

Application for rent discount under the council's property lettings and disposals to the third sector, voluntary and community groups' policy

Assessment carried out on Friday 21st December 2012 by:

- Des Knight – Finance
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Name of Organisation:	CHELTENHAM OPEN DOOR
Registered Charity?	registered charity No 1063434
Does the organisation have a paying membership?	No
Name /address of property	39 GROSVENOR STREET
Current rent	£8,000 pa, covered by matching grant; therefore no rent is paid by the charity.
Reason for application	Cheltenham Open Door have a fifteen year lease dated 1st February 1998. It expires on 31st January 2013

Based on their Business Plan, what contribution does this organisation make to the Council's Corporate Strategy and/or Cheltenham's Sustainable Community Strategy?	Which objectives does the Organisation significantly contribute towards? (Tick and give reasons where appropriate)	Does the business plan show how these activities are sustainable? Yes	% subsidy awarded
Objective 1: Enhancing & protecting our environment (includes investing in environmental quality, investing in travel and transport and promoting sustainable living)	Yes – the panel felt that the work of Open Door in collecting and recycling surplus products from the food industry minimises waste and makes a strong contribution to this objective.	Future financial projections indicate that the charity might not be financially sustainable in 2 years time.	20%
Objective 2: Strengthening our economy	No – the panel were not convinced that Open Door makes a significant contribute to this objective.	N/A	0
Objective 3: Strengthening our communities (includes promoting community safety, promoting housing choice, building healthier communities and supporting older people)	Yes – the panel agreed that the work of Open Door makes a strong contribution to this objective; their work in supporting vulnerable people through providing 10,000 free meals, emergency food packs, free clothing and drop-in and advice sessions is extremely valuable to creating stronger communities.	Future financial projections indicate that the charity might not be financially sustainable in 2 years time.	20%
Objective 4: Enhancing the provision of arts and culture	No – the panel were not convinced that Open Door makes a significant contribute to this objective.	N/A	0
Objective 5: A focus on children and young people i.e. where One or all of the following outcomes for children and young people are	Yes – the panel agreed that the work of Open Door makes a strong contribution to this objective; they help young people in times of	Future financial projections indicate that the charity might not be financially sustainable in 2 years time.	20%

met: -Be healthy -Stay safe -Enjoy & Achieve -Making a positive contribution - Achieving economic well-being	hardship, poverty and social and emotional distress, plus they undertake valuable education work in local schools helping local schoolchildren become more aware of the needs of others.		
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As agreed by the Cabinet in July 2010, a further 20% discount is available to any charity renting council property = 80% in total

State Aid avoidance checklist:	
Is the proposed tenant a not for profit organisation?	Yes
Is the use of the building for a community purpose?	Yes
Are the activities carried out by the organisation of local interest only?	Yes

Recommendation:

That Cheltenham Open Door, be awarded a minimum of 80% rental discount on the property at 39 Grosvenor Street.

Cabinet should be aware however of the financial vulnerability of the organisation; in 2012, they made an operational loss of £15,700 and are projected to make a loss of £17,000 in 2013.

Although the charity does have reserves; the core expenditure reserve represents a little under one year's worth of core expenditure assuming that they receive a 100% rebate on the rent at Grosvenor Street. The designated reserve will be exhausted in a further 2 years at this level of expenditure.

In these circumstances, and with future demand for its services likely to grow, Cabinet may wish to consider awarding a further 20% discretionary discount bringing the full discount to 100%.

CHELTENHAM OPEN DOOR, registered charity No 1063434

SUBMISSION ON RENT AT 39 GROSVENOR STREET

INTRODUCTION

This is our response to the requirements of Cheltenham Borough Council as set out in the *Report of the Cabinet Member 'Built Environment'*, on rents to the Voluntary Sector. We are Council tenants at 39 Grosvenor Street, under a fifteen year lease dated 1st February 1998. It expires on 31st January 2013, at which stage we have been advised we become statutory tenants.

Over those fifteen years, as provided by the lease, which puts upon us as tenants full responsibility for all required repairs and maintenance, the rent was duly reviewed every five years, and now stands at £8,000 pa. At the same time every year, the Council, no doubt in recognition of the benefit our charity's activity brought to the people of the Borough, granted annually a sum equal to that rent due, so that no money passed. Having carefully examined the report of the Council's new policy for rents in the voluntary sector, we believe we satisfy the criteria for discounts, as we explain below.

