

MEETING: 28/01/2015

Ref: 12321

## ASSESSMENT CATEGORY - Making London More Inclusive

City YMCA London

Adv: Ciaran Rafferty

Base: City of London

Amount requested: £100,000

Benefit: City, Hackney, Islington

Amount recommended: £100,000

### The Charity

City YMCA was registered as a charity in 1996 and provides residential, supported, accommodation plus a range of services for young people "in necessitous circumstances" – mostly homeless. Youth-work type services include workshops offering positive alternatives to drug-use, crime and gangs, for example; as well as training and guidance to help them seek and secure employment. As many young residents have fled their homes due to family breakdown, a lot of support is offered to help them re-establish positive relationships.

### The Application

The charity is in the process of planning a £16m rebuild of its hostel in Errol Street. Whilst the rebuild is in progress it needs to provide some supported accommodation for young people and so has negotiated a 15-year lease of premises in Hackney which, with refurbishment, would meet some of the need. Once the rebuilt Errol St hostel is ready, the Hackney unit would continue to provide shelter for young people in that borough. The refurbishment of the Hackney unit is estimated to cost £1.1m, of which this application is for £100,000 towards the costs of disabled access provision.

### The Recommendation

City YMCA provides high quality and much-needed services for young people. The Errol Street hostel is currently 100% occupied (such is the need and demand) with an average stay being of 9 months' duration. This alone indicates why the charity is so keen to have some alternative provision in place whilst that hostel is being rebuilt. The interim premises in Hackney will serve this purpose to a degree and provide accommodation for 87 people. In planning for its refurbishment an independent access audit has been commissioned, the results of which will be incorporated.

***£100,000 towards the costs of disabled access provision at Monarch Court.***

### Funding History

Meeting Date	Decision
04/10/2007	£102,000, (£34,000, £34,000, £34,000) for a sexual health service for young people in Islington, South Hackney and the City.

### Background and detail of proposal

City YMCA has been a significant and effective provider of support to vulnerable young people for many years. The charity's catchment extends as far as Tower Hamlets and Newham. Demand for its hostel places is consistently high, to the point where the charity does not operate a waiting list as, to do so, would give false hope.

The hostel is to undergo a major rebuild in 2015. This will cost c.£16.5m – for which the charity has attracted donations/pledges from organisations such as the Greater London Authority (£3.5m), Garfield Weston Foundation (£350,000) and Worshipful

London Authority (£3.5m), Garfield Weston Foundation (£350,000) and Worshipful Company of Clothworkers (£250,000). Whilst the rebuild is happening the charity intends to offer hostel accommodation and support services at an 87-bed unit in Hackney (Monarch Court). This building, however, requires refurbishment to the tune of £1.1m. At the time of assessment City YMCA had signed an agreement for a 15 year lease with the current owner (LB Hackney). After the rebuild of the main, Errol Street hostel, City YMCA will keep operating the Hackney unit, targeting young Hackney people in particular and paid for through housing benefit payments. The charity is seeking from your Trust a grant of £100,000 towards making Monarch Court fully accessible, including the provision of specific, accessible, bedrooms. Other works are as determined by an independent access audit.

### Financial Information

The table below excludes income related to the current capital appeal and shows the charity's operating income which is entirely made up of unrestricted funds. Forecast unrestricted income for the current year is £1,721,300 of which £1,687,000 (98%) had been confirmed by December 2014. The charity advises that the forecast deficit is planned and is due to increased expenditure on its capital appeal and to a commitment to retain experienced staff to manage both the capital appeal and the resultant works.

In response to the capital appeal to raise £16.5m, £4.6m had been pledged as at 22nd December 2014. The charity advises that it has secured a mortgage in principle for the balance of £11.9m. However, it will continue the general fundraising appeal in order to reduce the mortgage.

Once operational, the charity notes that having the two hostels running will effectively double its annual surplus – it estimates up to £400k pa. The charity plans to use these annual surpluses to increase free reserves towards its target policy holding and to reinstate some of the supplementary youth programmes it has cut back on in order to support the current capital appeal.

Year end at 31 March	2013/14 Audited Accounts £	2014/15 Current Year Forecast £
<b>Income and Expenditure</b>		
Income	1,982,781	1,721,300
Expenditure	1,790,775	1,794,282
Unrestricted Funds Surplus / (Deficit)	156,387	(73,268)
Restricted Funds Surplus / (Deficit)	35,619	286
<b>Total Surplus / (Deficit)</b>	<b>192,006</b>	<b>(72,982)</b>
Surplus / (Deficit) as a % of turnover	9.7%	(4.2%)
Cost of Generating funds (% of income)	-	86,936 (5.1%)
<b>Free unrestricted reserves</b>		
Unrestricted free reserves held at Year End	156,738	83,470
How many months' worth of expenditure	1.1	0.6
Reserves Policy target	156,738	624,540
How many months' worth of expenditure	1.1	4.2
Free reserves over/(under) target	-	(541,070)