

SAINT RAPHAEL'S HOSPICE
MINUTES OF THE 13TH MEETING OF THE
FINANCE AND RESOURCES SUB-COMMITTEE
held on Wednesday 21 October 2020 at 2.00pm
Held at St Raphael's Hospice / by Zoom call

Members: Joe Ryan (JR) - Chair
Alan Cogbill (AC)
Paul Holmes (PH)
Sr Kathleen O'Reilly (SrKO)

In attendance: Nick Stevens – Joint CEO (NS)
Gail Linehan - Joint CEO (GL)
Mr Ed Cook - Advisor, Daughters of the Cross (EC)
Mr Norman McWhinney (NM)
Miss Anna Machin – Clerk to Trustees (AM)

1. WELCOME AND APOLOGIES

Committee members were welcomed to the meeting. Apologies were received and accepted from Neena Vadgama (Finance Manager). There were no declarations of interest in addition to those already on the register of interests.

2 To APPROVE the minutes of the meeting on 26 August 2020.

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

3 To DEAL WITH matters arising from those minutes

3.1. On points 4.1.3 and 4.1.4, Nick Stevens had reviewed the presentation on the proportion of income between Donation, Lottery and Shop income and designated funds from the Daughters of the Cross (DoC) in line with agreed plans.

3.2. In relation to point 4.2.2, Ed Cook and Nick Stevens had held an initial discussion on potential investment advisors. Any investment advice would need to be secured by St Raphael's as an independent entity. For the time being the funds received from DoC would be held in the charity's bank account and the interest likely to be received from holding this cash had been factored into financial projections. It was acknowledged that due to Covid-19 the wider financial markets were experiencing volatility, but future consideration would be given to the best route for any investment of these funds.

3.3. In follow up to point 3.3, Committee members enquired about the possibility of the CCG re-commissioning Hospice beds in the event of a second wave of Covid-19. It was confirmed Gail Linehan and Nick Stevens would be attending a meeting with local CCGs on 28th October at which local bed capacity would be discussed. The number of Covid-19 cases in Sutton has been rising significantly recently.

4 To REVIEW the Director of Finance and Resources Report

4.1. Update on year to date

4.1.1. Nick Stevens presented the Finance Director's Report. The actual year-to-date position shows a shortfall of £503k for the six months to the 30th September 2020. This has been driven by shortfalls of approximately £250k in both August and

September - the Covid-19 government grant, and other factors, had meant that prior months were break-even. Legacies had been lower than budget for the past two months. In comparison, the budgeted year-to-date figure before any DoC funding was £925k. The factors that had supported the current position had been steady NHS income, top-up funding from Covid-19, furlough grants, cost savings and some delays in hiring to staff positions.

4.1.2. Looking ahead to the second half of the financial year, Nick Stevens outlined key assumptions behind the forecast for the main income lines, in comparison to the original budget that had been brought together before Covid-19 began to impact on operations. For Donations, the updated forecast assumes 30-45% of typical levels, even though the year-to-date average has been closer to 60%. Shop income is projected at c.40% of the initial forecast, although the better performing shops have brought in up to 65%. Six of the 11 shops are open and if staff numbers become a limiting factor, staff will be deployed to focus on the highest performing shops. The Wimbledon shop opened recently and is performing above expectations although it is recognised that this will need to be sustained. Lottery income is projected at 80%. The forecasting is therefore prudent and may be exceeded during the remainder of the year. In terms of planned expenditure, recruitment is now active and the Hospice is no longer in receipt of furlough grants.

4.1.3. A donation of £108k from an anonymous donor will be received during October which is also eligible for Gift Aid. The Committee and Hospice colleagues expressed their gratitude for this donation and it was confirmed that sincere thanks had been communicated to the donor.

4.1.4. Cash at the end of September was £2.65m which is higher than in March at which time there were legacy debtors. The Committee received assurance that no clawback on the government grants is anticipated.

4.1.5. There has been movement on Facilities activities and projects including painting, decorating and recarpeting on site which has been encouraging for staff. A meeting will be held with Spire Hospital to meet new members of their team which may involve discussion of support during the planned ward redecoration period.

4.2. Update on government grant

4.2.1. Nick Stevens confirmed that Hospice UK had been continuing to negotiate with government on behalf of the sector, and some traction had been spurred recently supported by public awareness on the challenges being faced by Hospices. Hospices had been asked to provide and submit August shortfall figures but no response has yet been received.

4.2.2. CCGs have also been asked to review Hospice support and so St Raphael's submitted financial information on to the local CCG based on a clear reporting of core costs versus DoC investment funds. The funding request submitted was £100k for each of August and September. The CCG are meeting this week to consider the proposal.

5 To REVIEW the draft financial schedules for the Transfer Agreement

5.1. Context to financial schedules

5.1.1. Nick Stevens presented a detailed update to the Committee on the assumptions sitting behind the five-year projections that it was proposed would be included in the Transfer Agreement. This would provide Committee members with the opportunity to review the figures and make a recommendation to Trustees. The proposed

expenditure is based on a set staffing structure, and income generation is based on targets.

5.2. Assumptions behind projected expenditure

5.2.1. In terms of staffing, the Hospice has been able to move forwards on the Strategic Plan so that the Clinical team has been filled and galvanised with relatively few vacancies. This is a core driver of the Excellence aspect of the Excellence, Visibility, Engagement 'EVE' strategy.

5.2.2. The plan assumes a 2% staff cost rise each year, and the previous restructure ensures a cost-effective set-up particularly for support staff. Inflation is assumed at 1.6-2% although may be lower based on the current economic climate.

5.2.3. Leases are set on a 20-year basis. The DoC will retain ownership of the land, and the asset value will be reflected in the DoC rather than Hospice accounts. Net assets will therefore reduce by £4m, and depreciation will be reduced in parallel. As discussed in February, a notional rent will be included of £120k, with an equal assumption of a £120k gift in kind, although in actuality there will be a 'peppercorn' rent of £100. The Committee received assurance that this plan for the treatment of the gift in kind was based on advice from Buzzacott and a chartered surveyor had supported the valuation of the in-kind gift.

5.2.4. The staffing for Consultants, Doctors, on-call cover, IPU and the Community team is assumed to be constant for the five-year period. There will be a peer team of three Consultants led by a Clinical Director who will coordinate all areas of care. The senior nurse governance role has been changed to a Physician Associate role to meet the Hospice's current needs. The Education and Volunteer teams will play an integral role in the Hospice's strategy.

5.2.5. The general communications budget has been increased by £45k as part of enhancing the Hospice's visibility and the team's skills will need to be used strategically with specialist support brought in for particular areas, such as design.

5.2.6. The donor team is the department due to experience the most growth from 3.8 to 7 FTE. This is driven by a deliberate effort to fulfil the EVE strategy and prioritise fundraising. The restrictions relating to Covid-19 meant that recruitment for some fundraising posts was delayed until spring 2021 as large-scale events could not be held in the meantime.

5.2.7. Future capital expenditure would primarily be funded through trust funding for dedicated projects, aside from planned expenditure on IT infrastructure in the coming year. Some provision has been made for unspecified capital expenditure.

5.2.8. Committee members recognised that the prior restructure had reduced ongoing staff commitments, and that support staff costs were projected to remain constant over the five-year period during which time turnover was projected to increase.

