

St Raphael's Hospice

Meeting of the Board of Trustees

To be held at St Raphael's Hospice at 13:30 on Thursday 30th
November 2023

TO BE PRESENT:

Trustees:

Norman McWhinney (NM - Chair) **Alan Cogbill** (AC - Vice-Chair) **Carrie Chill** (CC)
Grahame Darnell (GD) **Sister Veronica Hagen** (Sr VH) **Paul Holmes** (PH)
Manjit Lall (ML) **Bernard Marley** (BM) **Sister Kathleen O'Reilly** (Sr KO'R)
Joe Ryan (JR)

In attendance:

Nick Stevens (NS) CEO) **Kate Billingham Wilson** (KBW) (Director of Fundraising) **Ed Cook** (EC) (Advisor to DoC & Finance Committee member)
John Groom (JG) (Director of IT & Estates) **Alex Rudkin** (AR) (Director of Quality & Governance) **Gaby Tamura-Rose** (GTR) (Lead Consultant)
Rebecca Trower (RT) (Clinical Director) **Sara Jane Woods** (SJW) (Commercial Director) **Anna Machin** (AM) (Governance)

1 - Purpose: Discussion/ Approval/ Policy/ Information

Item	Description	Purpose ¹	Lead	Timing
1.	Welcome and apologies for absence	-	Chair	1.30-1.35
2.	Declarations of interest	-	Chair	
3.	Minutes of the Board meeting held on 19 th July 2023 & Actions List	Approval	Chair	2.00-2.10
4.	Committee Chair updates & meeting minutes: <ul style="list-style-type: none"> 19th October HR inc. update on Equality and Diversity 12th October Clinical Quality & Governance 17th October Income Generation & Communications 17th October Finance & Resources 	Discussion	Committee Chairs	2.10-2.30
5.	2022/23 St Raphael's Annual Report & Accounts & external auditors report – for approval	Approval	NS, JR	2.30-3.00
6.	Cyber event – verbal update (<i>file note to be shared with Trustees in due course</i>)	Discussion	NS, Chair	3.00-3.30
--	<i>Break</i>	-	-	3.30-3.50
7.	CEO & Executive Report & Corporate risk register (<i>*note both reports prepared in mid-October</i>)	Discussion	NS	3.50-4.20
8.	Any Other Business & proposed 2024 meeting dates	-	Chair	4.20-4.30

9.	T-Time (trustee only session) inc.: <ul style="list-style-type: none"> • Updated Income Generation & Communications Committee Terms of Reference – for approval • Provider Visit options • Update on Committee memberships and Board recruitment • Strategic finance discussion – update 	Discussion	Chair	4.30-5.00
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Dates of upcoming meetings: See Governance Update

St Raphael's Hospice

Minutes of a Meeting of the Board of Trustees

Held at St Raphael's Hospice at 13:00 on Wednesday 19th July 2023

Trustees:

Norman McWhinney (NM)
(Chair)

Alan Cogbill (AC) (Vice-Chair)

Carrie Chill (CC)

Grahame Darnell (GD)

Sister Veronica Hagen (Sr VH)

Paul Holmes (PH)

Manjit Lall (ML)

Bernard Marley (BM)

Roderick O'Connor (RO'C)

Sister Kathleen O'Reilly (Sr KO'R)

Joe Ryan (JR)

In attendance:

Nick Stevens (NS) (CEO)

Kate Billingham Wilson (KBW)
(Director of Fundraising)

Ed Cook (EC) (Advisor to DoC & Finance Committee member)

John Groom (JG) (Director of IT & Estates)

Alex Rudkin (AR - apologies)
(Head of Quality & Improvement)

Dr Gaby Tamura-Rose (GTR)
(Lead Consultant)

Rebecca Trower (RT) (Clinical Director)

Becca Wallace (BW) (IPU Services Manager)

Sara Jane Woods (SJW)
(Commercial Director – items 1-5)

Anna Machin (AM)
(Governance)

Actions arising

Agenda item	Action	Responsible	Timeline	Reference
5.3. Income Generation & Communications Committee update	Integrate responsibility for oversight of CCG funding into Income Generation & Communications Committee Terms of Reference and agenda plans	Anna Machin	Immediate	19.07.23/01
6. Hospice values	Take forward next phase of work on Hospice values	Dr Gaby Tamura-Rose with engagement from Manjit Lall	Summer 2023	19.07.23/02
	Prepare update on development of values for active input from Trustees	Dr Gaby Tamura-Rose	October Board meeting	19.07.23/03
7. CEO report	Bring together summary Management Plan 2023/24	Nick Stevens	October Board meeting	19.07.23/04

1. Welcome and apologies for absence

Norman McWhinney welcomed Board members and colleagues, and Sr Veronica Hagen opened the meeting in prayer in memory of Mike Rycroft, former CEO of St Raphael's.

Apologies were received and accepted from Paul Holmes and Alex Rudkin.

2. Declarations of interest

Grahame Darnell noted work being delivered at an arms-length basis by his company in relation to the Hospice stakeholder survey.

3. IPU presentation

Becca Wallace was welcomed to the meeting to share a presentation on delivery in IPU, a year on from taking on her role. A positive culture has been built, supported by changes such as the introduction of self-rostering, working hours across four instead of five days, team socials, and training opportunities. New practices around document style, patient allocation and coordination of admissions with the Community team have also streamlined ways of working. Becca shared examples of the team going above and beyond, including organising weddings, family reunions, supporting rapid admissions and joint working with other teams and hospices.

In terms of the main priorities looking ahead, this includes further development of the discharge process, embedding the transition to EMIS, and continuity planning for the workforce as many in this profession are moving towards retirement age.

IPU is now fully staffed, and Becca Trower shared that this is testament to Becca Wallace's leadership and engagement with the team, which has inspired current staff to refer new potential staff members, leveraged communications outreach on social media, and enhanced the hospice's reputation which has led to new enquiries from strong practitioners within the community.

In response to questions from the Board, Becca shared further information on how Nursing Associate roles are used on IPU in shifts which must be run by registered nurses, and how induction and training would be used over the course of up to a year to support induction of new joiners. IPU is now also able to take newly qualified nurses which broadens the pool of potential candidates for roles. Becca also confirmed that the transition to EMIS had been well supported by relevant colleagues, and that several colleagues had used the system before in other contexts.

The Board thanked Becca Wallace for the excellent presentation and leadership in IPU.

4. Minutes of 10th May 2023 Board Meeting

The Board approved the minutes of the previous meeting as an accurate record of proceedings subject to final drafting changes. The Board reviewed the actions arising from previous meetings:

- **Trustee visits** – guidance had been brought together and included in the meeting pack, and a schedule would be arranged over the summer.
- **Preparation for CQC inspection** – Becca Trower updated that there will be changes to the approach to inspection confirmed in three months' time, at which point the Board would be appraised, and there is strong internal preparation in the meantime.
- **Finalisation of year-end** – this year-end programme and draw-down of funds from the Daughters of the Cross (DoC) had been completed.
- **Other actions** – the action around diversity in imagery, and impact of Psychological Support services, would be closed, as this has been integrated across the Hospice's visual identity. A presentation on Wellbeing had been scheduled for a future meeting.

5. Committee Chair Updates and meeting minutes

5.1. 4th July HR Committee Chair update inc. update on Equality and Diversity

Manjit Lall updated on the discussion at HR Committee, which had included an update on recruitment and recognition of the achievement of IPU being fully staffed, and a headline summary of staff survey results which would be shared later in the meeting. The Committee had noted that the work on Hospice values would progress during coming months.

The Education team have chosen to move provider for Equality, Diversity and Inclusion (EDI) training, and the Committee had requested further EDI data to be integrated into the transition to the new HR system. The minutes for this and other Committees were noted by Trustees.

5.2. 30th June Clinical Quality & Governance Committee Chair update

Alan Cogbill shared that the Committee had reviewed examples of the thoughtful care given by the team in the Evidence of Excellent Practice Register. The Clinical Risk Register had been reviewed, with assurance given on plans for staffing during summer, and a request to add the embedding of the EMIS system to the register to ensure any potential risks are regularly revisited. The Committee heard from the team about responses taken to complaints that had been received, and supported plans for the Hospice's participation in a new research project. Co-opted Committee member Eva Kalmus had shared a presentation on the Palliative Care Hub, which had raised awareness with the Committee on this service.

There is clearly growing need in the community amongst elderly people particularly in the last year of life, but the Committee and colleagues were clear that the Hospice has a distinct and focused role and remit in working with patients who require specialist clinical support that is not met through primary care services.

In response to Trustee questions, Becca Trower shared information on other local charities that the Hospice collaborates with, including Age UK particularly around the Wellbeing offer. There was recognition that many of the challenges arise from gaps in social care services.

5.3. 11th July Income Generation & Communications Committee Chair update

Grahame Darnell recognised the progress made in past months around sign ups to the Lottery with an excellent service provided so far by Britevox, strong preparation for the Donation Centre opening, and fundraised income sitting slightly ahead of budget. The recruitment to the fundraising team has gone well despite a tough employment market for charities generally, and if the team reach the target of £1.25m then this place strongly compared to income levels over the past in eight years.

There had been a theme throughout the discussion of benchmarking and the Committee requesting further comparative data across fundraising, commercial activity and communications which will help to understand the 'headroom' and further progress that could be made. The Committee had also reviewed the risk register in the new format.

The Committee had raised the matter of where oversight of funding from the Clinical Commissioning Group (CCG) should formally set amongst the Committees, particularly during an environment where there are ongoing conversations based on the fact that the 1.8% increase in funding sits far behind inflation and rising pay costs. The Board were content for this to be formalised into the remit of the Income Generation & Communications Committee, and this would be taken forwards by reflecting this delegated responsibility within the Committee Terms of Reference and agenda plan.

Kate Billingham Wilson shared plans for the Legacies role remit, that has not yet been recruited to after the first round of outreach, to be reviewed and perhaps focus more on coordination and working with different teams. Grahame Darnell shared that data on giving shows that the number of legacies is generally increasing. The Board discussed the broader trends in giving, and patterns across different generations including during this time of pressures on cost of living.

5.4. 11th July Finance & Resources Committee Chair update inc. Finance Report

Joe Ryan updated first on the year-to-date position, with a shortfall of around £450k which is £50k worse than budget, primarily driven by legacies being lower than expect to the end of May and then June. However, in July there were more received and so this sits at £180k out of £320k for the full-year target, which shows progress although this remains a 'red' risk on the KPI report. Performance of the strands of fundraising and commercial activity were reviewed in detail, and as shared by Grahame, the team is confident on meeting the £1.25m target for the full year. The Shops are almost all performing above expectations.

In terms of cash flow, there is £5.5m on the balance sheet currently, of which just over £2m is sitting in deposit with Sarasin and further funds have been placed in high street accounts. The Committee had discussed the potential need to draw on the short-term deposit in order to support cashflow. This would incur a £12-15k penalty but alternative options which may be lower cost such as short-term borrowing may be available and would be taken forward through conversations with Neena Vadgama and the bank.

The format of the risk register had been developed to reflect the new cross-organisational approach and revised post-control scoring, and the work of Alex Rudkin and John Groom was recognised through the updates in the IT & Estates, and Non-Clinical Corporate Governance Reports.

6. Hospice values (additional item)

Gaby Tamura-Rose shared a presentation on initial work to develop the Hospice's values, which are important in setting culture and fostering team motivation. The current values are long and are not memorable, and so there is work to be done to streamline them in a way that makes them practical, realistic, comprehensive, and distinctive. This will be informed by exploration of useful research studies on how to effectively set values, and benchmarking of leading Hospice's values. The approach must be aligned to the overall vision and strategic objectives of St Raphael's, which could then link in with annual priorities and team objectives.

Trustees shared some initial reflections to endorse the importance of this work that can guide support for patients and colleagues, and encourage the collaborative approach through gaining input from staff and stakeholders as planned. The visibility of the values can then be embedded, for example through staff awards and HR reviews, as well as in modelling of the behaviours day-to-day. Board members emphasised that the values should not be generic, and agreed that continuing to use an acronym linked to the name 'St Raphael's could be limiting.

Gaby Tamura-Rose would consider next steps including potential formation of a working party, and Manjit Lall offered to be Link Trustee for this work. An update would be given to Trustees at the October Board meeting.

7. CEO and Executive update

Executive team members were each invited to share areas of success in relation to their work, alongside the main areas of risk that were on their minds. Sara Jane Woods had shared early in the meeting how the team had galvanised around the Donation Centre opening, and strong start from the Lottery provider. Kate Billingham Wilson reflected on the strong start made by new members of the team and benefits of being on-site, and priorities to rejuvenate the Supporter Groups and further work to build the Hospice's external profile and partnerships.

John Groom noted that the limits in IT staffing capacity is having implications for the frequency of cyber security checks, compared to when the team was fully staffed, and the Board noted this as a risk and that recruitment is being highly prioritised. The office move and EMIS projects have been delivered on time and with strong engagement from colleagues.

Becca Trower emphasised the positivity in growth of the Compassionate Neighbours programme and community activity, and that the bereavement journey role is already making an impact. The main strategic priorities for the team are to address the higher demands brought by the aging population and also hospice workforce, and ensuring strong crisis cover. Dr Gaby Tamura-Rose updated that a new full-time Registrar at ST6 level had just been confirmed which is excellent news, and the previous Registrar will be moving on to Princess Alice Hospice and so giving on-call support to St Raphael's patients. The main area of concern for the Medical team continues to be the implications of the junior doctors' strikes.

In terms of HR and Recruitment, Barry Angel was pleased with the staff survey outcomes, and upcoming changes to the HR system and payroll arrangements. The next priority is to foster more inter-departmental communications and support on-call elements of roles.

Nick Stevens shared that these themes were an accurate reflection of the Hospice's current position, and that the team are conscious of ensuring that there continues to be sufficient Retail stock, and in the big picture is always mindful of the longer-term financial projections.

Board members thanked the Executive team for these updates and it was agreed that this CEO and Executive report format would be echoed in future. The Board acknowledged the range of projects that had been delivered in past months outside 'business as usual' activity, and that this has asked staff to go above and beyond, as well as balancing their core day-to-day roles. The Board requested that the main goals for 2023/24 be translated into a summary Management Plan with quarterly goals for the next Board meeting.

8. Staff survey headline update (additional item)

Barry Angel presented a high-level view, confirming that further work will be done on data analysis to present to the Board in the autumn, including extracts from qualitative comments, as outcomes have only just been received. Overall results are positive, with only one question for the staff responses rated lower than the 13 other Hospices in the survey, and all others comparable or better. The response rate was 58% which is 12% higher than last time, but 8% lower than other Hospices so this will be a focus for improvement next year. For the volunteer survey, 30 questions were rated the same and two better, with a response rate of 38% which compares to the other Hospices.

Overall, good levels of staff engagement were shown, with higher morale, staff sharing that they felt they could be themselves at work, enjoyment of their roles, and also improved views compared to the prior year that pay is handled fairly. Some areas rated lower than other Hospices including around perceptions on value for money. Staff feedback sessions are planned for September, which will focus on actions being taken based on the results.

Trustees recognised the achievements shown through these results, and that they should be celebrated with staff, donors and volunteers.

9. Hospice Risk register

Trustees noted the new format of the register, and that the next phase of discussion would need to be on risk descriptors and risk appetite.

10. Non-clinical corporate governance report

Trustees noted the report, which had been discussed in detail at Finance Committee. The Board received assurance on the Hospice estate and that the condition of buildings and maintenance meets expected standards, as shown by the most recent architects' report.

11. Any Other Business

There were no further items raised under Any Other Business. The date of the next meeting was confirmed as 25th October from 1-5pm.

Approved.....

Date.....

ACTION LIST

SAINT RAPHAEL'S HOSPICE TRUSTEE BOARD ACTION LIST FOR OCTOBER 2023 MEETING

This Actions List brings together actions from the past full year (and a few actions prior to this) to comprehensively report on progress going into the new financial year.

Reference	Lead	Description	Target Date for Completion	Comments
09.01.2022/03	RT, JS, AR	3. CQC - Have presentation on palliative care ready to share at CQC inspection		Complete
26.10.2022/02	NS, SJW	6. Fundraising & Income Generation Report Ensure visual aspects of Fundraising Campaign reflect a diverse range of patients		Action closed
07.02.2023/03	SM, CS	7. Wellbeing and Psychological Support presentation - Take forward further consideration of impact measurement of new and current services		Action closed
23.09/11; 26.01.22/03	NM, AC, NS, GL	Bring together schedule of Provider visits; Arrange provider visits for Trustees and notify staff		In progress – outline in governance update
10.05.23/03	Nick Stevens	Take forward finalisation of year-end and DoC draw-down		In progress as part of year-end and external audit
19.07.23/01	Anna Machin	5.3. Income Generation & Communications Committee update - Integrate responsibility for oversight of CCG funding into Income Generation & Communications Committee Terms of Reference and agenda plans		Included in meeting papers for approval – see item 9.3
19.07.23/02	Dr Gaby Tamura-Rose with engagement from Manjit Lall	6. Hospice values - Take forward next phase of work on Hospice values		In progress – update to be given at January 2024 meeting

ACTION LIST

Reference	Lead	Description	Target Date for Completion	Comments
19.07.23/03	Dr Gaby Tamura-Rose	6. Hospice values - Prepare update on development of values for active input from Trustees		In progress – update to be given at January 2024 meeting
19.07.23/04	Nick Stevens	7. CEO report – Bring together summary Management Plan 2023/24		In progress – update on timescales to be given as part of CEO and Executive Update

CEO and Executive Report October 2023

Overview

1. Office moves have been completed successfully and on budget.
2. The fundraising team have recruited to four roles and are recruiting to one more plus Head of Communications, as Diamond has left.
3. We currently have c£4.2m in bank/investment fund.

Clinical

Psychological Support Services

Developments within the Psychological Support Services (PSS) Team, highlights included:

- The team have moved into their new hub in 759. This provides 3-4 counselling rooms and, with 10 counselling students (including 2 of our own staff in voluntary capacities) there is now no waiting list for counselling.
- Bereavement Pathway Project commenced with the appointment of an Administrator who sits with Fundraising and has been co-ordinating with PSS team and clinical Admin. Pathway includes a suite of information leaflets, support before and during bereavement, an alignment of clinical and fundraising services and we have just ordered a Book of Remembrance and oak display cabinet which will be located in the Chapel Ante-room. Sr Ann has kindly agreed to move back to her original office.
- The team are exploring ways to support different cohorts of pre-bereaved and bereaved as part of the Pathway. These include bereavement services specifically for children and teenagers. Initial meetings in October with Really Big Pants Theatre Company – SRH making a bid for financial support. Also exploring opportunities to expand bereavement support by looking at ways to engage with and deliver bespoke services to those aged 18-35.
- EMDR (Eye Movement Desensitisation and Reprocessing) therapy is provided by two counsellors and they have had a poster presentation accepted for HUK Nov 2023, “EMDR as a therapy for Complicated Grief– does it have a place in hospices?”

Wellbeing Services

- The Wellbeing Centre has been chosen as the Mayor of Sutton’s Charity of the Year and the team now work across Wellbeing and Compassionate Neighbours. Attendance numbers have grown with a frequent full house.
- We have a full complement of WBC volunteers (32) plus we have recruited 1 x new OT volunteer, 1 x new Comp Therapy volunteer (to make 5 in total)
- Currently 35 Compassionate Neighbours and have 35 applications being processed.

Inpatient unit

- 10 beds are open the majority of the time with the family/bariatric room now open and occupied.
- The Nursing Associate role is proving hugely successful in supporting the Registered Nurses and providing professional development opportunities. We are also supporting Career Development, with one Nursing Associate commencing RN training and one Healthcare Assistant commencing NA training over the coming months, whilst our first preceptorship staff nurse has now completed her full year.
- We have introduced an acuity tool to assess dependency and have had a poster presentation accepted by HUK for November conference, "To admit or not to admit – a patient acuity tool".
- Staffing/Recruitment remains satisfactory with minimal vacancies and we have appointed to the Infection Prevention and Control Post – commencing Nov 23 (as IPC contract with STHH ends)

Community Service

- A number of staffing changes including retirement, maternity leave and long-term sickness has meant that the team have been under unusual pressure but standards and responsiveness remain high. There has been some restructuring to provide more consistency to Hospice Point of Contact including a predominantly remote-working role.
- The whole team are engaging across the sector with closer working with Acute Trust teams including mutual shadowing of roles; Regular hosting of students including paramedics, District Nurses and community palliative care staff; Closer working relationships with Merton EOLC team and Sutton Hub – regular discussion of patients/appropriate referrals and streamlining of criteria for each;
- Our team is being strengthened by an increasing number of non-medical prescribers, and we have also held Continuing HealthCare Fast Track training in order to expedite care and placements for patients alongside the Annual Medicines Management competencies being rolled out.

Education Team

- Maura and Karen are working on a new mandatory training database which will be introduced this Autumn – Blue Stream. More user friendly, comprehensive and better suited to our needs. The existing PAH system is no longer being supported.
- Our first Advanced Communications course has been run in-house with colleagues from neighbouring hospices paying to attend. We are also delivering monthly study days for Care homes in both boroughs which is funded by SWL ICB.
- The usual busy schedule of internal education has included study days for clinical teams as well as formal support on the IPU, mentoring students and preceptees. The team are also working closely with the Medical team in a number of areas noted below.

Medical

- The Medical Team have continued to promote SRH through engagement and education across SWL, including being invited to speak at Merton GPs' away half day with over 100 GPs and AHPs in attendance; hosting and teaching the GP Masterclass with 22 attendees at St Bede's; ongoing monthly supervision provided to Merton End of Life Care Team (Gaby has also mentored one from the team with their non-medical prescribing course and is now doing the same for Heather Syddall from our own community team); monthly hosting of STGH medical students and will host a FY1 doctor from STHH pall care team for a week at the end of October.
- Naomi continues to provide outreach work to High Down prison (supported by Heather Syddall) and we are seeking Trust funding for this work. She has had a poster presentation accepted at the HUK Conference, "Breaking into prison - re-establishing a palliative care service for imprisoned people". Gaby also has a poster accepted, "Patients can read our letters – help! A Hospice review of clinical documentation sent externally to GPs"
- We have recruited 8 patients to CHELsea II study and need another 12 before October 2024, whilst we have been selected to be 1 of 7 UK sites to participate in palliative care and oncology survey on terminology (POST)
- Dr Rebecca Gemmell has completed her year as our Specialty Registrar in Training, and has moved on to work with Princess Alice. We are very grateful to her and to Health Education England for funding this post and we are delighted to welcome Dr Stephanie Ainlie who has joined for the upcoming year.
- The team met with Laura Stembridge, CEO and Founder of Let The Inside Out <https://lettheinsideout.com/> regarding participation in trialling virtual reality headsets and programmes for both staff and patients – mindfulness, anxiety and pain management and they have been approached by Kingston Hospital to host a video tour of the hospice funded by KH which will be mutually beneficial.

Quality

- There continues to be a healthy embrace of value and importance of Clinical Governance including Clinical Audit, Quality Improvement, Data Monitoring and Research. We have 25 projects in the 2023/24 program across medical, IPU, community and psychological support, with 6 complete and 19 on-going.
- The Quality Account, an annual publication, which outlines the many avenues of Clinical Governance and Assurance undertaken at SRH was last published to the website in June 2023
- Our operational level incidents and accidents reporting system, DATIX continues to be well used within a culture for low threshold reporting and the embrace of opportunity to learn across clinical and non-clinical services. It is particularly notable that the Retail team have adapted to reporting through the system very effectively. We added complaints into the DATIX feedback module in Nov 2022 and this was reviewed to identify learning and assess actions taken in August 2023. The system also records Evidence of Excellence.
- EMIS Project: having transitioned from Crosscare to EMIS in May 2023, the project team of John Groom, Dr Jenny Strawson, Heather Syddall and Alex Rudkin (now supported by clinical admin Kelly Groom and Dawn Miller) continue to work on configuration and user-

friendliness. Alex is working on EMIS output, data integrity and the feed into activity reporting. It is a significant piece of work to undertake.

