

St Michael's hospice

Annual Review 2015-16

It is hard to summarise a year where so much has happened, where a sudden arson attack on 11th July 2015 on the Hospice building led to such devastation and sadness, but where the community support, the redevelopment of our building and the resilience shown by all our staff and volunteers have all been absolutely heart-warming. Normally, in an Annual Review, we make comparisons with previous years – but in both service and financial terms the year was too different for any comparison to have much validity. While our overall strategic aims did not change, the speed at which we were able to progress them was significantly affected by the arson attack. Priorities from July onwards had to reflect the new reality.

Introduction by the Chairman

First I must say thank you to our staff, in particular those who were on site on the night of the fire and those who were called in to assist with patients immediately after. They are a remarkable group of people who got on with the job of caring for patients and protecting them from danger during the evacuation. I also must thank our colleagues in the NHS and local care homes who without a quibble opened their arms to our patients in the middle of the night. The Fire Service, Ambulance Service, Hastings Borough Council and Police were also marvellous. One of the fire fighters on Saturday morning said to me that our staff "had been exemplary". Our thoughts and prayers continue to be with all the families of those who were evacuated that night.

I would also like to thank Hastings Court for its support during this difficult time, offering us accommodation for our In-Patient Unit. It has been greatly appreciated.

We embarked on a major rebuild after the fire to improve as well as to replace what was lost. In addition to the funds from our insurance claim, the Board agreed that we could use up to £3 million from our reserves. To help towards the costs, we launched the Phoenix Appeal, aiming to raise £1 million and have been very appreciative of the support we have received. Because of these major developments, the figures that you read in the audited accounts look rather unusual as, indeed, they also will in the coming financial year. There are, for example, high levels of income and expenditure in relation to restricted funds. Other significant variances have been the most welcome increased income both from legacies and donations. The clinical statistics will also look unusual to you as we have tried to sustain Day Services, Hospice at Home, Bereavement Services and the In-Patient Unit under challenging circumstances.



Photo credit: CRASH

Another important issue for the Board has been taking account of the national public criticism of some of the fundraising practices by a few larger charities. We spent time reviewing and making sure that our fundraising methods reflected our values as a charity and as a Hospice. We joined the Fundraising Standards Board at its inception and have continued to take great care in the events we organise and the way we raise funds. I would like to confirm that, under no circumstances, would we ever, or have we ever, sold our database of supporters to an external marketing company. Also we have never used, and do not intend to use, telephone canvassing companies to contact our supporters or new contacts at home. We never want to pressurise people into feeling they should donate, nor do we ever telephone our donors to solicit funds or an increase in their level of donation.

We face the future of care delivered by St Michael's Hospice with confidence, knowing that the improved building will provide a wonderful setting for patients and staff. Thank you all for your support.

Irene Dibben

"St Michael's Hospice is the most welcoming, comforting and supportive place I've ever been to.... the genuine love and support they have shown, not only to me but every one they speak with, is outstanding."

Financial aims and major developments

Aims

During the year, following the fire, we set ourselves the following aims:

- Redevelop the building, using up to £3m from reserves, together with the net income from our insurance claim
- Launch the Phoenix Appeal, seeking to raise £1m
- Apply to HMRC for Group VAT Registration, including the Hospice and Retail company
- Manage ongoing revenue budgets prudently, seeking to increase efficiency.

Given the timescale, costs and income in relation to the rebuilding programme, the Hospice's Accounts show a partial picture, a process that will continue into the coming financial year. They also include some significant variances from previous years, including, for example, the increase in the value of fixed assets as, after the fire, large amounts of furniture and equipment had to be replaced and significant improvements made to the Hospice building.

Renovating the building

The Board of Trustees commissioned a major building project, which started in January 2016, with a completion date of September 2016 and included:

- 26 upgraded private ensuite bedrooms for our patients over the ground and first floors
- Improved access
- New fire-safe lift, sprinkler system and upgraded fire alarm system
- Refurbishment of the reception, conservatory and coffee shop
- Ground floor treatment and counselling rooms
- New kitchen facilities
- Improved staff facilities
- Improved infrastructure, so that we shall have less complex systems, particularly in relation to water and heating.

We are grateful for the advice, financial and practical support provided by CRASH the construction charity who were introduced to us by Hospice UK.

