



**Herefordshire Night Shelter  
Hope Scott Hostel**

**Annual Report and Accounts**

For the year ended 31 July 2021

Registered Charity Number 515025

Unaudited

## **Unaudited Report and Accounts**

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Herefordshire Night Shelter  
Hope Scott House  
2020-2021

**Reference and Administrative Details**

Charity name: Herefordshire Night Shelter  
Registered Charity Number: 515025  
Registered office: Hope Scott House, Roman Road, Hereford, HR1 1LE

The following have acted as Trustees (and Management Council Members) of the Charity during the year:

	<b>From</b>	<b>To</b>	<b>Additional roles</b>
Mr David Halpern	1 <sup>st</sup> August 2019	-	Chair
Mrs Barbara Hartland	1 <sup>st</sup> August 2019	-	Vice-Chair
Mr Kevin Ebsworth	1 <sup>st</sup> August 2019	-	Honorary Treasurer
Mr Gerald Ridley	21 <sup>st</sup> October 2020	-	Secretary
Mr Iain Hayes	19 <sup>th</sup> May 2021	-	Council Member
Mrs Joanne Child	30 <sup>th</sup> June 2021	-	Council Member

Additional Members of the Management Council of the Charity:

<b>Name</b>			<b>Role</b>
Mr Alex Cunliffe	1 <sup>st</sup> August 2019		Council Member

Employees of the Charity:

<b>Name</b>	<b>Role</b>
Mr Bryan McWilliams	House Manager

Support Worker (self-employed):

Mrs Alison Price	Resident's Support Worker
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**Bankers:**

Main account:

Santander  
20/21 High Town  
Hereford  
HR1 2AB

House account:

HSBC  
35 High Town  
Hereford  
HR1 2AQ

Deposit account:

CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**Independent Examiner:**

Haines Watts  
3<sup>rd</sup> Floor  
Broadway House  
Broad Street  
Hereford  
HR4 9AR

## Charity Information

The Charity is governed by a constitution adopted on the 16 September 1983, as amended on 29 November 1991, 28 March 1996 and 4 November 2014.

The Trustees/Management Council present their report and accounts of the charity for the year ended 31 July 2021.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, applicable law including the Charities Act 2011.

Comparative figures in the accounts relate to the previous accounting year.

No specific investment powers are included in the Constitution. The Charity is therefore governed by the general provisions of the Trustee Act 2000. The Charity holds money not immediately required for day-to-day management purposes with CCLA Investment Management Limited.

The objects of the Charity are the care and treatment of persons in need who are homeless, or suffering from psychological or physical infirmity, or who by reason of adverse circumstances, ill health, or being a discharged offender, are in need of help in acquiring a settled way of life through the establishment of hostels and residential accommodation, and to educate these persons to develop their physical, mental and spiritual capacity that they may develop full maturity as responsible individuals and members of society, and that their life may be improved.

To further these objects, the Charity runs a hostel for homeless persons who can directly access the accommodation. The Charity also takes referrals from outside agencies.

There are currently six Trustees, which are reviewed and agreed at each AGM.

During this accounting period, The Trustee Board comprised of The Chairman, vice Chair, Secretary, Honorary Treasurer plus 2 additional volunteer Trustees. There is 1 additional volunteer member.

There are currently no restrictions on the maximum number of Trustees.

Trustee recruitment/appointment has usually been by personal recommendation. Individuals who have a good standing and a clear understanding of the role, who are also happy to promote HSH within the wider community. A diverse approach is taken to recruit the right candidate.

All Trustees / Management Council members are volunteers.

All Trustees have regard to the Charity Commission guidance to public benefit

(<https://www.gov.uk/guidance/public-benefit-rules-for-charities>)

There have been no material changes in this policy since the last Report.

The day-to-day management of the hostel is by a resident, full-time employee – the House Manager.

Resident's support is provided by a dedicated (self-employed) HSH Support Worker

The hostel has continued to maintain consistently high standards throughout the past year.