- PSIRF: The Patient Safety Incident Response Framework is an NHS initiative applicable to NHS standard contract partners due to be implemented by April 2024. It will have an impact on policy, development of response plan and investigation tools.
- Health & Safety Committee has met and was attended by Bernard Marley. The Committee monitors a wide range of activities including H&S Audit; Fire Risk Assessments; Operational Risk Assessments, including increasingly effective embrace by Retail through the Area Sales Managers; Water Safety; Facilities department completed and unfinished job register.
- Policies, Standard Operating Procedures and Guidelines are consolidated in the Hospice Policy Manual. Authoritative copy available on the Hospice network drive with all documentation assigned a review lead. In excess of 180 live documents support service and practice across the organisation. Policy and procedure is particularly strong across clinical, operational, human resources and information technology with development opportunity across fundraising and finance.

HR

- Recruitment activities have been effective in most areas. As of today, there are only 2 vacancies that have been open for a number of weeks, in housekeeping and a night nurse. We have made important hires in IT (a senior Technician and Apprentice), senior hires in the IPU (including infection control) and an experienced payroll supervisor that will in time enable us to manage payroll in-house. We are now actively recruiting to upgrade the Communications/Marketing role and hire the Legacy Manager into Fundraising and complete the team.
- The results of the Staff and Volunteer surveys have been extremely encouraging and have brought us to an action plan after various workshops and meetings. This will be communicated by the end of October incorporating some quick wins and longer-term objectives.
- HR continues to build a new HR Information System (Natural HR), to be launched as self-service in April 2024. The team are working hard to ensure the systems for Holiday and Absence work effectively so the big change away from paper and time-consuming admin for the teams are welcomed. We are also migrating the volunteer database to the software.
- We have successfully run a further EDI session (more to come in November) with a dynamic new trainer and we can implement other strategies to further build and embed an EDI culture.
- HR are pleased that we have been able to support a number of colleagues going through serious health issues; we see them back at work with us and contributing as importantly as before. There is a clear financial cost but the cultural benefits outweigh that.
- Sickness absence has spiked over the last quarter, as there has been a COVID spike and general illness. This always affects are small teams. We have provided Flu and COVID vaccinations on-site for all who wanted them. We expect similar challenges as we head towards winter.
- The HR Team is developing with the new payroll team member and we have benefited from the enthusiasm and skills of a free NHS HR Graduate placement for 2 months, with whose help we are about to launch a Wellbeing Awareness resource.

IT and Facilities

- We are pleased that two new members of staff have been appointed in the IT Department. Soren Breen Eppler is our new Junior IT Technician. He will be undertaking an 18-month apprenticeship scheme funded through our Apprenticeship Levy. Adrian Hobbs is our new Senior IT Technician.
- Cybersecurity – This is an area which is becoming increasingly challenging and it is noteworthy that other local hospices are investing heavily in the area. We are currently in the process of replacing our aging firewalls with new units to improve our security; we plan to introduce further training for heads of department to highlight the activities which would be needed in the event of a serious security breach and will soon be introducing penetration testing of the system, once the new firewalls have been installed.
- Room Moves - The Room Moves project has now been completed successfully. This was achieved within budget and ahead of schedule.
- Car parking - We are discussing the site car parking arrangements with Spire St. Anthony's Hospital. They are considering the installation of an ANPR system to manage car park usage and to prevent unauthorised parking. We may participate in this, subject to the finances involved.
- Upcoming hardware - The main IT system hardware will need to be replaced due to age before August 2024 when its warranties expire. We have started the process of assessing the different options available for the design of the new system. As part of the new hardware installation, we intend to include an improved Disaster Recovery capability.

Fundraising

- We are working towards the key elements of the Management Plan and priorities for the year.
- The first priority was to recruit the team and, aside from the Legacy & In Memory Manager, this has been completed successfully and before the timeline target. Bonita Hope (Youth and Community), Hannah Tarrant (Appeals), David Morris (Philanthropy and Trusts) and Julie Holland (Corporate) have joined Rose Wood (Projects) and Sam Bourne (Challenge Events).
- Kate has now taken on the Communications brief as part of an expanded remit as Director of Fundraising and Communications. She is now recruiting to a new full-time role of Head of Communications following the Comms Manager, Diamond Naraviene's resignation.
- As noted under the Clinical section, the Bereavement Pathway is progressing well and there is a strong collaboration between Fundraising and Clinical teams. The creative brief is currently with agencies and we are in the process of researching a memory tree which could be in the Angel Courtyard. We are also looking into the concept of an online memorial platform.
- A further major priority is to embed fundraising into SRH culture. Following the office moves our fundraising team is now based at the Hospice building, together with the Comms team. This enables Kate and the team to be in constant contact with other teams and promoting fundraising. We have also ensured that posters and leaflets are now present in the Hospice and will continue to pursue all means to raise the profile of our charitable status across the sites.

- Our Appeals Manager is in post and we have undertaken supporter insight work in order to understand our supporters more thoroughly. This will lead to enhanced targeting for fundraising in due course.

Commercial

Retail

- It has been a very active quarter in Retail;
- The New Donation Centre is now open and sales are strong. We have gone out with a soft ask for furniture to see what the demand is for the service, managing collections and deliveries in house. We have done a recruitment drive for Drivers and Co-Pilots, which has resulted in four new people joining the team. Our Transport Manager has created a rigorous induction program. We have decided to supplement this with a Driver Training Program developed by Charity Fleet Care.
- We have just renewed the contract on the old Donation Centre for the next 3 years at NIL rent. As before, only 28 days' notice is due. Currently we are using this as a store to help maximise sales from the new site. It also allows us to more easily hold clearance sales, which are very popular, because we do not have to transport the stock. We will consider opening the site as a regular shop to access the trade we had before from this venue.
- We open our new clearance shop on Thursday 12th October at 11am. It will be our largest clothing store and has an excellent back room set up. There were long queues for the opening and over £5,000 sold in the first four days.
- Other matters we are working through include an uptick in aggressive behaviour and shoplifting; a resurgence of COVID and other sickness has been challenging and the team has been great at stepping in at short notice and doing extra hours to keep as many shops open as possible. This has been felt the most when we were also preparing for the opening the Donation Centre and Morden; although we have a 61% increase in year-on-year donations of stock, the quality has reduced, and we are getting a lot more rubbish and fly tipping.
- Between 1st January and 31st December 2022 our shops served 195,981 customers which underlines the importance of the retail outlets for the overall visibility of the Hospice.

Lottery

- The first phase of the lottery campaign with Britevox came to an end two weeks early as they had exceeded the target set for the campaign by 85 new players.
- Headlines for the campaign have been; 1085 new plays signed up; There is a high retention rate with only 145 cancellations for which we have received a partial or full refund for depending on if they made one payment or not; very few complaints – 2 from people who just didn't like the type of fundraising, and 2 from people who felt the brand ambassador knocked too loudly; The brand ambassadors enjoyed working on our campaign because the public were so receptive and they were able to sign up above average numbers of new players; Britevox back office and management made administration easy. We knew exactly where the teams were on any given day and a weekly meeting meant that any queries or issues were quickly resolved;

- Britevox are keen to do another campaign with us and we have a meeting at the end of October to decide on dates and numbers.
- The only downside of the campaign was that we ran out of private sites as our area is quite small. But Door to Door has performed very well for us.

Finance

- The Audited Financial Statements show a shortfall of £(400)k for the year, an improvement of £360k over the draft that was previously shared following audit initiated changes to legacies which included moving £220k income out of the current year and into last year. The Legacy total has therefore reached £1.65m which is around the average level over the last six years.
 - The copy of the accounts that is attached to the agenda will be subject to a number of minor presentational and typo changes prior to being approved and signed in the meeting itself.
 - I am very grateful to Neena, her team and all the many others involved in the audit work over the last 3 months.
 - Cash currently stands at £4.2m compared to a budget level of £4.4m. The financial results for the first six months of 2023-24 are £350k below budget overall and, having moved some into the prior year, this is also the level at which the legacy total is short of the budget this year. Our new “legacy pipeline” suggests that there is around £600k of legacy potential “in sight” for 2023-24 and, as the “window” for updating these figures will run through to the signing of next year’s audit, there is no reason to assume that this current low level will not correct by the end of the financial year.
 - Aside from legacies, the contribution from other income generation is £100k better than planned overall, whilst the cost of service delivery is £22k above budget. At present we have not had any uplift from SWL ICB and therefore NHS income is £40k below.
 - We are due to meet with the leadership of SWL ICB in December to hear back from them regarding the joint letter from local hospices laying out an expectation that funding moves from 30% to 50% of clinical costs over the course of the next three years.
- Exec Team 19th October 2023

Corporate Risk Control Register

Risk Category	Activity	Top Risk(s)	Initial Likelihood	Initial Severity	Initial Risk Rating	Prevention Controls - reducing likelihood	Mitigation Controls - reducing severity	Final Likelihood	Final Severity	Final Risk Rating	Responsibility?	Last / next review
1	Income does not increase along planned growth trajectory	<ul style="list-style-type: none"> Long term financial sustainability at risk Financial Losses continue and cash drains 	4	5	20	<ul style="list-style-type: none"> Fundraising strategy in place - 5 team recruited, 1 more in budget Lottery Campaign commenced in 2023 Retail growth plan progressing Joint Hospice approach to ICB for funding plan to grow over next 3-4 years 	<ul style="list-style-type: none"> Cash Balance in place to support plan implementation over next 2-3 years Additional mitigation funding agreed in principle to ensure time to implement alternative measures to secure service 	3	4	12	Exec	Sept 23 / Dec 23
2	Impact of Inflation	<ul style="list-style-type: none"> Costs rise at faster rate than income Funding gap grows 	4	5	20	<ul style="list-style-type: none"> Energy contracts in place to limit impact of rises Retail rental agreements on multi-year terms 	<ul style="list-style-type: none"> Mitigation funding has been agreed in principle to ensure time to react to unexpected changes to circumstance (eg inflation above 2%) so long as evidence of other improvement is clear Review of cost and affordability of service would need to be initiated to seek mitigation savings Inflation cost growth is main thrust of lobbying to Govt and NHS 	3	4	12	Exec	Sept 23 / Dec 23
3	Cyber attack	<ul style="list-style-type: none"> Virus, ransom-ware or other malware attack or software vulnerability. Malicious software can damage IT system, steal or encrypt data or prevent normal service by sheer volume of extra traffic. Problem could spread to many servers, computers and/or other devices and take days to clear. Denial of Service Attacks could affect internal or external systems. Reputational damage can result from cyber attack. 	4	5	20	<ul style="list-style-type: none"> Anti-virus & anti-malware software is used on all servers & computers. These are updated automatically in real-time. Software updates & security patches are applied when needed. Firewalls control unauthorised entry from Internet. Web filtering software prevents users from accessing unsafe websites. Email filtering blocks most unsafe emails. Staff are educated to avoid risks from fishing attacks. Simulated attacks are used to ensure that staff comply. Mandatory training now includes cyber security for all staff. Enforced use of strong passwords and 2-factor authentication. 	<ul style="list-style-type: none"> Multiple backups of data are maintained on a daily basis. Backups are both on-line and off-line to maximise opportunity for data recovery Cyber Insurance being acquired to provide cover for additional work in recovery and restoration 	3	4	12	Exec	Sept 23 / Dec 23
4	Inability to locate sufficient new retail venues	<ul style="list-style-type: none"> Financial targets not met Core costs not spread widely enough 	4	4	16	<ul style="list-style-type: none"> New Director role focussed on retail and lottery to allow site-finding time Agency contacts looking on our behalf 	<ul style="list-style-type: none"> Sufficient funds in place to ensure 2-3 years viability 	3	3	9	Exec	Sept 23 / Dec 23
5	Inability to recruit sufficient volunteers to support income generation	<ul style="list-style-type: none"> Retail operation is restricted Fundraising plans curtailed Future in-house lottery team cannot be recruited to grow number of players 	4	4	16	<ul style="list-style-type: none"> Retail team being engaged and trained in recruitment and retention of volunteers Safe volunteering measures in place to re-assure potential volunteers Marketing budget assigned to volunteer recruitment - online and in print 	<ul style="list-style-type: none"> Revised plan to work with Lottery Agency for 12-24 months 	3	3	9	Exec	Sept 23 / Dec 23
6	Materially reduced legacy income	<ul style="list-style-type: none"> Financial Losses continue and cash drains Long Term sustainability reduced 	4	4	16	<ul style="list-style-type: none"> Legacy & In Mem staff member recruited (currently taking place) Regular promotion and publications of Legacies (new leaflet currently being produced) 	<ul style="list-style-type: none"> Implementation of a legacy marketing plan 	3	3	9	Exec	Sept 23 / Dec 23
7	IT systems failure	<ul style="list-style-type: none"> Switch / Router failure or configuration corruption / deletion Firewall failure or configuration corruption / deletion Major hardware failure can be caused by a range of events, both accidental and malicious. Depending on which hardware fails, vital services could be disrupted or communications lost. 	3	5	15	<ul style="list-style-type: none"> Firmware and software updated regularly. For Servers, SANs and NAS, dual components provide redundancy for single item failures. Global spare SAN disks enable automatic replacement of a failed drive. Firmware and software updated regularly. Use of strong passwords. Access limited to essential personnel. Use of strong passwords. Access limited to essential personnel. 	<ul style="list-style-type: none"> Spanning tree protects against single device failure by rerouting connections. High availability firewalls allow one firewall to take over if another fails. Spare switch ready configured for replacement Backup copies of all configs kept securely. Warranty support contracts provide rapid response to replace failed parts. Regular backups of virtual servers enable rapid recovery in event of failure. 	2	4	8	Exec	Sept 23 / Dec 23
8	IT PAS System Failure / Cloud Access Down	<ul style="list-style-type: none"> Inability to access contemporaneous clinical records or run business continuity reports 	5	3	15	<ul style="list-style-type: none"> IT System Management Controls 	<ul style="list-style-type: none"> Contactable team OOH (not formal contract) Back up resource -outsourced at times of AL Daily back up to PAS system facilitating access to the PAS Hard copy daily print outs to provide basic continuity 	4	2	8	Exec	Sept 23 / Dec 23
9	Loss of Key Personnel	<ul style="list-style-type: none"> Some systems may be understood by only one person, who could leave etc. Some systems could then be difficult to maintain, with extended downtime, or projects could be delayed. 	3	5	15	<ul style="list-style-type: none"> Seek to provide internal back-up and succession to help spread the critical systems knowledge Aim to provide suitable remuneration and conditions of service 	<ul style="list-style-type: none"> Create effective handover documentation that could be followed by others 	2	4	8	Exec	Sept 23 / Dec 23
10	Key staff capacity	<ul style="list-style-type: none"> Progress in critical projects is hindered Staff burnout leads to staff losses Work/life balance and job satisfaction impaired 	3	4	12	<ul style="list-style-type: none"> Set realistic time-frames Look to recruit capable supporting teams Professional coaching available Provide flexibility in working arrangements to enable space to recharge where possible 	<ul style="list-style-type: none"> Ensure critical projects and teams are resourced sufficiently Acknowledge and celebrate The focus for clinical is to consolidate quality rather than increase activity 	2	4	8	Exec	Sept 23 / Dec 23

The axis for Likelihood should be from 1. Very Low – 2. Low – 3. Medium – 4. High – 5. Very High
 The axis for Severity should be from 1. Light – 2. Serious – 3. Major – 4. Catastrophic – 5. Multi Catastrophic

Over 13 = red
 8-13 = amber
 7 or under = green

TO BE TYPED ON CLIENT LETTERHEAD

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Date:

Dear Sirs / Madams

During the course of your audit of our financial statements for the period ended 31 March 2023, the following representations were made to you by management and directors of the charitable company:

1. We have fulfilled our responsibilities as directors under the Companies Act 2006 ("the Act") for preparing financial statements, in accordance with FRS102 and the Act, that give a true and fair view and for making accurate representations to you as auditors.
2. We confirm that all accounting records have been made available to you for the purpose of your audit, in accordance with your terms of engagement, and that all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and Trustees' meetings, have been made available to you. We have given you unrestricted access to persons within the company in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.
3. We confirm that the methods, significant assumptions and source data used by us in making accounting estimates and their related disclosures are appropriate to ensure compliance with the recognition, measurement and disclosure requirements of FRS102.
4. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with FRS102 and the Act.
5. We confirm that we have informed you of the details of all correspondence with the charitable company's regulators during the year and, in particular, the details of all Serious Incident Reports that we have made to the Charity Commission.
6. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts.
7. We confirm that we are aware of the definition of a related party set out in FRS102. We confirm that the related party forms have been completed by all trustees and made available to you as part of the audit.
8. We confirm that the related party relationships and transactions set out in the declarations provided to you are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions, and have been accounted for and disclosed in accordance with FRS102 and the Act.

9. We confirm that the financial statements correctly disclose the Trustees' remuneration and reimbursement of expenses, and are drawn up in accordance with the Statement of Recommended Practice *Accounting and Reporting by Charities*.
10. We confirm that the company has not had, at any time during the year, an arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the company) for directors, nor to provide guarantees of any kind on behalf of the directors, except as disclosed in the financial statements.
11. We confirm that the company has not contracted for any capital expenditure other than as disclosed in the financial statements.
12. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which are central to the company's ability to conduct its business.
13. We acknowledge our responsibility for the design and implementation of controls to prevent and detect fraud. We confirm that we have provided you with a copy of our latest risk assessment, and confirm that we have considered the risk of fraud and have disclosed to you any actual or suspected instances of fraud involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by former employees, regulators or others.
14. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the company is a going concern.
15. We confirm that in our opinion the effects of unadjusted misstatements, as disclosed in the Audit Findings Report are immaterial, both individually and in aggregate, to the financial statements as a whole.
16. All grants, donations and other income, receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms and conditions in the application of such income.
17. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
 - so far as each trustee is aware, there is no relevant audit information of which you as auditors are unaware; and
 - each trustee has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the directors during the course of your audit.

Yours faithfully

Signed on behalf of the Board of trustees by:

Trustee

Trustee Visit Opportunities

St Raphael's Hospice

Visit	Trustee	Planned Date
<p>Journal Club Attendance (medical journal club is 2-3pm on Wednesdays in the orangery meeting room. Multi-Disciplinary Team Journal club is monthly in the orangery meeting room – dates from September to be confirmed)</p>		
<p>Schwartz Round attendance Meetings are approximately 6 weekly at varying times – next ones are Thursday 2nd Nov – time tbc St Bede's/Wednesday 13 December Xmas special- 10-11.30 St Bede's</p>		
<p>Wellbeing Centre session – Tuesdays, Wednesdays and Thursdays 10-12.30 or 1.30-3.30pm</p>		
<p>Visits to shops via Van pick-up/delivery (best to liaise with Sara-Jane)</p>		
<p>Donation Station (best to liaise with Sara-Jane)</p>		
<p>Education Sessions – Equality, Diversity and Inclusivity on 21st November. Trustees would be more than welcome to attend as participants/attendees rather than observing (we would need to know in advance who is attending to ensure we have capacity).</p>		

Terms of Reference for Income Generation & Communications 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 oversight of the charity's promotional and income generation activities by the Income Generation & Communications Committee.
2. The Committee takes responsibility for overseeing, planning, coordination and implementation of all fundraising, ~~lottery, retail~~commercial and communications and activities in support of the programmes, projects and activities of the Hospice. Committee members will contribute expertise, human resource capacity, and their professional perspectives to the development and successful operation of the St Raphael's Hospice income generation programme.
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 Income Generation & Communications 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 Income Generation & Communications 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 Income Generation & Communications Committee take delegated responsibility on behalf of the Board of Trustees for the following high-level areas:

- Provide feedback on the development of the fundraising, ~~lottery, retail~~commercial and communications strategies, including contributing to an annual evaluation programme to establish all objectives are met.
- Implement, monitor and evaluate these strategies once they are adopted.
- To receive reports on progress against key fundraising, ~~lottery, retail~~commercial and communications objectives in the Hospice's annual Management Plan.
- Receive updates on Income Figures and progress towards targets.
- Receive information on fundraising activities including community, corporate and trust fundraising; lottery; and supporter care.
- Lead on review of Retail performance, including consideration of opening in new locations and closure in existing locations in event that profitability does not meet expectations.
- Ensure best practice is applied in all fundraising, lottery, retail and communications activities in line with the Charity Commission, National Audit Office (NAO), GDPR, HRMC and other regulatory bodies.
- Receive updates on the pipeline of existing and potential sponsors and funders.
- Acknowledge support and financial help provided by sponsors/ funders.
- Hold oversight of the Hospice's funding received from NHS sources, including the organisation's relationship with the Clinical Commissioning Group (CCG).
- Input into relevant PR statements for Hospice.
- Assisting the Board in identifying the Hospice's major risks in relation to fundraising, ~~lottery, retail~~commercial and communications activities, and developing appropriate approaches to risk management, including through a departmental Risk Register.
- Receive updates on fundraising, ~~lottery, retail~~commercial and communications team development and wellbeing.

12. The Board may delegate additional powers to the Committee and these are to be documented.

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. 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, Director of Fundraising & Communications and Commercial Director. Other members of the team 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: ~~March-October~~ 2023. Date of next renewal: March 2026.

St Raphael's Hospice
Meeting of the Clinical Quality & Governance Committee
Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX with video call access
At 15:00 on Thursday 12th October 2023

Members: Dr Carrie Chill – Trustee & Committee member (CC)
 Alan Cogbill – Trustee & Committee member (AC)
 Bernard Marley - Trustee & Committee member (BM)
 Norman McWhinney – Board Chair & Committee member (NM)

In attendance: Nick Stevens – CEO (NS)
 Dr Gaby Tamura-Rose – Consultant (GT-R)
 Alex Rudkin – Director of Quality and Governance (AR)
 Rebecca Trower – Clinical Director (BT)
 Anna Machin (Governance – AM)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
4. Clinical Risk Register	Invite John Groom to next meeting to present on systems and cyber risks	Becca Trower, Anna Machin	For January 2024 meeting	12.10.23/01

1. Welcome, apologies for absence and declarations of interest

Dr Carrie Chill took the Chair and welcomed attendees to the meeting. Apologies were received and accepted from Bernard Marley. The Committee noted that Eva Kalmus had resigned from her role as co-opted Committee member.

2. Review of minutes from 30th June 2023 Clinical Quality & Governance Committee meeting, Actions List and update on matters arising

The minutes of the previous meeting were approved as an accurate record of proceedings. The matters arising and key themes from the previous meeting were reviewed:

- Take forward plans for integration of EDI training into staff induction process with Barry Angel – the HR team have taken responsibility for this, and this action will be closed.
- Add EMIS system to Clinical Risk Register; Update risk register to reflect EMIS transition – these actions had been closed.
- Share CAP 2023/24 targets with Board – Trustees had received this information at the May meeting.
- Develop agreed priorities into SMART targets – these are reviewed regularly by the Clinical team, and this action would be closed.
- Take forward participation in patient 'label' research project inc. check access for patients with English as a second language – this is being led by Dr Naomi Collins with the Hospice chosen as one of six sites to participate. Future updates on the project will be given in the Clinical Quality & Governance Report.
- Share final draft Quality Account with the Committee – this action has been completed.

3. Evidence of Excellent Practice Register

The paper was taken as read, and the Committee noted the range of positive comments, including for non-clinical colleagues such as those working in Retail. Sharing these stories shows the Hospice's positive culture and supports staff morale.

