



**Herefordshire Night Shelter
Hope Scott Hostel**

Annual Report and Accounts

For the year ended 31 July 2022

Registered Charity Number 515025

Unaudited

Unaudited Report and Accounts

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Herefordshire Night Shelter
Hope Scott House
2021-2022

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:

	From	To	Additional roles
Mr Stuart Fox	10 th March 2022	-	Chair
Mr David Halpern	1 st August 2019	10 th March 2022	Chair
Mrs Barbara Hartland	1 st August 2019	-	Vice-Chair
Mr David Halpern	11 th March 2022		Council Member
Mr Alex Cunliffe	1 st August 2018		Council Member
Mr Kevin Ebsworth	1 st August 2019	-	Honorary Treasurer
Mr Gerald Ridley	21 st October 2020	-	Secretary
Mr Iain Hayes	19 May 2021	-	Council Member
Mrs Joanne Child	30 th June 2021	10 th March 2022	Council Member
Mr Stuart Fox	27 th October 2021	10 th March 2022	Council Member

Employees of the Charity:

Name	Role
Mr Stuart Poole	House Manager

Support Worker (part time: self-employed):

Ms Alison Price	Resident's Support Worker
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Support Worker (full time: employed by Herefordshire County Council):

Mrs Jo Child	Resident's Support Worker
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Bankers:

Main account:

Santander
20/21 High Town
Hereford
HR1 2AB

House account:

Via
Tesco top up
Charge card

Deposit account:

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

Independent Examiner:

Haines Watts
3rd Floor
Broadway House
32-35 Broad St.
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 2022.

The accounts have been prepared in accordance with the accounting policies set out in the notes on page 14-15 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 seven 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 3 additional volunteer Trustees.

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 two dedicated Support Workers.

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

Chairman's Annual Report

The past 12 months have seen Hope Scott House achieve some significant milestones as we dealt with the end of and emerged from the worst of the Covid-19 pandemic. The committee is back to meeting in person and more recently in the newly refurbished meeting room at Hope Scott House.

The extensive building works carried out on the old block on the western side of Hope Scott House are now completed. Five well-equipped, ensuite rooms have been created and the block also includes disabled toilet facilities for visitors as well as residents. These new rooms take the total capacity of Hope Scott House to 13 and by our year end, we were well on the way to filling these. Some of our existing residents moved into the new block so that new and more established residents were better integrated.

The Committee is extremely grateful for the tremendous hard work and effort put into the project management of the development by our Treasurer, Kevin Ebsworth and outgoing Chairman, David Halpern. Ably assisted by House Manager, Bryan McWilliams. Their extensive contribution ensured that works were carried out on time and to budget despite the pandemic. The result is a brand new block for residents which we are all immensely proud of.

The year has also been one of change. Our long-serving House Manager, Bryan McWilliams has taken a well-deserved retirement after almost 30 years of service to HSH. His dedication and hard work have been exceptional, and he will be greatly missed. Bryan has presided over enormous change in his time in charge and has seen the focus of our work shift from providing meals and a roof over our residents' heads to the support and advice service which we offer today. The Committee would like to formally thank Bryan and Wendy for their contribution and wish them a happy and well-earned retirement.

In April, we welcomed the new House Manager, Stuart Poole. Stuart has already got off to a great start and along with the rest of the HSH team is making considerable progress. His skills in cooking and gardening are already being shared with the residents and having a positive impact and the prospects for the outside areas are looking very good. We are delighted to welcome Stuart and are sure that he will make a success of the role.

The focus of our work at HSH is very much giving our residents a place to feel safe and settled as we support them in the move onto the next stage of their lives and towards independent living. This work involves considerable skill and dedication.

