

**The Rest Bay Convalescent Hotel**  
A public benefit assessment report by the Charity Commission



## The Charity Commission

The Charity Commission is the independent regulator of charities in England and Wales. Its aim is to provide the best possible regulation of charities in England and Wales in order to increase charities' effectiveness and public trust and confidence. Most charities must register with the Commission, although some special types of charity do not have to register. There are some 190,000 registered charities in England and Wales. In Scotland the framework is different, and the Commission does not regulate Scottish charities.

The Commission provides a wide range of advice and guidance to charities and their trustees, and can often help with problems. Registered charities with an annual income of over £10,000 must provide annual information to the Commission. The Commission has wide powers to intervene in the affairs of a charity where things have gone wrong.

More information about the Commission together with a range of guidance for charities can be found on our website [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk), or by contacting Charity Commission Direct:

Telephone: **0845 300 0218**

Typetalk: **0845 300 0219**

By post: **Charity Commission Direct**

PO Box 1227

Liverpool

L69 3UG

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The Charity Commission is the independent regulator of charities in England and Wales. In October 2008 we started our public benefit assessment in relation to The Rest Bay Convalescent Hotel. This is a report of our findings.

## Section A: The purpose of this report

This report sets out the Charity Commission's findings from its public benefit assessment for The Rest Bay Convalescent Hotel ('the charity'), registered charity number 220744. You can find further information about what public benefit assessments are, how we carry them out, a glossary of terms and other details on the public benefit pages of our website.

## Section B: Key details about the charity

### Charity registration details

The charity has operated since 1878 and was registered in 1963.

### Location and operation

The charity is set in a rural coastal location in South Wales. It consists of a Grade II listed Victorian property on three floors, all of which can be accessed by lifts.

Historically, the charity provided small ward type accommodation both to convalescents (commonly from the mining and other heavy industries in South Wales who sponsored the cost of stays) and, during wartime, to injured soldiers. The charity is now going through a transition stage, triggered by its withdrawal of residential care in 2004 and the decline in the number of convalescents from the mining and other heavy industries in South Wales. There is no restriction on who may stay at the Rest Home (which the charity's website refers to as, and is referred to in this assessment as, 'the Hotel').

On its website, the charity describes its current operation as "...self funding, and non-profit making, with all the funds raised being ploughed back in to help us maintain this fine building, and to provide wonderful holidays for all."

It offers facilities which are suitable for those who are convalescing such as fully accessible facilities, a wing specially designed for people who are disabled, medical aids, full board including special diets, grounds for people who are not fully mobile to use, coastal views and sea air.

The Hotel opens between mid-March and early November, and additionally offers special breaks around Christmas and New Year. Out of season it is available for other purposes such as weddings and conferences.

### Residents

The charity can accommodate up to 85 people. The average number of people staying in 2007 at any one time was 55, or 60% of capacity.

## Referrals

There is no requirement for a medical assessment as to need. The previous practice of requiring a doctor's report has stopped.

People of all ages can be accommodated. The charity told us that the majority of those who stay are elderly and, in many cases, disabled.

Guests predominantly live in the South Wales area, although a number come from other parts of the UK.

The charity publicises the availability of the hotel and its facilities through the website, its promotional literature and its links with welfare organisations. In 2008 the fees of around 8% of the guests were met by welfare organisations such as the GMB Union and the Alzheimer's Society.

## Fees

At the time of our assessment the charity made the following charges for its services, which vary throughout the season and depend on the standard, size and facilities of the room:

- Standard single room: £237 - £305 per week (Christmas fees: £400 per week)
- Single en suite room in purpose built annex: £305 - £373 per week (Christmas fees: £463 per week)

There is a short stay tariff (minimum of two nights, less than a full week). Charges range from £37 per person per night for a standard room in low season, to £52 for an en suite room in high season.

## Opportunities to benefit for those unable to afford the fees

No specific provision is made for those who cannot afford the fees. The trustees told us that the fees are kept low and that there is a range of tariffs. There are no formal arrangements to help those unable to afford the fees.

## Financial position: year ending 31 December 2007

	Unrestricted Funds	Restricted Funds	Total
<b>Income</b>	<b>£797,262</b>	£1,000	£798,262
<b>Expenditure</b>	<b>£746,924</b>	£10,727	£757,651
<b>Net incoming/ (outgoing) resources</b>	<b>£50,338</b>	£(9,727)	£40,611
<b>Net assets</b>	<b>£646,574</b>	£372,231	£1,018,805

## Section C: Is the charity's aim capable of being charitable?

The charity's object\* is as follows:

"[the property is to be used]....as a Rest Home (hereinafter called the Home) for those who are convalescent or who are disabled or chronically ill, whether terminally ill or not, but ambulant to such degree as the Board hereinafter referred to shall from time to time require with a preference for such persons who are resident in South Wales with a view to assisting such persons to regain their health or alleviating their suffering and enhancing their well-being as the case may be..."