4. Clinical Risk Register

Becca Trower flagged the main risks that were currently top of mind for the team. In relation to EMIS system access, assurance was given that there have been no access issues to date, and the IT team have standby options such as accessing records through GPs, a mobile solution and remote computers in wards to mitigate this risk. John Groom would be invited to the next meeting to give more detail on these actions, and the team's work on cyber security more broadly, reflecting the importance of this topic and to give assurance on how the Hospice's capacity compares to others once the new colleagues in the team are embedded.

Gaby Tamura-Rose updated on the impact of the junior doctors' strikes, which coincided with the annual leave of some colleagues. There have been nurses in the team working throughout, but additional on-call from the Consultants to give medical expertise during strike periods. There has also been some impact for the Hospice on discharge timelines and responses from GP services.

In terms of staff sickness and covid, new covid jobs are being offered alongside flu jobs. There has been some stretch and cover needed linking to retirement and sickness but this has been possible and recruitment to roles has supported this. The team look forward to welcoming the new part-time colleague who will hold the Infection Control remit.

5. Clinical Quality & Governance Report inc. Clinical Action Plan

Becca Trower shared an update on key points in the report. The Psychological Support services team have moved into refurbished counselling rooms on-site and are part of the four posters going to the Hospice UK conference including to profile pioneering work on EDMR. There are also initial discussions on developing bereavement support for children and young people through partnership with a theatre organisation. Schwartz Rounds continue to be well attended. The Committee received assurance on the supervision and workload management for this team.

The Wellbeing Service name has been updated, and selected as the Lord Mayor's charity of the year. The Compassionate Neighbours service have prioritised matching current applicants before the next round of outreach. The new family/ bariatric room is now in use and will be profiled in the upcoming newsletter. Dr Carrie Chill shared her experience of a recent visit to the Hospice, and the caring atmosphere and range of therapies on offer.

Gaby Tamura-Rose shared an update on developments in the medical team, confirming that a full-time Registrar is now in post. The team continue to link up well with St Helier Hospital, and other partners. The report notes CPD and supervision opportunities given to staff.

Information was shared on the approach to Consultant appraisal using a rotation approach.

Alex Rudkin gave assurance on plans for the next engagement call with CQC and continual updating of evidence of strong practice.

The Committee noted the data on incidents in the Hospice, and that pressure sores noted are often identified on admission and then addressed by the team. Further investigation tools in the new Datix system can be used, also to identify learning and development needs.

EMIS continues to embed, with some staff adapting more quickly than others but all recognising that this is an important change.

Colleagues shared information on the response to complaints noted in the report.

The Committee asked for perspectives on levels of applications for admission, which showed a slight downward trend. Gaby Tamura-Rose shared that overall numbers of patients are in line with expectations, and may also be a function of work done to raise the profile and understanding of the respective roles of the Hospice, Sutton Hub and other services in signposting patients to the right support that serves their needs.

Finally, Becca Trower raised the challenges with provider Ashtons who in turn are experiencing delays with some of their suppliers. There are not strong alternatives however since concerns were raised, their team have not shown the improvements hoped, and so this will continue to be closely monitored.

6. Minutes of internal meetings

Committee members shared that the minutes of internal meetings showed the reflective and sensitive nature of colleagues' consideration of areas such as complaints. Again, it echoed a theme that many complaints are driven by the frustration by patients or their families about communications or joint working of other agencies.

The Committee noted the increased number of patients with more complex mental health needs, and Dr Gaby Tamura-Rose echoed this and that staff are trained in responding to instances of challenging behaviour that arise from this. The situation has worsened since the pandemic, and also shows some needs not being met by social care services.

The Committee noted the final version of the VOICES report, and scrutinised the outcomes of the Safeguarding Audit Report. This gives retrospective assurance on staff awareness and responsiveness, including notifications to CQC and the Local Authority (LA). Physical abuse, self-neglect and hoarding were the most common concerns raised. More cases this year were upheld by the LA than in the prior year and the report shows that the Hospice's documentation in this area is strong.

7. Any Other Business and Dates of future meetings

There were no further items of business raised. The date of the next meeting would be confirmed as part of date-setting for 2024.

The meeting ended at 5pm.

Approved.....

Date.....

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 14:00 on Tuesday 17th October 2023

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

In attendance: Nick Stevens (CEO – NS)
John Groom (Director of IT & Estates – JG)
Siobhan Holmes (Director, haysmcintyre – item 3 – SH)
Neena Vadgama (Head of Finance – NV)
Anna Machin (Governance – AM)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
3. 2022/23 annual report and accounts	Make agreed changes to annual report	Nick Stevens	Immediate	17.10.23/01
	Take annual report and accounts to Board for approval	Nick Stevens, Anna Machin	October Board meeting	17.10.23/02
	Raise matters arising from external audit report with Board	Nick Stevens, on behalf of Joe Ryan	October Board meeting	17.10.23/03
4.4. Update on investments	Raise status update on investment performance vs high street accounts with Board	Nick Stevens, on behalf of Joe Ryan	October Board meeting	17.10.23/04

The meeting commenced at 2.05pm

1. Welcome, apologies for absence and declarations of interest

The Chair welcomed Committee members and colleagues to the meeting. There were no apologies received. There were no declarations of interest from Committee members.

2. Review of minutes from 11th July 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 key themes from July were discussed.

Nick Stevens confirmed that the arrangements for rent at Capitol House had been settled, and that the NHS had recognised the potential that they erred in the calculation of the pension liability mentioned at the previous meeting but this was yet to be finalised. Status updates on CCG income and cashflow would be given later in the meeting.

3. 2022/23 St Raphael's Annual Report & Accounts

3.1. Detailed review of annual report and accounts – Siobhan Holmes (Director, haysmcintyre) was welcomed to the meeting, and Committee members undertook a detailed page-turn on the draft annual report and accounts for the financial year ended 31st March 2023. The following changes to the accounts were agreed:

- Increase the font size of the text setting out the company registration number on the cover page of the accounts (cover page).
- Name the Committees in alphabetical order, with 'Human Resources Committee' prior to 'Income Generation and Communications Committee' (bottom of page 2).
- Ensure that the shortfall of £293k before investment income is also presented as a figure on the Statement of Financial Activities (SoFA), before Net Gains/ Losses on Investments (to align pages 3 and 16).
- Add further reference in the Foreword to the level of contribution from NHS sources not aligning with levels of inflation (page 3).
- Rephrase the term 'widening our engagement' in section 3, to align with text used elsewhere in the report (page 4).
- Give further clarity that the Compassionate Neighbours scheme links volunteers to those in their local community (page 4).
- Update the phrase to read 'Trustees have approved an investment policy' in the section on Investments (page 5).
- Share further information on the hospice's equality, diversity and inclusion (EDI) activities in the section on widening reach in 2023-24 (page 6).
- Add further information on NHS funding not keeping pace with inflation to the Principal Risks section, and note that the Hospice has navigated the changes in the external NHS landscape with the move to Integrated Care Systems (ICS) (page 9).
- Ensure alignment between the Balance Sheet and relevant Notes to the accounts by including the £15k freehold valuation under fixed assets rather than investments and make the required adjustments to the notes and to the statement of cashflows. This would also ensure that all figures can be more easily reconciled to the notes.
- Nick Stevens explained how the Deferred Income figure of £1.983m in Note 14 reconciled to the Creditors figure in Note 13.
- An explanation was given for why the sum detailed as "depreciation charge/amount written off" in the Statement of Cashflows for 2021-22 of £169k comprised 3 figures on the fixed asset note (depreciation, accumulated depreciation written off and asset cost written off).
- Use capital 'T' for the word 'Trustee (throughout the document).

Committee members received assurance on the approach to setting the figure for designated funds, in order to arrive at the total free reserves figure for the charity. In response to Committee questions, the framework for the skills audit, and approach to adhering to the approach to recruitment of Trustees of the Catholic faith, were confirmed by Anna Machin.

3.2. Audit findings report – Siobhan Holmes raised the following points during the presentation on the Audit Findings Report:

- The audit team wish to share their thanks with Nick Stevens and Neena Vadgama, and the wider finance team, for their collaborative working during the audit process –

particularly with the introduction of two new auditing standards meaning that there were new requirements and ways of working this year.

- A clean, and unmodified, audit opinion has been issued for the Hospice as an outcome of the comprehensive audit.
- There are no significant concerns that arose from the audit process to raise with Trustees, and the time spent in the audit planning process ensured that the audit ran smoothly.
- There were no issues raised in relation to deferred income. The audit included an in-depth review of accrued income, and the adjustments made to the accounts drew from SORP 2015 guidance, and that legacies should be recognised in the accounts according to the date on which probate has been granted i.e. when there is evidence of entitlement. The overall impact has been to improve the year-end position for 2022/23 by £356k.
- As in previous years, the auditors have emphasised the reliance on Finance team members, in particular the integral role of Neena Vadgama in holding detailed knowledge of the organisation's finances, with less support from Nick Stevens since taking on the sole CEO role during the year.
- From the audit work undertaken in the Hospice's charity shops, there were no significant control points identified.
- The unadjusted misstatements are noted in page 8 of the post-audit report, with three unadjusted items that were not considered material.
- There were a few control points noted, for example around maintenance of details of suppliers, adding more granular detail to the fixed assets register, which the finance team will incorporate into core activity going forwards.
- The content of the Letter of Representation all relates to standard matters and there have been no additional points to raise.

Siobhan Holmes shared an update on the evolution of audit practices and regulation, in reference to plans for the upcoming year:

- The audit team are using increasingly sophisticated software to undertake checks on journals, this is particularly effective for the fraud and regularity aspects of audit e.g. identifying any late-night postings or round numbers. Further analytics activity will be introduced in future years.
- The Charity Commission now issues a greater range of guidance for charities including information on use of social media, and short guides and quizzes for Trustees.
- Emerging issues that continue to be a focus in respect of reporting in the accounts include EDI and environmental sustainability, and changes to the SORP may encompass a reclassification of charities by turnover (i.e. small/ medium/ large, as opposed to current practice of small charities holding turnover under £1m, and all other charities over this income threshold being classified as large).
- The Commission has also refreshed the questions in the annual return and updated their portal.

The Committee thanked Siobhan Holmes for the presentation and the audit team's work to deliver the external audit to plan, and bring these additional insights. Siobhan Holmes and Committee members reiterated thanks to Neena Vadgama and Nick Stevens for delivery of the annual report and accounts.

The Committee formally recommended the annual report and accounts, and letter of representation, for the financial year ended 31st March 2023 to the Board for approval.

The Committee would also raise the audit findings with the Board in particular considerations around capacity and key man risk within the finance team.

4. Finance Report

4.1. 2023/24 year-to-date report – Neena Vadgama presented key points from the Finance Report:

- The in-year shortfall is currently £1.5m compared to a budgeted shortfall at this point in the year of £1.2m. Broadly mirroring this position, cash in bank is £4.2m, vs a projection of £4.4m.
- Key factors in variance to budget are that investment income is down compared to expectations; there has been some additional spend on direct costs of services due to use of agency nurses, and a small amount of additional spend on support costs linking to IT and audit fees. Due to the change in accounting treatment for legacies, the current confirmed in-year income for 2023/24 for legacies is now lower, due to the aforementioned £356k of legacies being incorporated into the 2022/23 year-end position. NHS income is also lower than budgeted, and the increase for the current year will only be known towards the end of the calendar year.
- Donations are £37k higher than expected, with Lottery income on par but with reduced costs. Retail is performing slightly above budget, with many shops continuing to perform very well, although some such as Wimbledon Park and Raynes Park are a focus for improvement. There has also been some additional spend on staff cover in shops due to sickness absence, and the incoming Head of Communications will have a particular focus on volunteer recruitment which will act as a mitigation.

The Committee received assurance that it would be likely that any rise in NHS contribution would be backdated, which had been the process followed in the prior year.

The Committee requested further information and assurance on the process to be followed to confirm the timing of income recognition for legacies, following the agreed change in accounting treatment this year. Nick Stevens confirmed that the pipeline will be managed using information from a government website which confirms the date of probate, and a report from Smees & Ford is being used to correlate this information.

Using this process, £620k of potential further income for 2023/24 has been identified as being in the pipeline. The Committee were supportive of the current planned recruitment to the Legacy and In Memory role within the Fundraising team, and reiterated the importance of this income stream for the Hospice.

Alan Cogbill shared a headline update from the Fundraising Committee held on the morning of 17th October, noting that for certain income streams such as Appeals (currently at 22% of target) and Trusts (sitting at 29%), there is planned activity whereby it would be typical that a greater proportion of these income lines would come in during the second half of the financial year. However, the Fundraising team is expecting a shortfall vs target, and to reach between £1.1m - £1.15m compared to the target of £1.25m. Five new Fundraising team members have been recruited to date, and they are building momentum in their areas of income generation, but the key relationships take time to develop and grow.

It is not planned to prioritise growth of the Supporter Groups, which subsided primarily due to covid-related restrictions. In reference to discussion at the previous meeting, Nick Stevens confirmed that the current amount of non-primary purpose trading income did not necessitate immediate set-up of a trading subsidiary (£20k vs the threshold of £85k) at this point in time.

However, plans for the Wimbledon Park shop include sale of stock such as wedding dresses, and so this would be kept under consideration for the 2024/25 financial year onwards.

The Committee asked for plans for the negotiations for increasing the amount of NHS funding. Nick Stevens confirmed that a meeting will be set for December, and there has been strong partnership working with leaders of other local Hospices. The request made was to receive a written commitment to move, over a three-year period, from 30% to 50% of direct clinical costs as funding for the charity.

- 4.2. Balance sheet and cash movements** – the Committee noted the balance sheet and forward projections included in meeting papers. Neena Vadgama confirmed that cash in hand for £2m was sufficient to support the Hospice's current operations.
- 4.3. Ratification of Hospice site valuation** – Nick Stevens updated that the £270k 'peppercorn' rent has been calculated with surveyor's report which was delivered in March 2020, prior to the Hospice's transfer from the Daughters of the Cross to become an independent charity. It is expected that the value of rental would now be higher. Due to how this in-kind gift is recorded in the accounts, this does not alter the bottom line, but would change the component figures in the accounts. The index of commercial property shared in meeting papers indicates that the value of the rent could now be towards £300k. On discussion with the auditors, it was agreed that the change that would arise in order to recognise this higher amount was not material, and therefore the proposal is not to adjust the valuation at this point in time. However, this may be revisited more formally next year. The auditors are content with this approach.

The Committee formally ratified this proposal.

- 4.4. Update on investments & market report** - the Committee noted that the value of investments continues to set below the original amount invested, 21 months after making the investment, due to the challenging market conditions experienced within the wider economy. In contrast, Nick Stevens and Neena Vadgama raised that high street banks are offering high interest rates on savings of around 4.76%, meaning that should £1m be invested, £47k could be received. This would also have the benefit of having more free cash available, and different types of deposit accounts could be used with different timeframes for withdrawal.

However, it is also recognised that any potential withdrawal of investment funds at this point in time would crystallise a loss, and that there may be cash facilities available as part of investment manager Sarasin's offer. The initial intention for these investments had also been to take a long-term view. It was agreed that this matter would be raised for initial discussion with the Board at the meeting the following week. In order to support this discussion, Neena Vadgama would prepare a schedule showing funds in the bank and how deposit accounts might be used.

5. IT & Estates update

John Groom shared that there is additional capacity within the IT team through an apprentice and recruitment to a senior role. Embedding the EMIS system, and cyber security practices, is their current priority alongside an upgrade of the phone system. The lease has been signed for the Morden shop, and the new family/ bariatric room is now complete. A further nil cost lease has been given on the Donation Station site and the team are exploring how to use this space, in addition to the Donation Centre. John was asked what his greatest fears were and he explained that cyber-attack was a constant and growing threat. Other hospices are spending a lot more money on addressing the threat. It was noted that a quote for Cyber Insurance was awaited. The Committee congratulated John on the recruit to the new IT roles, and emphasised the importance of work undertaken to address potential cyber risks.

6. Finance and IT & Estates risk register

The Committee noted the revised format, and that cyber security had been included as the highest risk for IT.

John Groom shared detail of mitigating actions, including two-factor authentication, complex password policies, phishing training and testing, mandatory cyber training, firewalls, anti-virus software and back-ups. Further awareness-raising activity, and penetration software, is planned.

In terms of Finance risks, Neena Vadgama noted the main strategic risk on funding below lower than expected, mitigated through development of the fundraising strategy, initiation of the Lottery campaign and growth of the Retail portfolio, as well as discussions on funding for the CCG. The Hospice has sufficient cash funds for upcoming years, but it is vital for progress to be made in this area, including in the face of inflationary pressures. For the risk on financial propriety and regulation, there are a range of policies and procedures in place. Operational risk is supported through mitigating actions and insurance.

7. Any Other Business and Dates of future meetings

There were no further items raised under Any Other Business. The date of the next meeting would be confirmed as part of date-setting for the 2024 Board and Committee cycle.

The meeting ended at 4.15pm.

Approved.....

Date.....

St Raphael's Hospice

Meeting of the HR Committee held at St Raphael's Hospice, London Road,
Cheam, Sutton, SM3 9DX with video call access

At 9:00am on Thursday 19th October 2023

Members: Paul Holmes (PH – Chair)
Hazel Borthwick (HB – Co-opted Committee member)
Norman McWhinney (NM – Chair of Trustees - virtual)
Manjit Lall (ML – Committee Member & Trustee – virtual)

In attendance: Barry Angel (BA – Head of HR)
Ginny Toubal (GT – Volunteer Services Manager - items 1-2)
Nick Stevens (NS – CEO)
Anna Machin (Governance – AM – virtual)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
2. Volunteer Services Update	Share further information on Retail volunteer targets and outreach	Ginny Toubal	January 2024 meeting	19.10.23/01
4. Update on HR activity	Share EDI training slides and dates with Committee	Barry Angel, Anna Machin	Immediate	19.10.23/02
6. Risk register	Consider revising pre-mitigation score for staff sickness absence	Barry Angel	Immediate	19.10.23/03
7. Initial discussion on pay	Prepare remuneration discussion inc. seeking relevant benchmarking information	Barry Angel, Nick Stevens	For December Remuneration Committee meeting	19.10.23/04

1. Welcome, apologies for absence and declarations of interest

The Chair welcomed Hazel Borthwick as co-opted Committee member, who will bring significant expertise in nursing and HR to the group. There were no apologies sent to the meeting. The meeting was confirmed as quorate.

There were no declarations of interest in relation to items on the meeting agenda.

2. Volunteer Services Update & Dashboard

Ginny Toubal shared an update on the latest volunteer numbers, with 222 in the Hospice and 220 in Retail, including 76 new volunteers recruited to support the Shops to date during 2023. This is the highest number in recent years. There is a full complement of Reception volunteers, and key roles and cover are also already confirmed for the Christmas break. There are now more volunteers offering support in administrative areas, the new Donation Centre, and also a broader offer in the Wellbeing Service including pet therapy activities. The Hospice's charity shop in Morden opened with strong local interest and volunteers have been inducted and supported.

In terms of upcoming priorities, the new HR system will have a functionality to log and track information on volunteers which will be a valuable exercise. The team will also be preparing for the Investing in Volunteers inspection including some expected changes to the audit and verification process.

The Committee reviewed the Volunteer Risk Register, noting the shift away from using volunteers for Lottery activity, and decision to instead use the agency that had recently begun a successful outreach campaign.

The Committee formally endorsed the plans to re-apply for Investing in Volunteers status. The Committee emphasised the importance of further Retail volunteer recruitment to support the planned growth of the portfolio of shops, and requested further information on the overall Retail volunteer targets for the next meeting. This would include outreach plans that will be undertaken with the new Head of Communications.

The Committee thanked Ginny Toubal for the useful update.

3. Review of minutes from 14th July 2023 HR Committee meeting & actions arising

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

In relation to the matters arising:

- 2. Volunteer Services Update - Link up on potential volunteering day – this action is in progress.
- Minutes of previous meeting - Take forward recruitment of potential co-opted HR Committee member – this action had been completed with the recruitment of Hazel Borthwick.
- Update on HR activity – Share EDI training dates with Committee – this action had been completed.
- Update on HR activity – Build data from HR system into Committee reports – training is planned for spring 2024 and will be used to build out the functionality on data reporting, including the equalities information on staff and volunteers requested by the Committee.
- Update on HR activity – Share full Staff and Volunteer Survey analysis with Committee and Board – this information was included in meeting papers.
- AOB - Take forward verbal report to Board – this action had been completed.

4. Update on HR Activity and Management Plan

4.1. HR Report - Barry Angel presented the key points from the HR Report:

- The new EDI trainer has started and sessions have received positive feedback. The team are exploring further ways in which to leverage their expertise to support EDI activities.
- A new training platform is being developed with the Education team, as the current portal accessed through Princess Alice will no longer be available from the start of next year. The cost of the new platform will be comparable to current arrangements, but with more functionality and a comprehensive set of topics will be offered.
- The new HR system is being implemented and will offer more self-service functionality which will free up administrative time on behalf of HR colleagues and managers.
- After a larger amount of Recruitment activity earlier in the year, there are a smaller number of positions being promoted currently, however they are important for building capacity in certain teams. This has included recent recruitment to IT including an apprentice role, and the Infection Control role.

- Overall, actions within the Management Plan are on track with the priorities being systems implementation, EDI activity, staff survey actions, and planned training for managers in the Hospice later in the year.

Manjit Lall requested the EDI training slides, and dates of further sessions would be shared with the Committee.

The Committee received assurance on the plans for staff training on the new Education platform and HR systems, and that this would be staggered in order to avoid overload. It was confirmed that this system will encompass relevant reminders to staff and managers in relation to sickness absence, and taking annual leave.

4.2. Staff survey outcomes – Barry Angel presented the Staff Survey Action Plan, reiterating that the Hospice leadership had been pleased with results and benchmarking compared to other similar organisations. Open sessions were offered to staff to talk through the outcomes and plans in more detail. The priorities have been distilled based on feedback, to show the action being taken by the team to respond to colleagues' views. They have been split into 'quick wins', and more medium/ long term priorities. Each of the actions has a clear owner and timescale, to ensure accountability.

The main strands are Wellbeing, Environment, Communications and Volunteer Experience. The Committee noted the Wellbeing Booklet provided in meeting papers, which had been developed by a graduate trainee who had spent a two-month placement in the Hospice.

The Committee requested assurance that inter-departmental communications would be encompassed into actions arising from the survey, as this had been one of the themes in terms of responses. Barry Angel confirmed that there had been liaison with the Fundraising Director, to ensure that the incoming Head of Communications within their team would set aside time on internal communications, alongside their planned work on external stakeholder communications.

The Committee asked if sessions held with staff to feed back on the survey had spurred further input or thinking on results. Barry Angel confirmed that the sessions affirmed the input received by the survey, and that higher levels of attendance would be encouraged next year.

The Committee asked how feedback from volunteers was being integrated into the action plan. Barry Angel confirmed that several of the planned activities, such as Wellbeing sessions, would be open to volunteers. As referenced by Ginny Toubal, the new HR system will also hold information (by adapting a 'Contractors' module) on volunteer skill sets and expertise e.g. if they speak second languages. This will support the action from the survey to optimise alignment between volunteers' skill sets, and their roles with the Hospice.

5. Speaking Up

There were no concerns raised under the Speaking Up policy to report to the Committee. Communications had been shared with staff to recognise Speaking Up Month and signpost to the Policy and relevant information, as part of awareness-raising on this topic.

6. Departmental risk register

Under the new risk register format, the mitigation activities are fully encompassed and so there are no risks rated red post-mitigation. Whilst recruitment remains a priority, the process is working well with support from the Communications team. The next focus is taking a step back and reviewing the induction process for staff.

Team capacity and sickness is also an important matter as there has been an increase in covid cases coming into the winter months. However, staff capacity has shown to be more resilient following recent recruitment, meaning that the IPU has consistently been able to offer 10 beds.

