

**MEETING: 14/03/2018**

**Ref: 14506**

**ASSESSMENT CATEGORY - Older Londoners**

**Royal Hospital Chelsea**

**Adv: Tim Willson**

**Amount requested: £120,700**

**Base: Kensington & Chelsea**

**Benefit: Kensington & Chelsea**

**Amount recommended: £120,700**

**The Applicant**

Members will be familiar with the Royal Hospital Chelsea (RHC), home to the Chelsea Pensioners. Established in 1682 by Charles II as a retreat for army veterans, the first residents lived on site from 1692. Today, there are almost 290 resident Chelsea Pensioners with an average age of 82. All served as regular soldiers, have no dependent spouse or family, and find themselves in need. The application was received from the Royal Hospital Chelsea Appeal ('Appeal'), a Charitable Company established to engage in activities for the exclusive benefit of the Royal Hospital Chelsea (RHC). The RHC is the parent organisation and was established under Royal Warrant (it is therefore an exempt charity, not registered with the Charity Commission). Appeal raises funds and manages income generating activities to bridge the gap between the RHC's core grant from the Ministry of Defence and the full costs of running its services. Since the equipment subject to this application would be purchased and owned by RHC, officers recommend that Members consider a grant to RHC rather than Appeal.

**The Application**

A significant part of RHC's work involves the community projects Chelsea Pensioners undertake. These include prison visits, talks at schools, work with younger wounded veterans and volunteering at soup kitchens. This takes place across London, and sometimes beyond the capital. RHC encourages what it calls 'purposeful independence' of its residents to enhance the dignity and wellbeing of the Chelsea Pensioners, and mindful that life for military veterans can often be difficult. As residents age, their physical and cognitive capabilities inevitably decline. This in turn can limit their independence and restrict them to the confines of the Chelsea site. RHC seeks to purchase GPS-enabled tracking pendants that will give Chelsea Pensioners confidence to travel independently. The pendants work off the mobile phone network and have an auto-trigger if a wearer suffers a fall. The wearer can also press a button for help. To enable the trackers to work in the grounds of the RHC, funding is also sought to purchase and install two small-scale aerial masts compatible with the site's Grade I listed buildings.

**The Recommendation**

This is a request for capital funding, but firmly within the scope of your programme for Older Londoners since it will help ensure that Chelsea Pensioners lead more active and healthier lives. The proposed equipment is endorsed by a leading older people's charity, and it is realistic to assume that the pendants will enable Chelsea Pensioners to maintain their 'purposeful independence' until a much later age. Your guidance precludes grants to hospitals or primary healthcare providers. Whilst there are infirmary facilities on site, RHC is a hospital in name only with its work covering a

far broader range of community services and support for older people. Funding is advised as follows:

**£120,700 to allow the Royal Hospital Chelsea to purchase GPS tracking pendants and aerial masts.**

### Funding History

None.

### Background and detail of proposal

RHC is aware that other organisations could benefit from their expertise as veteran specialists, and have a recently-established post for learning and outreach. The charity has received interest from the Royal British Legion and Masonic Charities with veteran care services. RHC also wishes to reach out to support isolated, non-resident veterans, and younger people from areas of deprivation. The Chelsea Pensioners themselves are central to these new services and RHC wishes to ensure their independence for longer.

### Financial Information

Approximately 60% of RHC's income comes from a core grant made by Ministry of Defence. Fundraising, and return from investments (property and non-property) covers the gap. The free reserves shown in the table below represent cash held to manage any unexpected shortfalls in income. RHC holds additional reserves, designated towards the maintenance of the historic site. Gains on investments and fixed assets seen in 2016-17 arise principally from the revaluation of RHC's operational and investment properties.

Year end as at 31 March	2017 Audited Accounts £	2018 Forecast £	2019 Budget £
<b>Income &amp; expenditure:</b>			
Income	20,878,000	20,982,000	20,483,000
- % of Income confirmed	n/a	100%	75%
Expenditure	18,591,000	19,251,000	19,438,000
Net surplus/(deficit)	2,287,000	1,731,000	1,045,000
Gain on Investments and fixed assets	13,865,000	0	0
Total surplus/(deficit)	16,152,000	0	0
Split between:			
- Restricted surplus/(deficit)	194,000	1,150	0
- Unrestricted surplus/(deficit)	15,958,000	1,729,850	1,045,000
	16,152,000	1,731,000	1,045,000
<b>Cost of Raising Funds</b>	1,850,000	1,020,000	1,050,000
- % of Income	8.9%	4.9%	5.1%
Operating expenditure (unrestricted funds)	18,443,000	18,947,844	18,986,400
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	3,360,000	5,089,850	6,134,850
No of months of operating expenditure	2.2	3.2	3.9
Reserves policy target	9,221,500	9,473,922	9,483,200
No of months of operating expenditure	6.0	6.0	6.0
Free reserves over/(under) target	(5,861,500)	(4,384,072)	(3,348,350)