5.2.9. Committee members asked for the rationale for increased spend of £10k on volunteer events and £45k on communications in the context of wanting to ensure strong value for money. It was confirmed that the £10k would be focused on volunteer engagement and recruitment, and £45k on strategic outreach and profile-building. The funds from DoC would be used towards this kind of investment.

5.3. Rationale for projected income levels

5.3.1. Nick Stevens confirmed that the aim for Donations income was to increase from c.£1.2m in 2018/19 to c.£2m in 2024/25. The leadership team recognise the current wider economic context, but these projections are based on dedicated investment in the fundraising team and roles linked to each income stream. For

example, the staff member responsible for corporate fundraising has strong networks and would be working towards an eventual target of £150k per year. Supporter groups would be expanded to work across different Wards in Merton and Sutton to profile-raise at local events. It is also expected that an additional Trust fundraiser would be added to the team.

5.3.2. There had been some positive donations recently including £40k from the spouse of a patient and a £15k online donation, which had also highlighted the close link between Excellence in service delivery and donations to the Hospice.

5.3.3. In terms of Retail targets, it is expected that the Shop network would grow over time. This is dependent on the emerging retail market, and there would be the opportunity to strategically close any shops that were performing less well when leases came up for renewal. The capital expenditure required to refurbish each new shop is £30k. The eventual expectation is for turnover of existing shops to reach £1.1m compared to £950k achieved in 2018/19. As that year had had its challenges, it is felt that this is a realistic target even in the context of Covid-19. The Shops team are engaging well with outcomes of the Skyline review including on product placement and stock movement.

5.3.4. The Lottery team have been delivering strong work to retain existing players, and £70k of further spend will be dedicated to an agency or in-house team to grow this income stream further.

5.3.5. CCG inflation is assumed at 1.4%, and relatively small amounts of income have been projected for continuing care beds, the Orangery, Education services and Wellbeing Centre.

5.3.6. Legacies are assumed at £1m, in comparison to the last 3 years' rolling average of £1.5m. This is consistent with the Hospice's general approach to budgeting and is likely to continue to be exceeded.

5.3.7. Funds received from DoC would be received as cash and treated as a deferred income creditor with funds drawn down over time. The cash balance would be projected to settle at around £3m, inclusive of the potential £1.7m contingency funding from DoC.

5.3.8. Committee members thanked Nick Stevens and the team for the work undertaken to bring together these plans. Committee members emphasised that the fundraising targets were ambitious and would be reliant on a strong fundraising team being in place. Whilst the differential effects of Covid-19 on the economy were not yet known, it was felt that the targets were based on an optimistic, but also considered and granular approach for each income stream. The Committee recognised that these targets would also be motivating for the Hospice and fundraising team and fit with the ethos behind the EVE strategy.

5.3.9. The Committee members understood the wider economic environment and were committed to undertaking regular reviews of the financial position at clear intervals. The next two years in particular would provide an indication of progress against targets, to inform any further action that would need to be taken to improve or address the financial position.

5.3.10. The Committee recognised the positive stories in relation to service provision driving unsolicited donations and asked for such instances to be shared with Trustees which would help support Trustees to advocate for the Hospice amongst their networks.

5.4. DoC Contingency funding

NS, GL

<p>5.4.1. Nick Stevens presented the supplementary paper that outlined the projected balance sheet and cash position both with and without £1.7m of contingency funding from DoC. The £1.7m sum was composed of £240k relating to delays to shop refurbishment and £1.45m to the impact of Covid-19. The scenario without the DoC contingency funding showed cash settling at £1.3m at the end of the five-year period.</p> <p>5.4.2. Ed Cook expressed the position of the DoC that the Letter of Comfort sets out willingness to commit further contingency funds if the DoC is content that the Hospice is moving towards self-sustainability. However, the DoC would not wish to include the £1.7m contingency funds in the Financial Schedule as unlike the £3.6m of agreed funding, the contingency funding is not a contractual commitment. The Hospice's financial position has also improved over the time period from the original Letter of Comfort being written to the present time.</p> <p>5.4.3. The Hospice team recognised that the context to the Hospice's financial position had improved in the short-term, however the impact of Covid-19 had changed the medium-term financial picture for the charity. The option to receive DoC contingency funding would therefore be important to achieving a level of cash reserves that the Trustees were comfortable with, which had been proposed at £3m.</p> <p>5.4.4. Trustees recognised that the DoC contingency funds did not present a contractual commitment, but expressed a strong preference for reaching a position whereby funds received would enable the Hospice to reach £3m cash reserves wherever possible.</p> <p>5.4.5. It was agreed that the wording in the Letter of Comfort would be updated by Nick Stevens, to reflect suggested conditions for contingency funding and clarification that contingency funds would be requested should the impacts of delay and Covid-19 not self-correct within the specified time period. This would be shared for review with Ed Cook and DoC.</p> <p>5.4.6. Trustees and the Hospice team reaffirmed that the Hospice would aim to work as hard as possible to exceed financial targets set out in the Financial Schedules.</p> <p>5.5. Next steps and communication to Trustees</p> <p>5.5.1. It was agreed that the Transfer Agreement, Financial Schedules and updated Letter of Comfort would be circulated to Trustees along with the Finance Committee minutes by the end of the week. Trustees would be invited to comment and provide input before being asked to sign the written resolution to approve the Transfer Agreement.</p>	<p>NS, EC</p> <p>NS, EC, AM</p>
<p>6 To CONSIDER Any Other Business</p> <p>6.1. The Committee ratified the Trustee Expenses Policy which had been reviewed in detail at the recent Board meeting. Anna Machin would publish the Policy on the Trustee website portal.</p> <p>6.2. There were no further items raised under Any Other Business.</p>	<p>AM</p>
<p>7 NEXT MEETING</p> <p>7.1. It was confirmed that Anna Machin was finalising the 2021 agenda plan and would share invites for upcoming meetings with Committee members.</p>	<p>AM</p>
<p>The meeting finished at 4.05pm.</p>	

Approved.....

Date.....

St Raphael's Hospice
Meeting of the Finance & Resources Committee
To be held using Zoom Video Conferencing
At 14:00 on Wednesday 13th January 2021

Members: Joe Ryan (JR - Chair)
 Alan Cogbill (AC)
 Ed Cook (EC)
 Paul Holmes (PH)
 Sr Kathleen O'Reilly (KO'R)

In attendance: Gail Linehan (Joint CEO – GL)
 Nick Stevens (Joint CEO – NS)
 Neena Vadgama (Finance Manager – NV)
 Anna Machin (Clerk – AM)

Item	Description	Purpose	Lead
1.	Apologies for absence		Chair
2.	Review of minutes and matters arising from last meeting	Approval	Chair
3.	Finance Report incl. review of investment options	Discussion/ approval	NS
4.	Management Accounts & Balance Sheet (Detailed & Summary)	Discussion	NS
5.	Draft budget 2021/22	Discussion	NS
6.	Any Other Business		Chair

Dates of future meetings:

- Wednesday 10th March 2021, 2-4pm
- Tuesday 18th May 2021, 2-4pm
- Tuesday 6th July 2021, 2-4pm
- Wednesday 8th September 2021, 2-4pm
- Wednesday 10th November 2021, 2-4pm