## **Chairman's Annual Report**

The Committee functioned as well as possible during the year, meetings in person being disrupted by covid restrictions, the Committee managed to continue to conduct its business via mobile phone, e-mails, zoom etc and, latterly, again by personal meetings.

The Charity continued its close contact with Community Service prior to and subsequent to the covid "lockdown" restrictions - they have been a great help to HSH, the outdoor areas never having looked so good.

The past year has been an extremely difficult and testing one for the Committee.

### **On the plus side**

There has been a continuation of the close working relationship between the Charity and relevant officers of the Local Authority, who have greatly supported HSH in achieving its goals.

Sadly, this support seems to have been lacking at high level officer and cabinet level.

The accommodation and residents have been managed well during a very difficult period of general unsettlement and covid restrictions etc; there have been no incidents of covid amongst the residents.

The new en-suite accommodation came on stream at the start of the year and has been very well received by residents, who value their greater independence and they are showing more responsibility for and pride in "their own room".

The Charity has been well supported by the local community and beneficiaries.

During the year the Charity engaged the services of a "Support Worker" - she has proved to be a real success story, the residents engaging well with her and being very appreciative of the support they are receiving.

After suffering substantial delays in delivery, followed by poor quality issues, finally the 2 living pods were occupied - again a great success.

One "Pod" resident in writing a "Thank You" letter, saying: *"I can't put a price on having my own front door, it makes me feel and act more independently and I am proud of having this Pod"*

Just weeks before the Year End, we heard from the Local Authority that we had successfully secured a grant of £50,000 towards our project to refurbish the old accommodation block (8 very small rooms with shared toilet/shower facilities) creating doubled up boiler facility, 5 en-suite rooms, laundry room and toilet available for use by guests/visitors.

This will complete our long-term redevelopment plan and will give us in total, 10 new en-suite rooms, 1 existing en-suite in the old house, 2 new pod units, an office, 2 new laundry stations, upgraded heating facilities, a public access toilet, newly created meeting room/overnight relief worker room, together with the original kitchen, common room etc facilities

The Charity will fund the remaining cost of the re-furbishment work, approx £65,000 from its reserves

To have achieved this goal is a real success

## **On the Downside**

Fairly immediately on completing the new build in July last, we were faced with a major review of our Housing Benefit income and a challenge to our “Exempt” status.

The review process was extremely tedious and testing for the committee.

We seemed to have, on the one hand, the very positive support of the Local Authority who were keen to maintain the security of our service going forward (recognised as the only provider of this supported accommodation in Hereford) and on the other hand, a very aggressive and, at times, what appeared to be acrimonious challenge to our being by Hoople, to whom the Local Authority had outsourced the management of its Housing Benefit responsibilities.

The challenge to our existence was such that the Committee considered reviewing and potential transfer of assets, possible closure or sell up scenarios.

Matters were, very much at the eleventh hour, finally resolved on the basis that our “Exempt” status was re-confirmed and new occupation rates were agreed but on differing levels depending upon Hoople being evidence satisfied of the residents need for support and the support provided.

We now have a ‘new’ very cumbersome, (and costly in time and money) process whereby, although all our nominees come via the Local Authority’s Housing Solutions Team, where they are assessed and, if appropriate, referred to HSH as needing accommodation and support provided by HSH, we then have to conduct a further assessment and prepare a “Support Plan” which is, in turn assessed by Hoople who then determine whether or not prospective residents are needing/receiving support and categories them accordingly. That is not the end of the process, Hoople regularly re-assess residents and can move them onto a different accommodation rate, or reject their claim.

Not only does this put us to additional cost in time and administrative input, but also gives us an uncertain financial position from an income budgeting point of view.

To exacerbate the situation further, whilst we have to evidence ongoing 3+ hours per week per resident delivered support to get the higher “support” rate (this ongoing evidencing process means that for every 3 hours support, another 1 or more hours is spent in admin work in meeting this evidencing requirement). The additional “support” rate we receive for these 3+ hours support and associated admin is £20 - well below the minimum wage rate and certainly well below the cost incurred by the Charity in providing the time and skills of the Support Worker, let alone the necessary supporting admin input.