The part-time support worker Alison Price has continued to do an excellent job in supporting the residents and she has been joined by a full-time support worker, former HSH trustee Jo Child who since starting in May is already making a huge impact. Jo is employed by Herefordshire Council currently using funding from the Department for Levelling Up, Housing and Communities (DLUHC). In future, we will need to find funds ourselves to maintain this important role as the DLUHC has a limited lifetime. The importance for the residents of this support role makes it a priority in terms of securing funding for the future. We are very lucky to have an enthusiastic, strong team in place.

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Our relationship with Herefordshire Council officers remains very strong and we are grateful for their support and guidance. HSH is an integral part of Herefordshire Council's Homelessness pathway, Project Brave.

Project Brave is a multi-agency response to homelessness and rough sleeping in Herefordshire. As part of project brave a range of strategic and voluntary agency's work in partnership placing individuals at the centre of their work to address homelessness and rough sleeping. HSH's role is to provide accommodation and support to enable our residents to move on to independent living, with a feeling of positive self-worth and dignity.

We were pleased this year to welcome the Leader of Herefordshire Council, Councillor David Hitchiner along with his cabinet colleagues, Councillor Pauline Crockett, (Health & Adult Wellbeing) and Councillor Ange Tyler (Housing, Regulatory Services and Community Safety) to HSH. They saw at first hand the transformation of HSH in recent years and we look forward to working with them in future.

In June 2022, we held an Open Day where invited guests were able to come and see the transformation at HSH as well as meet members of the HSH team, Committee members and some of our residents. Representatives from Herefordshire Council, Hereford City Council, management at Hoople, local business and charitable organisations also attended in what proved to be a very successful event. On other occasions, we also welcomed visitors including representatives from DLUHC, other support organisations, Hereford & South Herefordshire MP, Jesse Norman, and some of our donors.

The generous donations made by individuals and organisations are vital to the ongoing operations at HSH. Their contributions are essential in turning around the lives and the whole Committee would once again like to thank them for their support.

The last year, also saw the establishment of a Friends of Hope Scott House group. This exciting departure is being driven by Mary Schiavon-Priebe and promises to do much in raising funds for HSH. It is still in its infancy at present and plans include the creation of a website thanks to generous grant funding from Herefordshire Communities Fund following a visit to HSH by the serving High Sheriff of Herefordshire at the time, Jo Hilditch. I have no doubt there will be more to report on its activities in 2023.

The work on the Committee continues and there is much still to do in terms of streamlining the claims and benefits process and ensuring that the invaluable work in terms of helping our residents to move on that is undertaken by the support workers and House manager at HSH is fairly remunerated. We are confident that this can be achieved working in partnership with colleagues at Herefordshire Council.

Finally, I could not conclude my report without mentioning the extraordinary contribution of my predecessor David Halpern. David stood down as Chairman of HSH after over 25 years in March of this year. It is impossible to summarise what David has achieved in this short report but put simply, if it hadn't been for his dedication, determination and sheer hard work, there would not be an HSH today. The committee and the many residents who have successfully moved on from HSH owe him an enormous debt of gratitude. I am delighted that David has agreed to remain as a trustee of HSH and on behalf of all of us I would simply like to say, Thank You.

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

Occupation rates have continued to be substantially reduced due to:

- Refurbishment undertaken to update and improve what was the "shared accommodation" block – now called the West Wing.

The refurbishment was completed shortly before the end of this financial period and now provides an additional 5 new en-suite rooms, making a total of 13 en-suite accommodation units.

We will be working hard to fill all units to achieve maximum occupancy at the earliest opportunity.

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 in last year's report, the introduction of our part-time in-house Support Worker has been a real success story. In June, HSH support capability was greatly enhanced by the addition of a Herefordshire Council funded (via DLUCH) full time support worker – solely allocated for HSH support provision.

Around the same time, Bryan McWilliams (previous House Manager) retired and Stuart Poole, his replacement was recruited, and is now an integral part of the support team.

However, there remains a large discrepancy between the level of the support element of housing benefit (IHM – Intensive Housing Management) funds received for each resident, and, the cost of providing the support.

