



2024

Annual Meeting 5th October 2024

**Chairman's remarks:
The Bethesda Challenge**

GOSPEL STANDARD BETHESDA FUND

GSBF Annual Meeting Saturday, 5 October 2024

Chairman's remarks: The Bethesda challenge

The GSBF trustees in the Bethesda Newsletter June 2024 set out in overall terms the issues and challenges, in the Lord's purposes, facing them in fulfilling their responsibilities, placed upon them by the Lord, in meeting Bethesda's charitable purpose.

In the Lord's mercies, Bethesda has been a provision for those in old age for over 76 years, since the first home opened at Redhill and continues to endeavour to be a "House of Mercy" for those in need of a dwelling place in their latter years.

There will be many who have testified to the truth "Jesus Christ the same yesterday, and today, and for ever" however, as previous trustees have proved, the circumstances and values of the 'world' in which we live, do change. Have we not witnessed in our short lives the moral decline in our nation and the falling away of those gathering in places of worship?

In terms of the GS list of churches there were 126 on the list in 2000 and 78 in 2024. This has had an impact on those requiring the provision of Bethesda. Allied to this is a lack of understanding, amongst family and friends, of why an aged person would desire to live in a place like Bethesda.

In sharing the challenges faced by the trustees, the purpose is not to cause anxiety but to be honest and open in setting out those things faced together with raising understanding and awareness of these things. We trust in doing so that this would be a call to those concerned about the work of Bethesda to beseech the Lord that he would make away through the impossibilities of the 'deep waters' before the Charity.

When Bethesda undertook its consultation with the group of churches as to the future of Bethesda, the following challenges were identified:

- Maintaining the distinct identity of Bethesda in an age of compromise and an increasing secular society
- Responding to and providing high levels of care for increasing range of residents needs in the Bethesda homes
- Recruiting (operational and management) staff who are in sympathy with the ethos and values of Bethesda
- Maintaining the financial viability of Bethesda to ensure levels of care and support sufficient to meet the needs of residents together with ensuring Bethesda's physical assets (e.g. buildings, equipment) are fit for purpose

These challenges remain although the circumstances, at the time in which they were written have become more pressing. In considering these challenges, it must also be remembered that they are in many ways interlinked, particularly the impact they have on the financial viability of Bethesda.

The following observations provide additional background to the challenges:

Maintaining the distinct identity of Bethesda in an age of compromise and an increasing secular society

Bethesda, in the Lord's purposes, was established for:

"The relief of persons in need, particularly the elderly who are sick and infirm and are either:

- Members of a Gospel Standard (GS) church, or
- Regularly attend a GS chapel”

This has been achieved through the provision of residential care homes and flatlets and still remains the purpose of Bethesda.

Sadly, since the formation of Bethesda there has been a progressive decline in the number of GS churches and congregations as set out in the following table:

Year	2000	2010	2015	2020	2024
Number of chapels on GS list	126	101	95	82	78

This, in turn, has impacted on the number of eligible beneficiaries that meet the criteria to enter Bethesda. The trustees have, in recent years, used a process within the trust deeds whereby those who may have been associated with GS causes and/or are of like-mind in belief, walk and conduct can be considered as potential residents in the homes. This has benefited a number who have made Bethesda their home. Furthermore, to help those interested in Bethesda, the trustees have set out in recent years how living in Bethesda reflects the manner of life in their own home.

It must also be added that the decline of those associated with GS chapels has also meant some relatives may not fully understand the ethos of Bethesda and why their loved ones prefer to live in one of the Homes. Allied to this is the fact that relatives are often looking for care provision close to where they live.

Since the formation of Bethesda (in the post-World War II years) there has been an increase in the acceptance of secular/humanistic values within society. In particular, at the current time, is a concern that on the agenda of government is now the promotion and legislation of euthanasia.