We begin by describing the main features of the charity, and then go on to a systematic response to what the new policy is asking for.

DESCRIPTION OF CHELTENHAM OPEN DOOR

History

The Charity dates from August 1992, when a committee was formed to plan a Cheltenham Christmas shelter that year called *Open Door at Christmas*, the venue being the large white building on Grosvenor Street's west side, belonging to the County Council's Youth and Community Service. A leaflet was circulated appealing for funds and volunteer helpers, patrons came forward to give their support, and the 1992 shelter over some three days was a success. Finding that the venue had another available slot first thing on Sunday mornings, we offered hot breakfasts, second hand clothes and a shower. It was the regular pattern, hot breakfasts every Sunday and a Christmas shelter every year.

We approached the Charity Commission and created a Trust Deed based on their model text to become a registered charity. But in 1997, the GCC Youth and Community Service had new plans for their Grosvenor Street building and told the various users to go elsewhere. We tried a church hall in Suffolk Square but it turned out unsuitable and rather expensive. Two things came to the rescue. The Vicar of St Luke's kindly offered their splendid Hall for Christmas shelters and the Borough Council wanted a tenant for no 39 Grosvenor Street. To protect trustees (who became also directors of the new company) from undue liabilities, we became a charitable company registered by guarantee. Working from one of the Commission's models we wrote a Memorandum and Articles, changed our name to *Cheltenham Open Door* and received a new charity registration number. We were incorporated on 31st May 1997. An architect was appointed to lead the work of converting the premises (just a bare workshop) to our purposes – fire precautions, toilets, showers, central heating, a kitchen and not least planning permission. The final cost came to £35,000, met by the generosity of several charitable trusts. More recently, as we are responsible for all repairs and maintenance, we have with support again from external generosity we have further improved the building, with new windows, a new forecourt, repairs to the party wall,

a new boiler, some £7k repairs to the south gable end, a security system and essential small items of maintenance. Not a penny of this expenditure has fallen on the Council.

The lease negotiations went ahead meanwhile, and the Council helpfully allowed us access for preparatory work. We resumed our hot breakfasts on the first Sunday in January 1998, with Monday lunches added later that month, Wednesdays in March, and Thursdays in September. To fit in with the King's Table at Holy Trinity in Portland Street, who offer a similar service on Mondays and Fridays, we shifted to Tuesdays. Between us we cater for six days out of seven.

Activities

All the year round we are open at 39 Grosvenor Street on Tuesdays, Wednesdays and Thursdays, from 10.30 am to 1.15 pm, continuous self-served tea, coffee, toast – and a hot meal at 12 o'clock. On Sundays it is from 9.45 am to 11.45 am for a cooked breakfast and a packed lunch to take away. A marked increase recently is put down to current economic conditions. We find ourselves serving well over 10,000 free meals a year. The dining area is packed, often we have long queues. We offer also showers (with towels and soap) and the popular clothes centre of donated slightly worn clothes, except for underwear (and toiletries) which are bought new. We wash their clothes in our washing machine if asked and dry them.

At the heart of it all, however our primary objective is to make available a friendly warm and safe place – with the meals, showers, clothes and so on, important as they are, being in a sense an accompaniment. We have a leisure room on the first floor where guests can sit and chat, watch television, enjoy tea, coffee and biscuits, and relax. We can also set up visits from healthcare professionals in an informal setting and offer advice if requested – mostly if the guest agrees via referral to an appropriate specialist agency; we are in touch with a good many. There is growing trust as guests increasingly bring problems to our more experienced volunteers.

Similar facilities are offered at our Christmas shelter, which we continue to run every year, now at St Luke's Church Hall, Cheltenham. It is open 24 hours from midday on Christmas Eve until after lunch 27th December (doors are closed at 10.30 pm). Additionally available are a bed for the night if required, chiropody, hairdressing and a present for every guest. It attracts scores of extra volunteers.

Organisation

See the lists of people in **Appendix I**. Except where indicated none receive any remuneration. The Charity does not have members or subscriptions in the conventional sense.

Patrons are senior people in the community in Cheltenham with an interest in what we are doing. They are a tacit reassurance to the public that our charity is acting with commitment and integrity.

The Trustees are responsible for managing the Charity on sound principles.