Draft Management Accounts December 2020	Year To Date				Full Year				
	YTD 2020-21	Budget YTD 2020-21	variance	YTD Prior Year	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance	Budget 2021-22
Income from NHS	1,193,694	1,158,728	34,966	1,160,795	1,546,130	1,584,385	1,550,399	33,986	1,570,108
Other Income	754,248	106,870	647,378	119,860	175,599	1,032,993	132,202	900,791	194,933
Direct Cost of Services	(2,578,153)	(2,959,325)	381,172	(2,599,788)	(3,434,614)	(3,541,639)	(3,935,082)	393,444	(3,820,515)
Hospice Depreciation	(143,802)	(203,061)	59,259	(159,444)	(210,006)	(173,265)	(267,539)	94,274	(130,988)
Net Service Cost	(774,013)	(1,896,789)	1,122,775	(1,478,578)	(1,922,891)	(1,097,525)	(2,520,020)	1,422,495	(2,186,462)
Support Costs	(716,953)	(700,375)	(16,577)	(698,341)	(933,283)	(948,682)	(927,554)	(21,129)	(957,283)
Net cost of Service to be funded	(1,490,966)	(2,597,164)	1,106,198	(2,176,919)	(2,856,174)	(2,046,208)	(3,447,574)	1,401,366	(3,143,745)
Fundraising Activity									
Legacy Income	383,187	752,500	(369,313)	261,968	1,750,510	933,187	1,000,000	(66,813)	1,000,000
Donor Income	849,271	1,008,775	(159,504)	909,791	1,240,373	1,057,686	1,410,041	(352,355)	1,149,629
Fundraising Costs	(442,553)	(647,669)	205,116	(501,141)	(629,760)	(596,917)	(861,669)	264,752	(794,903)
	789,905	1,113,606	(323,701)	670,618	2,361,123	1,393,957	1,548,372	(154,416)	1,354,726
Lottery Income	307,349	394,416	(87,067)	352,311	456,007	390,880	523,766	(132,886)	398,383
Lottery Costs	(143,706)	(226,705)	83,000	(131,755)	(206,984)	(204,713)	(304,441)	99,729	(252,172)
	163,643	167,711	(4,068)	220,556	249,023	186,167	219,325	(33,158)	146,211
Shop Income	181,376	862,631	(681,256)	732,050	1,103,503	210,994	1,157,655	(946,662)	1,201,152
Shop Costs	(668,426)	(860,902)	192,476	(695,976)	(934,027)	(885,245)	(1,168,754)	283,510	(1,334,774)
	(487,050)	1,729	(488,779)	36,074	169,476	(674,251)	(11,099)	(663,152)	(133,622)
	-269%	0%		5%	15%	-320%	-1%		-11%
Shortfall before DOC Funding	(1,024,467)	(1,314,118)	289,650	(1,249,671)	(76,553)	(1,140,335)	(1,690,976)	550,641	(1,776,431)
DOC Funding	120,000	1,050,000	(930,000)	0	0	350,000	1,400,000	(1,050,000)	1,000,000
DOC Contingency Funding									
	(904,467)	(264,118)	(640,350)	(1,249,671)	(76,553)	(790,335)	(290,976)	(499,359)	(776,431)

Draft Management Accounts December 2020

Net Movement in Funds	YTD 2020-21	Budget YTD 2020-21	variance	YTD Prior Year	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance	2021-22
Surplus/(Loss) from Operations	(904,467)	(264,118)	(640,350)	(1,249,671)	(76,553)	(790,335)	(261,671)	(713,782)	(776,431)
Depreciation	203,388	189,649	13,739	173,612	233,035	244,528	327,615	11,493	190,981
Decrease/(Increase) in Debtors	815,566	(43,518)	859,084	73,529	(981,075)	710,054	145,133	1,691,129	673
(Decrease)/Increase in Creditors	3,707,844	3,117,092	590,751	9,687	(59,763)	3,429,600	2,219,154	3,489,363	(989,579)
Net cash (expended)/ generated by operations	3,822,330	2,999,106	823,224	(992,843)	(884,356)	3,593,847	2,430,231	4,478,203	(1,574,356)
Purchase of Fixed Assets	(198,573)	(500,405)	301,832	(321,215)	(445,856)	(214,973)	(500,405)	230,883	(542,668)
Increase / (Decrease) in Cash	3,623,757	2,498,701	1,125,056	(1,314,058)	(1,330,212)	3,378,873	1,929,826	4,709,086	(2,117,024)

Draft Management Accounts December 2020

Balance Sheet	YTD 2020-21	Budget YTD 2020-21	variance	YTD Prior Year	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance	2021-22
Fixed Assets	562,490	4,522,827	(3,960,337)	4,211,250	4,276,470	537,750	4,384,861	(3,738,720)	889,437
Debtors	737,386	789,545	(52,158)	498,349	1,552,953	842,898	600,894	(710,054)	842,225
Cash at Bank	5,838,693	4,613,910	1,224,783	2,238,930	2,214,936	5,593,810	4,118,704	3,378,873	3,476,786
Creditors	(4,044,100)	(3,461,258)	(582,842)	(405,707)	(336,256)	(3,765,856)	(2,563,776)	(3,429,600)	(2,776,277)
Net Assets	3,094,469	6,465,023	(3,370,554)	6,542,823	7,708,102	3,208,602	6,540,683	(4,499,500)	2,432,171