As people are now living longer, this has impacted on the availability of adult social care services and local authority budgets particularly in funding for residential care. Hence the promoting of care in the community and people remaining in their own homes. However, although this approach may seem to have fiscal benefit there is the wider concern of the impact of loneliness upon the elderly. (As the Lord’s people, do we have a concern “to visit the fatherless and widows in their affliction”? James:1: 27)

In 2019, the Bethesda trustees sought to identify the factors that limited and prevented people coming into Bethesda and amongst these were:

- Loss of independence
- Leaving one’s roots: own Chapel, friends or locality
- Ability to leave an inheritance to family

This latter point often raises a concern regarding the financial cost (which is not insignificant) of entering a residential care home.

As has previously been reported, the Bethesda trustees have developed an understanding of the legislative framework regarding the financing of residential care and, in the Lord’s mercies, have been successful in helping support potential residents in making their case to enter into Bethesda.

Another impact on operating care homes in recent decades has been the increasing external scrutiny/regulation to ensure care homes are fit for purpose. Although this is not unreasonable, there is a commensurate impact on operating costs and staff time.

Responding to and providing high levels of care for increasing range of residents needs in the Bethesda homes

It must be acknowledged that one of the strengths of Bethesda is the high level of commitment by managers and staff that is focused on the care, safety and well-being of the residents to the end of their days. This has been made possible through the good working relationships with local health practitioners and district nurses.

The challenge that now is emerging is supporting residents that are coming into the homes much older than previously was the case. This has meant a number of residents are coming into the homes with complex physical and mental health care needs. The complexity of these needs not only impact on the behaviour of the individual but can prove challenging for other residents and staff.

These issues are addressed through staff training, additional staffing and where possible management of the care home environment where the design of the home is sufficient to allow this to happen.

Recruiting (operational and management) staff who are in sympathy with the ethos of Bethesda.

The demise of the GS group of churches has not only impacted on the number of residents but on the availability of individuals from local congregations who are willing to work at Bethesda.

One aspect for caring those in a Bethesda home is understanding and meeting the resident's spiritual and lifestyle needs.

It is also noted, that the care sector in general is having challenges recruiting staff due to the poor perception of working in the care sector.

There are other factors such as the availability of local staff due to location of homes and competition from other providers. At the Harpenden home, for instance, there is a reliance on overseas staff which may or may not be available in the future.

Although the heading for this section relates to recruiting staff who are in sympathy with the ethos of Bethesda, the reality is more stark than that - it is "recruiting staff" as will be seen in the following section.

Maintaining the financial viability of Bethesda to ensure levels of care and support sufficient to meet the needs of residents together with ensuring Bethesda's physical assets (e.g. buildings, equipment) are fit for purpose

This in many ways is the biggest challenge faced by Bethesda as it is the manifestation of the challenges outlined above i.e. the decline in the numbers of GS churches and congregations, the low occupancy within the residential care homes due to this situation, the recruitment of staff and the suitability of the buildings in meeting complexity of care needs and attracting future residents.

The ageing building fabric and design at both the Harpenden and Brighton homes has impacted on maintenance and repair costs, the ability to cope with increasing dependency needs and/or infection, prevention and control (IPC) and the appeal of the facilities to potential residents. As previously mentioned, the building design places constraints on the ability to cope with residents with complex needs due to their age - this in turn impacting on the 'well-being' of other residents and the resilience of management and staff in coping with the challenges faced. This does not mean that Bethesda would turn away those with high dependency needs provided it was possible to care for them.

Although the prime purpose of Bethesda is to be a “House of Mercy” and a dwelling and resting place for those of the Lord’s people from the GS causes of truth in their old age, this does not preclude the need for financial probity and stewarding resources in a prudent way.

One of the limitations of presenting the Financial Statements at annual meetings is that the only comparison is between the current and previous years. The opportunity has therefore been taken to produce a series of tables showing trends over a number of years in order to help the understanding of Bethesda’s supporters and other interested parties together with illustrating the challenges which have been set out above.

Table 1 sets out the operational performance of GSBF and this information has been taken from publicly available sources.