Capital Spend

Outside of the contractor refurbishment payments of £89,870 (2021 £40,000), there has been very little capital spend during the year; £1,920 (2021 £1,972), which was to fit a 'quick exit' door to the office.

The Local Authority west wing refurbishment grant that was showing as secured in the previous year's report, was paid during this financial period.

Additionally, we were fortunate to have received donations to help fund the difference. The opportunity to refurbish and resurface the property frontage was also taken to finish the major works projects.

Accounts

In the previous report, it was highlighted that there were some major changes to the Balance Sheet, (these still apply) namely:

- The property revaluation during the previous accounting year and the updated value - £500,000 has been carried forward 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 (£25,000) 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

The resident generated income of the Charity has increased from the previous accounting year to - £57,435 (up £3,814 on the previous year) - this income will increase once the newly refurbished West Wing is fully occupied, this is likely to be during 2022/2023 period, before this is achieved.

Donations and grant income were substantially increased during the year – these funds very kindly helped us to continue funding the Support Worker, West Wing and frontage refurbishment projects.

Total income was £160,973 (2021 £94,789)

Herefordshire Community Foundation (HCF), generously granted £1,500 towards the creation of a website. Shown as separate Restricted Fund in the accounts below.

Expenses

The house running expenses are evolving as the refurbishments complete and occupancy increases, points to note are

- Insurance costs continue to increase due to increased risk / increased occupancy
- Repairs/Maintenance/New Build costs were substantially increased (as predicted in the previous year's report)
- Wages and, particularly Support Worker costs, have increased, especially since that the HCF grant has been fully utilized. There is also use of a 'relief manager' to ensure that the new House Manager has sufficient time off. It is anticipated that these costs will increase significantly through the 2022/2023 accounting period.
- Electricity costs have increased, and expected to continue to increase during the current energy 'crisis'.
- Fortunately, the oil tanks were filled earlier in the year, in preparation for winter.

Total Expenses were £163,157 (2021 £93,309)

Overall Position

It has been an exciting year in many ways, with the completion of the refurbishment projects and recruitment / addition of new staff. 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, 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 deficit of income over expenses of £2,184 (2021 surplus of £1,480) - a good result given all the activities of the year but, to be stressed, not representative of more normal trading years going forward

The Charity has reserves of £159,706 (2021 £161,890) (with £1,075 remaining HCF grant restricted for website creation and £5,870 restricted for support worker costs), and a property with a valuation of £500,000.

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

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- Increase resident numbers to maximum occupation levels
- Endeavour to continue/expand the HSH “support” services
- Continue to work positively with our Hoople housing benefit partners to resolve and housing benefit application / claim issues quickly and efficiently.
- 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



Stuart Fox
Chairman

Date: 13th October 2022

Independent Examiner's Report

I report on the accounts of Herefordshire Night Shelter for the year ended 31 July 2022, which are set out on pages 12 to 15.

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
3rd Floor
Broadway House
32-35 Broad Street
Hereford
HR4 9AR

Date: 4 November 2022

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Statement of Assets and Liabilities

Liabilities	General Fund	Restricted Fund	2022	2021
	£	£	£	£
Fund b/fwd	650,552	11,338	661,890	540,410
Surplus/(loss) for the year	2,209	(4,393)	(2,184)	1,480
Property revaluation	-	-	-	120,000
Fund c/fwd	<u>652,761</u>	<u>6,945</u>	<u>659,706</u>	<u>661,890</u>
Represented by:				
Current Account - Santander	21,267	6,945	28,212	30,261
Deposit Account – CCLA	131,494	-	131,494	131,102
House Manager Acct – HSBC	(closed)	-	(closed)	400
Room Rate (cash still to bank)	-	-	-	127
HSH Property Value	500,000	-	500,000	500,000
Total Charity Funds	<u>652,761</u>	<u>6,945</u>	<u>659,706</u>	<u>661,890</u>
Potential LA Grant Liability	(200,000)	-	(200,000)	(225,000)
Taking Liability into Consideration	<u>452,761</u>	<u>6,945</u>	<u>459,706</u>	<u>436,890</u>