There have also been colleagues recently return to work following support given during long-term sickness absence. The Committee recommended that the pre-mitigation score should be reviewed and potentially raised.

7. Initial discussion on pay and annual leave prior to December Remuneration Committee

Nick Stevens sought headline views from the Committee in advance of the upcoming annual discussion on pay levels and remuneration. Wage inflation is ahead of overall inflation levels for the first period in some time. The Hospice continues to commit to the Agenda for Change for clinical staff and it is not yet known what the pay settlement will be, or the planned increase for this year’s contribution to the budget from the NHS.

The Committee recommended that data inputs and benchmarks be secured from other comparable Hospices where possible.

The Committee asked whether there was any sense from staff currently that pay levels were not keeping pace with their expectations. Nick Stevens and Barry Angel confirmed that only one staff member had recently expressed this view, and the factors specifically linked to their type of role and circumstances. There is a process to consider business cases on in-year pay rises as needed. Overall, the sense is that the prior move to the Agenda for Change pay scales helped to recognise and retain staff, and has supported recruitment activity. Staff are engaged, and the key decision will be to set the level of pay rise for non-clinical staff which is not prescribed by the Agenda for Change.

8. Any Other Business and Dates of future meetings

The date of the next meeting was agreed as the Remuneration Committee on 6th December from 10am-12pm. There were no further items of business raised.

The meeting ended at 10.40am.

Approved.....

Date.....

haysmacintyre

St Raphael's Hospice Audit Findings Report

For the Year Ended 31 March 2023

Audit Principal: Siobhan Holmes; sholmes@haysmacintyre.com

Manager: Phillippa Kilmartin; pkilmartin@haysmacintyre.com



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1. INTRODUCTION AND EXECUTIVE SUMMARY

This report summarises our key findings in connection with the audit of the financial statements of St Raphael's Hospice for the year ended 31 March 2023.

We would like to thank Nick Stevens and Neena Vadgama for their help during the audit.

Our audit approach

Our work was planned and performed in order to issue an audit opinion on the financial statements in accordance with International Standards on Auditing (UK) ("ISAs") and the terms of our letter of engagement. Our audit approach is a risk-based approach founded on us gaining a thorough understanding of the entity and its business in order to allow us to identify the risks of material misstatement within the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the entity operates. We then use this assessment to develop an effective and efficient approach to the audit.

Limitations

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included an examination of the transactions and the controls thereon.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures and, consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Overall conclusion and opinion At the time of issuing this report we anticipate issuing an unqualified opinion on the financial statements, subject to receipt of the following outstanding information:

- Follow up on accrued income not yet received up to signing date
- Conclusion of our going concern work and follow up on this to signing
- Follow up on subsequent events, capital commitments and contingent liabilities to signing
- Receipt of signed copy of letter of representation

2. SIGNIFICANT AUDIT RISKS, AND OTHER FOCUS AREAS IDENTIFIED DURING AUDIT PLANNING

We set out below the significant audit risks and where applicable, other key areas of focus for our audit identified at the planning stage and the conclusions of our audit work:

Significant Audit risk/focus area	How we addressed this	Commentary
<p>Presumed risk in revenue recognition</p> <p>The risk of incorrect treatment of income under FRS 102.</p> <p>In particular, the risk that income from legacies, fundraising income and donations is incomplete or recognised in the incorrect period.</p> <p>Additionally, the risk that lottery income is incomplete or has been recognised in the incorrect period.</p>	<p>We have undertaken the following procedures to verify the appropriateness of revenue recognition:</p> <ul style="list-style-type: none"> • We planned and performed specific tests to ensure income has been recorded in the correct period and tested a sample of transactions around the year-end. • We also reviewed and documented the controls and processes in place around each of these income streams. • Our review also included an assessment of the appropriateness of the recognition of accrued income (focusing on legacy accrued income) and deferred income (specifically focusing on the significant levels of deferred income relating to the cash grant from the Daughters of the Cross of Liege (Doc)). 	<p>Our audit work on revenue did not identify any material issues.</p>
<p>Presumed risk of management override</p> <p>We are required to consider and respond to the risks arising from management override of controls.</p> <p>The risk of misappropriation of assets and the risks of misrepresentation of financial information.</p>	<p>We reviewed the accounting estimates and judgements and considered their reasonableness.</p> <p>We have analysed the journals made in the year and determined the risk criteria for identifying higher risk journals. Subsequently significant, unusual or unexpected journal postings have been investigated and verified.</p>	<p>Planned audit work considered to be satisfactory in this area. We have not identified any evidence of material management override.</p>

3. ACCOUNTING AND AUDIT MATTERS

3.1 Qualitative aspects of accounting practices and financial reporting

i. Key accounting estimates

Accounting estimates are defined by ISA 540 as monetary amounts for which the measurement, in accordance with the requirements of UK GAAP, is subject to estimation uncertainty. We set out our comments on the key accounting estimates relevant to the current year below

Significant accounting estimate & detail	Commentary
<p><i>Accrued Income</i></p> <p>Legacy income is a significant source of income for the Charity, with a large proportion of accrued income at the yearend being legacies receivable.</p> <p>FRS102 requires income to be recognized when the entity is entitled to the amount, the income is probable, and the amount of income can be reasonably estimated.</p>	<p>We have reviewed the listing of accrued income and obtained supporting documentation for a sample of items. For each item, we have considered whether amounts have been recognized appropriately.</p> <p>We have additionally reviewed a sample of transactions and grants received around the year end and considered whether amounts have been recognised in the correct period.</p> <p>For accounting purposes, income should be recognised when there is evidence of entitlement, when the amount of income is measurable, and the receipt of that income is probable. Specifically in relation to grant income, there can often be specific terms or conditions within a grant agreement that determine the point at which the Charity are entitled to the income.</p> <p>It was noted that a significant level of legacies were received post year end where probate was granted pre-year end. An adjustment of £356,126 was made to this years accounts to recognise such items.</p>

Significant accounting estimate & detail	Commentary
<p><i>Deferred income</i></p> <p>The Charity have significant amounts of deferred income, the largest factor being the deferred element of the cash grant from the Daughters of the Cross of Liège (DoC).</p> <p>FRS 102 presentation requirements dictate that income and expenditure must be recorded in the period in which it relates.</p>	<p>Deferred income is based on amounts that have been received by the Charity in the year but relate to a future period.</p> <p>We have traced a sample of income receipts to supporting documentation in the year and have confirmed that amounts have been included within the correct period. We have additionally reviewed receipts close to the year end to ensure they have been correctly recognised.</p> <p>We have specifically reviewed the agreement between the Charity and DoC for a cash grant of £3.6m in October 2020. The purpose of this grant is to offset forecast losses over the 5 year period of the original Business Plan, prepared on the establishment of St Raphael’s Hospice as a separate entity.</p> <p>The total amount of this grant recognised as deferred income for the year to 31 March 2023 is £1.9m. £1m of this is recognised as due within 1 year and the remaining £0.9m is recognised as due later than one year.</p> <p>No issues were found in our work around deferred income for the year ended 31 March 2023.</p>

3.2 Accounting and audit matters

i. Legacy recognition

We were provided with a list of legacies received post year end and noted that the majority had probate granted pre year end.

The SORP requires that 'Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then it should be treated as an adjusting event and accrued as income if receipt is probable'.

In order to meet the probability criteria for recognition of these amounts, a legacy receipt becomes probable when the grant of probate has been granted. An adjustment is being made in the 22/23 accounts to bring in those legacies received post year end where probate was granted pre-year end.

Management have updated us on their process going forwards – The Supporter care team will maintain a pipeline using Smee & Ford data on a monthly basis and include anything they receive unexpectedly or information that arises direct from solicitors. Legacies will be accrued into the management accounts if probate has been granted and hence there has been a valuation and where the will indicates St Raphael's share. This will enable St Raphael's to include sums at an earlier point in the process and also enable a proactive monitoring of solicitors progress towards realising the gifts as cash.

ii. Reliance on individual team members

As reported last year, the Hospice is reliant on the work provided by Neena Vadgama for the management accounting records and similarly for all transaction processing. This presents an inherent risk in the substantial reliance placed on one individual, namely if they were to leave this role in the organisation. The Hospice does have processes in place to cover Finance if Neena is not present, namely involvement of CEO Nick Stevens, however this may not be feasible moving forward. From our review of the Board minutes, we understand that the Trustees continue to regularly review the management accounts and overall review of the Charity's financial processes. We have also reviewed the systems and controls for the Hospice, with no significant areas highlighted.

iii. Shop visits

As part of the audit fieldwork, we conducted visits to three shops – Wimbledon Park, Raynes Park, New Malden. We do not have any significant findings to report in terms of compliance with the procedures in place. A few minor points were noted as recorded in section 5 below.

iv. Summary of adjusted and unadjusted misstatements – Materiality £78,000, Tolerable error £58,500, Clearly trivial £3,900

Adjusted

- Legacies received post year end where probate had been granted pre year end of £356,126 have been accrued into the 22/23 accounts.

Unadjusted

- We noted a difference between the loss on investments noted in the financial statements and the loss per the investment report of £17k. The difference noted is immaterial and therefore has not been adjusted for.
- Gift in Kind value relating to the land and buildings occupied by St Raphael's Hospice which are owned by The Congregation of the Daughters of the Cross of Liege and are leased to the charity at a peppercorn rental. The value of the gift in kind has been historically held at £270k. This year management has assessed the value that they feel to be appropriate for this Gift in Kind to be £302k and have chosen to not adjust for this in the financial statements as the difference is not material.
- Included within Accrued income at year end is an amount of £108k relating to a legacy which has not yet been received. Management have provided us with the most recent correspondence from the solicitors who have confirmed that St Raphael's share of the estate will be in the region of £118,000-£120,000. This difference is immaterial and therefore has not been adjusted for.

v. Letter of representation

International Standards on Auditing require us to obtain written representations from the directors when you approve the financial statements.

The letter contains only standard matters with no additional items specific to St Raphael's Hospice.

vi. Data Analytics

In addition to our usual audit tests, we have used our data analytics software to interrogate transactions making up the financial statements. We extracted the full transactional listing from your accounting system. By then reconciling on a line-by-line basis the aggregate impact of the transactions made during the period we were able to confirm the completeness of the population. We then used characteristic based data analytics and a multi dimension risk scoring logic which analysed every transaction in the population against a set of potential risk identifiers, highlighting the transactions we deemed to pose a heightened risk of fraud, error or misstatement.

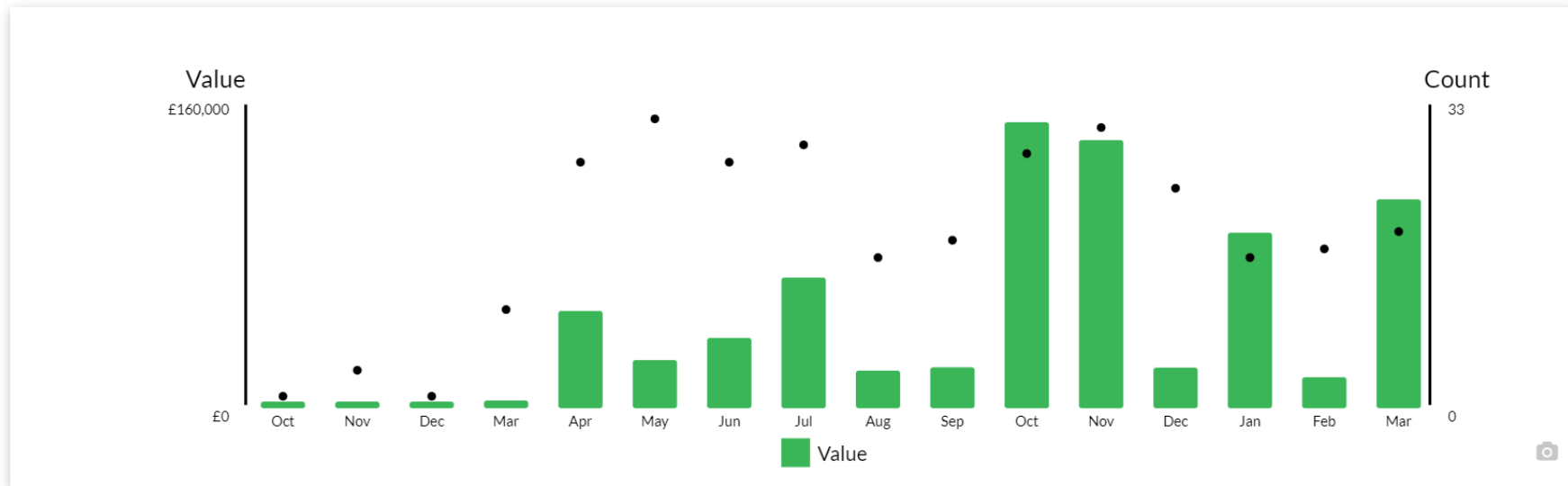
We performed the following additional audit tests on the accounting entries posted to the accounting system during the year:

TEST: Keywords – review of transactions where the description fields or general ledger accounts contain keywords

Risk: Transactions where the description field contains keywords such as “adjustment”, “correction” and “gifts” may be indicative of risk characteristics such as error, correction or potential fraud.

Findings: We noted 2347 transactions in the period that contained key words (6% of all transactions). We reviewed these transactions, which were made throughout the year and noted that the majority related to corrections of postings; for example reallocations between ledger codes and timing

Effective Period Visualisation



corrections to move postings to a different period in the year. The volume of transactions is relatively low. We recommend that the finance department review correcting entries posted by individuals to identify potential training requirements.

Conclusion: The volume and value of the transactions are relatively low.

TEST: Blank description fields – review of journal entries for transactions with a blank description field

Risk: Entries with no description can cause challenges for management in tracing the rationale for particular postings or identifying erroneous transactions.

Findings: We were pleased to note that there were no transaction entries in the year with a blank description.

TEST: Closing entry – review of transactions posted in the last 14 calendar days of the year

Risk: Transactions entered near the period close may be more susceptible to error due to pressures on financial reporting

Findings: A total of 5,648 transactions have been posted to the accounting system during the year. Of these, 274 (5%) were entered in the last 14 days of the reporting period. A slight increase above average in the volume of transactions posted in this period before the financial year end is not unusual. We have reviewed the listing of these transactions and have not identified any single transactions that appear to be of heightened risk.

TEST: Suspense accounts – review of transactions posted to a suspense account in the year

Risk: The existence of suspense accounts can be indicative of accounting processes or systems being incomplete in their design or finance staff bypassing designed controls. Using suspense accounts causes inefficiencies and reduces the traceability of transactions.

Findings: We were pleased to note that there were no transaction entries in the year to a suspense account.

vii. ISA(UK) 315 Revised identifying and assessing the risks of material misstatement

The International Audit and Assurance Standards Board (IAASB) approved a significant re-write of the standard in September 2019 which came into effect for your year ended 31 March 2023. The effects of the revisions are far-reaching and will require a revised approach to risk assessments. It required a more detailed and evidence-based assessments in which five new inherent risk factors are considered and placed on a "Spectrum of Risk" at the higher end of which lie Significant Risks. For St Raphael's Hospice, the significant risks include fraud in revenue recognition and management override.

The new inherent risk factors we have applied to the planning and execution of the audit of St Raphael's Hospice include:

- Subjectivity
- Complexity
- Uncertainty
- Change; and
- Susceptibility to misstatement due to bias or fraud.

The standard requires increased documentation and consideration of what "Sufficient and appropriate" evidence must be obtained from risk assessment procedures as the basis for the risk assessment. The revised ISA's application notes provide more explanatory material on controls relevant to the audit and on the design and implementation required for these controls. A great deal more is required in respect of IT and particularly IT general controls which have also been reviewed as part of the audit planning and fieldwork for the year ended 31 March 2023.

We noted no new control weaknesses and no new significant risk areas from our review of your IT general controls. We were able to obtain sufficient and appropriate evidence to appropriately consider and conclude on the spectrum of risk required to meet the revised accounting standard.

4. DETAILED CONTROL POINTS

During the course of our audit we identified the following detailed control points that we feel need to be brought to the attention of the Directors and certain recommendations for improvements and or corrective action. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation. The matters and detailed control points that we have identified are graded within the following framework to assist the Directors assess their impact.

Rating	Rating type	Characteristics of rating type
Significant	These findings are considered to be significant to the management of risk in the business. The finding represents a serious weakness in systems and controls currently in place or a potentially fundamental control that has been omitted from the risk management systems as currently in operation.	<ul style="list-style-type: none"> • Key control omitted • Key control not designed or operating effectively, for example as indicated by multiple exceptions found during our review work • Evidence of override of controls in place with significant or potentially fraudulent outcomes • Non-compliance with laws and regulations
Important	Important findings that should be reviewed by management, pending corrective action and or updates to systems and controls.	<ul style="list-style-type: none"> • Errors and exceptions noted during our testing that had corrected retrospectively during the year by management. • Potential improvement to existing control noted • Possibility for override of controls exists • Our review noted numerous exceptions but not in key controls
Limited	Findings that identify non-compliance with established systems and controls.	<ul style="list-style-type: none"> • Minor control weakness, for example limited exceptions noted during our review work
Advisory	Items requiring no immediate action but which may be of interest to management or best practice advice.	<ul style="list-style-type: none"> • Information for department management • Control operating but scope for efficiency and/or effectiveness improvements exist • Control operating but not necessarily in accordance with best practice • Recent or anticipated developments may necessitate new controls.

We wish to bring the following matters to your attention which arise from the current year audit as well as the latest status of outstanding issues arising from previous year audits:

Current year

Issue:	Details of suppliers not maintained		Control point rating:	Advisory
Risk	Our comments & proposals		Management response	
During our testing, we noted that no supplier email addresses are maintained, only addresses and telephone numbers.	We recommend keeping email addresses for all suppliers in a move to try and become less paper based as a charity in general into the future. This will enable a more flexible and efficient way of operating.		The CEO has asked a volunteer to work with the Finance department to obtain supplier email addresses for the database.	

Issue:	Lack of correspondence of accrued legacy		Control point rating:	Important
Risk	Our comments & proposals		Management response	
From our review of accrued income it was noted that for one legacy, the latest correspondence with solicitors was in 2021. There is a risk that the legacy is not recoverable, as no updates have been given on when the amount will be received.	We recommend that management continue to contact solicitors with regards to the estate to ensure the amount is still expected to be paid.		A new process is being put in place to use Smee & Ford and Government probate websites to populate a legacy pipeline and take a pro-active approach with Solicitors. The work will sit with a supporter care team.	

Issue:	No estate value given for a legacy		Control point rating:	Limited
Risk	Our comments & proposals		Management response	
Per legacy testing, one person from the sample had no estate value given in their supporting documentation. There is a risk that the legacy value will be mis recorded without an expected value given.	We recommend that management maintain contact with solicitors of expected legacies to obtain an estate value. This will enable the accrued income to be better estimated.		All legacies now have values except one.	

Issue:	Fixed Asset computers not identifiable		Control point rating:	Limited
Risk	Our comments & proposals	Management response		
<p>Per our fixed asset testing, it was not possible to select a particular computer from the listing to physically verify as they are not sorted by product codes.</p> <p>There is a risk that the computers may be wrongly depreciated and valued.</p>	<p>We recommend that management record IT equipment on the fixed asset register with a unique identification.</p>	<p>An asset register is kept listing all computer equipment. The register does not include the invoice for each item as they are rarely purchased individually. Management believe the controls over the items to be robust and do not perceive a material risk as a result of not linking the register back to the accounts.</p>		

We identified the following issues in the prior year audit and made the following recommendations. We have followed up the status of the issue in the current year:

Prior year

Issue:	Employee contracts	Control point rating:	Resolved
Risk	Our comments & proposals	Current year update:	
<p>During our testing we noted that we were unable to obtain a signed employee contract for one employee in our sample.</p> <p>There is a risk of dispute over employment terms in the absence of a supporting signed agreement.</p>	<p>We note that the contract in question has been archived and a soft copy due to be scanned in and saved.</p> <p>We recommend that copies of signed employment contracts are kept for all employees.</p>	<p>All contracts sampled had been signed by both parties , this point therefore is considered to be resolved.</p>	

The following points were noted as part of shop visits as noted per Section 4(ii):

Issue:	Lack of Store Alarms (Both shops)	Control point grade:	Advisory
Risk	Our comments & proposals	Current year update:	
<p>We noted on both shop visits that there was no store alarm installed.</p> <p>There is a risk that access could be gained by unauthorised individuals without the Charity being alerted.</p>	<p>We recommend that management consider installing a store alarm in all shops.</p>	<p>We noted that during this year’s shop visits that there were no store alarms.</p> <p><u>Managements response:</u></p> <p>The cost of installing and maintaining an alarm is felt to outweigh the risk of somebody breaking and entering, given the nature of the items that are for sale being second hand and relatively low value as well as the fact that significant cash is not held on site at any time. CCTV is also maintained in all stores.</p>	

Issue:	Till passwords (both shops)	Control point grade:	Advisory
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Risk	Our comments & proposals	Current year update:
<p>We noted that till passwords are not changed during a staff member or volunteer's time at the shop. They are only deactivated once the individual is no longer involved with the shop.</p> <p>Though we note that staff are encouraged not to share their passwords, there is a risk that this does take place and therefore are able to access the tills through more than once password, increasing the risk of fraud and misappropriation of assets.</p>	<p>We recommend that till passwords for all staff and volunteers are changed on a regular cycle. For example, on a 3 month basis.</p>	<p>We noted that during this year's shop visit that passcodes are only changed in the event of a breach.</p> <p><u>Management response:</u></p> <p>Many of the volunteers and staff in retail are less computer savvy and management feel there is more risk to the organisation if they were to enforce frequent password changes.</p>

Issue:	Register of training (both shops)	Control point grade:	Resolved
Risk	Our comments & proposals	Current year update:	
<p>We note that no register of training is maintained for volunteers or staff.</p> <p>There is a risk that staff/volunteers do not have the appropriate training to fulfil their role suitably, and are not up-to-date with the latest policies and procedures for the Hospice shops.</p>	<p>We recognised that this has been particular difficult in the last couple of years due to the impact of Covid-19.</p> <p>However we recommend that a register of training for all staff and volunteers is maintained and updated accordingly.</p>	<p>Noted that there is a register of training maintained from this year's shop visits.</p>	

Issue:	Lack of CCTV (Donation Centre only)	Control point grade:	Resolved
Risk	Our comments & proposals	Current year update:	
<p>We note that there is no CCTV in place at the donation centre.</p> <p>There is a risk that the shop is subject to damage or theft, or that access could be gained by unauthorised individuals without the Charity being alerted.</p>	<p>We recommend that CCTV is installed in the Donation Centre.</p>	<p>Noted that CCTV is installed at all three shop locations this year.</p>	

5. EMERGING ISSUES

Charity reporting and governance matters

Charities Act 2022

The Charities Act 2022 (the Act) makes amendments to the Charities Act 2011 (the 2011 Act) in a number of specific areas, largely in response to the recent Law Commission review of charity legislation and with the overarching objective of making life simpler for charity trustees, as well as harmonising certain procedures, such as making amendments to a charity's objects, across the various different corporate structures within which charities operate. The key changes are set out below and will be brought into effect via secondary legislation in due course.

- 1) **Permanent Endowment** – the 2022 Act will simultaneously increase the capital threshold to £25k and remove the income threshold. The expectation is that this will widen Trustees' ability to expend capital by resolution alone where they consider this to be necessary to carry out the purpose of permanent endowment funds more effectively. However, it will mean that larger funds with income below the £1k threshold will require consent where previously they did not.
- 2) **Borrowing from permanent endowment.** The Government has accepted that charities should have a power to borrow from the charity's permanent endowment. The power will allow the charity to borrow up to 25% of the permanent endowment, with Commission approval, subject to a requirement that they recoup the expenditure within 20 years. This power is intended for 'investment' permanent endowment and it is not intended for functional permanent endowment.