The object of the charity in providing its Rest Home has two distinct aims: providing convalescence and relieving disability or chronic illness. Neither is specifically age-related.

In carrying out the public benefit assessment we considered how the charity was operating in order that it could be properly assessed against the public benefit requirements.

In undertaking the review we found:

- in 2004 the charity ceased to provide residential care in accordance with the requirements of the Care Standards Act 2000. As a result, the Hotel cannot offer residential care and guests must be in a position to manage their own basic care;
- the change in social and economic circumstances has resulted in a substantial decline in the number of convalescents (or people who are disabled or chronically ill) from the mining and other heavy industries;
- there has been a gradual decline in guest numbers staying at the Hotel over the last seventeen years. The number of guests using their facilities in 1990 was 3,167 compared to 1,981 in 2007;
- on its website, the charity describes its services as follows:

"The Rest today provides wonderful holidays for mature folk, able bodied and disabled alike";
- the charity told us that it provides a safe place, a healthy tranquil environment, around the clock support (generalist rather than residential care support) from staff, fully accessible facilities, a wing specifically designed for disabled people, and medical aids;
- the majority of those who visit the Hotel are elderly and include those who are recovering after a time in hospital. There is, however, no restriction on who may stay as a guest and it is open to anyone to book a holiday. No evidence of ill health or medical certificate is required and no assessment of need is made;
- the charity also provides festive breaks. It states "loneliness at Christmas is all too common and we are providing a benefit to many people each year";

- guests stay on a full board basis, with all meals and entertainment provided within the price;
- the benefits do not appear to be linked to the charity's stated aims in a planned and deliberate way;
- the charity offers 'loyalty discounts' and many of its guests return year on year. This would indicate that the Hotel's services are generally not directed to the stated object of convalescence (often a temporary requirement), although this type of discount could be relevant to those with more chronic needs;
- in the charity's 2007 Trustees' Annual Report, the trustees record that they recognise that the charity is in a transitional period and is seeking to maintain a balance between its stated object and the need for financial stability. In the short term the emphasis is to ensure that the Hotel remains viable. Currently, the report states the Hotel is still achieving a break even position. The long term strategy is to maintain and continue to provide breaks for the purpose for which the charity was established.

Taking these factors together, we formed the view that the charity currently operates to provide holidays, primarily (although not exclusively) for the elderly or disabled.

As explained in the following paragraph, the Hotel appears to be operating for an aim which is different from the one expressed in the charity's objects.

Holiday provision for the general public is not a charitable purpose. The provision of holidays for the elderly is not (unless specifically catering for a charitable need) a charitable purpose. Whilst providing rest breaks for the elderly (and others) with the necessary qualifications as to need could potentially be a way of relieving a charitable need, the beneficiaries, if elderly, would need to have age-related charitable needs and the holidays would have to be specifically directed to meeting those needs.

**We concluded that:**

- (a) the stated object is limited to expressed aims which fall within the descriptions of purposes in the Charities Act 2006, namely s2(2)(j) the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage; but
- (b) the charity currently directs its operations towards a separate aim, namely the provision of holidays. These include the elderly or disabled but are available to others.

\* set out in the deed of variation of trust dated 6 October 1984 as amended

## Section D: Overall conclusions and required or recommended actions

As the public benefit of any charity must relate to furthering its aims, **we cannot form a conclusion** about the extent to which it is operating for the public benefit unless and until the charity is operating within its aim.

We recognise, however, that the current social and economic circumstances affecting the Rest Bay Convalescent Hotel have resulted in significant change and challenge. The trustees have begun to review the effect of these factors on the organisation. As part of this review they must re-examine the charitable aim and consider whether it is still capable of being furthered in the current economic and social circumstances and interests of the charity.

If they conclude that the current aim is capable of being furthered, they must undertake a review of how that aim is to be furthered in the future within the framework of charity law.

If they conclude that the current aims are not appropriate, the trustees must develop new charitable aims (within their governing provisions and the limits allowed by law) and plans for furthering these.

In order to implement these recommendations, the trustees must:

- confirm within three months that they have considered this report and will put a plan in place to enable the charity to meet the public benefit requirement;
- submit the plan within a further nine months.

This publication can also be accessed at the Charity Commission's website: [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

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