SRH Detailed Income and Expenditure	Month of December					Year To Date					Full Year			
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance	Current F'cast 2020-21	Budget 2020-21	Variance	
31st December 2020														
NHS Grants	127,432	127,759	(327)	125,842	1,590	1,146,889	1,149,829	(2,940)	1,136,491	10,398		1,529,185	1,533,105	(3,920)
NHS Other Fees	520	520	0	934	(414)	46,806	8,899	37,906	24,303	22,502	Includes NHS bed contract	55,200	17,294	37,906
Hospice Grants	0	0	0	0	0	0	30,000	(30,000)	60,000	(60,000)		40,000	30,000	10,000
Other income	11,000	3,187	7,813	3,566	7,434	746,765	28,683	718,082	21,382	725,383	Govt Grant to Hospices	929,765	38,244	891,521
Investment Income	1,257	2,470	(1,213)	1,115	141	4,782	21,187	(16,405)	15,631	(10,849)		8,277	28,414	(20,137)
Orangery Income	750	3,000	(2,250)	2,734	(1,984)	2,701	27,000	(24,299)	22,847	(20,146)	chiefly closed	4,951	36,000	(31,049)
Operating Income	140,959	136,936	4,023	134,191	6,768	1,947,942	1,265,598	682,345	1,280,654	667,288		2,567,378	1,683,057	884,321
Staff Costs	(262,665)	(285,433)	22,768	(227,968)	(34,698)	(2,242,905)	(2,565,542)	322,637	(2,237,434)	(5,471)	Delayed recruitment and furlough	(3,041,094)	(3,412,855)	371,761
Training, Recruitment and subscriptions	(3,018)	(4,018)	1,000	(1,568)	(1,450)	(12,321)	(42,532)	30,211	(24,076)	11,755		(24,450)	(54,661)	30,211
Food and Catering	(3,840)	(3,982)	142	(3,304)	(537)	(16,826)	(31,624)	14,798	(28,238)	11,411	Orangery closed	(27,313)	(42,111)	14,798
Cleaning and Waste Disposal	(2,517)	(2,517)	0	(2,455)	(62)	(23,863)	(22,907)	(956)	(21,399)	(2,464)		(32,392)	(31,436)	(956)
Travel and Motoring Expenses	(2,110)	(2,175)	65	(1,500)	(610)	(6,924)	(17,005)	10,080	(14,931)	8,006	little travel	(13,713)	(22,388)	8,675
Drugs, Dressings and Consumables	(10,162)	(10,162)	0	(10,533)	372	(78,296)	(82,752)	4,456	(76,697)	(1,599)		(107,197)	(111,654)	4,456
Rates and Utilities	(6,925)	(6,925)	1	(6,789)	(135)	(54,288)	(56,285)	1,997	(55,181)	893		(78,077)	(74,850)	(3,227)
Repairs and Maintenance	(6,326)	(6,401)	75	(5,668)	(658)	(58,154)	(61,263)	3,110	(57,986)	(167)		(77,200)	(80,236)	3,036
Telephones, Postage, Stationery & IT	(5,075)	(5,075)	0	(4,145)	(930)	(39,237)	(48,311)	9,074	(50,073)	10,836		(55,171)	(64,246)	9,074
Other Direct Costs	(12,699)	(3,315)	(9,384)	(1,449)	(11,250)	(45,340)	(31,104)	(14,236)	(85,033)	(11,567)		(85,033)	(41,103)	(43,930)
Depreciation	(9,537)	(21,565)	12,028	(17,590)	8,053	(143,802)	(203,061)	59,259	(159,444)	15,643	Delayed CAPEX	(173,265)	(267,539)	94,274
Direct Cost of Service (incl Depreciation)	(324,872)	(351,568)	26,695	(282,969)	(41,904)	(2,721,955)	(3,162,386)	440,431	(2,759,233)	37,277		(3,714,903)	(4,203,077)	488,174
Net Service Cost	(183,914)	(214,632)	30,718	(148,778)	(35,136)	(774,013)	(1,896,789)	1,122,775	(1,478,578)	704,565		(1,147,525)	(2,520,020)	1,372,495
Staff Costs	(52,787)	(53,058)	271	(50,498)	(2,290)	(442,781)	(478,296)	35,515	(429,802)	(12,980)	Delayed recruitment and furlough	(605,971)	(637,852)	31,881
Training, Recruitment and subscriptions	(1,048)	(1,698)	650	(744)	(305)	(4,024)	(25,028)	21,004	(5,030)	1,006	little activity	(7,722)	(30,376)	22,654
Telephones, Postage, Stationery & IT	(6,603)	(6,361)	(242)	(6,652)	49	(63,160)	(70,458)	7,298	(54,103)	(9,057)		(88,866)	(95,418)	6,551
Other Costs	(1,600)	(3,100)	1,500	(15,614)	14,014	(24,552)	(32,250)	7,698	(35,289)	10,738		(34,593)	(42,741)	8,148
VAT	(9,500)	(2,750)	(6,750)	(4,368)	(5,132)	(107,724)	(24,750)	(82,974)	(122,218)	14,495	We could not claim VAT back as planned (until independence)	(113,724)	(33,000)	(80,724)
Support Costs	(78,721)	(77,339)	(1,382)	(84,828)	6,107	(716,953)	(700,375)	(16,577)	(698,341)	(18,612)		(948,682)	(927,554)	(21,129)
Legacies	25,000	182,500	(157,500)	25,827	(827)	383,187	752,500	(369,313)	261,968	121,219		933,187	1,000,000	(66,813)
Donations	66,501	138,336	(71,835)	135,114	(68,613)	783,119	960,479	(177,359)	885,041	(101,922)		981,610	1,343,256	(361,646)
Gift Aid	3,325	8,341	(5,016)	0	3,325	66,152	48,297	17,855	24,750	41,402		76,076	66,785	9,292
Staff Costs	(33,386)	(44,898)	11,512	(37,999)	4,612	(287,008)	(404,084)	117,076	(294,759)	7,751	Delayed recruit/furlough/lottery moved	(384,002)	(538,779)	154,777
Training, Recruitment and subscriptions	(510)	(550)	40	(179)	(331)	(4,165)	(4,950)	785	(3,620)	(545)		(5,695)	(6,600)	905
Rent, Rates and Utilities	(3,014)	(3,014)	0	(2,689)	(325)	(22,648)	(22,492)	(155)	(21,475)	(1,173)		(30,169)	(30,014)	(155)
Repairs and Maintenance	(335)	(518)	183	(510)	175	(4,949)	(4,662)	(287)	(6,849)	1,900		(5,954)	(6,216)	262
Telephones, Postage, Stationery & IT	(1,625)	(2,245)	620	(1,275)	(350)	(45,802)	(23,998)	(21,804)	(19,569)	(26,233)		(61,355)	(40,546)	(20,810)
Communications and Marketing	(2,672)	(16,705)	14,033	(1,244)	(1,428)	(34,799)	(59,437)	24,638	(27,327)	(7,472)		(51,378)	(81,015)	29,638
Events	(2,000)	(12,646)	10,646	(7,496)	5,496	(8,313)	(78,729)	70,416	(91,891)	83,578	No large "live" events	(9,813)	(94,625)	84,812
Other Costs	(4,198)	(4,498)	300	(3,734)	(464)	(34,869)	(49,317)	14,448	(35,650)	781		(48,551)	(63,874)	15,323
Net Fundraising Contribution	47,086	244,104	(197,017)	105,816	(58,729)	789,905	1,113,606	(323,701)	670,618	119,287		1,393,957	1,548,372	(154,416)
Lottery Income	36,982	48,303	(11,321)	51,988	(15,006)	307,349	394,416	(87,067)	352,311	(44,962)		390,880	523,766	(132,886)
Staff Costs	(3,076)	0	(3,076)	(3,076)	(3,076)	(27,682)	0	(27,682)	(27,682)	(27,682)	Staff member charged to lottery for first time	(36,909)		
Agency Staff	0	(10,000)	10,000	0	0	327	(82,700)	83,027	(770)	1,097	Agents paid for new recruits, but not recruiting	327	(108,700)	109,027
Printing, Postage and Marketing	(500)	(200)	(300)	0	(500)	(15,649)	(25,902)	10,253	(28,068)	12,419		(33,034)	(38,287)	5,253
Bank, Credit Card and Other Charges	(1,800)	(2,415)	615	121	(1,921)	(14,974)	(22,382)	7,408	(14,646)	(328)		(20,374)	(29,827)	9,452
Lottery Prizes	(7,140)	(7,140)	0	(8,000)	860	(61,640)	(64,260)	2,620	(62,500)	860		(83,060)	(85,680)	2,620
Management Company Costs	(2,525)	(3,496)	971	(5,187)	2,662	(24,088)	(31,461)	7,373	(25,771)	1,683		(31,663)	(41,948)	10,284
Net Lottery Contribution	21,941	25,052	(3,111)	38,922	(16,981)	163,643	167,711	(4,068)	220,556	(56,913)		186,167	219,325	(33,158)
Shop Income	33,596	111,985	(78,390)	88,009	(54,413)	161,618	810,337	(648,719)	701,150	(539,531)	Slow trading, little open yet	186,449	1,100,432	(913,982)
Gift Aid	2,520	6,404	(3,885)	0	2,520	10,982	52,294	(41,312)	22,125	(11,143)		12,844	57,224	(44,379)
Rent received	975	0	975	975	0	8,775	0	8,775	8,775	0		11,700	0	11,700
Staff Costs	(38,669)	(48,454)	9,785	(39,668)	999	(248,151)	(414,699)	166,548	(326,518)	78,367	Many staff were furloughed	(307,173)	(560,060)	252,887
Training, Recruitment and subscriptions	(393)	(393)	0	(185)	(208)	(2,192)	(4,149)	1,957	(1,150)	(1,042)		(3,370)	(5,327)	1,957
Consumables and Goods for Resale	(1,700)	(1,700)	0	(495)	(1,205)	(16,988)	(19,100)	2,112	(18,394)	1,406		(22,088)	(24,200)	2,112
Cleaning and Waste Disposal	(2,731)	(2,731)	0	(2,675)	(57)	(13,702)	(24,815)	11,113	(24,541)	10,840	low activity	(22,028)	(33,141)	11,113
Rent, Rates and Utilities	(31,900)	(33,492)	1,592	(27,567)	(4,333)	(247,653)	(277,275)	29,622	(254,275)	6,622		(343,353)	(377,750)	34,397
Repairs and Maintenance	(600)	(800)	200	3,521	(4,121)	(11,173)	(7,200)	(3,973)	(5,553)	(5,620)		(13,373)	(9,600)	(3,773)
Depreciation	(4,510)	(5,177)	667	(4,027)	(483)	(32,579)	(40,290)	7,711	(13,645)	(18,934)	Shop refurb depreciation has started	(46,776)	(55,820)	9,045
Telephones, Postage, Stationery & IT	(1,765)	(1,765)	0	(1,742)	(23)	(14,927)	(16,286)	1,359	(16,706)	1,779		(20,267)	(21,626)	1,359
Other Costs	(2,768)	(3,822)	1,054	(707)	(2,060)	(9,810)	(28,067)	18,258	(9,483)	(327)		(19,216)	(42,478)	23,262
Bank, credit card and cash collection	(1,749)	(1,749)	0	(1,849)	100	(5,488)	(14,621)	9,132	(15,227)	9,739		(10,420)	(19,552)	9,132
Professional Services	(6,000)	(1,000)	(5,000)	0	(6,000)	(60,374)	(9,000)	(51,374)	(6,117)	(54,257)	Skyline Business Consultancy	(68,374)	(12,000)	(56,374)
Insurance	(1,139)	(600)	(539)	(473)	(667)	(5,390)	(5,400)	10	(4,368)	(1,022)		(8,808)	(7,200)	(1,608)