Phoenix Appeal

The Phoenix Appeal was launched in February 2016 and, by the end of the financial year, had raised £502k, with significant and generous contributions both from Trust and Corporate supporters (totalling £315k) as well as from a large number of individuals.

VAT

Following a change in Government legislation, the Hospice made a successful application for Group VAT Registration, resulting in a successful claim of £316k for the financial year.

Managing budgets

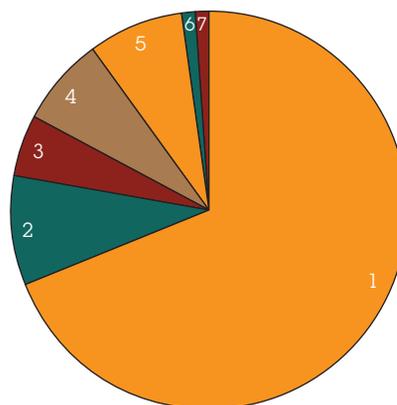
Our expenditure was 7% below budget. However, in such an abnormal year, it is difficult to make comparisons with previous years. Every area of the Hospice was affected by the circumstances in which we found ourselves.

Pay

As part of the budget discussions for 2015-16, we reviewed very carefully what cost of living award should be given to staff. It was agreed:

- To continue to track the living wage and to try to ensure that no member of staff fell below that level. This resulted in a 3% pay award for the lowest paid members of staff, following on from a similar rise in the previous year
- To give a 1% pay rise to all other staff (the first increase for two years)
- Because of the pressures that had been felt over the course of this year, to give at Christmas, exceptionally, a £50 voucher to staff members; we are grateful to our Insurers for their contribution towards half of this cost.

Following the Government's announcement of the introduction of a National Living Wage in April 2016, it was agreed that a further review would be undertaken of the policy for 2016-17 and that a new pay policy would be drafted.



Expenditure - unrestricted

	£	%
1 Patient Care	3,810,795	69
2 Retail	482,352	9
3 Lottery	290,588	5
4 Fundraising events	396,962	7
5 Administration	419,593	8
6 Governance	50,408	1
7 Fluctuation on investments	78,747	1

£5,529,445

100%

Raising income, increasing efficiency

Contribution from the NHS

We were extremely grateful to the Hastings and Rother Clinical Commissioning Group, which increased the level of our grants to £1.7m (compared to £1.2m the previous year), enabling us to expand our range of community services. This was greatly appreciated.

Fundraising income

It was a successful year overall in relation to our generation of income, with the Fundraising team working hard to increase its total income to £4.5m, compared to £2.3m in the previous year. Some key developments were:

- Legacy income which increased significantly to £2.6m, a most valued contribution which significantly exceeded our budget target of £900k. Exceptionally, we received one legacy of over £0.5m and two others which, together, totalled a further £0.5m
- The income from Charitable Trusts (primarily linked to the Phoenix Appeal) which was more than double the budget, and five times more than the previous financial year
- The generosity of the very many people who sent us, unsolicited, a financial donation. The total of £373k was higher than in 2014-15 (£184k). We acknowledged all donations, whether large or small, recognising the value of each gift in helping us continue our services for local people
- An increase in income from challenge events, which were £27k above budget
- A growth in In Memoriam donations, which raised £230k, exceeding their budget target and raising £8k more than the previous year
- The launch of new initiative – Pay for a Day – which created new opportunities. A supporter's post on Facebook thanked people for their help with "our Pay for a Day fundraising, it's been a wonderful, cathartic experience and I would recommend it to anybody in a similar situation".

Income from subsidiary companies

The income from our Lottery and Retail Companies is greatly valued, as is the significant hard work of their volunteers who achieve so much. The Lottery Company increased its number of playing members by 2,391 (compared to 945 in the previous year), while also increasing the income from scratch cards and running a profitable special draw. In relation to Retail, our online and high street shops provided significant income for the Hospice. The Retail Company also invested in extensive essential health and safety/improvement works in the shops, a programme that will continue into the coming financial year.

