

Statement by Action for Blind People of Non – Viability of the Russell Hotel**Action for blind people****Part of RNIB Group****MANAGEMENT REPORT**

Subject: Statement by Action for Blind People of Non – Viability of the Russell Hotel

Report by: Action for Blind People

Date: January 2014

Action for Blind People, a national sight loss charity, opened the rebuilt Russell Hotel in 2001. It is a specialist needs hotel offering breaks and holidays for blind and partially sighted people. The hotel was designed in consultation with blind and partially sighted people and it was hoped to become Action's flagship hotel.

The Russell Hotel is one of four Vision Hotels and in terms of the previous building has been operated by Action since the 1960s. Vision Hotels is an operating division of Action for Blind People and the other hotels are located in Teignmouth; South Devon, Weston-super-Mare; North Somerset, and Windermere in Cumbria.

All of Action's hotels have always consumed charitable funds. They have always required a subsidy to provide a hotel service for blind and partially sighted people, mainly due to the more intensive staffing requirement involved.

The Russell Hotel has consumed £2.3m of charitable funds over the eight-year period 2005 to 2013. This includes capital expenditure that the charity has incurred in maintaining the hotel and an allocation for overhead costs, which reflect the back-office support provided by functions including Finance, HR and ICT.

In 2009 Action's Trustees set a new strategy for the hotels. Wishing to focus the Charity's resources on other services which it offers to blind and partially sighted people, it was determined that the hotels should become cost neutral, as defined, over a five-year term. Failing that outcome, other options would be sought and closure; trade sale or transfer of the service to another provider would all be considered.

There was no realistic prospect of achieving that financial goal without inviting sighted people to use the hotel to fill unused capacity. For the past four years the

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hotel has openly traded on this basis and while the financial performance has improved the hotel still consumes charitable funds.

Patronage of the hotel by blind and partially sighted people has always been disappointing, despite its rebuilt design. More recently, it has become apparent that the number of blind and partially sighted people using the hotel has fallen. It can be seen from Table 1 (Appendix 1) that when compared to the patronage of blind and partially sighted people at Action's other three hotels the Russell is the least popular by some margin. A financial projection for 2013-2019 indicates a call on charitable voluntary income including capital requirement of c£1.5m over the period.

In common with most other UK charities in the current environment, Action has dwindling resources available to it and Trustees have decided that there is no budget to support hotels in the next strategy period 2014-19.

The stated charitable objective of Action is to run its hotels for the benefit of blind and partially sighted people who need a break or holiday and might otherwise not be able to take one. The hotel is already underutilised by Action's beneficiary group and is not viable as a specialist needs hotel.

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Appendices

Appendix 1, Table 1:

Distribution of visually impaired (VI) people staying at Vision Hotels, April 2012 – March 2013:

Hotel	Distribution of VI Guests
Lauriston	17.8%
Cliffden	49.8%
Russell	11.5%
Windermere	20.9%