Net Shops Contribution	(56,834)	16,708	(73,541)	13,117	(69,951)	(487,050)	1,729	(488,779)	36,074	(523,124)	(674,251)	(11,099)	(663,152)
Net Shortfall before DoC funding	(250,442)	(6,108)	(244,334)	(75,752)	(174,690)	(1,024,467)	(1,314,118)	289,650	(1,249,671)	225,204	(1,190,335)	(1,690,976)	500,641
Other income	70,000	116,667	(46,667)	0	70,000	120,000	1,050,000	(930,000)	0	120,000	350,000	1,400,000	(1,050,000)
Shortfall for period	(180,442)	110,559	(291,001)	(75,752)	(104,690)	(904,467)	(264,118)	(640,350)	(1,249,671)	345,204	(840,335)	(290,976)	(549,359)

Budget assumed DoC grant would have been received

Original Budget assumed the grant

Finance and Resources Report

Recommendations

1. It is recommended that the Sub-Committee:
 - a. Notes that the December management accounts have not been drawn up and that the figures are estimates that agree to the actual bank balance.
 - b. These draft figures indicate a shortfall of £1,024k for the 9 months ending 31st December 2020, before allocation of DoC grant.
 - c. Cash at the end of December stood at £5.84m
 - d. A first draft budget for 2021-22 has a shortfall of £1.77m (before allocation of DoC grant)

Finance

2. December Accounts – Income and Expenditure

Due to the timing of the Finance Committee and the holiday season, the December 2020 management accounts comprise accurate figures for the eight months to November and estimated figures for the month of December. These agree back to the actual bank balance and the key debtor and creditor balances. The largest cost is for salaries and this is also an accurate figure, agreed to payroll. Other figures are based on forecast for the month and will be substantiated in due course.

The estimated December 2020 management account summary with balance sheet/cash movement is attached together with a more detailed I&E account. The detailed page shows the single month as well as the year to date information.

The shortfall of £1,024k that arises in the nine-month period to December 31st compares with a budget of £1,314k (excluding the DoC budgeted grant) and last year's £1,250k.

Overall income is down by £615k even after the benefit of the £717k Govt COVID grant (ignoring the DoC grant). The key differences in income relates to the reduction in retail income (down £680k on budget), legacies (down £370k) and donations/lottery (down £250k).

Costs are also below budget, by £900k. The key differences in costs relate to marketing and events costs for fundraising and lottery (down by £200k) and to overall staffing which is £615k below the budget due to furlough, delayed recruitment to new roles, vacancies and roles that have ceased in year.

3. December Accounts – Balance Sheet

Cash stood at £5.84m at the end of December following the injection of £3.6m at the start of November. This sum is being allocated over the coming years, with £120k allocated to November and December. The balance of £3.48m is held as a “Deferred Income Creditor” which offsets the asset “cash” and neutralises the balance sheet impact.

The fixed asset Land and Buildings have not transferred to the new charity and are held on a Twenty-Year peppercorn lease of £100 per annum. Future investment in the assets will be capitalised and amortised over the life of the lease.

As a result of the exclusion of the assets Land and Buildings and the neutral impact of the cash grant, together with the £1m shortfall, net assets have reduced from £7.1m at the end of March 2020 to £3.1m at the end of December 2020, despite having the large cash balance.

4. Forecast 2020-21

The assumptions used for income this year are shown below. The first table shows the original split of the annual £3.1m budget for income from donations, shops and lottery. The second shows the current assumption (actuals for April to August).

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Donations												
Original plan donation income	91,873	112,143	105,436	99,224	92,741	92,927	92,672	135,126	138,336	175,061	110,878	96,838
% of original achieved / anticipated	92%	50%	92%	65%	43%	69%	217%	30%	30%	30%	113%	45%
revised donor income	84,220	55,819	97,051	64,156	40,299	64,158	200,785	40,538	41,501	30,018	124,895	43,577
Shops												
Original Shops Income	84,939	78,324	80,655	85,631	77,399	84,672	106,326	100,406	111,985	101,121	89,650	99,323
% of original achieved / anticipated	0%	1%	1%	8%	18%	39%	47%	23%	30%	0%	0%	25%
Revised Shops	0	891	661	6,982	13,553	32,660	50,127	23,148	33,596	0	0	24,831
Lottery												
Original Lottery Income	32,279	54,685	35,012	44,377	36,184	46,087	46,088	59,361	48,303	39,309	39,805	50,236
% of original achieved / anticipated	95%	70%	150%	87%	85%	70%	56%	36%	77%	70%	65%	60%
Revised Lottery Income (see lottery growth)	30,732	38,417	52,571	38,677	30,737	32,216	25,707	21,311	36,982	27,516	25,873	30,142

Overall, we are estimating that we will raise 50% of the original total from these sources (£1.5m compared to £3.0m in budget), a reduction over previous estimates due to the recently introduced lockdown that will cause shops to shut for two months or so.

We now anticipate that we will receive an additional £200k from Govt grants, from a total fund for hospices of £125m. We received £717k from the original fund of £200m and so, if the allocation is pro rata, we may do better than this prediction.