New annex (East Wing) - LA Grant liability agreement:
£250k (reducing at straightline 10% (£25k) pa over 10 years) starting October 2019

These accounts were approved by the Trustees and Council of the Management of the Charity on 13th October 2022, and signed on their behalf by:



Mr Stuart Fox
HSH Chairman

Date 13th October 2022



Mr Kevin Ebsworth
Honorary Treasurer

Date 13th October 2022

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Receipts & Payments

General Fund

	<u>Receipts</u>			<u>Payments</u>	
	2022	2021		2022	2021
	£	£		£	£
Housing Benefit	42,402	37,359	House Manager	16,736	17,100
Room Rate to bank	15,033	16,135	Relief House Manager	1,888	1,500
Room Rate in cash	0	127	Water	656	650
Interest	392	258	Council Tax (flat)	816	1,314
Donations	1,638	18,911	Electricity	8,527	6,045
Key Deposits	8	-	Oil	2,735	3,056
			Insurance	3,902	3,545
			Repairs/Maintenance	3,494	963
			TV Licence	159	158
			Housekeeping	1,124	975
			New Items	7,486	553
			Phone / B/band	644	540
			Misc	4,467	2,989
			Acct / Payroll Services	1,039	1,118
			Office Expenses	84	149
			Refurbishment (old annex)	1,370	40,000
			New Build Items	1,920	1,972
			SW / HM Mobile SIMCosts	217	21
			Surplus/(Loss)	2,209	(9,858)
	59,473	72,790		59,473	72,790

Receipts & Payments

Restricted Fund – Support Worker

	<u>Receipts</u>			<u>Payments</u>	
	2022	2021		2022	2021
	£	£		£	£
Grants	-	21,999	Support Worker	16,968	9,625
Donations	11,500	-	New Items	-	687
			Misc	-	184
			Office Expenses	-	44
			SW Mobile SIMCosts	-	121
			Surplus/(Loss)	(5,468)	11,338
	11,500	21,999		11,500	21,999

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Receipts & Payments
Restricted Fund – Refurbishment (old annex)

	<u>Receipts</u>			<u>Payments</u>	
	2022 £	2021 £		2022 £	2021 £
Donations	38,500	-	Refurbishment (old annex)	88,500	-
Grants	50,000	-	Surplus/(Loss)	-	-
	88,500	-		88,500	-

Receipts & Payments
Restricted Fund – Website

	<u>Receipts</u>			<u>Payments</u>	
	2022 £	2021 £		2022 £	2021 £
Grants	1,500	-	25% Deposit	295	-
			Hostinger – Web hosting	115	-
			Domain Transfer	15	-
			Surplus/(Loss)	1,075	-
	1,500	-		1,500	-

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 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 £131,494 in the CCLA deposit account with the immediate access to £21,267 in the Santander current account – giving a total of £152,761 (2021 £150,552) free reserves.

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With total projected future annual overheads of around £70k, this provides around 26 months protection. HSH was fortunate to have received donations to cover the original amount 'earmarked' towards funding the old annex (now called the West Wing) and frontage refurbishment. This means that the reserves have remained intact. The refurbishment is now complete.

Future potential impacts on the reserves policy:

With the massively increasing heating (oil) and electricity supply costs recently experienced, it is prudent financial management to ensure that current and future liabilities are contained and managed.

Additionally, Herefordshire County Council currently fund the full time support worker (earnings c£30k). It is strongly anticipated that HSH will need to pick up these costs to continue with the levels of support needed and provided.

The support element of Housing Benefit (IHM) is totally insufficient to provide anything more than a total of a few hours a week in total, where 1 full time & 0.6 (part time) support workers are required, which will result in the expected annual expenditure increasing going forward, and this will then be in excess of £100k.