

Financial matters from 2008/9

General

As readers will probably know, the Hospice keeps its Annual Accounts in line with the tax year. Hence the Accounts for 2008/9 covered the period from the 1st April 2008 until the 31st March 2009. The Accounts were prepared in line with the requirements stipulated in Company Law and by the Charity Commission. They were independently audited by a firm of local accountants, Morris Gregory and have now been sent off to the Charity Commission which will note and record the details.

Some Points of Interest

So what kind of year, financially, did the hospice have? Was it affected by the economic downturn? Well, the most important thing to report is that it managed to contain its expenditure within the income that it raised from a range of different sources. A **small surplus**, of approximately £20,000, was the outcome for the year and this money has been retained by the Hospice to help it through the challenging times which lie ahead (see the paragraph below on future challenges). Many other hospices were not able breakeven and the fact that Dr Kershaw's did so is once again a glowing tribute to everyone associated with the Hospice. Staff delivered a caring service within limited resources, fundraisers worked tirelessly to attract income from a whole range of areas, volunteers gave freely their time and enthusiasm and the public of Oldham once again demonstrated its generosity of spirit, with hard cash!

In broad terms the Hospice **spent** £1.5M. In line with all caring services, the majority of this went on salaries and wages. The Directors have a commitment to ensuring that as far as possible the resources available go into the direct costs of patient care but any organisation spending this amount of money needs support staff to ensure its smooth running. In addition, being a charity does not entitle the hospice to avoid complying with all the regulations that apply to non-charitable organisations, nor should it. Health and Safety, inspections by the Care Quality Commission and management of risks are just three examples of issues that any responsible organisation delivering care services should take seriously and Dr Kershaw's does so. Overall, the hospice spent just over £4,000 per day. The Hospice management Team undertake day to day control of the expenditure and the Directors meet regularly to oversee whether the performance is in line with expectations and, if not, ensure corrective action is put into effect. The Directors recognise and are very grateful for all the efforts of volunteers without whom the hospice would obviously have to spend more.

Although the hospice works closely with the NHS to ensure that patient care is responsive to patients needs, unlike the NHS it does not receive funding direct from central government. Its **income** comes from two principle sources. **Firstly**, it has a service level agreement (effectively a contract) with the local PCT. Under this SLA the hospice gets a payment for the volume and quality of care it provides. If the Hospice does not meet the contractual targets then it does not get paid. It is pleasing to report that the Hospice did meet the targets and received just over £600,000 from the PCT.

The **second** category of income is, fundamentally, anything which does not come from the PCT. This meant that to continue delivering the care to local people, the hospice had to raise approximately £900,000 from the goodwill of local people. This challenge confronts the hospice every year. It is not a “one-off” challenge. Fundraising from many initiatives and efforts were involved ranging from, for example, small scale (but very important) coffee mornings through to larger events (eg the Annual Dinner Dance). This income was supplemented by the Hospice lottery, income from the Hospice shops and individual donations from generous and supportive well wishers. The Directors are very grateful for all the tireless efforts that fundraisers continue to put into all these income initiatives. Quite simply, without these efforts and support, the hospice could not continue to function.

Future Challenges.

The Directors recognise that there are many challenges which lie ahead. Some are potentially more significant than others. Examples of these are - the ongoing challenge of having to raise over £900,000 from local people being exacerbated by the economic downturn which affects everyone; the risks associated with delivering the targets set down in the Service Level Agreement introduces an element of uncertainty in the £600,000 which comes from the local PCT; the as yet unknown impact of the government’s “End of Life Care Strategy” for local cancer services. To help address these the Directors have put into place several initiatives aimed at ensuring that the Hospice continues to be a vibrant and successful part of the Oldham area. Examples are an additional charity shop has been opened in Royton and others may follow if appropriate opportunities arise; marketing the Hospice in the local press etc continues to be closely monitored; a risk register has been introduced in an attempt to proactively spot and hence prevent risks developing; initial discussions with potential partner agencies have begun on how the “End of Life Care Strategy” could be introduced in a controlled manner; a reserves strategy aimed at creating flexibility in the event of a significant reduction in income has been introduced (the £20,000 surplus in 2008/9 has been put into this reserve).

Outlook For 2009/10

The regular monitoring of income and expenditure which both the Hospice Management Team and the Directors undertake shows that, as at the mid point of 2009/10, the Hospice has been able to remain in financial balance – just! Ongoing vigilance is required but with the continued support of staff, volunteers, fundraisers and the magnificent generosity of the Oldham public the Directors remain optimistic that the year will turn out a balanced position.

The Directors send everyone associated with the Hospice their thanks for the ongoing support together with the best wishes for 2010.