The *net* impact on income forecast for the year is a decrease of £560k against budget - £1.48m lower income offset by £920k un-budgeted grant. Alongside this we estimate our full year costs will be £1.1m below our budget and hence the shortfall

estimated (before the allocation of DoC grant fund) is £1.13m compared with an original budget of £1.69m.

5. Budget 2021-22

- a. Notes on the first draft budget are attached and show a shortfall of £1.77m before allocation of DoC grant. This reflects much of the original budget for the current year (shortfall £1.7m) as the plan remains the same but has been delayed through the COVID crisis.
- b. The current resurgence of the virus has been reflected in reduced income assumptions compared to those assumed in the transfer agreement only two months ago.
- c. The draft provides an outline and the SRH team will be detailing some of the actions to be taken over the coming 12 months in order to accomplish the plans. This will be reflected in a revised version of the budget and in the management plan (actions, targets and monitoring) which will be presented to the Board in March.

6. Investment of Grant

	Dec-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Readily Available - allows for usual timing of I&E	£500	£500	£500	£500	£500	£500
35 Day Account - available for exceptional short term needs	£1,000	£567	£646	£705	£741	£757
95 Day Account - full year expected need	£2,000	£1,351	£817	£810	£664	£333
12 months	£1,200	£1,200	£0	£400	£0	£0
24 months	£1,400	£1,400	£1,400	£0	£0	£0
	£6,100	£5,019	£3,363	£2,415	£1,906	£1,590

- a. An analysis of the cash balances available to SRH has been done on a month by month basis for the coming five years and is summarised above. Because there is an ongoing expectation of net cash shortfall for several years we need to hold sufficient in each account to serve through to when they can be topped up from a longer-term account without needing to break into that account before time.
 - i. This assumes we need around £500k in ready access account which covers the usual monthly expenditure and is sufficient even if no other income arose in the month.
 - ii. At the end of the month this would need to be “fed” from our 35-day access and the analysis indicates that this would need an ongoing level of c£700k in order to replenish the potential for a full month plus the usual level of cash leakage for two further months before it is replenished itself

- iii. The 35-day account would then be replenished from a 3 month / 95-day account which, in turn, needs to hold sufficient funds for one year plus a contingency as it can only be replenished from the 12-month account.
 - iv. The corollary is that there may not be sufficient “spare” cash, beyond this 12-month level, to place into any riskier, higher return accounts at this point, as the volatility in the market suggests that a 3-5-year term will be needed in order to minimise risks of loss.
- b. Returns are all very low. Nat West 35-day account gives 0.1% and its 95-day account gives 0.15%. CAF Bank, a charity favourite, has a 60-day account on 0.35% and its 12 month offers 0.6%. Higher rates can be achieved from less well-known banks, such as “Redwood Bank” which is 67% owned by Warrington Council. It offers 0.6% on 35-day access, 0.95% for 95 day and 1% for 12 months.
 - c. The Finance Committee is asked to consider the approach to utilising relatively low-profile banks such as the Redwood bank in order to source the best returns from fixed term accounts. This would release between £10,000 and £15,000 more interest than using Nat West/CAF combination. It may, however, be riskier and only £85,000 per account is covered by Govt backing.

HR

- 7. Our HR team have once again been completing calculations for our furlough claims and entering them into the Govt portal each month. All bar two of the retail team have been furloughed as have several other staff who are unable to work and who fit the criteria for being furloughed (including one of the HR team)
- 8. Despite the reduction in their numbers, the team have also been instrumental (with Pascale Evans and the Education team) in the roll out of the weekly COVID testing and the vaccine programme. Both have involved large admin burdens and demanded absolute accuracy. Our thanks to Kelly and Jacky.

IT

- 9. We are awaiting quotes for the photocopier in 759 which has ceased operations. A replacement is likely to cost around £6k but is much less expensive than leasing one.
- 10. JG has met with Sara Jane and her team to start a review of Raisers’ Edge, our donor database. There is an expectation that processes can be streamlined and there is an imperative to improve the accessibility of reporting and the systematic approach to data entry, particularly uploading from web-based sources.
- 11. The final part of the system refresh relates to our mailboxes, moving them to the new servers and enabling access from mobile phones. The consultant has been

tasked with this work and the team will also take the opportunity to “housekeep” the email data storage.

Facilities

12. Drawings and plans are being prepared for the proposed “bariatric” room (comprising the current rooms 14 and 15) which could also be used for patients whose spouses would like to stay overnight with them. This will be a significant project with costly equipment for which our Trust Fund consultant will seek the finance. It is not in the budget to do without additional funding.
13. The ward-room refreshes were pushed back to the Summer as a result of the second lockdown. We will assess this timing as the current lockdown may cause a further delay.
14. The two new sheds (one for the garden team and one for equipment storage) will be erected in February. The bases have been laid.
15. Following the cleaning of the reception flooring and the installation of the bi-fold doors, the furniture for reception has been ordered. The interior design was provided by Jacky Crawley as a volunteer (Jacky is in our HR team) and her husband has offered to do the painting as a volunteer (he is a professional). The designs were on display in the reception and staff and volunteers on site were able to feedback (positively).
16. The garden designer who is going to do our courtyard garden has agreed to provide a garden plan for the large grass area at the front of the hospice. Subject to approval (including from the DoC), this will then become an ongoing appeal that fundraising will run next year to attract new donors and Trust funding. We hope to include a network of paths, a scent garden, seating area, play area and cut flower garden. We will also include the men’s den in this fundraising drive (the donor company which was to provide it is badly affected by the COVID crisis).
17. Quotes have been received for the guttering replacements that are needed for the Hospice building. Further quotes are to come.
18. We have received a quote for £55k to install the required ventilation system for the Hospice ward rooms. The pre-existing one was non-functional. Further quotes are awaited.

Nick Stevens, Joint CEO

8th January 2021

St Raphael's

Your Local Hospice



Background Assumptions

- Salary Inflation
 - 2% across all staff is assumed for 2021-22 year costing £86k
 - Concept of how to deploy has been mooted at Rem Committee
- Other cost inflation
 - 2021-22 general costs are 3% above 2019-20 (the last “normal” year) therefore approx. 1.5% per annum
- Hospice Leases
 - 20 year leases = Land and Buildings Asset is on DoC balance sheet and not on SRH => lower depreciation charge
 - £100 actual rental and £120,000 notional rental
 - Corresponding £120,000 “gift in kind”



Service Delivery Teams

- No new additional roles for 2021-22, though a number of as yet unfilled roles/vacancies are assumed to be filled;
 - Medical team – assumes the 3 consultant posts (2.4 FTE), 1.2 doctors, plus on call cover (assumes remaining 1 FTE consultant is recruited from June 2021 and covered by agency until that point)
 - Physician Associate role – this new and additional role in 2020 continues unchanged as part of the Medical Team
 - IPU – 24 FTE (12 nurses and 12 HCA) (includes 3 x current nursing vacancies)
 - Community – 14.5 FTE nurse roles + 4.5 HCA (incl 2 current vacancies)
 - Psychological Team – 2.2 FTE no change
 - Wellbeing – 1.8 FTE HCA + 0.4 Comp Therapist + 0.4 Admin (1 FTE vacancy)
 - Senior Clinical Management unchanged