The Associates bring extra expertise, attend meetings but do not vote (on the rare occasions when that may arise), and carry no formal liability. Among them are two salaried staff, the day to day manager at no 39 and his back-up, who also runs all publicity.

Finally and most important our backbone are the Volunteers, too numerous to list, who give their time free on weekdays or Sunday morning, and in greater numbers over Christmas, not

just to do the chores but also to socialise with guests. We sense that for quite a few of them, coming to us serves as an escape from cares or from loneliness, especially at Christmas,

Our Guests

Our formal objects agreed with the Charity Commission are *in Cheltenham the relief of poverty, hardship and distress among persons, married or unmarried, and not living in a family, being persons of a rootless way of life who are suffering social or emotional distress*. Those are our guests (we have always called them so as more dignified than ‘clients’). We practice no discrimination whatsoever and never ask any questions unless someone initiates a private conversation.

In practice we find that those who come include those who read and write with difficulty, are from broken homes, were in care as children, have recently been released from prison and need help to re-enter the community, have lost their jobs and cannot work again, have mental health issues, are in programmes to get off alcohol or drugs, or are among the hidden homeless in a temporary hostel or on a friend’s floor or even sleeping rough.

Rules of behaviour, based on regular police advice are rigorously enforced, drink or drugs are forbidden and anyone found with them is asked to leave.

OUR FORMAL SUBMISSION

We satisfy the conditions of not being for profit, of using the premises for a community purpose, and of functioning only in Cheltenham.

1.5.2 Legal

Our Memorandum and Articles are in Appendix II. We see no difficulty in agreeing a new lease on similar lines to the current one that expires on 31st January 2013, in which responsibility both for repair and maintenance and for insurance falls to us as tenants.

“Appendix C” of Council’s Report.

We feel our responses taken as a whole show that we meet the three key community objectives of the Council’s Strategy 2010-2015, namely enhancing and protecting our environment, strengthening our economy, and that of our communities. We emphasise that we are a registered charity with no paying members as such. We take up each of the ‘Objectives’ listed in the Council’s report. .

Specific objectives

- 1. Enhancing and Protecting our Environment.** *How, if at all, does your organisation significantly contribute towards meeting this objective? Your activities may include investing in environmental quality, investing in travel and transport, and/or promoting sustainable living.*
 - We promote sustainable living by belonging to the organisation FareShare – who collect surplus "fit for purpose" products from the food industry to relieve food poverty (we provide over 10,000 free meals a year to needy and vulnerable people), which minimises waste food going to landfill. FareShare say their food redistribution helped businesses reduced CO₂ emissions by 1,800 tonnes in 2010/11.

- We collect and redistribute free of charge to the needy both second-hand clothing and items of household furniture.
- We recycle wherever possible – especially food containers and textiles.

2. Strengthening our economy. *How does your organisation strengthen our local economy?*

- We provide local employment by going only to Cheltenham professional firms for advice (architect, solicitors, accountants, etc.) and local businesses for repairs and maintenance (to vehicle, boiler, builders etc).
- We source consumable and other products locally wherever possible.

3. Strengthening Communities. *Your activities may support this through a variety of mechanisms, such as promoting housing choice, building healthier communities, supporting older people, etc.*

We support disadvantaged, vulnerable people and help to build a healthier community by:-

- Serving over 10,000 free nutritious meals a year which encourages better health and mental well being.
- Providing emergency free food packs when people are in a crisis (like waiting for benefits). We also work with the local food banks.
- Providing free clothing which is particularly important in cold weather to enable people living without heating or sleeping rough to keep well, and by washing and drying their clothes if necessary, along with free showers with towels and toiletries.
- Offering a free drop-in centre at 39 Grosvenor Street four days a week, all year round, open to all, which has a distinct social benefit for people who would otherwise be lonely and isolated, and a free four-day Christmas Shelter, open to all, where people can get free clothes, meals, hairdressing, chiropody, and even a bed for the night, which allied to the major input of our volunteers helps them feel part of a caring community.
- Having available help and support to those in need by introducing them at our centre to local expert agencies; for example Citizens Advice Bureau held a workshop at our centre on Money Management to help people manage their life within the community; an outreach worker from the Independence Trust visits two days a week to meet guests and offer alcohol and drug counselling; and a housing support worker has held surgeries on accommodation agencies informally at our centre.