This situation will need to be regularly reviewed as it is placing our “Support” programme in jeopardy, potentially requiring the goodwill of our benefactors to secure its continuance.

The engagement of a “Support Worker”, very kindly supported by grant/private donation, is, as said, a great success story - it was anticipated that within 12 months the post would become self- financing but that has turned out not to be so for the reasons:

- the additional Housing Benefit “support” payments do not cover the cost as above
- due to covid restrictions on our taking new residents in, our resident numbers have been low, reducing total receipts

- build delays and delays with our refurbishment programme have again contributed to reducing our resident numbers.

Once the refurbishment work is completed we should be able to start to increase our intake of residents which will give us a greater financial base, but will still leave us with the issue of making good the shortfall between the costs of the "Support" worker vis a vis, the additional income for that support work, plus, as resident numbers increase we will need to extend the hours of the Support Worker and take on admin staff to meet the evidencing needs of Hoople in order not to detract too much from the "hands on" support provided by the "SupportWorker".

Efforts to engage with Senior Officer / Cabinet / Board Members of the Local Authority / Hoople have, so far, failed.

The Trustees of HSH are working hard to try to foster and maintain a better and more workable relationship with senior Local Authority Officers and Hoople.

### **Covid**

The Charity closely followed the Government's guidance for "Accommodation for Rough Sleepers and Hostels" - it is pleasing to be able to say that there have been no incidents of residents suffering from Covid during the year.

### **Occupation**

Usually figures would be given for "occupation rate" and "bed nights", but it would be fairly meaningless to do so for this year.

Occupation rates have been substantially reduced due to:

- Covid restrictions prevented taking new residents into the "shared accommodation" block
- Many homeless have been accommodated in hotels etc under the Government's temporary Covid scheme
- The planned refurbishment of the "shared" accommodation block

Suffice it to say that the Hostel has been as full as it could be given the above.

Once the refurbishment is completed there will be 5 new en-suite rooms available for occupation, giving a total of 13 accommodation units.

### **Room Inspections**

The Room Inspection regime has continued as best it could under the Covid rules - it is evident that residents in the new en-suite rooms are taking more pride in "their room" and are adopting a more responsible attitude.

### **Laundry and Kitchen**

The new laundry and the kitchen facilities are working well and residents are making good use of, and are becoming adept at using these facilities.

## **Support**

As mentioned above, the introduction of our in-house Support Worker has been a real success story, we must do all we can to continue to provide this service going forward, but we have to recognise that, increasing resident numbers, the Hoople hoops to jump through and the poor Hoople additional income rates for the “support” service will put a great strain on the Charity’s financial management of the continuance of this service

## **Capital Spend**

Outside of the initial contractor refurbishment payment (£40k), there has been very little capital spend during the year (£1,972), mainly on incidental requirements for the new build and pods

The Charity has recently secured a £50,000 grant from the Local Authority towards funding for the refurbishment programme, converting the old 8 shared facilities unit to 5 en-suite rooms, laundry and guest/visitor toilet facilities - work has commenced and, subject to covid material delivery issues, is planned to be completed approx Oct/Nov time, ready to take in residents before the winter sets in

On completion, all the 11 accommodation units will be new en-suite rooms and there will also be the 2 self-contained pods

The Charity will be funding the balance of the cost, approx £65,000 from its reserves

## **Accounts**

There are some major changes to the Balance Sheet, namely:

- The property was re valued during the year and the updated value - £500,000 (an increase of £120,000) has been included in the accounts.
- The Charity entered into a Grant Agreement with the Local Authority to fund the new build & pods (£250,000), this funding is not repayable provided that, for a period of 10 years from October 2019, the Charity gives first call to the Local Authority nominating a rolling 7 residents to HSH.