These changes in respect of permanent endowment are expected to be implemented in Spring 2023.

- 3) **Changing charitable purposes and governing documents** – Unincorporated charities are to be given a new power to amend any provision in their governing documents, subject to a limited number of changes which would still require the permission of the Charity Commission such as 'regulated' alterations (Charitable objects, dissolution provision and trustee benefit provision for example), provisions that would alter permanent endowment and provisions that would have required the agreement/consent of others.

These changes are expected to be implemented by Autumn 2023

- 4) **Fundraising appeals** – The Act simplifies the requirements around restricted donations for fundraising appeals that have failed either because they did not raise sufficient funds to fulfil the purpose ("initial failure") or which have surplus funds after fulfilling the purpose ("subsequent failure"). An obvious example for Schools would be a fundraising appeal for a capital project. Subject to certain limitations, where a fundraising appeal has failed, the Trustees will be able to repurpose donations provided that the new purpose is sufficiently close to the original purpose of the appeal, without needing to obtain permission from the donors first.

These changes took effect from October 2022.

Charity reporting and governance matters

Other changes that are expected to come in over the course of 2023 include matters such as changing governing documents; appointment and remuneration of Trustees; and charity mergers.

Because the Act is an amending act, the form and content of charity financial reporting will continue to be governed by the Charities Act 2011.

Charity Commission guidance on the impact of the cost of living crisis

The Charity Commission has published guidance on managing financial difficulties arising from the cost of living crisis, covering the following main subject areas:

1. Trustees' duties and decision making
2. What to do if you experience financial difficulties
3. What to do if your charity cannot continue to operate
4. Reporting a serious incident to the Charity Commission

The new page emphasises various existing guidance for Trustees, but with a specific focus on the impact of the current economic climate, and it can be found here: <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-arising-from-cost-of-living-pressures>

Charity Commission consultation on social media guidance

The Charity Commission's consultation on new guidance concerning charities' use of social media closed in March 2023 and the guidance was released mid September 2023. The guidance addresses both charities' own use of social media and Trustees' responsibilities in this regard, and the potential risks surrounding charity employees' use of social media.

On this latter point, the Commission is clear that employees should be free to use social media in their own right but notes the potential for private posts to be interpreted as the views of the charity, with the risk to the charity's reputation that this could bring, and the consequent need for charities to consider setting guidelines to govern their employees' use of media and to set policies concerning how the charity would respond to any negative exposure.

The guidance can be found here: <https://www.gov.uk/government/publications/charities-and-social-media/charities-and-social-media>

Revisions to the Annual Return

Charity reporting and governance matters

In December 2022, the Charity Commission published the outcome of its consultation on changes to the Annual Return, which will take effect for Annual Returns relating to financial years commencing on or after 1 January 2023.

The new Annual Return will include 23 new questions all charities will be required to answer 32 questions, up from a baseline of 16 in previous annual returns. The maximum number of questions that a charity will have to answer is now 52.

The changes to the questions cover the following areas:

1. Financial governance
2. Income and operations outside England and Wales
3. Charity operations and structure
4. Employees and volunteers
5. Governance of risk, incidents and safeguarding
6. Response to major external change

The detailed consultation outcome, including all of the new and revised questions, can be found here:

<https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25/annual-return-2023-consultation#annexes>

Financial Reporting

Financial reporting framework

UK GAAP developments

In December 2022, the Financial Reporting Council published FRED82, the exposure draft for the latest periodic review of FRS102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Amongst numerous minor amendments and clarifications, FRED82 proposes two significant changes to UK GAAP which would bring it into closer alignment with International Financial Reporting Standards:

1. Changes to Section 20 *Leases*, which mirror the requirements of IFRS16 *Leases* and remove the distinction between operating leases and finance leases, with the result that all leases will lead to the recognition of an asset and a liability in the lessee's financial statements.
2. Changes to Section 23 *Revenue*, which introduces the five-step revenue recognition model from IFRS15 *Revenue from contracts with customers* into UK GAAP.

Financial Reporting

We had been expecting that the periodic review would also include changes to bring FRS102 into alignment with IFRS9 *Financial Instruments*, in particular the adoption of the expected credit loss model of financial asset impairment. However, the FRC has decided to postpone any alignment with IFRS9 until the IASB has concluded its own review of the IFRS for SMEs, which is expected to include limited alignment with IFRS9 in this regard.

The ED is open for comment until 30 April 2023 and it is intended that the revised standard would take effect for accounting periods commencing on or after 1 January 2025.

New requirements for other information

Taskforce on Climate-related Financial Disclosures

Periods starting on or after 6 April 2022 - This is the proposed date for mandatory climate-related financial disclosure requirements for publicly quoted companies, large private companies and Limited Liability Partnerships to apply.

Following a consultation process by the Financial Conduct Authority (FCA), for accounting periods beginning on or after 1 January 2021, commercial companies with a premium listing on the main market of the London Stock Exchange are required to include climate-related financial disclosures in their annual report. The disclosures should make clear the extent of their compliance with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations on a comply-or-explain basis.

In October 2021, the UK Government laid before Parliament legislation for the inclusion of TCFD aligned disclosures in the annual reports of all publicly quoted companies, public interest entities and large private companies for periods beginning on or after 6 April 2022 (with equivalent legislation for large LLP's expected to follow). The disclosures are to be included within the Strategic Report in the newly defined 'Non-financial and sustainability information statement'. Large in this context refers to companies with more than 500 employees and Turnover in excess of £500m and "quoted" companies exclude those listed on the AIM market.

Employment Tax

National Living/Minimum Wage

The National Living Wage increased from £9.50 to £10.42 per hour from 1 April 2023. The National Minimum Wage rates also increased for those workers aged 22 and under. Employers will see their salary costs increase (increase between 9.7% to 10.9% across all categories) and face the prospect of having to auto-enrol more workers into workplace pension schemes - and pay at least 3% towards it.

Pension tax relief for low earners in Net Pay Arrangements

The government will introduce legislation in future Finance bill to make top up payments directly to low earning individuals saving in a pension scheme using a Net Pay Arrangement ('NPA'). Employees contributing to Relief at Source (RAS) schemes receive a 20 percent top-up on their pension contributions, even if they pay no income tax.

Contrast this to employees contributing to a NPA scheme who receive relief at their marginal tax rate, which for those with taxable earnings at or below the UK personal allowance is nil. The top ups will start to be paid from 2025/26 in relation to contributions made in 2024/25 onwards and align NPA participants with their equivalents saving into pensions schemes via the RAS method.

Hybrid working arrangements

Throughout the COVID-19 pandemic it was possible for many office-based employees to be able to work from home.

Whilst the Government introduced an exemption for employer reimbursed expenses to cover the cost of relevant home office equipment, the exemption ended on 5 April 2022. Under the terms of the exemption employees received the full reimbursement for the purchase of equipment to enable them to work from home.

This means that if the charity reimburses any such expenses from the 6th of April 2022, the payment should be processed via payroll and income tax and NI deducted.

What are the wider implications employers need to consider where consideration is being given to the future of flexible, or hybrid-working arrangements? Now that the pandemic restrictions are being lifted the reason for working from home will primarily be a matter of personal choice where the employee will come into the office say two/three days each week and work the remainder of their time at home. Where this is the case, the office will remain the place of work and the cost of travelling to the office will not qualify for any tax relief.

However, where offices have been permanently closed, for example, as part of a significant reorganisation of the organisation, then consideration will need to be given to the following:

- a. What are the employee's duties?
- b. Where do they carry out their duties?

Employment Tax

c. Are they an area-based employee, responsible for say the East of England?

Consequently, employers will need to consider the impact of the legislation as part of introducing any hybrid working arrangements.

For many organisations the post-pandemic era will present a real opportunity to revise employee working practices especially where they can work, helping to provide a better work-life balance. A further benefit is the possibility to extend the catchments area for recruiting new employees and not being restricted to candidates based within reasonable commuting distance of the office. Where new policies are being introduced, we recommend they are fully reviewed to ensure they are compliant with current income tax and National Insurance legislation.

It should be noted that the Office of Tax Simplification undertook consultation on the above aspects and provided their recommendations for the Government to consider. We will have to wait and see if any recommendations are taken onboard.

Pension Salary Exchange

The current cost of living crisis has meant that it is difficult for some employees to manage day to day living, especially in the charity sector where majority may be paid at or just above the National Minimum Wage. One way for Charities to help these employees is to introduce a Pension Salary Exchange. The Exchange is a legitimate method of reducing both employer and employee NIC liabilities and without the Exchange, employees would pay their pension contributions from their net pay (i.e. after deduction of income tax and NIC). The Exchange works by agreeing with the employee to reducing their salary and in exchange the employer pays the equivalent amount in pension contributions on behalf of the employee.

Both the employer and employee will pay less Class 1 National Insurance, meaning the employee will have a bit more money in their pay packet at the end of the month.

A worked example of potential NI savings is illustrated below for an employee earning just above the NMW at £20,000 per annum.

Pre-Salary Exchange	£	Post-Salary Exchange	£
Annual salary	20,000		18,749.96
Monthly salary	1,666.67		1562.50
Employee monthly pension contributions (at 5% of monthly salary) before tax relief	£83.33		0
Employee monthly pension contributions after 20% tax relief	104.17		0

Employment Tax			
Income tax	123.73		102.90
National Insurance (@12% after allowing for monthly NI allowance of £1048)	74.24		61.74
*Take home pay	1385.37		1397.86
Employer pension contributions (3% of £1666.67)	50.00		154.17
Employer monthly NI saving which it may choose to pay into the employee’s pension (@13.8% of £104.17)	0		14.38
*Take home pay is £12.50 per month greater under salary exchange			

VAT
Making Tax Digital (MTD)
MTD for VAT was introduced in April 2019 in a phased rollout. With effect from 1 April 2022 all VAT registered entities must now submit returns through the MTD process, and as of November 2022 it is no longer possible to submit VAT returns through the old portal.
Late payment and return submission penalties changing
With effect from 1 January 2023 the previous system for imposing penalties for late submission of VAT returns and the late payment of returns has changed. The first affected returns (for those on quarterly returns, which is the majority) will be for the return period ending March 2023. The new system allows penalties to be issued if a return is submitted late even if the relevant return shows no VAT was due. Organisations should familiarise themselves with the new system and ensure they have procedures in place if key personnel are unavailable when a return becomes due for submission, but the main emphasis now is firmly on late payment with both penalties and interest chargeable.

Other matters
Changes to Companies House filing arrangements

One consequence of the Economic Crime and Corporate Transparency Bill 2022 is that Companies House will have extended powers to mandate how companies submit their accounts for filing. Companies House has published proposals to move to a fully digital, software-based filing process for all registered companies, including dormant companies.

The detailed timetable for implementation will be published in due course, following the passage of the Bill to Royal Assent, but Companies House has indicated that there will be a phased implementation to enable all accounts filers to obtain suitable software.

We will provide updates on this as the Bill proceeds through the legislative process.

HMRC "customer" service standards

There are increasing delays in obtaining responses from HMRC ranging from delays in the region of six months in processing applications for VAT registrations, delays in obtaining repayments, a decision to cease acknowledging option to tax notifications. If you anticipate having any interaction with HMRC then factor in additional time.

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St Raphael's Hospice

Minutes of a Meeting of the Income Generation & Communications Committee

Held at St Raphael's, London Road, Cheam, Sutton, SM3 9DX

At 11:00 on Tuesday 17th October 2023

Members: Grahame Darnell (GD – Committee Chair & Trustee)

Alan Cogbill (AC – Trustee)

Sr Veronica Hagen (VH – Trustee)

Bernard Marley (BM – Trustee)

In attendance: Nick Stevens – (NS – CEO)

Kate Billingham Wilson (KBW – Fundraising Director)

Anna Machin – Governance (AM)

Actions arising

Agenda item	Action	Responsible	Timeline	Ref.
2. Minutes of previous meeting	Consider KPIs and benchmarking in further depth	Grahame Darnell, Kate Billingham Wilson	Prior to January 2024 meeting	17.10.23/01
	Add update on NHS and CCG funds as standing item to Committee agenda	Anna Machin	January 2024 meeting onwards	17.10.23/02
3. Fundraising & Communications update	Develop Fundraising Figures report to include forecast outturn for each budget line	Kate Billingham Wilson	Prior to January 2024 meeting	17.10.23/03
4. Income Generation update	Update on actions around Retail staff safety	Sara Jane Woods	January 2024 meeting	17.10.23/04
5. Risk registers	Review scoring on risk registers based on Committee feedback	Kate Billingham Wilson, Sara Jane Woods	Prior to January 2024 meeting	17.10.23/05

1. Welcomes, apologies for absence and declarations of interest

The Chair welcomed Committee members to the meeting, and apologies were received and accepted from Sara Jane Woods (Commercial Director). Committee members noted that Diamond Naraviene (Communications Manager) had left the Hospice, and recruitment was underway for a Head of Marketing & Communications.

Grahame Darnell declared that work had been delivered at an arms-length basis by his company in relation to Hospice supporter insight analysis.

2. Review of minutes from 11th July 2023 Committee meeting & actions list

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

The Committee viewed the actions log within the minutes of the previous meeting and requested an update:

- 4. Update on Commercial activity – Update on agreed Lottery timelines and targets – information is included in meeting papers.
- 4. Update on Commercial activity; 6. Update on Communications activity – Share benchmarked performance information with Committee – initial proposed indicators are included in the meeting papers. Grahame Darnell offered time in advance of the January 2024 Committee meeting to further develop KPIs, including giving consideration to appropriate benchmarks for other Hospices and potential information that could be secured through Hospice UK. Leading indicators, and those that reflect inputs and not just outputs, could include numbers of complaints on the Lottery campaign, and the number of conversations held around the potential to leave legacies.
- 5. Update on Fundraising activity – Share detail, in due course, of split of legacies from IPU vs Community patients – it was noted that compiling this information for legacies would be challenging due to the time lag but that it could be possible to integrate analysis of In Memory donations across teams into the bereavement journey.
- 5. Update on Fundraising activity – Share full supporter insight analysis – Kate Billingham Wilson confirmed that initial analysis had been discussed in depth with Sara Jane Woods and the Executive team, and also through one-to-one meetings with teams in the Hospice. Overall, there is enthusiasm about the outcomes and a key insight is the importance of digital engagement with families of Hospice patients who live further afield geographically. This action would be kept live and a status update given at the next meeting.
- 7. Risk register – Take forward next stage of development on risk register – the next phase of work had been undertaken and included in meeting papers.
- 8. Fundraising Figures – Take forward discussion with Board on Committee oversight of NHS funds – the Board had endorsed the proposal for this Committee to take responsibility for this area, and would approve the revised Terms of Reference at the upcoming Trustees meeting. A meeting with the CCG is planned for December to receive feedback on a request to receive a higher proportion of clinical costs from the NHS, and Hospice UK is lobbying nationally for an increase in funding to Hospices for clinical costs. This matter would be added as a standing item to the Committee agenda.
- 9. AOB – Bring together proposal on establishment of subsidiary company – Nick Stevens confirmed that the Hospice was below the required threshold for non-primary purpose trading (£20k vs £85k) but that this would be kept under review based on planned Retail activity and may be established for the 2024/25 financial year.

3. Fundraising and Communications update

Kate Billingham Wilson spoke to the Fundraising Figures shared with the Committee. The Fundraising team is now established, and working productively with the Communications team which is supported by now sharing office space. For example, the Light up a Life campaign communications were shown to the Committee, and show a step-change in output. Nick Stevens echoed the gravitas and expertise held by team members who had joined. The Legacies role is out for recruitment alongside a Head of Marketing and Communications role, for which interviews will be held shortly. A detailed discussion was held on approaches to development of the team, visibility in the Hospice, and flexible working.

The Committee undertook a review of each set of figures in the report, and in particular highlighted the areas that were under 50% income received at this mid-way point in the year. In relation to Appeals (22%), Kate Billingham Wilson confirmed that the Light up a Life appeal was planned for Christmas, alongside a further appeal in the Raphaelite magazine in spring, and therefore it is usual for this income line to bring in more income in the second half of the year.

For Community activity (XX%), there is a focused set of activity around Christmas including Lower Morden Lights, a Santa Dash, Christmas markets and Rudolph Runs.

In relation to Trusts (29%), there is now a full-time Trust fundraiser in post and they are delivering more innovative applications, for example proposed partnership with a theatre company, rather than solely focusing on capital projects. Income for this area is generally more concentrated between January and March.

The Corporate income line is being held by a new colleague who is developing a range of more active partnerships. In Memory giving is lower than hoped, and is being reviewed including through recruitment to the Legacies and In Memory fundraising role.

Overall at this point in the year, it is anticipated that income will reach £1.1m-£1.15m, rather than the amount of £1.25m in the budget, which would have brought the Hospice back to pre-covid levels of income. However, with the team in place and new relationships being built, there is strong ownership and development of a three-year plan which will integrate with the Communications team, and will give the Board a vision of how each income line will be developed.

The Committee requested further development of the Fundraising Figures report to include a forecast outturn and projections to the end of the year.

4. Income Generation update

Nick Stevens presented the report on behalf of Sara Jane Woods. An important point for Committee awareness is the increase in behaviour and shoplifting incidents in shops. This echoes experiences in the Retail sector more widely. Assurance was given on the procedures in place to safeguard staff, for example the Hospice uses lone worker devices supported by a call centre, which it was evident at a recent meeting of colleagues in other organisations was not uniformly used by other Hospices.

The Committee emphasised that the signage in shops and these devices should be prominent, as this can also act as a deterrent for poor behaviour, and requested an update on further actions taken at the next meeting. It was recognised that there are open communications practices in the Hospice for reporting of these incidents.

There was strong interest in the Morden shop opening, supported by effective marketing, and £4,000 taken in the first three days. Wimbledon Park is not performing as hoped, but there are plans to include a wedding outlet in this shop, as previously discussed with the Committee.

There has been some sickness absence in shops, covered by staff in other shops which has also on occasion necessitated closure of the Wimbledon Park site, and use of some bank staff. Volunteer numbers continue to improve, but there is further work needed to reach target.

Whilst the volume of donations to the new Donation Centre remains high, and sales of larger items such as furniture are strong, the quality has reduced in some areas and so this is being monitored closely as a potential risk. The former Donation Station site may also re-open selling different types of items. There is a partnership developing with NEXT to receive donated items.

The Lottery campaign was successful, also with a low number of complaints, and the next steps are being discussed with the agency.

5. Departmental risk registers

The format has been revised, and over time will continue to be developed for example by adding a column on the type of loss, and potential scale/ amount of loss. The Committee noted the interplay between different types of risk, for example a risk in Retail can also be reputational. The overall risk also echoed in the Corporate risk register is the need to increase levels of donations and broaden funding streams.

Nick Stevens updated on the change in accounting treatment for legacies, with £356k moved into the 2022/23 year-end accounts, linked to the date on which probate is confirmed. This means that the total legacies figure for last year was £1.65m, with an average of £1.7m over past years. For this current year, the figure is therefore lower however a potential £600k has been identified in addition to £200k confirmed income.

It was agreed that the risk of NHS funding not keeping pace with inflation would be added to the risk register, and that the score on volunteer numbers would be kept under review. The risk on lone working of staff and related scoring would also be closely monitored.

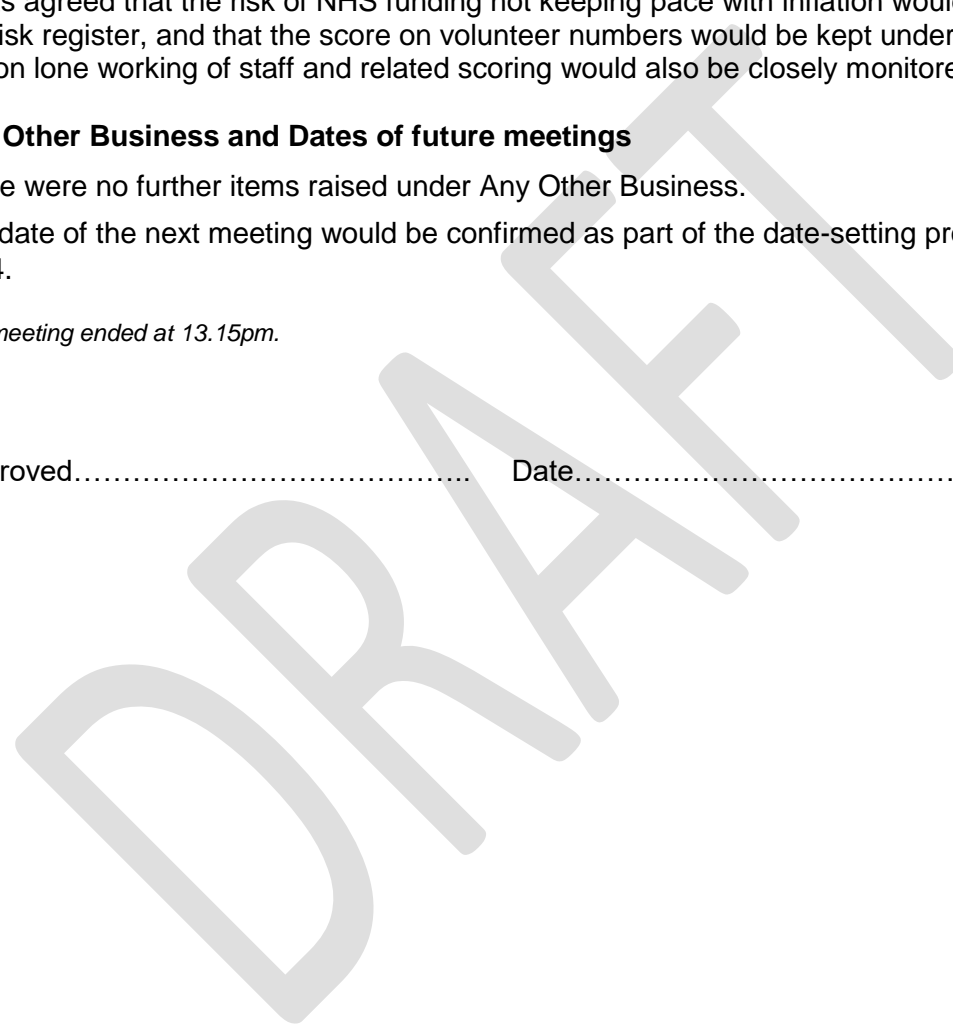
6. Any Other Business and Dates of future meetings

There were no further items raised under Any Other Business.

The date of the next meeting would be confirmed as part of the date-setting process for 2024.

The meeting ended at 13.15pm.

Approved..... Date.....