4. Enhancing the provision of arts and culture. *How does your organisation contribute to the provision of arts and culture and to supporting local people in accessing arts and cultural activities?*

We have provided free educational opportunities:-

- We take our guests on an annual free outing to a place of interest (Cotswold Wildlife Park, Bristol Zoological Gardens) to broaden their horizons and as a respite from their daily cares.
- We have made available to guests free classes in arts and crafts, including drawing, printmaking and creative crafts. Some of the subjects for art classes were the animals seen on our annual outing.
- We have also offered guests a free course of cookery classes, teaching them how to make nutritious meals and enabling them to produce a meal to take away with them.

5. A focus on improving the life chances of children and young people. *Please identify how your organisation significantly contributes to meeting the outcomes for children and young people, as identified in Every Child Matters.*

Our help for young people over 16 can be divided between young guests and young volunteers, another important sector being within the schools themselves.

- We help young guests in times of hardship, poverty and social and emotional distress with meals, clothing, friendly support and introductions to relevant agencies, all free of charge.
- After acquiring self-confidence and enjoying better health, some of them have returned to employment and a stable life style.
- Improving the health and well-being of adults (objective 3 above) spills over onto the young people they may be responsible for.
- We offer young people, including sixth-form students, volunteering opportunities at our Christmas Shelter and throughout the year. They value these as a way to broaden their experience and make a contribution to the community in which they live. Some have said that they continue to volunteer in the same sector later in life as a result of the experience they have had with us.
- We help school age children in both the primary and secondary sectors (5-18yrs) to make a positive contribution through becoming aware of the charity and its aims, through talks/visits to their schools, telling them about the needs of others.
- They know that much of the food they bring into school at Harvest Festival time is passed on as a donation to Open Door.
- Letters and drawings they send to our guests bring great enjoyment and comfort to some very lonely people.
- Some primary schools have become involved in a Cookery Project – they bake and send cakes and biscuits to the guests of Open Door.
- School kitchens have also signed up to send some meals to Open Door.
- Through their involvement with Open Door, school age children are making a positive contribution and showing support for people in their community.
- That way they engage in positive behaviour, contributing to the well being of others, and they themselves achieve a sense of well being

6. Financial and Business Management. *Please use this section to show how financially sustainable your current activities are, and to supplement this on a separate sheet with a Financial Statement for the last financial year along with a projected Financial Statement for the following year.*

We have taken careful account of the Council's stern statement of the financial implications at **1.5.1**, to wit that *it faced significant budgetary challenges in continuing to support the current range of services. The financial implications of any revised or additional support to third sector [the voluntary sector] or community organisations need to be considered carefully in the light of the council's corporate priorities and the medium term financial strategy.*

We have always been very conscious of how much we depend on the generosity of the people of Cheltenham, both individually and through their societies and organisations. To date we have always had enough donations to keep us going and last year these amounted to £35,945, as shown in our Report and Accounts for the year to 31st May 2012, (**Appendix III**). Advice from the Charities Aid Foundation and others is that charitable giving as a whole has been falling considerably, reflecting today's tough economic conditions, and we are seeing signs of it affecting us. So in our projections, we are estimating a 20% fall in donations for the current

financial year. To try to ensure we make this reduced figure, we are actively seeking to broaden the ways that people can donate to us, for example by promoting the use of standing orders and on-line giving. At the same time we are constantly looking to keep costs down by maximising our use of donations in kind and constantly seeking cheaper suppliers.

Our reserves at 31st May 2012 of £64,548 include £15,649 remaining from a generous bequest some years ago made by a deceased volunteer. This sum has been designated by the Trustees to be applied to capital works and major repairs on property and on new projects within the charitable objectives, particularly with regard to enhancing the welfare of beneficiaries, our guests. This is the fund that has allowed us to extend our work as described above, especially in connection with 'Objective 4'. The balance of £48,899 is available for core expenditure.

The projected figures at 31st May 2013 (**details I Appendix IV**) show total reserves of £47,523, reflecting the reserve for core expenditure reducing to £37,254 and the special project reserve reducing to £10,269. The core expenditure reserve represents a little under one year's worth of core expenditure assuming that we receive a 100% rebate on the rent at Grosvenor Street. The designated reserve will be exhausted in a further 2 years at this level of expenditure..

This concludes our submission. We see our work as essential and are determined to continue it in every possible way.

Attached,

APPENDICES

I Lists of People

II The Company's Memorandum and Articles

III 2011/2012 Annual report and Accounts (*separate cover*)