.
- To review the performance of the charity's investment managers and to meet them formally at least once a year (led by the Committee Chair).

### **Pensions**

- To monitor and review the charity's pension schemes.
- To recommend to the Board of Trustees appropriate actions following any scheme valuations.
- To review the performance of the charity's pension fund managers and to meet them formally at least once a year.
- To consider if there are any notifiable events under the Pensions Act 2004.

**Commented [AM1]:** The Committee is invited whether to keep this bullet point in the ToR and adapt current practice, or remove

### **Audit framework**

- To recommend to the Board of Trustees a framework of effective audit coverage, having reviewed the external audit processes.
- To advise the Board of Trustees on the minimum and optimum level of external audit arrangements, and any internal audit reviews commissioned to provide assurance on internal controls.
- To monitor external audit reviews and to advise the Board of Trustees accordingly.

### **External audit**

- To determine the frequency of tendering for external auditing services.
- To consider tenders for the external auditing services and recommend to the Board of Trustees which firm should carry out the annual external audit of the charity's statutory accounts.
- Attending (by representative, usually the Chair, or as a body) the audit planning meetings and audit clearance meetings with the audit Partner and having the option to hold such meetings (or part of them) without the presence of executive staff.
- To scrutinise and advise the Board on the contents of the draft audit report and of any management letter that the auditors may wish to present to the Board, and to formulate for Board use any written representations that may be needed by the auditors in connection with the charity's statutory accounts or any other financial statements.
- To discuss with the external auditors any problems or reservations arising from the draft external audit report and draft management letter, reporting relevant issues back to the Board, and advising the Board accordingly.
- To review the performance of the charity's auditors and advise the Board on any changes that ought to be made to their terms of engagement.
- To obtain any necessary external professional advice to enable the Finance & Resources Committee to carry out its responsibilities more effectively.

### **Resources**

- To receive reports on the Health & Safety and Premises management activities delivered by the Hospice team.
- To receive reports on strategic Information Technology and Information Security projects.
- To receive assurance on the compliance of data protection activities.
- Reviewing and/or ratifying the Hospice's corporate policies for the areas covered by the Committee.

### **Risk and assurance**

- Assisting the Board identify the Hospice's major risks in relation to finance and resources, and developing appropriate approaches to risk management. This will include periodic reviews of the Hospice's corporate risk register and insurance cover.
- To investigate on behalf of the Board any financial or administrative matter which may put the charity at risk.
- To examine reports on special investigations and to advise the Board of Trustees accordingly.

- To consider the appropriateness of executive action following internal audit reviews and to advise senior management on any additional or alternative steps to be taken.
  - To ensure there is coordination and good working relationships between external audit and any other review bodies that have been set up.
  - To encourage a culture within the charity whereby each individual feels that he or she had a part to play in guarding the probity of the charity, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Chair of the Finance & Resources Committee.
12. The Board may delegate additional powers to the Committee and these are to be documented. For example, the Board may delegate to the Committee powers to authorise changes in personnel named in the Hospice's bank mandates.
13. The exercise of delegated powers is to be recorded in the minutes of the meetings and, thereby, reported to the Board.

#### **Access**

14. Individual Committee members or managers may raise concerns with the Committee Chair at any time.

#### **Committee Meetings**

15. The Committee will meet at least four times a year, and will generally meet six times each year. The Committee Chair may call additional meetings if necessary.
16. In line with the St Raphael's Hospice Articles of Association, the quorum for Committee meetings will be two Committee members, of whom one must be a Trustee.
17. Meetings may be held in person, or by suitable electronic means such as video conference.
18. Meetings of the Committee will normally be attended by the CEO and Finance Manager. Other members of the Finance and Resources teams may be invited to attend or present.
19. Committee members may ask any attendees who are not members to withdraw to facilitate open discussion of particular matters.
20. Any votes will be undertaken in accordance with the provisions in the St Raphael's Hospice Articles of Association.

#### **Reporting**

21. Minutes will be taken of each meeting of the Committee, by the Secretary to the Committee or another individual agreed with the Committee, and circulated to Committee members
22. Minutes of Committee meetings will be made available to the Board.
23. Minutes will be stored for at least 10 years.

#### **Renewal**

24. The Terms of Reference will be updated every three years.

*Date of last approval: ~~April 2024~~March 2023. Date of next renewal: ~~April-March 2025~~6.*