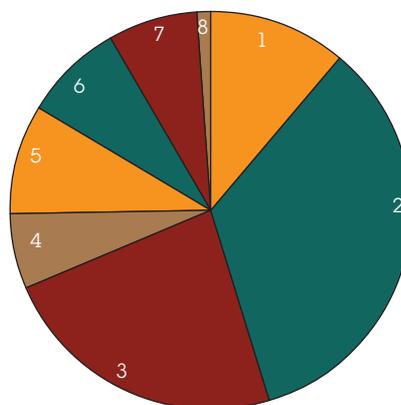
Other efficiencies

A number of measures were introduced to improve our efficiency, including:

- Crosscare, funded through an NHS grant and implemented (not in the easiest of circumstances, given changing service locations and varied IT infrastructure) across all clinical services. We now have one single electronic patient record system.
- CIPHR, a new database for Education and Human Resources, which is enabling us to streamline our administrative support in these teams
- A new logistics rota introduced by our Retail team to ensure all shops were serviced on a daily basis, resulting in an improved turnover of products
- A new tail lift van purchased, resulting in an increase in income from house collections.

Outcome

The outcome of the financial year was positive, achieving an unrestricted funds surplus of £2.1m, primarily due to an increase in legacy income which was £1.7m over budget. We also had a restricted funds surplus of £1.4m, resulting from the net proceeds from the insurance claim (£900k) and the Phoenix Appeal, the funds from which will be used to support the building works in 2016-17. Overall, therefore, there was a total surplus of £3.5m.



Income - unrestricted

	£	%
1 Donations	844,184	11
2 Legacies	2,608,180	34
3 CCG Grants	1,730,992	23
4 Fee Income	481,879	6
5 Retail	703,830	9
6 Lottery	642,423	8
7 Fundraising Events	569,293	7
8 Investment Income	66,632	1

£7,647,413

100%

Quality for life; choice in care

Facts and figures for 2015-16

- 301 people admitted to our in-patient services
- 2,355 booked attendances at our day service
- 3,413 Hospice at Home visits
- 12,707 telephone calls made with Hospice at Home patients, relatives and NHS colleagues
- 92% of patients who expressed a wish to be cared for and die at home were successfully supported to do so
- 1,320 hours of bereavement counselling
- 2,778 client/volunteer hours provided by the Hospice Neighbours service.

Volunteers – critical to our success

Over 200,000 hours of work provided by volunteers which, if paid at minimal level, would have cost the Hospice approximately £1.6m

More unusual facts



1,750 slices of cake and 920 scones served at our Open Gardens



454g of powder thrown at the Colour the Coast event



38,880 transactions processed by our Finance team



12,500 items listed on Hospice Amazon page, with 4.9 million hits

Efficiency in fundraising

We aim to be very cost-efficient in relation to the ways in which we raised funds. Some examples of this include:

- Only 10p was spent for every £1 raised through the Fundraising team
- Overall, our return on investment in fundraising (including salary costs) was 1:16.5
- For every £1 given to us by the Hastings and Rother Clinical Commissioning Group in their grant, we raised an additional £3.42
- For our Lottery, for every £1 spent on a lottery ticket or scratch card, 54% of the proceeds were donated to the Hospice, after prizes and costs had been taken into account.

“Thank you so much for caring for him as if he was your family. You truly do an amazing job and are an inspiration to us all.”

Ensuring quality

- Positive satisfaction surveys from all of our services
- 88% of people we support in Day Services confirmed their quality of life had improved. 92% agreed they were treated with respect, privacy and dignity
- 94% of patients/relatives agreed the Hospice at Home was excellent/very good. 100% had trust and confidence in staff
- 97% of carers confirmed the quality of care in the in-patient service was satisfactory
- 92% of healthcare referrers had trust and confidence in the Hospice at Home staff team
- A staff support and resilience group was established, chaired by our Matron, which introduced new ways of supporting staff to remain well at work and home
- A national Hospice benchmarking group showed that, in a comparison with 102 hospices, our rates of patients' falls, drug errors and presence of pressure ulcers were lower than elsewhere
- On average, all clinical staff benefitted from 7 training days in the year
- 5,581 hours of training were provided for staff, with an extra 690 hours when introducing the electronic patient record system
- We started our first Care Home training programme provided through our contract as a Gold Standards Framework regional training centre. This was in conjunction with St Wilfrid's Hospice in Eastbourne.

“The response times to my calls for the Hospice at Home team nurses were always amazingly quick... after each visit I felt reassured by the advice and knowledge; their actions were always beneficial.”

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