Support Teams

- Education team 1.7 FTE + £70k budget (£30k in 2019-20)
- Volunteers – potential part time role + £10k new budget for activities etc ??? May need to boost for a year ???
- Housekeeping – 2 FTE not replaced + expanded remit - assumes Bank team will reduce by 1 FTE in coming 12 months
- Facilities – two redundancies in 2020 not replaced
- ACC, Secretarial Support, IT, HR, Quality – no changes
- Communications and Marketing
 - budget for 2 x 0.4 FTE part-time = diverse skills
 - New £45k budget for general comms (may use a portion to bolster Comms staff vacancy)
 - Additional £30k for fundraising related marketing cf current year
- CEO Office – needs to be discussed as Joint CEO roles due to end October 2021



Donor Team

- Donor Care – 3 leavers (1.8 FTE), not replaced
- Donor Development – Existing team back on original hours (eg assumes Lucia returns from maternity)
- **3 x new full time roles from June (1) and September (2) 2021**

Fundraising Team	YE 20	YE 21	YE 22	YE 23	YE 24	YE 25
Emily Nicolls	1	1	1	1	1	1
Lucia Heard	1	0.25	0.75	1	1	1
Sam Bourne	0.92	0.8	1	1	1	1
Emma Burns	0.25	1	1	1	1	1
New Role 1			0.75	1	1	1
New Role 2			0.5	1	1	1
New Role 3			0.5	1	1	1
	3.17	3.05	5.50	7.00	7.00	7.00

- Assumes we retain services of Shirley Illsley
- £155k for events and marketing (£30k above last “normal” year) – further £40k thereafter



Donation Income

			Mar-19	Mar-20	Mar-21	Mar-22
Supporter Groups			8	8		13
Supporter Group Income			£32,000	£32,000		£33,293
Corporate Income			£93,350	£80,000		£113,232
Event Income			£87,580	£116,612		£90,000
Trust Income			£193,736	£200,000		£150,000
Regular Donors			212	214		253
Regular Donor value			£52,446	£49,903		£60,514
In Memory Giving			£246,435	£278,810		£306,691
Other Donation income			£480,190	£483,048		£395,900
Revised Donor Income Plan			£1,185,737	£1,240,373	£1,057,686	£1,149,629
Original Donor Income Plan			£1,185,737	£1,240,373	£1,467,342	£1,700,389

- Lowered the expectation for 2021-22 from £1,231k (in transfer agreement) to £1,150k
 - in the light of continued COVID impact into summer 2021
 - Now assume recruits are 3-6 months later



Retail Team

- Retail – 1 manager + 0.65 Assistants for each shop
- Support team 5 FTE for mgmt., weekend cover, drivers
- New role – Ebay Co-Ordinator 0.8
- 2 x refurb to complete at £50k
- New Shops – **this is now requiring additional scrutiny**
 - 2 new from October 2021
 - Rent assumed at £35k and rates £2k pa for new shops - (Existing rents average £25k + £1.5k excl. Wimbledon at £45k + £2k)
 - Running costs assumed at £12k per annum (waste, utilities, banking etc)
 - CapEx of £30k per shop



Retail Income

	Last Year	Next Year
	2019-20	2021-22
Existing Shop Income (incl Ebay)	902,390	885,844
New Shop Income (incl Wimbledon)		232,323
Gift Aid	46,113	82,985
	948,503	1,201,152
Shop Costs	(934,027)	(1,335,774)
	14,476	(134,622)
Existing Shops (incl Ebay)	10.0	10.0
New Shops	0.0	Wimbledon + 2
Average Number of shops open	10.0	12.0
Average Income per existing shop	90,239	88,584
Average Income per new shop		116,161
Average Cost per shop	(93,403)	(111,314)

- Assumes shops are open again in April 2021
- Wimbledon runs for a full year
- 2 new shops to open in October 2021 (costs from June)
- 2 further new shops to open April 2022 – (some costs in 2021-2)
- Improved trading systems help pre-existing shops to



Lottery

- Lotteries lose players after 3 years and need to be consistently rebuilt
- A professional team had been recruited to start this year
- Covid has delayed this – Staff have worked to minimise the decline
- Invest in 2021-22 in Agency team to increase plays

Lottery	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Income	456,007	390,880	398,383	459,172	500,983	534,233
Agency Costs	(2,144)	327	(42,519)	(57,772)	(49,697)	(42,734)
All other costs	(204,840)	(205,040)	(209,653)	(212,798)	(217,054)	(221,395)
Contribution	249,023	186,167	146,211	188,602	234,231	270,104

- Keep this team running into the future
- **Consider bringing it all in house (£32k admin cost p.a)**



Other Income Assumptions

- CCG – inflation increase at 1.4% as in current year
- Continuing care beds £18k (last year £32k)

		YE 19	YE 20	YE 21	YE 22
• Other income	Education Income	£13,411	£60,370	£8,500	£5,192
	Wellbeing Centre Rental	£9,847	£5,794	£3,500	£11,555
	Orangery	£33,225	£24,959	£4,951	£25,500
	DoC Rent Gift in Kind	£0	£0	£50,000	£120,000
• Bank Interest	Investment Income	£21,009	£18,761	£8,277	£32,686
	average balance				£4,600,000
	average rate				0.7%

- Legacies – assumed at £1m (last 3 year average £1.5m)



Income and Expenditure

St Raphael's Draft 1 Budget 2021-22	Full Year					
	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Budget 2021-22	Variance to Budget 2020-21	
Income from NHS	1,546,130	1,584,385	1,550,399	1,570,108	19,709	chiefly due to inflation increment
Other Income	175,599	1,032,993	132,202	194,958	62,756	includes £120k rental income gift in kind and less investment and other income
Direct Cost of Services	(3,434,614)	(3,541,639)	(3,935,082)	(3,820,515)	114,567	includes £120k rental charge in kind but £(250)k less Agency consultants
Hospice Depreciation	(210,006)	(173,265)	(267,539)	(130,988)	136,551	Hospice buildings no longer depreciated
Net Service Cost	(1,922,891)	(1,097,525)	(2,520,020)	(2,186,437)	333,583	
Support Costs	(933,283)	(948,682)	(927,554)	(957,283)	(29,729)	
Net cost of Service to be funded	(2,856,174)	(2,046,208)	(3,447,574)	(3,143,720)	303,854	
Fundraising Activity						
Legacy Income	1,750,510	933,187	1,000,000	1,000,000	0	
Donor Income	1,240,373	1,057,686	1,410,041	1,149,629	(260,412)	Uncertain environment - assumes little face to face until after Summer 2021
Fundraising Costs	(629,760)	(596,917)	(861,669)	(794,903)	66,765	Some events costs will not take place, delayed recruitment of new fundraisers
	2,361,123	1,393,957	1,548,372	1,354,726	(193,646)	
Lottery Income	456,007	390,880	523,766	398,383	(125,383)	Little sales activity assumed until after the summer 2021
Lottery Costs	(206,984)	(204,713)	(304,441)	(252,172)	52,269	Some cost savings from reduced sales activity
	249,023	186,167	219,325	146,211	(73,114)	
Shop Income	1,103,503	210,994	1,157,655	1,201,152	43,496	Includes Wimbledon and also 2 x new shops from October 2021
Shop Costs	(934,027)	(885,245)	(1,168,754)	(1,335,774)	(167,020)	As above
	169,476	(674,251)	(11,099)	(134,622)	(123,523)	
	15%	-320%	-1%	-11%	-284%	
Shortfall before DOC Funding	(76,553)	(1,140,335)	(1,690,976)	(1,777,406)	(86,430)	Net shortfall 2021-22 of same order as planned for 2020-21 before COVID
DOC Funding	0	350,000	1,400,000	1,000,000	(400,000)	Allocation of Grant discretionary
DOC Contingency Funding						
	(76,553)	(790,335)	(290,976)	(777,406)	(486,430)	