The Agreement provides that the Charity may terminate this Agreement, (ie: if it wanted to cease to operate and sell the property on the open market with vacant possession) by repaying the grant, reducing by 1/10th for each year of existence - this, prospective liability has been included in the accounts to give a clear year by year property “equity” value.

## **Income**

For reasons stated above, (covid restrictions and refurbishment plans) the resident generated income of the Charity has reduced to - £53,621 (down £3,532 on the previous year) - this income should increase once the new units become available, but it is likely to be 2022/2023 before full residency figures are again achieved.

Donation and grant income was substantially increased in the year - these funds very kindly helped us to fund the “Support Worker” project

Total income was £94,789



## **Expenses**

The house running expenses were very much in line with the previous year, points to note are

- Insurance costs were substantially increased due mainly to the new build
- Repairs/Maintenance/New Build costs were substantially reduced (but there will be a substantial increase in the following year with the refurbishment)
- Wages and, particularly Support Worker costs, were somewhat less than anticipated mainly due to delays in getting resident numbers up for the reasons expressed above, these costs are expected to rise somewhat during the new year as the support element increases with numbers and the Hoople induced, additional admin input required.

Total Expenses were £93,309

## **Overall Position**

It has been a difficult year in many ways, and, in particular re account items as the year has been so different from the normal pattern - it is anticipated that over the course of the following year, the capital spend projects will come to an end, resident numbers will increase, resident income should be clearer, support input and associated costs should be more defined, giving us an ability to better project income/expenses going forward

The final Accounts' position was a slight surplus of income over expenses of £1,480 - a positive result given all the difficulties of the year but, to be stressed, not representative of more normal trading years going forward

The Charity has reserves of £161,890 (with £65,000+ earmarked for the refurbishment programme), and a property with a vacant possession equity value of £275,000

The Charity remains financially sound and secure

## **Future Proposals**

During the new year the Charity will try to address the following;

- Conversion to a Charitable Incorporated Organisation (CIO) adopting the Charity Commissions recommended template constitution - this will give HSH a more modern business structure, give the volunteer trustees more protection and make it easier to attract new trustees
- Complete the refurbishment project
- Increase resident numbers
- Endeavour to continue/expand the HSH "support" services
- Assess its needs for administrative support vis a vis the Hoople processes

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- Aim to achieve a review of the Hoople “support” rates and to endeavour to foster a better working relationship with Hoople and high-level officer/cabinet members
- Review the management needs/structure of the Charity in the light of its increased numbers and increased services etc
- Look to cementing and securing the long term security of the services provided by the Charity



David M Halpern  
Chairman

Date: 22<sup>nd</sup> September 2021

### **Independent Examiner's Report**

I report on the accounts of The Herefordshire Night Shelter for the period ended 31 July 2021, which are set out on pages 12 to 14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees and members of the Management Council are responsible for the preparation of the accounts. The charity's trustees and members of the Management Council consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

1. examine the accounts under section 145 of the 2011 Act;
2. to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
3. to state whether particular matters have come to my attention.

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
  1. to keep accounting records in accordance with section 130 of the 2011 Act; and
  2. to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:



Sophie Powell  
FCCA

#### **ON BEHALF OF HAINES WATTS HEREFORD LIMITED**

Chartered Accountants  
3<sup>rd</sup> Floor  
Broadway House  
32-35 Broad Street  
Hereford  
HR4 9AR

Date: 23 September 2021

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## Statement of Assets and Liabilities

Liabilities	General Fund	Restricted Fund Support Worker	2021	2020
	£	£	£	£
Fund b/fwd	540,410	-	540,410	550,750
Surplus/(loss) for the year	(9,858)	11,338	1,480	(10,340)
Property revaluation	120,000	-	120,000	-
Fund c/fwd	<b><u>650,552</u></b>	<b><u>11,338</u></b>	<b><u>661,890</u></b>	<b><u>540,410</u></b>

Represented by:

Current Account - Santander	18,923	11,338	30,261	26,917
Deposit Account – CCLA	131,102	-	131,102	130,844
House Manager Acct – HSBC	400	-	400	189
Room Rate (cash still to bank)	127	-	127	2,460
HSH Property Value	500,000	-	500,000	380,000
<b><u>Total Charity Funds</u></b>	<b><u>650,552</u></b>	<b><u>11,338</u></b>	<b><u>661,890</u></b>	<b><u>540,410</u></b>
Potential LA Grant Liability	(225,000)	-	(225,000)	
Taking Liability into Consideration	<b>425,552</b>	<b>11,338</b>	<b>436,890</b>	

New annex - LA Grant liability agreement:  
£250k (reducing at straightline 10% pa over 10 years) starting October 2019

These accounts were approved by the Trustees and Council of the Management of the Charity on 22<sup>nd</sup> September 2021, and signed on their behalf by:



Mr David Halpern  
HSH Chairman

Date 22<sup>nd</sup> September 2021



Mr Kevin Ebsworth  
Honorary Treasurer

Date 22<sup>nd</sup> September 2021

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**Receipts & Payments**

**General Fund**

	<b><u>Receipts</u></b>			<b><u>Payments</u></b>	
	2021 £	2020 £		2021 £	2020 £
Housing Benefit	37,359	40,708.94	House Manager (Wages/NIC)	17,100	14,482.98
Room Rate to bank	16,135	13,984.00	Relief House Manager	1,500	-
Room Rate in cash	127	2,460.00	Water	650	657.91
Interest	258	840.26	Council Tax (flat)	1,314	1,269.09
Donations	18,911	1,611.30	Electricity	6,045	7,961.14
Grants	-	10,000.00	Oil	3,056	3,036.96
			Insurance	3,545	1,203.61
			Repairs/Maintenance	963	26,578.69
			TV Licence	158	154.50
			Housekeeping	975	1,245.81
			New Items	553	204.99
			Phone / B/band	540	677.92
			Misc	2,989	1,102.75
			Acct / Payroll Services	1,118	453.60
			Office Expenses	149	48.63
			Refurbishment (old annex)	40,000	---
			New Build Items	1,972	20,865.31
			HM Mobile SIM Costs	21	---
			Surplus/(Loss)	(9,858)	(10,339.39)
	<b>72,790</b>	<b>69,604.50</b>		<b>72,790</b>	<b>69,604.50</b>

**Receipts & Payments**

**Restricted Fund – Support Worker**

	<b><u>Receipts</u></b>			<b><u>Payments</u></b>	
	2021 £	2020 £		2021 £	2020 £
Grants	21,999	-	Support Worker	9,625	-
			New Items	687	-
			Misc	184	-
			Office Expenses	44	-
			SW Mobile SIM Costs	121	-
			Surplus/(Loss)	11,338	-
	<b>21,999</b>	<b>-</b>		<b>21,999</b>	<b>-</b>

Notes:

These accounts are on a receipts and payments basis

Assets are shown at current estimated value

There are no trusts

The accounts comply with the appropriate legal requirements. That is, that gross recorded income from all sources did not exceed £250,000 and the charity is not a company incorporated under the Companies Act.

The above Receipts and Payments details and the associated Balance Sheet are extracted from the from the cash book and records of the Herefordshire Night Shelter, and are certified to be correct and that the assets are as stated.

**Reserves Policy**

Unrestricted funds are held for routine use in accordance with the charity's objects.

The charity has experienced serious financial difficulties in the past and now aims to retain free reserves sufficient to provide adequate working capital to fund the core activities for at least 18 months.

The charity's assets are available and adequate to fulfil these obligations.

Total reserves at the balance sheet date were £131,102 in the CCLA deposit account with the immediate access to £30,788 – giving a total of £161,890.

With total projected future annual overheads of around £70k, this provides around 26 months protection. However, £58-£70k of the £108k old annex refurb cost will be funded from the reserves holding.

This will have the effect of bringing the reserves closer to the 18-month level. Work has already started.