Table 1:

Operational performance 2014-2023									
	% Occupancy	Operational deficit	Donations	Legacies	Investment Income	Piggott Charity	Property sales	Total other income	Net expenditure/ income
		£	£	£	£	£	£	£	£
2014	71%	-392,404	58,825	142,341	37,849	7,000		246,015	-146,389
2015	70%	-361,205	26,918	74,657	34,421	9,000		144,996	-216,209
2016	75%	-388,074	52,753	168,413	29,232	9,750		260,148	-127,926
2017	76%	-305,863	46,549	266,101	21,734	9,000		343,384	37,521
2018	73%	-342,399	43,436	112,301	26,725	9,000		191,512	-150,887
2019	65%	-475,809	52,925	106,517	36,458	9,000		204,900	-270,909
2020	59%	-154,768	44,136	50,846	25,976	9,000		129,958	-24,810
2021	54%	-230,127	56,794	389,742	13,312	0		459,848	229,721
2022	53%	-285,654	24,693	217,371	30,838	0		272,902	-12,752
2023	46%	-424,309	26,151	51,413	71,555	9,507	68,849	227,478	-196,831

Note:									
Operating Deficit = Income from Charitable activities minus resources expended									
Other income is that from donations, legacies investment income and grants from Piggott charity									
Net expenditure/income is the result of Charitable income less expenditure operating the charity									

Perhaps the first point to note is the % occupancy which clearly illustrates the impact of the decline in the numbers within Gospel Standard churches and their congregations. It is noticeable the decline in overall occupancy that has occurred since 2020. (This includes the time of the COVID-19 pandemic).

The operational deficit is the cost of operating the care homes and the flatlets. The deficit is the difference between income coming into primarily the homes and flatlets less the cost of operating these together with central costs. In its simplest a surplus is where income exceeds expenditure and a deficit is where expenses exceed income. For Bethesda, this deficit has been offset by other income such as donations, legacies and investment income and property sales together with drawing on reserves.

This then, in turn, results in either net expenditure (i.e. expenditure exceeds income) or net income (i.e. income exceeds expenditure).

As can be seen other income plays a significant part in helping offset the operational deficit. Where losses are incurred (net expenditure) then these will be drawn from reserves. As we know from our own finances our reserves (savings) are to make provision for future expenditure. In the case of Bethesda this would include investment in property to ensure appropriate accommodation is available to meet current and future beneficiary needs. These comments are made in the realisation that the Lord is sovereign and able to provide for the needs of his people but that should not lead us into presumption.

Table 2 provides background to the financial operational performance of the Bethesda residential homes for the period 2014-2023 and the nine months January-Sept 2024.

Table 2: Surplus/deficit GSBF Bethesda Homes 2014-2023

Year	Brighton	Occ	Harpenden	Occ	Studley	Occ	TOTAL	Occ
	£	%	£	%	£	%	£	%
2014	-104,763	88%	-138,898	60%	-85,799	63%	-329,460	71%
2015	-72,564	85%	-160,869	58%	-100,266	66%	-333,699	70%
2016	-166,746	80%	-88,317	71%	-95,530	72%	-350,593	75%
2017	-182,199	72%	-35,080	77%	-49,943	81%	-267,222	76%
2018	-82,901	74%	-129,301	70%	-94,618	74%	-306,820	73%
2019	-82,443	90%	-255,000	44%	-127,674	62%	-465,117	65%
2020	84,995	83%	-119,859	39%	-106,157	58%	-141,021	59%
2021	64,437	68%	-48,955	41%	-195,571	56%	-180,089	54%
2022	-3,390	61%	-199,586	45%	-28,768	0%	-231,744	53%
2023	-13,632	53%	-301,912	40%	-32,880	0%	-348,424	46%

Total Surplus/Deficit Bethesda Homes (Incl Central costs)2014-2023				
	Brighton	Harpenden	Studley	TOTAL
	£	£	£	£
2014-23	-559,206	-1,477,777	-917,206	-2,954,189

Bethesda Operational Performance Jan-Sept 2024							
Jan-Sept 2024	40,548	55%	-222,571	36%	-14,757	-196,780	45%
			Central Cost (not allocated)			-103,308	
			Jan-Sept 2024 Total deficit			-300,088	

A previous trustee, now deceased, made the comment that occupancy is everything. In looking at Table 2, it is noticeable how occupancy has impacted on the financial outturn of the individual homes.