St Raphael's Hospice

Annual Report and Financial Statements

For the year ended 31st March 2023

Company Limited by Guarantee

Company Registration Number: 11732567 (England and Wales)

Charity Registration Number: 1182636

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

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St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Reference and administrative details of the Charity and its Trustees

Trustees	Mr Norman McWhinney Mr Alan Cogbill Sister Veronica Hagen Mr Paul Holmes Sister Kathleen O'Reilly Mr Joseph Ryan Mr Bernard Marley Mr Grahame Darnell Ms Manjit Lall (appointed May 2022) Dr Carrie Chill (appointed February 2023) Dr Joy Tweed (resigned July 2022) Mr Roderick O'Connor (resigned March 2023)	Chair; HR, CQ&G Vice Chair; F&R, CQ&G, IGC IGC HR, F&R F&R F&R CQ&G, IGC IGC HR CQ&G CQ&G IGC
Committee Members	Dr Caroline Chill (became a trustee February 2023) Ms Hazel Borthwick (appointed October 2023) Mr Ed Cook Dr Eva Kalmus (resigned October 2023) Mr Steve Mulhall (resigned July 2023)	CQ&G HR F&R CQ&G HR
Clerk to the Trustees	Ms Anna Machin	
Executive Team	Mrs Gail Linehan (to November 2022) Mr Nick Stevens (from November 2022) Ms Rebecca Trower Ms Sara Jane Woods Ms Kate Billingham Wilson (from March 2023) Dr Gaby Tamara-Rose (from September 2022) Mr John Groom (from April 2022) Mr Alex Rudkin (from April 2023)	Joint CEO CEO (was Joint CEO to November 2022) Clinical Director Commercial Director Director of Fundraising and Communication Specialist Palliative Care Consultant Director of IT and Estates Director of Quality and Governance
Medical Leadership Team	Dr Gaby Tamara-Rose Dr Jenny Strawson Dr Naomi Collins	Specialist Palliative Care Consultant Specialist Palliative Care Consultant Specialist Palliative Care Consultant
Company registration number	11732567	
Charity registration number	1182636	
Registered office	St Raphael's Hospice, London Road, Cheam, SM3 9DX	
Telephone	020 8099 7777	
Email	enquiries@straphaels.org.uk	
Website	www.straphaels.org.uk	
Auditor	Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG	
Principal bankers	National Westminster Bank plc, 93 Central Road Worcester Park, Surrey, KT4 8DZ	
Investment Managers	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU	
Committees	Clinical Quality and Governance Committee (CQ&G) Finance and Resources Committee (F&R) Human Resources Committee (HR) Income Generation and Communications Committee (IGC)	

St Raphael's Hospice Trustees' Report for the year ended 31st March 2023

Joint Chair and CEO Report

Having navigated the years which were impacted by the coronavirus pandemic, 2022-23 provided a welcome return to normality for patients and visitors as well as for our staff and volunteers. However, the economic uncertainties that arose during the pandemic were exacerbated by the war in Ukraine and resulted in unexpected inflation which has increased costs for all aspects of the Hospice's work.

The recruitment market was very difficult throughout the pandemic period, not only for skilled and experienced clinical specialists, but also for retail, fundraising and support staff. In October 2021 St Raphael's Hospice took the decision to align our clinical pay scales with the NHS "Agenda for Change" (AfC) scales which has enabled us to become competitive with our local acute hospitals and also our neighbouring hospices in the recruitment and retention of staff.

As a result of taking this step we have been able to recruit to most of the vacancies, retain key staff and secure our services for the future. However, the financial consequence of the increase to salary costs has taken full effect in the financial year 2022-23 and this, coupled with the usual pay rises and other inflationary increases, has caused our direct clinical costs to rise by £664k, a 14% increase. Overall costs are up by £758k and this has resulted in an operating shortfall, before investment losses, of £(293)k compared to a surplus of £564k last year.

The vital importance of raising more money to pay for the hospice operations, given that only 25% is supported by NHS grants, is made all the more clear by these results. Therefore, we took the decision to spread the responsibility for income generation across two directorates, in line with many other hospices. Sara Jane Woods became our Commercial Director with a focus on our retail and lottery growth and we successfully recruited to a new Director of Fundraising and Communications role, with Kate Billingham-Wilson joining us in March 2023. We also engaged an external consultant to review our fundraising activities and opportunities and to provide a Fundraising Strategy that our new Director will take forward over the coming years.

We have continued to pursue our programme of change to deliver our "EVE" strategy; focussing first on the qualities of all our services by aspiring for **excellence** in all that we do; then by seeking ways to raise our **visibility** with the communities we serve to provide reassurance that we will be there when needed; and then by increasing our **engagement** with these communities so that we can learn more about how we can adapt to serve them more effectively and offer the opportunity for connecting with us through partnering, volunteering and donating.

We have been pleased by the consistently positive reviews that have been given by patient families as part of our Voices Survey and that this continues to be echoed by responses to the independent Medical Examiners who report quarterly on all deaths. One respondent to our Voices Survey said:

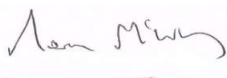
"The team members and level of care offered was amazing. They were on hand when we needed them and helped with everything required. We will be forever grateful."

As our clinical administration system, Crosscare, was due to be withdrawn and so we made the preparations to move to EMIS, a system used by all local GPs and other local hospices. Key to the success of a major change such as this is for clinical and technical expertise to work together to plan every element. We are very grateful to the multi-disciplinary project team who worked hard to prepare for the implementation which was then successfully rolled out in the May 2023.

We also want to register our thanks to all our dedicated staff and volunteers who, together, have continued to deliver these vital services for Merton and Sutton; to all our donors, lottery players, shoppers and event participants who have raised vital funds; and to those who have remembered us in their wills - this year we were delighted to receive over £1.65m in generous legacies, a major part of our income.

In November 2022 our Joint-CEO, Gail Linehan, retired after serving the Hospice for nearly 25 years as a ward sister, Community CNS and in various managerial positions. We are hugely grateful to Gail for all the energy and expertise that she invested over her career with St Raphael's. We have also been saddened by the death of Brigadier Mike Roycroft who served as CEO from 2014 to 2020 and who oversaw the creation of the independent charity and all its support functions. Mike was a brilliant man and a kind and dedicated leader who will be greatly missed.

As we look forward to 2023-24 we are confident in the qualities of the services we deliver. We will aim to consolidate these whilst growing aspects that touch our community more generally and where our wonderful volunteers play a lead role. We will also launch a Lottery Campaign to increase our income and engagement throughout Merton and Sutton whilst looking to continue the success of our retail function by seeking more outlets. We will recruit into our fundraising team the expertise and experience we will need to develop our supporter base and, importantly, we will work with local hospice colleagues to seek an increase to the funding from NHS and from HM Government in order to allow us to navigate inflationary times and ensure our services are available free of charge long into the future.



Norman McWhinney, Chair



Nick Stevens, CEO

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

The Trustees, who are also the directors of the charitable company for the purposes of company law, present their report and the financial statements of St Raphael's Hospice for the year ended 31 March 2023. This constitutes the strategic report for the purposes of company law.

The financial statements are presented in accordance with the accounting policies set out on pages 19 to 22 therein and comply with the Memorandum and Articles of Association of St Raphael's Hospice and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Achievements for the year

In our report for last year there were three major strands to the plan for 2022-23:

1. Embedding Excellence
2. Raising Visibility
3. Widening Our Engagement

1. Embedding Excellence

- The critical component in our drive for "excellence in all that we do" is our team. By aligning with the Agenda for Change pay scales we have enabled our recruitment and retention to be competitive with other local providers and this has resulted in strong candidates joining our team so that vacancies are now minimal. In a staff survey in May 2023 98% of our staff indicated that they are proud to work for St Raphael's Hospice (responses to our previous survey in 2021: 93%) and 88% would recommend us as an employer (2021: 80%). In the crucial measure of whether our staff would be "happy with the standard of care" should a friend or relative need it, 98% agreed that they would be (2021: 93%) and 100% of our clinical staff agreed with this.
- We have continued the work to improve our Hospice buildings and environment which was begun in 2021-22 when we updated the in-patient unit (IPU). Many areas that are less public facing have now been refreshed including staff rooms, offices, meeting rooms and some of the external areas. Work was completed on "The Den" providing space for our men's group to meet as well as other Community Engagement activities. Two ward rooms have been combined into one larger space that allows for families to stay with their loved-one; it is also equipped with hoists and other facilities for bariatric patients.
- In 2022/23, the NHS underwent significant organisational change, with the introduction of Integrated Care Boards (ICBs). St Raphael's lies within the area governed by South West London ICB, which is responsible for deciding how the NHS budget for South West London is spent, including NHS funding for palliative care. St Raphael's has navigated this change to the commissioning landscape and is in active discussion over future funding.

2. Raising Visibility

- Plans for a profile-raising and fund-raising campaign progressed with two different design agencies producing some thought-provoking and challenging straplines and visuals. As there was need to re-engineer the fundraising team during the year the project shifted emphasis to lottery recruitments and contracting with an agency to provide a professional team and approach to raising awareness of the hospice and recruiting players.
- Our major new fundraising event that would enable us to connect with new potential supporters, "Woof Fest" - a canine centred day of fun and activities for all the family - was scheduled to take place over the same weekend that the country paused to give thanks for the life of the Queen, Elizabeth II. The event was cancelled and it was not possible to reschedule the event at such short notice.
- We opened our second Wimbledon charity shop in Leopold Road, Wimbledon Park and also agreed terms on a new shop on Morden High Street. Both these shops will raise our profile locally and provide the local community with an opportunity to support the Hospice and grab a bargain. We also agreed terms on a new Donation Centre in Windsor Place, Sutton. This large shop is opposite our existing premises which will cease to be available and is on 28 days' notice.

3. Widening our Engagement

- Our plans to broaden the reach of our Wellbeing Centre, by increasing awareness with GPs so that people can be referred to the service as part of "social prescribing", progressed well. We saw a 67% growth in the number of people referred to the unit and a 145% increase in attendance in the year. "The Den" was also completed, as noted above, providing additional space for growth and development.

St Raphael's Hospice Trustees' Report for the year ended 31st March 2023, continued

3. Widening our Engagement, continued

- We launched Compassionate Neighbours in January 2023 having transitioned from our pre-existing Hospice Neighbours programme. The scheme, described as a "social movement", works alongside existing social networks that already provide "neighbourly care and support", giving access to skilled support and training, signposting and advice. The scheme, which links "Hospice Neighbours" with "Members" in their community, is already proving successful and we are seeking more volunteers to meet community demand.
- We recruited a further part time counsellor to our Psychological Support Team who is able to provide a specialist Eye Movement Desensitisation and Reprocessing (EMDR) service, broadening our offer. We were also pleased to recruit replacements for the final year Roehampton University students who provide a large number of sessions for our patients' families on supervised placements. We began the development of a new "Bereavement Pathway" to provide a flexible structure to support people through the most difficult times of reconciling with and managing the reality of grief and loss. This will dovetail with, and add to, the specialist professional intervention provided by our counsellors and psychotherapists.
- During the year we engaged a Consultant to review our approach to fundraising and provide a Strategy to be adopted and taken forward over the coming years. One part of the findings was that there was a disconnect between our appreciation of fundraising as integral to the charity and our practice whereby the team were not co-located and there were few materials publicising the fundraising needs on the hospice site. These, along with other changes, will form part of the plan for 2023-24 (see below).
- After a long search, we successfully recruited BriteVox as the agency to promote and grow our lottery over the coming years. Currently, fewer than 2% of the adult population of Merton and Sutton play our lottery and we believe that this support base can be increased. Connecting with our community through the lottery will also provide a route to raising the profile of the Hospice more generally and potentially increase our donor support as well.

Financial review

Overall the charity had a shortfall of £(396)k for the year compared with a surplus of £581k last year. The main reasons for this shortfall relate to the cessation of coronavirus income support and the impact of inflationary related cost increases.

Donation income grew 13% to £1.88m (2021-22: £1.66m) and legacies were up 8% to £1.65m from (2021-22: £1.53m). We saw 17% growth in retail and commercial income to reach £1.79m (2021-22: £1.53m). Income from Charitable Activities dropped £0.78m (30%) which largely related to the absence of coronavirus support (2021-22: £247k NHSE COVID-19 Hospice Support Scheme and £500k from the SWL CCG for pandemic support).

Total costs were £7.76m which amounts to an 11% increase over the previous year (2021-22: £7.00m). Of the increase, £664k related to clinical costs which took a full year impact of our alignment to Agenda for Change rates of pay (2021-22: six months' impact) and also the NHS agreed pay increase for AfC staff for the year together with other inflationary factors.

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the balance sheet.

The charity's cash balance at the end of the year amounted to £3.7m (2021-22: £4.4m) of which £1.9m related to the deferred income creditor (2021-22: £2.7m). In addition the charity held liquid investments valued at £2m (2021-22: £2m).

Reserves

Total funds at 31 March 2023 amounted to £5.48m (2021-22: £5.87m) including designated funds of £1.25m (2021-22: £1.18m). The designated fund is represented by the net book value of tangible fixed assets which are used in the day to day work of the Hospice and amounts set aside for fixed asset acquisitions in the next twelve months, and hence, the fund is not available for working capital commitments.

Free reserves are that element of unrestricted funds which are available for future spending and are therefore calculated by taking the total unrestricted funds of the charity and deducting any balances not available for future spending, including designated funds which have been set aside by the Trustees for a particular purpose. The Trustees have decided that the required level of free reserves should be between three and six months' operating expenditure which is between £1.8m and £3.6m.

The free reserves at the end of the year amounted to £4m (2021-22: £4.4m) and therefore the Trustees are happy that this is sufficient for the charity's foreseeable needs.

Investments

The Trustees have approved an Investment Policy which meets the Charity's obligations under the Charities SORP FRS102 to ensure an effective system for the investment of cash, the transmitting of timely and reliable cash flow forecasts to the Trustees and ensuring the compliance with relevant statutory and regulatory requirements. The Policy is fully compliant with the requirements set out in 'CC14: Charities and investment matters: a guide for Trustees' published by the Charity Commission.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Investments, continued

The Trustee Board holds overarching oversight of, and accountability for, the charity's approach to cash management, investment and reserves. The Finance & Resources Committee is responsible for reviewing and monitoring the charity's cash in hand, cashflow forecasts, approach to investments and related performance on a regular basis. St Raphael's Hospice employs the services of investment managers, (currently Sarasin & Partners LLP), who provide updates on the performance of St Raphael's Hospice's investments and advice on how returns can be achieved in line with the charity's overarching approach.

In accordance with the constitutional objects of the charity, the Trustees have instructed the investment manager to be sensitive to the ethics and religious principles of the Catholic Church. They are instructed to try to avoid any investments in contravention of these and to highlight areas of potential sensitivity. The investment managers are also encouraged to engage actively with the underlying companies on these issues. Particular concern will be attached to issues related to the protection of human life and human rights, as well as discrimination against any sectors of society.

Going Concern

The Board and the Finance and Resources Committee regularly review the short and medium term financial forecasts and consider various scenarios and assumptions. The results for this financial year were largely in line with budgets with the exception of some areas of donation income which did not meet expectations. The Trustees have acted to address this and a revised strategy and structure has been adopted for 2023-24. Nonetheless, the inflationary pressures which are lifting overall costs may also have a detrimental impact on individual donors' ability to support the hospice and so plans are also underway to grow other income streams, including retail and lottery. The Trustees will be seeking to raise the charity's needs with NHS Commissioners and with Central Government. The Trustees remain satisfied that the Hospice's financial projections, which indicate a sustainable future, are reasonable and that there are sufficient funds in place to continue operating and to meet liabilities as they fall due for the foreseeable future and that the balance sheet is sufficiently robust to allow the Hospice time to respond effectively if income projections deteriorate significantly.

Plans for 2023-24

1. Consolidate Qualities and Widen Reach

- Embedding excellence now forms part of the foundation for all activity at St Raphael's Hospice. An excellent service is what is needed by all the residents of Merton and Sutton whether as a direct beneficiary or by way of reassurance that, should we ever be needed, we will be there for each and every person.
- We will continue to broaden the reach of our charity by developing our Community Engagement through the Wellbeing and Compassionate Neighbours services. We will also recruit to the role to plan and co-ordinate the implementation of the Bereavement Pathway service which is designed to provide a curated journey from preparing for the death of a loved one, through navigating the turmoil of grief and moving forward to a place of new stability and the ability to recognise and cherish the memories of life.
- We will continue to seek ways to improve our awareness of and training in equality, diversity and inclusion (EDI).

2. Embed Fundraising into the culture of St Raphael's

- We will build a team around the new Director of Fundraising and Communication, recruiting to the vacant posts of Corporate Manager, Community and Youth Manager, Philanthropy Manager, Appeals Manager and Legacy and In-Memory Manager.
- We will move the Fundraising team into the Hospice building to ensure that they are fully integrated into the charity and that relationships with clinical and other colleagues can flourish. We will bring the Communications team into the same space and under the leadership of the Director.
- We will develop the Fundraising elements that connect into the Bereavement Pathway including a memorial space, book of remembrance and bespoke events to mark and build lasting memories.
- We will take steps to understand the motivations and preferences of our existing supporters in order to tailor appeals to them and we will use this knowledge to nurture our relationship with all supporters more effectively.
- We will raise the profile of our fundraising needs within the hospice site by means of posters and leaflets, the literature of the Bereavement Pathway and by producing an effective St Raphael's story that can be displayed in the Hospice and used in other fora.

3. Grow our Commercial income

- We will commence the Lottery Campaign with an aim to recruit 100 new players each week in 2 x 3 month cycles, "resting" the area in between. We will also equip our shops to sell lottery tickets and take sign-ups for the lottery and seek other avenues to grow the player numbers using volunteers and social media.
- We will continue to develop our retail activities and in particular aim to find and open two or three new retail outlets in 2023-24. We will also look at opening a Wedding department in our Wimbledon Park shop and consider buying in new and second hand products for this and other sales outlets.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Structure, governance and management

Constitution

St Raphael's Hospice is a charitable company limited by guarantee (11732567) incorporated on 18 December 2018 in England and Wales. It is registered as a charity with the Charity Commission (1182636). Its governing document is its Memorandum and Articles of Association.

Charitable objects

The object of the charity is the relief of illness and suffering in accordance with the teaching, rites and practices of the Catholic Church, by:

1. The provision of palliative care, treatment or relief of people of all ages with active, progressive or advanced illness on the basis of need regardless of their religious, cultural or ethnic background;
2. The provision of care and support to those who have experienced loss and bereavement, in particular families, friends and carers;
3. Conducting, promoting or commissioning research into the care, treatment and relief of people suffering from advanced, active and progressive illness and by providing for the dissemination of the results of such research; and
4. The provision of education and training for professionals and volunteers engaged in palliative care.

Public benefit

The Trustees give careful consideration to the Charity Commission's guidance on public benefit when setting the Hospice's aims and objectives and planning activities. St Raphael's Hospice contracts with Merton and Sutton Clinical Commissioning Groups (CCGs) to provide support to people whose GP practice is based within the London Boroughs of Merton and Sutton, a population of around 420,000. Access to our services is on the basis of need and open to anyone via referral from a healthcare professional, or, in the case of bereavement support and the new Living Well programme, self-referral. There is no charge to patients or their families for any of our care services. In addition to the direct benefit there is an indirect benefit to all residents who can be reassured that the Hospice will be there for them or for their loved ones, should they ever need it.

Referrals for hospice services are accepted for people with a life limiting condition who are entering the last twelve months of life and who require specialist palliative and end of life care. For instance, they may need help with:

- Symptom control
- Psychological or spiritual issues
- Terminal care
- Difficult decisions, advanced care planning, or conversations about managing end of life care
- Support for family or friends
- Clinical and nursing care provided by the Community team alongside practical and companionship support provided by Hospice at Home or by our volunteer Hospice Neighbours in their home.
- Wellbeing and Living well services for patients and other self-referred community members together with their carers.

The Hospice supports adults in Merton and Sutton who have been referred to the Hospice and have agreed to that referral. If they do not have the mental capacity to do so we will consider how we can help meet their best interests within the context of legislation such as the Mental Capacity Act, Mental Health Act and Deprivation of Liberty guidance.

Families, carers or those close to a patient accepted for hospice services can be referred or access certain services in their own right, when they are affected by the patient's illness or death. These include bereavement support and counselling, attendance at the Men's Den, Living Well and other sessions held in the Wellbeing Centre.

The Trustees

The Board of Trustees (which constitutes the Board of Directors for the purposes of the Companies Act) comprises a minimum of five and a maximum of twelve Trustees, of whom a majority must be Catholic. They should meet as a Board at least five times per year. The Board is guided in its governance by an independent, qualified Clerk who performs Company Secretarial functions. The Board delegates powers and responsibilities to the following committees: Clinical Quality and Governance; Finance and Resources; Income Generation and Communications and Human Resources (which is also the Remuneration Committee). Terms of reference define responsibilities and delegated authority and are reviewed regularly by the Board.

The membership of committees is made up of Trustees, independent advisors who are selected for their specialist expertise and senior managers of the charity. Minutes of committee meetings are circulated to the Board and Committee Chairs provide a report to the Board on major issues and decisions.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Environmental, Social and Corporate Governance

There is a framework for Board self-review and skills audit which draws upon the Charity Governance Code for smaller charities and the outcomes of the self-evaluation are used to inform plans for Board and Committee agendas, training opportunities, and further recruitment. There is a formal process for the recruitment of new Trustees and/or Committee Members who are needed to fill skills gaps and vacancies as they arise. External advertising in suitable media is employed with a formal interview process taking place before a candidate is proposed to the Board. A simple majority decision of the Board is required under the constitution in order for an appointment to proceed.

New Trustees and committee members attend an induction evening to be briefed on the charity and meet colleagues and they are provided with Charity Commission guides. They are required to undertake mandatory training on a regular basis using the charity training portal, Duty of Candour and level 2 Safeguarding for Adults training is also available and encouraged with one Trustee required to undertake level 3 Safeguarding in order to serve as the Board's Safeguarding Lead.

The Trustees recognise that St Raphael's Hospice serves the whole, diverse population of Merton and Sutton and are proactive in seeking to represent the whole community effectively. Training in EDI (equality, diversity and inclusion) has taken place on three occasions in the last 12 months for Trustees and staff and a steering group ensures EDI has a platform across the whole organisation. We are engaging at senior level with leaders of different communities and faiths across our geography in order to learn and adjust our services accordingly. We are also developing our Community Engagement service through our Wellbeing Centre and the Compassionate Neighbours programme which was launched in January 2023. Part of this is designed to increase our ability to connect with and to serve the whole of our diverse population.

The Trustees are also conscious of our broader responsibility to care for our community by caring for our environment. We were early adopters of professional quality battery operated gardening equipment which reduces noise and fumes for our patients and vibration risks for our team. They are also low maintenance and have lower running costs. In the same vein we have acquired a second all-electric van for our Retail distribution and have a third for our facilities and OT teams (distributing equipment to patients in their homes). We have installed an electric charging point and operate a hybrid pool car for all staff to use on Hospice business. Our recent refresh has upgraded the Hospice lighting to digital technology and we are seeking funding to install additional solar panels to those we already have in order to contribute into the National Grid and save funds over time.

The charity has purchased insurance to protect itself from any loss arising from the neglect or default of its Trustees and employees and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. This forms part of the organisational insurance premium which amounted to £1,619 (2021-22 £1,619) and provides public and employer cover up to a maximum of £10m.

Key Management Personnel

Key management personnel comprise the Trustees, and the executive team. The Board of Trustees is responsible for the running of the charity and delegates the operational activity to the executive team (which comprises the CEO (Joint CEOs until 26th November 2022), Clinical Director, Commercial Director, Director of Fundraising and Communications, Director of Quality and Governance and the Director of IT and Estates)) whose pay is reviewed annually by the Remuneration Committee. Salary levels are set with regard to similar roles in other local charities, including other hospices. The Lead Consultant (on rotation) is also a member of the executive team but their pay follows the NHS pay formula.

Limitation of liability

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 March 2023 was 10 (2021-22: 10). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Principal risks and uncertainties

The management of risk remains a key priority for the Hospice. Risk assessments are undertaken for every aspect of its operation ranging from clinical risk assessments, which are undertaken on a continual basis, through health and safety assessments for everyday tasks to comprehensive assessments of all aspects of major fundraising events.