Capital Expenditure

- Much has been delayed from 2020
- Ward refresh booked for August
- Extractor Fan is an essential repair/replacement
- Shop re-fitting and new shops are in this draft but will be scrutinised
- Small contingencies for most other areas
- Will seek additional Grant and donor funding for major projects (gardens at front of Hospice) and over next seven months for planned work



Buildings and Grounds

April	Creation of Storage spaces in Hospice	10,080	
April	Workshop for Garden team	10,000	
April	Extractor Fan System	65,000	
May	Preparation of former CPCT space for Training	10,000	
May	Upgrade to Capitol House	12,000	
June	Garden Project - pathways and seating area £70,000	10,000	
August	Refurbish Ward Rooms/Corridor	100,000	
August	Window replacement	9,800	
August	Reception and other work	46,393	
August	Create IPU reception/office	10,000	
August	Hospice buildings contingency	30,000	
August	TV and audio for Ward Rooms, Reception and small training Room	17,000	330,273

IT

May	HP PC's	9,525	
July	Fundraising Phone System	13,000	
August-December	Network Switches	48,000	
September	Network Security	8,500	
October	Thin Clients	15,000	
November	Sundry year 4 - WAPs and APC UPS	12,370	106,395

Retail

April	Existing Shop Refit 8	23,000	
July	Existing Shop Refit 9	23,000	
September	2 x New Shop Fit-out Year 2	60,000	106,000

542,668

Salary By Department

This slide aims to show that the “original” plans that were laid out in the Five Year plan in early 2019, are roughly on track in terms of salary cost – though the personnel has changed a good deal in the interim.



Salary Costs (excludes pension and NIC)	Draft Budget 2021-22	Original 2021-22 budget as per Five Year Plan (January 2019)	Difference	
In-Patient Unit	825,081	816,911	8,170	1 x HCA joined from H@H and 0.5 x SRN moved to Education
Wellbeing	69,870	84,146	(14,276)	Art role made redundant
Doctors	405,894	405,228	666	major changes to personell, same cost
Housekeeping	142,998	212,012	(69,014)	several roles not replaced upon leaving
Psychological Support	95,332	93,419	1,914	changed leadership, same cost
OT	16,667	17,309	(642)	
Community team	662,667	661,109	1,557	
Hospice at Home	96,511	112,098	(15,587)	1 x HCA moved to IPU
Clinical Management / Education	191,295	148,682	42,612	extra 0.7 FTE, plus changed leadership
Clinical Admin	86,377	86,433	(55)	
Quality	62,705	62,799	(94)	
Volunteers	60,552	57,861	2,691	
Fundraising	466,043	448,146	17,897	£30k delayed, redundancies had been anticipated
Shops	597,132	583,048	14,084	
General Management	201,874	209,873	(7,999)	Was 1 x CEO + 1 x Dir Care + 0.5 x FD (FD role to be reduced post transfer) Interim position of 2 x Joint-CEO (to October 2021) + 0.6 x EA and 0.6 x Comms Support From November 2021 reverts to original plan of 1 x CEO + 0.5 FD + 0.6 x EA and 0.6 x Comms Support
Finance	69,037	67,186	1,851	
IT	113,134	79,082	34,052	Extra 1 FTE
Facilities	87,117	106,354	(19,237)	had assumed 2 roles would reduce to 0.5 FTE each, actually both made redundant
HR	71,944	53,056	18,888	Extra 0.6 FTE
Orangery	28,260	28,343	(83)	
Total	4,299,489	4,333,095	(33,605)	

Impact of Covid and Delay on Income Generation Activity

DIFFERENCE between St Raphael's Original five year plan and Current Five Year Plan (COVID impact)						
07/01/2021	2021-22	2022-23	2023-24	2024-25	2025-26	
Fundraising Activity						
Legacy Income	0	0	0	0	0	Legacies still assumed to be £1m per year
Donor Income	(735,784)	(547,942)	(344,828)	(208,607)	(216,951)	COVID Impact - delayed growth and never full recovery
Fundraising Costs	136,640	62,382	63,655	65,790	67,533	less expenditure on events and some roles made redundant
	(599,144)	(485,560)	(281,173)	(142,816)	(149,418)	
Lottery Income	(207,315)	(158,640)	(129,185)	(108,538)	(89,235)	COVID delay and do not recover the lost lottery players
Lottery Costs	(11,029)	(24,604)	(15,866)	(8,225)	(7,535)	Additional costs to try to recover the income lost
	(218,344)	(183,244)	(145,051)	(116,764)	(96,770)	
Shop Income	(506,854)	(333,458)	(418,092)	(412,578)	(319,887)	Income hit by COVID and high street not expected to fully recover
Shop Costs	183,313	233,931	360,140	236,186	150,735	Lower rentals now anticipated, staffing changes, reduced investment in refurbishments
	(323,541)	(99,527)	(57,952)	(176,392)	(169,151)	
COVID Related impact to 5 Year Plan	(1,141,029)	(768,332)	(484,176)	(435,972)	(415,339)	Net effect on fundraising of the COVID pandemic

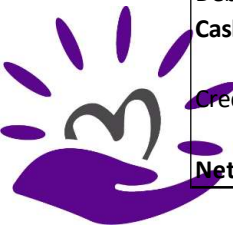


This note has gone to South West London CCG in response to request for data on impact of COVID on our income generation. They are collating London-wide data for National Review

Cash Movement and Summary Balance Sheet

Net Movement in Funds	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance	2021-22
Surplus/(Loss) from Operations	(76,553)	(790,335)	(261,671)	(713,782)	(776,431)
Depreciation	233,035	244,528	327,615	11,493	190,981
Decrease/(Increase) in Debtors	(981,075)	710,054	145,133	1,691,129	673
(Decrease)/Increase in Creditors	(59,763)	3,429,600	2,219,154	3,489,363	(989,579)
Net cash (expended)/ generated by operations	(884,356)	3,593,847	2,430,231	4,478,203	(1,574,356)
Purchase of Fixed Assets	(445,856)	(214,973)	(500,405)	230,883	(542,668)
Increase / (Decrease) in Cash	(1,330,212)	3,378,873	1,929,826	4,709,086	(2,117,024)
Draft Management Accounts December 2020					
Balance Sheet	Actuals 2019-20	Forecast 2020-21	Budget 2020-21	Variance	2021-22
Fixed Assets	4,276,470	537,750	4,384,861	(3,738,720)	889,437
Debtors	1,552,953	842,898	600,894	(710,054)	842,225
Cash at Bank	2,214,936	5,593,810	4,118,704	3,378,873	3,476,786
Creditors	(336,256)	(3,765,856)	(2,563,776)	(3,429,600)	(2,776,277)
Net Assets	7,708,102	3,208,602	6,540,683	(4,499,500)	2,432,171

- Loss of £776k is after allocating £1m of DoC grant
- Decrease in creditors is largely due to utilisation of £1m deferred income (DoC grant)
- High Fixed Assets includes large parts carried over from 2020-21 budget
- Fixed Assets now excludes Land and Buildings
- Cash remains sufficient, but much depleted
- Creditor is largely the deferred income balance
- Net Assets reflects large loss and cash offset by deferred income



St Raphael's

Your Local Hospice