Staff continue to be dedicated to the prevention, identification and reporting of incidents, accidents and near misses. The Hospice has an effective feedback infrastructure including governance and clinical management meetings that review the actions and learning points identified in previous incidents to ensure that improvement remains continuous. The reporting system is supported by the electronic patient record which remains a corroborative source for the reporting of patient incidents. The Board of Trustees review the corporate level risk register, prepared by the executive team, on a regular basis and each Committee reviews the relevant risk register for that discipline. The principal risks facing the Hospice and the steps being taken to mitigate them are as follows:

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2023, continued

Principal risks and uncertainties, continued

<p>Income - insufficient income is raised to deliver our charitable activities: The Hospice needs to raise around 75% of the total running costs from voluntary sources, with the remaining 25% being granted by the NHS. There is a continual risk that insufficient income is generated to cover this gap and there is a particular reliance on high levels of legacy income which is outside the control of the charity.</p> <p><i>The Trustees and the executive team have set a target level of operating cash that is designed to enable it to manage the fluctuations of income year on year. It is diversifying its income streams and is pro-active in seeking new ways to raise additional regular income. In addition to this level of reserve, the Hospice also has a deferred income balance of £1.9m (which is represented by cash at bank) which is intended to offset the forecast shortfalls arising over the next three years whilst the charity undertakes its strategy of EVE. This strategy is designed to increase income and achieve a sustainable level of regular funding that does not rely upon exceptional legacy levels (which is currently assumed to be annual total legacies in excess of £1.25m). In addition the Hospice, together with other local Hospices will engage with the SWL ICB, Hospice UK and Central Government to lobby for an increase in funding to 50% of clinical costs.</i></p>
<p>Economic environment - The consequential impacts arising from the coronavirus pandemic and the war in Ukraine, including inflation, have added pressure to national and individual budgets which impacts the Hospice cost base and the ability of our community to afford the support we need. This risks the sustainability of the Hospice.</p> <p><i>The Trustees and the staff team are committed to finding innovative ways to reach the communities we serve with a message of excellence and reassurance coupled with sharing of the need for income generation. We continue to believe that the unique and vital role of hospices will ensure that future funding does grow to meet the needs. In the meantime we have sufficient funds to manage the foreseeable future effectively.</i></p>
<p>People - inability to recruit and retain specialist staff against a backdrop of an aging staff profile and widespread shortage of qualified staff.</p> <p><i>The Trustees and the executive team monitor morale, staff benefits, remuneration and engagement through staff surveys, exit interviews, regular Heads of Department meetings and aim for open communication throughout the team. Internal training and development opportunities are designed to maximise work satisfaction and flexibility in working hours is facilitated wherever possible. We aim to ensure that work-life balance is positive, working environment is improving, our staff/patient ratio remains low and all clinical staff receive supervision. We match NHS Agenda for Change salary levels and have improved other terms and conditions.</i></p>
<p>IT and Data - The Hospice is reliant upon its IT infrastructure, systems, data management and web connectivity in delivering its service. All these systems are at risk of failure or interruption through malicious or accidental intervention, putting patient services and data at risk.</p> <p><i>A robust back-up system is in place with a 2-3 hour turnaround for critical patient information. Our experienced and expert team are supplemented by a 24/7 support service with an expert consultancy that was involved with the installation and configuration of our systems. Risk is spread by the use of multiple servers and a failover power source. Anti-virus & anti-malware software is used on all servers & computers, updated in real-time. Firewalls control unauthorised entry from the internet and web-filtering software prevents users from accessing unsafe websites. Staff are educated to avoid risks from phishing attacks backed up by regular simulations to ensure compliance. Mandatory training includes cyber security for all staff.</i></p>

Clinical Quality Assurance

Great importance is given by the Trustees to the Hospice's clinical governance arrangements. The Clinical Quality and Governance Committee meets four times each year and monitors the activities of the sub-committees and receives detailed reports from Clinical Director, the Director of Quality and Governance and feedback from the Medical Consultants. In addition to providing an opportunity to thank the managers and their staff for their contributions to the success of the Hospice, the Committee is able to demonstrate engagement and accountability, to manage patient safety, to gain insight and to manage the risks facing the Hospice.

The Committee receives the minutes of the following Hospice committees and questions the relevant senior staff:

- The Infection Control Committee steers the Hospice's approach to infection prevention and control. Chaired by a Consultant Microbiologist from the local acute Trust, it meets between two and four times each year. Standing items for the Committee include sharps injury and bodily fluids exposure; alert organisms surveillance, water management, occupational health update, regulatory and best practice requirements.
- The Drugs and Therapeutics Committee focusses on all medicine issues including management of Control Drugs (CDs), Medicines Incident Analysis, staff competency, service and practice developments e.g. nurse prescribing and patient self-administration, policy and guideline review, and medical gases. Each meeting is attended by an independent pharmacist who also audits all aspects of medicines management every fortnight. The Chief Pharmacists from Merton and Sutton CCGs are invited to attend or send representatives, and receive the minutes of the committee's meetings as routine. The minutes are included in the Merton and Sutton Medicines Management Committee. To inform the management of medicines the Accountable Officer (CD AO) attends the regional Accountable Officer Local Intelligence Network meetings; incidents involving controlled drugs are discussed with the committee.
- Health and Safety Committee (which includes Water Quality as a regular agenda item) receives reports from managers involved in health and safety matters across the range of Hospice activities and reviews incidents to ensure good practice evolves and improves on a continual basis.

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2023, continued

Care Quality Commission (CQC)

The most recent inspection of the Hospice by the CQC was in November 2019. The subsequent report was published in April 2020. Whilst noting a number of areas of outstanding practice, the report also recommended that the carpet in the IPU be replaced and that the navigation of the electronic notes system be improved. Actions to comply with these recommendations have been taken and the flooring was renewed as part of a wider IPU refresh in late summer 2021. The complete text is available from the CQC website or via the CQC "widget" on the Hospice website's homepage.

We are pleased that the quality of care was recognised as being "Good" in all of the 5 domains of care; namely that our services are safe, effective, caring, responsive to people's needs and well-led.

Complaints

All complaints or comments about the service provided are taken very seriously by the Hospice. Complaints are dealt with in line with the Complaints Policy and are fully investigated and reflecting on complaints is one of the ways we seek to maintain standards and improve practices. All complaints are reported to the CQ&G Committee and onwards to the Board of Trustees. A new incident reporting system, Datix, was successfully launched in 2021. This has provided a simple and transparent mechanism for recording incidents across all parts of the charity, monitoring measures taken to address them and changes implemented to reduce risks of recurrence.

Employees

St. Raphael's Hospice is an Equal Opportunities Employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are constantly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees will be given equal opportunity and where appropriate and possible, special training to enable them to progress both within and outside the organisation. St. Raphael's Hospice is committed to a programme of action to make this policy effective and to ensure that it is brought to the attention of all employees.

The workforce is predominantly female with women making up 86% of the total (2021-22: 86%). This ratio is maintained amongst the upper pay quartile where 85% are women (2021-22: 88%). The "mean pay" for women is the same as for men (2021-22: women 6% above men). The "median pay gap" is -10% (2021-22: -32%) arising because a higher proportion of men (20% of the total - 2021-22: 23%) work within the lower pay quartile.

Pay

St Raphael's aligned clinical pay with AfC rates including the Outer London Weighting allowance with effect from October 2021. As a result the clinical pay is now on a par with our competitors in the market and is transparent and consistent across all clinical teams. This has enabled the charity to retain its experienced and specialist team and also recruit to vacancies when they arise, reducing the risk to our service delivery. Pay increases will follow the NHS settlements. For other staff the Remuneration Committee reviews the levels in the light of the prevailing market conditions and balances affordability with the need to retain and recruit skilled staff who can deliver on the strategy of EVE.

The annual pay review, which was prepared by the executive team and ratified by the Board on 7 February 2023, affected only non-clinical staff members as the clinical team had been aligned to AfC rates and increments. In the face of inflation which was running at a rate of around 10% generally and where the recruitment market was difficult across all sectors, a 5% award was agreed (2021-22: 5%).

Staff on the lowest wages received a higher award equivalent, to 7.8% (2021-22: 15%). This moved the lowest pay level from £10.25 to £11.05 (2021-22: from £8.91 to £10.25) and beyond the latest Government minimum living wage of level £10.42. This was done in recognition of the vital role played by all members of our team and the high cost of living in the outer London area.

Employee profile

At the year end the Hospice had 141 contracted employees (2021-22: 132) of whom 51 were full time and 90 part-time (2021-22: 48 and 74). The Hospice also has 28 active bank staff who do not want to commit to working specific regular hours and are offered work as and when the need arises (2021-22: 30).

The age profile of Hospice clinical staff is shown in the table below. There remain a high proportion who may choose to retire in the coming five years but the risk that this has posed is diminished as recruitment has become more reliable.

Clinical Staff By Age	under 33	33-42	43-52	53-62	63 and over
As at 31 March 2023	7	9	19	22	4
As at 31 March 2022	6	9	21	19	4
As at 31 March 2021	5	9	18	27	2
As at 31 March 2020	5	6	16	30	4

St Raphael's Hospice
Trustees' Report for the year ended 31st March 2023, continued

Volunteers

St Raphael's Hospice relies on a large number of volunteers who freely contribute their time and expertise. They impact and add value to all areas of our work and this is hugely appreciated. Following the decline during the pandemic we are delighted that numbers and overall contribution is on the increase and we are particularly heartened by the growth in the numbers of patient-facing, wellness and retail volunteers. We estimate 735 volunteer roles undertaken in the year amounting to 51,321 hours of given time (2021-22: 669 roles and 34,337 hours). This provides an estimated financial value of between £700,000 and £800,000 (2021-22: between £400,000 and £500,000), an extraordinary achievement.

The breakdown of volunteer roles for the Hospice activity the year was as follows:

Volunteer Numbers	2022-23	2021-22
Reception	41	38
Office and Administration	24	28
Ward and Patient-facing	24	10
Flowers and Gardens	20	12
Psychological Support	18	14
Hospice Neighbours and Biographers	24	21
Orangery Café	14	14
Trustees and Committees	15	14
Training and Mentoring	2	3
Wellness Volunteers	28	7
Occasional Volunteers	19	45
Hospice Total	229	206
Shops	208	167
Fundraising Administration	4	7
Subtotal	441	380
Supporter Groups and Events	62	66
Occasional Events Volunteers	232	223
Total	735	669

Fundraising

In order to address the increasing need to raise additional funding, St Raphael's Hospice took the decision to create two new roles from the pre-existing Director of Income Generation role and Donor Development Manager role. The Commercial Director takes charge of driving the growth of our retail and lottery activity and the Director of Fundraising and Communications is charged with the same for donations and legacies. We also have two commercial contracts with third-party fundraisers. Salvia Fundraising acts on our behalf by fundraising from Trusts, Foundations and The Big Lottery Fund (contract ended July 2023 when we recruited to an in-house role) whilst Sterling Lotteries runs our weekly draw and our two raffle draws each year. At the end of this reporting year we had 6,577 weekly lottery plays (2021-22: 7,011). Since the year end we have entered into a contract with Britevox Ltd to recruit players to our lottery. Britevox are licensed and regulated by the Gambling Commission.

St Raphael's Hospice Community Fundraising Team also manages 7 volunteer Supporter Groups (2020-21: 8). These are committees which fundraise in their local area on behalf of the Hospice by organising events, attending fairs, placing collection cans, banking funds and supporting Hospice-run activities. The groups currently contain 62 members (2021-22: 66). They are all issued with an information pack which includes a banner, leaflets etc. This contains guidance including how each group should be run, what support to expect from the Community Fundraisers, the process of joining a group, suggested areas of activity and what is expected from members, how to bank funds and the process of distributing collection cans. Each Supporter Group member receives a photo ID badge to allow them to fundraise and collect legally on behalf of St Raphael's.

We are signed up to the Institute of Fundraising and we follow its Code of Practice, whilst also complying with the Charity Commission guidance, "CC20: Charity Fundraising". During the period of this report there were no complaints or reported failures in compliance with the Fundraising Regulator or other regulatory bodies (2021-22: none).

St Raphael's also benefits from the support of individual fundraisers who carry out activities in aid of the Hospice. At first point of contact they are asked to complete an online event form to ensure contact details are retained and intentions are made clear. A fundraising pack is sent which includes legal advice, e.g. gambling laws surrounding raffles. The office keeps in regular communication with these fundraisers and ensures funds raised are received by the Hospice as swiftly as possible.

St Raphael's Hospice

Trustees' Report for the year ended 31st March 2023, continued

Fundraising, continued

There were no complaints received in the period to be reported to the Gambling Commission in our return (2021-22: none).

We have continued to ensure that we protect vulnerable people from undue pressure to donate or support our charitable work we adhere to the following Fundraising Promise:

- We will always tell you about how you are making a difference to the lives of our patients, their families and friends
- We will always take action if others acting on our behalf fail to meet our high standards.
- We will never phone you unless you have expressed an interest in our work
- We will always check first that you are happy to speak to us when we phone
- We will never sell your data to anyone else or share it without your permission
- If you tell us you don't want to hear from us again, or want to hear from us less, we will always respect that

Auditors

Haysmacintyre LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006, unless the company receives notice under section 488(1) of the Companies Act 2006.

Trustees' responsibilities statement

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for each period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company which enables them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware;
- They have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf by:

Norman McWhinney: Chair

Date:

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Independent auditor's report to the members of St Raphael's Hospice

Opinion

We have audited the financial statements of St Raphael's Hospice for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Independent auditor's report to the members of St Raphael's Hospice, continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Care Quality Commission, Charity Commission, Gambling Commission, Fundraising Regulations, Employment Law and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the statement of opening balances. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Independent auditor's report to the members of St Raphael's Hospice, continued

Auditor's responsibilities for the audit of the financial statements, continued

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Siobhan Holmes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date:

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Statement of Financial Activities including an income and expenditure account

	Notes	Unrestricted			Restricted funds £'000	Total funds Year to 31 March 2023 £'000	Total funds Year to 31 March 2022 £'000
		General fund £'000	Designated fund £'000				
Income and expenditure							
Income from:							
Donations and legacies	2	3,447	-	352	3,799	3,466	
Other trading activities	3	1,787	-	-	1,787	1,533	
Investments		96	-	-	96	4	
Charitable activities							
Clinical Commissioning Groups	4	1,632	-	66	1,698	2,265	
Other income	4	87	-	-	87	298	
Total income		7,049	-	418	7,467	7,566	
Expenditure on:							
Raising funds	5	2,500	-	-	2,500	2,406	
Charitable activities	6	4,875	-	385	5,260	4,596	
Total expenditure		7,375	-	385	7,760	7,002	
Net operating (shortfall) / surplus		(326)	-	33	(293)	564	
Net gains / (losses) on investments	11	(103)	-	-	(103)	17	
Net income / (expenditure) before transfers		(429)	-	33	(396)	581	
Transfers between funds	15-16	48	76	(124)	-	-	
Net movement in funds		(381)	76	(91)	(396)	581	
Reconciliation of funds:							
Fund balances brought forward at 1 April 2022		4,396	1,176	300	5,872	5,291	
Fund balances carried forward at 31 March 2023	15-17	4,015	1,252	209	5,476	5,872	

All of the charity's activities during the above two financial periods derived from continuing operations. A full comparative statement of financial activities is shown at note 23 to the financial statements.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Balance Sheet

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Tangible assets	10		857		725
Fixed Asset Investments	11		1,966		2,017
			2,823		2,742
Current assets					
Debtors	12	1,406		1,978	
Cash at bank and in hand		3,682		4,356	
		5,088		6,334	
Creditors: amounts falling due within one year	13	(1,532)		(1,551)	
Net current assets			3,556		4,783
Creditors: amounts falling due after more than one year	13		(903)		(1,653)
Total net assets			5,476		5,872
Represented by:					
Funds and reserves					
Income funds					
Restricted funds	15		209		300
Unrestricted funds					
Designated funds	16		1,252		1,176
General fund	17		4,015		4,396
Total funds			5,476		5,872

Approved by the Board of Trustees on:

and signed on its behalf by Mr Norman McWhinney (Chair):

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Statement of Cash Flows

	Notes	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Net cash provided by operating activities	A	(440)	64
Cash flows from investing activities:			
Investment income		96	4
Purchase of tangible fixed assets	10	(278)	(332)
Purchase of investments	11	(52)	(2,000)
Net cash provided by (used in) investing activities		(234)	(2,328)
Change in cash and cash equivalents in the year	B	(674)	(2,264)
Cash and cash equivalents at 1 April 2022	B	4,356	6,620
Cash and cash equivalents at 31 March 2023	B	3,682	4,356

A: Reconciliation of net movement in funds to net cash provided by operating activities

		Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Net movement in funds (as per the statement of financial activities)		(396)	581
Adjustments for:			
Depreciation charge / amounts written off	10	146	169
Investment income		(96)	(4)
Net loss/(gain) on investments	11	103	(17)
Decrease in debtors		572	108
(Decrease) in creditors		(769)	(773)
Net cash provided by operating activities	A	(440)	64

B: Analysis of changes in net debt

	2022 £'000	Cash flows £'000	2023 £'000
Cash at bank and in hand	4,356	(674)	3,682
Borrowings and debt	-	-	-
Total	4,356	(674)	3,682

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023**

Notes to the Financial Statements

1 Accounting Policies

General Information

St Raphael's Hospice is a private company limited by guarantee in England and Wales (company number 11732567) and a charity registered in England and Wales (charity number 1182636). The registered office is St Raphael's Hospice, London Road, Cheam, SM3 9DX.

Basis of accounting

The financial statements have been prepared for the year ended 31 March 2023.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value, unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102, updated 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

St Raphael's Hospice is a charity which is a public benefit entity as defined in FRS 102.

The financial statements are prepared in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect of:

- the recognition and deferral of income;
- assessing the probability of receiving legacies of which the Charity has been notified;
- estimating the value of the gift in kind of properties occupied under a peppercorn rental agreement with the Congregation of the Daughters of the Cross of Liege;

Assessment of going concern

As stated in the Trustees' Report, the Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements and they have made this assessment in respect of a period one year from the date of the approval of these financial statements.

The Trustees have considered the impact of the current and projected economic and inflationary uncertainties on the Hospice's operations, with a particular focus on its effect on the Hospice's financial position including the Hospice's income, expenditure and reserves. Whilst the Hospice is reliant upon the generosity of the community of Merton and Sutton in order to raise sufficient funding and is conscious of the impact of the economic environment on people's ability to be generous, it is felt that it has sufficient cash resources to continue operations for the foreseeable future.

The Trustees have concluded that there are no material uncertainties related to events or conditions that would cast significant doubt on the ability of St Raphael's Hospice to continue as a going concern. This is because they believe that they have sufficient reserves and resources to withstand any temporary drop in income or any additional unexpected liability.

Income recognition

Income comprises donations, legacies, gifts in kind for donated services and facilities, lottery income, income from retail sales, grants from Clinical Commissioning Groups and other organisations together with, in 2021-22, the Government's Coronavirus Job Retention Scheme and the NHSE Covid Hospice Support Grant.

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Donations and transfers from other registered charities amounting to donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Income recognition, continued

Legacies are included in the statement of financial activities when there has been a grant of probate, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Lottery income is recognised during the period in which the lottery draw is held.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these are akin to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from retail grants, (including the Coronavirus Job Retention Scheme) is credited to the statement of financial activities when the Charity is entitled to receive the funds and when the amount receivable can be quantified.

Shop income arises from the sales of donated goods at charity shops within the Surrey and Greater London areas. Donated goods are normally distributed very soon after receipt by the charity. Stocks held at the reporting date are immaterial. Under these circumstances, the cost of valuing all donated goods upon receipt by the charity outweighs the benefit to the users of the accounts of providing this information. Consequently, donated goods are included within income when sold or distributed and no value is placed on stock of such items at the year end.

In accordance with the Charities SORP FRS 102 no financial valuation of volunteer time is recognised in these financial statements, refer to the 'Volunteers' section of the Annual Report for further details.

Deferred income includes a cash grant given by the Congregation of Daughters of the Cross of Liège towards strategic investment in the new charity. This was granted as part of the transfer arrangements in order to bridge the anticipated funding gap that will arise over a period of five or more years as the charity invests in its strategy of "EVE" (excellence, visibility and engagement). The deferred income will be released to the Statement of Financial Activity in line with its use.

Donated services and facilities

Donated services and facilities are recognised in income and expenditure when the charity has control over the item, conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably.

The charity benefits from the use of the hospice buildings and grounds which are leased to it by the Congregation of the Daughters of the Cross of Liege at a peppercorn rent. The value of this gift in kind has been estimated by the Trustees following the receipt of professional valuations for the market rent of the administrative building (759 London Road) and the St Bede's Conference Centre and the capital value of the hospice building and grounds. A 5% rate of return on the capital value has been used to estimate the annual rental value.

The Trustees consider that the valuation of goods donated for resale at the point of receipt is impractical due to the high volume of low value items and the administrative costs involved in valuation. Goods donated for resale are therefore recognised at the point of resale.

Expenditure and the basis of apportioning costs

Expenditure is recognised once there is a legal or constructive obligation to transfer resources to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes any VAT that cannot be recovered under the s33c VAT refund scheme. This scheme is specific to charities which are wholly operating as Hospices and allows recovery of VAT incurred on the non-business activities (hospice service delivery and most fundraising) as well as the usual business activities (retail etc). In turn that allows for a high proportion recovery of VAT on "apportioned activity", that which serves to support the entire enterprise. VAT cannot be recovered on exempt activity (events, education and lottery).

**St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023**

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Expenditure and the basis of apportioning costs, continued

Expenditure comprises the following:

- a. The cost of raising funds includes fundraising and publicity expenditure which comprises costs associated with fundraising and shop overheads, publicity, advertising and event staging. It also includes a share of support costs, including governance costs.
- b. The cost of charitable activities comprises all the costs of operating the Hospice, including all staff, supplies and property costs. It also includes a share of support costs, including governance costs.

Tangible fixed assets

Tangible fixed assets are shown on the balance sheet at cost, less accumulated depreciation.

All assets which cost in excess of £5,000 and have an expected useful life exceeding one year are capitalised.

Depreciation is calculated at the following annual rates on a straight-line basis in order to write off each asset over its estimated useful life:

- | | |
|--------------------------------|-------------|
| • Computer and other equipment | 20 - 33.33% |
| • Shop fixtures and fittings | 33% |
| • Motor vehicles | 25% |

Improvements to long leasehold property is depreciated evenly over the period of the lease.

Fund accounting and Reserves Policy

Any restricted funds are monies raised for, and their use restricted to, a specific purpose or are donations subject to donor-imposed conditions. The restricted reserve comprises the unspent element of all the individual restricted funds.

The designated funds are those which represent the net book value of tangible fixed assets which are used in the day to day work of the Hospice and amounts set aside for fixed asset acquisitions in the next twelve months, and hence, are unavailable for working capital commitments. Designated funds may also be set aside for a specific purpose designated by the Trustees. This designation can be changed by the Trustees and hence the designated fund is unrestricted.

The general fund represents free reserves are that element of unrestricted funds which are available for future spending and are therefore calculated by taking the total unrestricted funds of the charity and deducting any balances not available for future spending, including designated funds which have been set aside by the Trustees for a particular purpose.

The Trustees have decided that the required level of free reserves should be between three and six months' operating expenditure. Further details can be seen in the Annual Report.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease term.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount paid in advance. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash

Cash is held in bank accounts or in hand and money available on demand or term deposits with an expiry date within three months of the balance sheet date.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the Financial Statements, continued

1 Accounting Policies, continued

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount St Raphael's Hospice anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension Costs

St Raphael's Hospice operates a defined contribution pension scheme. The amounts charged represent the employers' contributions payable to the scheme in the year.

St Raphael's Hospice also participates in the NHS pension scheme, a defined benefit scheme which is underwritten by the UK Treasury. The liabilities of the scheme are not calculated and there is no attribution of liability to the participant organisations, including the Hospice. Accordingly, the contributions are accounted for as if it were a defined contribution pension scheme.

Employee Costs

St Raphael's Hospice holiday year operates from April to March. A week's worth of holiday that is earned in one year but not utilised in that year can be carried over to the following year. The cost to the charity of that holiday carry-over is estimated and accrued in the financial statements.

St Raphael's Hospice values the loyal service of its staff and makes an award to staff who attain ten years of service. The award is repeated and enhanced at five year intervals thereafter. The potential cost to the charity is calculated for all staff who have reached the end of their fifth year of service in proportion to the time worked towards the next award milestone.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

2 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	Total 2022 £'000
Donations	1,800	82	1,882	1,416	247	1,663
Gifts in kind	-	270	270	-	270	270
Legacies	1,647	-	1,647	1,533	-	1,533
Total	3,447	352	3,799	2,949	517	3,466

Gifts in Kind include a donation from the Congregation of the Daughters of the Cross of Liège which represents the estimated market value of the lease of the land and buildings used by the charity, provided by the Congregation at no cost to the charity. The market value of the rent for the property has been estimated at £270,000 for the year (2022 – £270,000). The estimated value has been recognised within income as a donation, and an equivalent charge included within support costs.

In addition, the Hospice enjoys the benefit of volunteers for help in the running of the Hospice, fundraising and the shops. In accordance with the accounting policy, the value of these benefits has not been reflected in the financial statements.

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	Total 2022 £'000
Lottery income	368	-	368	423	-	423
Retail sales and related income	1,419	-	1,419	1,110	-	1,110
	1,787	-	1,787	1,533	-	1,533

4 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	Total 2022 £'000
CCG service funding	1,632	-	1,632	1,615	-	1,615
CCG Local COVID-19 funding	-	-	-	-	500	500
CCG Grants	-	66	66	-	150	150
Income from Clinical Commissioning Groups (CCGs)	1,632	66	1,698	1,615	650	2,265
NHS England COVID-21 funding	10	-	10	-	247	247
Coronavirus Job Retention Scheme	-	-	-	25	-	25
Other	77	-	77	26	-	26
Other Income	87	-	87	51	247	298

5 Expenditure on Raising Funds

Year ended 31 March 2023	Staff Costs	Other Costs	Support Costs	Total	of the total being	
	£'000	£'000	£'000	£'000	Unrestricted £'000	Restricted £'000
Fundraising	451	280	142	873	873	-
Lottery	22	147	11	180	180	-
Charity Shops	607	594	246	1,447	1,447	-
	1,080	1,021	399	2,500	2,500	-

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

5 Expenditure on Raising Funds, continued

<i>Year ended 31 March 2022</i>	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Support Costs</i>	<i>Total</i>	<i>of the total being</i>	
					<i>Unrestricted</i>	<i>Restricted</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Fundraising</i>	460	250	139	849	849	-
<i>Lottery</i>	43	146	10	199	199	-
<i>Charity Shops</i>	498	626	234	1,358	1,358	-
	1,001	1,022	383	2,406	2,406	-

6 Expenditure on Charitable activities

<i>Year ended 31 March 2023</i>	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Support Costs</i>	<i>Total</i>	<i>of the total being</i>	
					<i>Unrestricted</i>	<i>Restricted</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Hospice In-Patient Unit	1,741	589	395	2,725	2,534	191
"Hospice at Home" Community team	1,396	96	210	1,702	1,622	80
Psychological Support team	195	22	29	246	206	40
Education	75	38	19	132	130	2
Orangery	27	89	26	142	108	34
Volunteers	89	23	20	132	125	7
Wellbeing Centre	90	55	36	181	150	31
	3,613	912	735	5,260	4,875	385

<i>Year ended 31 March 2022</i>	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Support Costs</i>	<i>Total</i>	<i>of the total being</i>	
					<i>Unrestricted</i>	<i>Restricted</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Hospice In-Patient Unit</i>	1,464	531	373	2,368	1,716	652
<i>"Hospice at Home" Community team</i>	1,190	91	201	1,482	1,164	318
<i>Psychological Support team</i>	151	19	29	199	84	115
<i>Education</i>	86	34	18	138	129	9
<i>Orangery</i>	19	84	24	127	93	34
<i>Volunteers</i>	81	20	18	119	112	7
<i>Wellbeing Centre</i>	76	53	34	163	141	22
	3,067	832	697	4,596	3,439	1,157

Net Income is stated after charging	£'000
Auditor's remuneration	
Statutory Audit	18
Staff costs	5,461
Lease rental costs	317
Depreciation	146

See note 7 for an analysis of Support Costs which are allocated across activities on the following basis:

- Facilities costs – based on hospice floorspace with a portion to income generating activity.
- Quality costs – based on hospice headcount with a portion to income generating activity.
- Other Support costs – based on the headcount of each activity.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

7 Staff costs

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2023	£'000	£'000	£'000	£'000	£'000	£'000
Hospice In-Patient Unit	1,385	133	90	133	-	1,741
"Hospice at Home" Community team	1,151	125	120	-	-	1,396
Psychological Support team	171	18	6	-	-	195
Education	65	6	4	-	-	75
Orangery	26	1	0	-	-	27
Volunteers	80	7	2	-	-	89
Wellbeing Centre	82	5	3	-	-	90
	2,960	295	225	133	-	3,613

Income Generation	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2023	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising	393	42	16	-	-	451
Lottery	20	1	1	-	-	22
Retail Shops	553	41	13	-	-	607
	966	84	30	-	-	1,080

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Support Cost
Year ended 31 March 2023	£'000	£'000	£'000	£'000	£'000	£'000
Executive Office and Communications	202	26	12	240	216	456
HR	91	9	4	104	43	147
IT and Facilities	226	24	8	258	79	337
Finance	74	7	4	85	24	109
Quality	70	7	4	81	4	85
	663	73	32	768	366	1,134

Charitable Activities	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Hospice In-Patient Unit	1,175	102	69	118	-	1,464
"Hospice at Home" Community team	988	102	100	-	-	1,190
Psychological Support team	133	13	5	-	-	151
Education	73	7	6	-	-	86
Orangery	19	0	0	-	-	19
Volunteers	73	6	2	-	-	81
Wellbeing Centre	70	4	2	-	-	76
	2,531	234	184	118	-	3,067

Income Generation	Salaries	NIC	Pensions	Agency	Other	Total
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising	404	38	16	-	2	460
Lottery	38	3	2	-	-	43
Retail Shops	457	31	10	-	-	498
	899	72	28	-	2	1,001

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

7 Staff costs, continued

Support Team	Salaries	NIC	Pensions	Total Staff Costs	Non-Staff Costs	Total Cost
Year ended 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000
Executive Office and Communications	256	29	11	296	175	471
HR	76	7	4	87	38	125
IT and Facilities	203	20	8	231	79	310
Finance	66	6	4	76	23	99
Quality	62	6	4	72	2	74
	663	68	31	762	317	1,079

In common with other Hospices, St Raphael's employs experienced Specialty Doctors and Specialist Palliative Care Consultants on standard NHS rates of pay and this is reflected in the higher paid employees report. The CEO is not the highest paid employee.

The number of employees who earned £60,000 per annum or more (including benefits) during the year was as follows:

	2023	2022
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	4	2
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-

During the year the charity made no payments in respect of redundancies (2022: 2, £14,454) or other terminations of employment (2022: 3, £16,596).

Key management personnel

Key management personnel comprised the Trustees, the CEO, the Clinical Director, the Director of Fundraising and Communications, the Commercial Director and the Director of IT & Estates together with our three specialist palliative care consultants. One of the consultants takes the role of lead consultant on a rotational basis and is a member of the Executive Committee of the Hospice. They are not included in the key management personnel costs shown below.

None of the Trustees received any remuneration in respect of their services during the year (2022: £nil). No out of pocket expenses were reimbursed to trustees during the year (2022: £nil).

The total employment cost (including taxable benefits and employer's pension and national insurance contributions) of the key management personnel of the charity were £445,020 (2022: £371,805).

8 Staff numbers

Year ended 31 March 2023	Headcount	FTE	Headcount	FTE
	2023	2023	2022	2022
Hospice In-Patient Unit	37	23	36	23
"Hospice at Home" Community team	25	19	26	19
Psychological Support team	4	3	3	2
Education & Quality	4	2	2	1
Volunteers	1	1	2	1
Wellbeing Centre	4	3	4	2
Housekeeping and Orangery	16	7	19	8
Hospice administration	11	6	7	4
Medical team	6	5	7	5
Charitable Activities	108	69	106	65
Fundraising	11	9	14	13
Lottery	1	1	1	1
Retail Shops	31	24	27	22
Income Generation	43	34	42	36
Support Services	13	10	11	10
Executive and Finance	5	4	8	6
Support Services	18	14	19	16
All Staff	169	117	167	117

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

8 Staff numbers, continued

Year ended 31 March 2023	Headcount		FTE		Headcount		FTE	
	2023		2023		2022		2022	
Permanent full time	51		51		50		50	
Permanent part time	90		57		87		55	
"Bank" variable hours	28		9		30		12	
	169		117		167		117	

In addition to our paid staff, St Raphael's Hospice benefitted from the support volunteers who contributed their time to cover 735 roles (2022: 669). Volunteer time is not accounted for in these financial statements.

9 Taxation

St. Raphael's Hospice is a registered charity and therefore benefits from not being liable for income tax or corporation tax on income derived from its charitable activities. As a Hospice it has taken advantage of the s33c VAT allowances which enable it to reclaim a large portion of its VAT paid. At the end of the year a refund is due for £48,000 (2022: £69,000) and this is included within debtors.

10 Tangible fixed assets

	Property and Freehold	Computer and other Equipment	Shop Fixtures and Fittings	Motor Vehicles	Retail Leasehold Improvement	Assets under Construction	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2022	308	577	45	54	144	42	1,170
Transfer between classes	66	-	-	-	-	(66)	-
Additions	37	24	-	29	47	141	278
Disposals/Written-off	-	-	-	-	-	-	-
At 31 March 2023	411	601	45	83	191	117	1,448
Depreciation							
At 1 April 2022	10	330	28	21	56	-	445
Charge in year	13	78	9	13	33	-	146
Eliminated on disposal / write-off	-	-	-	-	-	-	-
At 31 March 2023	23	408	37	34	89	-	591
Net book values							
At 31 March 2023	373	193	8	49	102	117	857
At 31 March 2022	298	247	17	33	88	42	725

The land and buildings that are occupied by St Raphael's Hospice are owned by The Congregation of the Daughters of the Cross of Liège and are leased to the charity at a peppercorn rental. The value of the gift in kind is recognised in these financial statements, as described in the principal accounting policies at note 1.

During the financial year the Hospice was bequeathed the freeholds of two flats. These freeholds were valued at £15,000 and this sum has been treated as legacy income received in the year and the asset value recorded as Fixed Asset on the Balance Sheet.

St Raphael's Hospice
Annual Report and Financial Statements
For the year ended 31st March 2023

Notes to the accounts, continued

10 Tangible fixed assets, continued

	<i>Property and Freehold</i>	<i>Computer and other Equipment</i>	<i>Shop Fixtures and Fittings</i>	<i>Motor Vehicles</i>	<i>Retail Leasehold Improvements</i>	<i>Assets under Construction</i>	Total 2022
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	£'000
Cost or valuation							
<i>At 1 April 2021</i>	49	537	45	44	184	19	878
<i>Transfer between classes</i>	233	-	-	-	-	(233)	-
<i>Additions</i>	26	40	-	10	-	256	332
<i>Disposals/Written-off</i>	-	-	-	-	(40)	-	(40)
<i>At 31 March 2022</i>	308	577	45	54	144	42	1,170
Depreciation							
<i>At 1 April 2021</i>	2	247	19	8	40	-	316
<i>Charge in year</i>	8	83	9	13	36	-	149
<i>Eliminated on disposal / write-off</i>	-	-	-	-	(20)	-	(20)
<i>At 31 March 2022</i>	10	330	28	21	56	-	445
<i>At 31 March 2022</i>	298	247	17	33	88	42	725
<i>At 31 March 2021</i>	47	290	26	36	144	19	562

11 Investments

	2023	2023	2022	2022
	£'000	Units 000's	£'000	Units 000's
Marketable investments				
Sarasin Endowments Fund				
Market value at start of year	1,417	1,163	-	-
Net additions at cost	638	542	1,400	1,163
Net gain/(loss) on revaluation/disposal	(103)	-	17	-
Market value at 31 March	1,952	1,705	1,417	1,163
Liquid Assets				
ICS-Sterling Liquidity Fund				
Market value at start of year	600	6	-	-
Investment Income	52	-	-	-
Net additions at cost	-	-	1,400	13
Disposals at market value	(638)	(6)	(800)	(7)
Market value at 31 March	14	-	600	6
	2023	2023	2022	2022
	£'000	Units 000's	£'000	Units 000's
Total investments	1,966	1,705	2,017	1,163
Cost at 31 March	2,052	1,705	2,000	1,163
Marketable investments comprise				
Fixed Income	290		99	
Equities	1,292		986	
Property	86		79	
Alternative Investments	242		179	
Short term deposits and cash	56		674	
	1,966		2,017	

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Notes to the accounts, continued

12 Debtors

	2023	2022
	£'000	£'000
Legacies receivable	979	992
Prepayments	215	206
VAT receivable	55	69
NHSE COVID-19 Hospice Support Grant	-	153
CCG local COVID-19 Funding and other CCG grants	-	440
Other Debtors	157	118
	1,406	1,978

13 Creditors

	2023	2022
	£'000	£'000
Amounts falling due within one year		
Trade creditors	55	115
Social security and other taxes	103	100
Other creditors and accruals	294	245
Deferred income release of DoC grant	1,000	1,000
Lottery deferred Income	57	62
Other deferred Income	23	24
Provision for onerous lease commitments	-	5
	1,532	1,551

Amounts falling due after more than one year

	2023	2022
	£'000	£'000
Deferred income release of DoC grant	903	1,653
	903	1,653

14 Deferred Income

	2023	2023	2023	2022
	DoC Grant	Other	Total	Total
	£	£	£	£
Brought forward at 1 April 2022	2,653	86	2,739	3,425
Introduced in the year	-	2,379	2,379	796
Released during the year	(750)	(2,385)	(3,135)	(1,482)
Carried forward at 31 March 2023	1,903	80	1,983	2,739

A cash grant of £3.6m was given by the Congregation of Daughters of the Cross of Liège (DoC) in 2020 towards the five year strategic plan for the charity and has been included in deferred income. This will be released to the Statement of Financial Activity (SOFA) in line with the conditions of its use, as stipulated in the transfer arrangement between the Congregation and the charity. A sum of £750k was released to the SOFA in the current year (2022: £667k) and the release of a further £1m has been budgeted for the year to 31st March 2024 and is shown as "Creditors; amounts due in under one year" at note 13, above. The remaining balance of £0.9m is included under "Creditors; amounts due in more than one year" and is due to be released over the ensuing two to three years as the strategic plan progresses. The covid pandemic has cause delay to its implementation.

Other deferred income balances includes lottery subscriptions made for future lottery draws and to challenge event income raised in advance of the challenge taking place.

15 Restricted Funds

The restricted funds are monies received for, and their use restricted to, the following:	At 1st April 2022	Income	Expenditure	Transfer between Funds	At 31st March 2023
	£'000	£'000	£'000	£'000	£'000
Bereavement support fund	-	35	(35)	-	-
DoC gift in kind	-	270	(270)	-	-
CCG grants	142	66	(58)	(30)	120
Other restricted donations	158	47	(22)	(94)	89
	300	418	(385)	(124)	209

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15 Restricted Funds, continued

	At 1st April 2021	Income	Expenditure	Transfer between Funds	At 31st March 2022
	£'000	£'000	£'000	£'000	£'000
Bereavement support fund	-	110	(110)	-	-
DoC capital improvement grant	165	-	-	(165)	-
DoC gift in kind	-	270	(270)	-	-
NHSE COVID-19 Hospice Support Grant	-	247	(247)	-	-
CCG COVID-19 Support Grant	-	500	(500)	-	-
CCG grants	-	150	(8)	-	142
Other restricted donations	110	137	(22)	(67)	158
	<u>275</u>	<u>1,414</u>	<u>(1,157)</u>	<u>(232)</u>	<u>300</u>

The Bereavement support fund represents the funding of the psychosocial team and related costs.

The DoC gift in kind relates to the provision of the land and buildings on a 20 year lease at a peppercorn rental. The Gift in Kind recognises the valuation placed upon the use of the properties by an independent surveyor in March 2020. Since that time it is not considered that this valuation has changed materially. The cost is also recognised in the financial statements.

In 2022-23 the CCG grants related to £66k given to cover the additional costs of providing two Clinical Nurse Specialists for weekend and bank holiday cover (2021-22 £120k). In 2021-22 we also received a grant of £30k towards the new patient administration project which was delivered in 2023.

The DoC capital improvement grant was given in order to progress certain capital projects including the IT upgrade (completed) and the IPU refresh (completed late summer 2021). Transfers from the fund to the designated fund represented the purchase of tangible fixed assets.

In 2021-22 the NHSE awarded funding to allow the Hospice to make available bed capacity and community support from November 2020 to March 2021 and from December 2021 to March 2022 to provide support to people with complex needs in the context of the coronavirus pandemic and to provide bed capacity and community support for the same purpose.

In 2021-22 the CCG COVID-19 Support Grant relates to grants made by the South West London CCG which was designed to support the charity in the face of the loss of income arising from the impact of the coronavirus pandemic.

Other restricted donations represent other smaller restricted donations and legacies donated to the Hospice for specific purposes.

16 Designated Funds

	At 1st April 2022	Expenditure	Transfer between Funds	At 31st March 2023
	£'000	£'000	£'000	£'000
Fixed Asset Fund				
Acquired	725	278	(146)	857
Committed	-	-	-	-
Budgeted within 12 months	451	-	(56)	395
	<u>1,176</u>	<u>278</u>	<u>(202)</u>	<u>1,252</u>
	At 1st April 2021	Expenditure	Transfer between Funds	At 31st March 2022
	£'000	£'000	£'000	£'000
Fixed Asset Fund				
Acquired	562	332	(169)	725
Committed	100	-	(100)	-
Budgeted within 12 months	552	-	(101)	451
	<u>1,214</u>	<u>332</u>	<u>(370)</u>	<u>1,176</u>

The unrestricted funds of the Hospice include the following designated funds which have been set aside by the Trustees for specific purposes. The fixed asset fund represents the net book value of tangible fixed assets, which are used in the day-to-day work of the Hospice and hence is not available for working capital.

The transfer in the fixed assets "acquired" fund represents the net movement of additions, disposals and depreciation in fixed assets over the year. "Committed" expenditure relate to additions which the charity is contractually obliged to complete and "Budgeted" relates to proposed additions that have been approved by the Board of Trustees.

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17 Analysis of net assets between funds

	Restricted funds £'000	General Fund £'000	Designated fund £'000	Total 2023 £'000
Fixed assets	-	1,981	842	2,823
Current assets	209	4,469	410	5,088
Creditors: amounts falling due within one year	-	(1,532)	-	(1,532)
Creditors: amounts falling due after more than one year	-	(903)	-	(903)
Total net assets	209	4,015	1,252	5,476

	Restricted funds £'000	General Fund £'000	Designated fund £'000	Total 2022 £'000
Fixed assets	-	2,017	725	2,742
Current assets	300	5,583	451	6,334
Creditors: amounts falling due within one year	-	(1,551)	-	(1,551)
Creditors: amounts falling due after more than one year	-	(1,653)	-	(1,653)
Total net assets	300	4,396	1,176	5,872

18 Leasing commitments

Operating leases

At 31 March 2023 the Hospice had total commitments under non-cancellable operating leases for retail shops and related office and warehouse buildings as follows:

	Land and buildings 2023 £'000	Land and buildings 2022 £'000
Commitments falling due:		
Within one year	307	218
Within one to two years	260	177
Within two to five years	314	174
	881	569

20 Related party transactions

St Raphael's Hospice was established as a work of The Congregation of the Daughters of the Cross of Liege ("DoC", charity number 1068661 and company number 3492921) in 1987 and its activities were reported as part of that entity. The activities and the operating assets and liabilities of the work were transferred into St Raphael's Hospice (charity number 1182636 and company number 11732567) on 31 October 2020 and from that point its activities are reported through this entity.

Two of the trustees of DoC are also Trustees of St Raphael's Hospice (Sr Veronica Hagen and Sr Kathleen O'Reilly). One member of the Finance & Resources Committee is a paid adviser of the DoC (Mr Ed Cook).

The freehold of the land and buildings that comprise the St Raphael's Hospice site are owned by DoC. These have been leased to St Raphael's Hospice under three separate leases for the three plots (the Hospice, St Bede's and 759 London Road) each for twenty years and at a peppercorn rental of £100 per annum. A total of £300 was paid in the period in respect of these leases (2022: £300). The leases are valued at £270k per annum and a gift-in-kind is recognised in these financial statements for this amount (2022: £270k). The notional rental of £270k is also recognised in these financial statements (2022: £270k).

No grants were made by DoC during the year. (2022: Nil).

DoC continues to receive occasional income on behalf of the Hospice, such as legacies and some donations and these are passed through to St Raphael's Hospice without deduction. During the year there were no such transactions (2022: 3 and £812k).

In May 2023 St Raphael's entered into a contract with Darnell Consulting Ltd for the provision of supporter insight analysis and report based on quantitative research. The contract value was £4,995, and represented an arm's length transaction at market value from an expert in the field. Grahame Darnell and Catherine Darnell are the beneficial owners of Darnell Consulting Ltd and Grahame Darnell is a Director of the company. Grahame Darnell is also a Trustee of St Raphael's Hospice. The contract value was fully paid by the end of September 2023.

There were no other related party transactions.

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21 Capital commitments

As at 31 March 2023 there were no capital commitments (2022: Nil).

22 Pension commitments

The Hospice makes contributions in respect of the current service of its employees to either the NHS pension scheme or Royal London. The Royal London pension scheme is a defined contribution scheme, with contributions accounted for in the period in which they arise. The contributions payable for the year were £127,390 (2022: £115,707).

The NHS pension scheme is a defined benefit scheme which is underwritten by the UK Treasury. The liabilities of the scheme are not calculated and there is no attribution of liability to the participant organisations, including the Hospice. Accordingly, it has accounted for its contributions as if it were a defined contribution scheme.

The contributions payable to the scheme for the year were £149,004 (2022: £115,992).

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23 Comparative Statement of Financial Activities for the year ended 31st March 2022

	Notes	Unrestricted			Total funds Year to 31 March	Total funds Year to 31 March (being 5 months of operations)
		General	Designated	Restricted		
		fund	fund	funds	2022	2021
		£'000	£'000	£'000	£'000	£'000
Income and expenditure						
Income from:						
Donations and legacies	2	2,949	-	517	3,466	2,819
Other trading activities	3	1,533	-	-	1,533	289
Investments		4	-	-	4	2
Charitable activities						
Clinical Commissioning Groups	4	1,615	-	650	2,265	637
Other income	4	51	-	247	298	959
Total income excluding assets transferred from the Daughters of the Cross		6,152	-	1,414	7,566	4,706
Assets transferred from the Daughters of the Cross	18	-	-	-	-	3,405
Total income		6,152	-	1,414	7,566	8,111
Expenditure on:						
Raising funds	5	2,406	-	-	2,406	1,005
Charitable activities	6	3,439	-	1,157	4,596	2,029
Total expenditure		5,845	-	1,157	7,002	3,034
Net gains / (losses) on investments	11	17	-	-	17	-
Net income / (expenditure) before transfers		324	-	257	581	5,077
Transfers between funds	15-16	270	(38)	(232)	-	-
Net movement in funds		594	(38)	25	581	5,077
Reconciliation of funds:						
Fund balances brought forward at 1 April 2021		3,802	1,214	275	5,291	214
Fund balances carried forward at 31 March 2022	15-17	4,396	1,176	300	5,872	5,291

All of the charity's activities during the above two financial periods derived from continuing operations. A full comparative statement of financial activities is shown at note 23 to the financial statements.