The trustees are very conscious of their responsibilities, in the sight and fear of the Lord, in stewarding the resources of Bethesda to address the monetary losses incurred yet provide a resting place for those in their old age. This has involved monitoring the management of the Homes together with reviewing the suitability of Bethesda's current properties and investigating possible solutions in order to meet future needs.

Tables 3 a-d provide more detailed information on the performance of the individual residential care homes and the cumulative performance of the homes.

Table 3a							
Brighton Home (22 beds)		2019	2020	2021	2022	2023	Sep-24
Occupancy %		90%	83%	68%	61%	53%	55%
Incoming resources Total		£677,473	£861,859	£772,872	£720,359	£712,182	£581,137
of which	Residents fees	£660,024	£812,998	£740,125	£691,769	£690,499	£559,418
Running costs (Homes)		£759,916	£776,864	£708,435	£723,749	£725,814	£540,588
of which	Staff costs	£574,411	£602,782	£508,832	£512,308	£526,767	£419,348
	Of which Agency staff	£11,951	£908	£0	£0	£0	£0
	Repairs and renewals	£19,671	£21,803	£27,787	£31,958	£19,861	£23,772
	Depreciation	£12,085	£14,156	£12,878	£13,585	£17,581	£9,791
	Central costs	£41,929	£44,188	£46,741	£59,593	£54,986	See Note
Operating Surplus/Deficit		-£82,443	£84,995	£64,437	-£3,390	-£13,632	£40,549

Table 3b							
Harpenden Home (25 beds)		2019	2020	2021	2022	2023	Sep-24
Occupancy %		44%	39%	41%	45%	40%	35%
Incoming resources Total		£408,899	£495,937	£574,146	£600,315	£536,204	£409,665
of which	Residents fees	£399,105	£441,605	£523,668	£586,860	£515,959	£394,801
Running costs (Homes)		£663,899	£615,796	£623,101	£799,901	£838,116	£632,236
of which	Staff costs	£463,837	£439,592	£439,549	£547,423	£534,894	£463,035
	Of which Agency staff	£5,366	£4,891	£57,022	£107,789	£32,941	£2,433
	Repairs and renewals	£41,012	£26,464	£43,199	£82,880	£84,493	£42,418
	Depreciation	£12,085	£12,347	£12,988	£13,298	£14,428	£14,213
	Central Costs	£47,646	£50,213	£53,114	£67,719	£62,484	See Note
Operating Surplus/Deficit		-£255,000	-£119,859	-£48,955	-£199,586	-£301,912	-£222,571

Table 3c							
Studley Home (13 Beds)		2019	2020	2021	2022	2023	Sep-24
Occupancy %		62%	58%	56%			
Incoming resources Total		£282,590	£312,339	£290,240	£2,017		
of which	Residents fees	£279,623	£297,636	£280,306			
Running costs (Homes)		£410,264	£418,496	£485,811	£30,785	£32,880	14,757
of which	Staff costs	£301,642	£314,316	£376,394			
	Of which Agency costs	£21,512	£18,719	£32,973			
	Repairs and renewals	£14,624	£22,519	£20,576	£1,994	£2,680	
	Depreciation	£34,443	£9,601	£9,601	£9,601	£9,601	
	Central costs	£24,776	£26,111	£27,619	£8,126	£7,498	
Operating Surplus/Deficit		-£127,674	-£106,157	-£195,571	-£28,768	-£32,880	-£14,757

Table 3d							
TOTAL Homes	Beds 19-21: 60 22-: 47	2019	2020	2021	2022	2023	Sep-24
TOTAL Occupancy %		65%	59%	54%	53%	46%	45%
TOTAL Incoming resources		£1,368,962	£1,670,135	£1,637,258	£1,322,691	£1,248,386	£990,802
TOTAL Running costs (Homes)		£1,834,079	£1,811,156	£1,817,347	£1,554,435	£1,596,810	£1,187,581
TOTAL Operating Surplus/Deficit		-£465,117	-£141,021	-£180,089	-£231,744	-£348,424	-£196,779
Of which	Resident Fees	£1,338,752	£1,552,239	£1,544,099	£1,278,629	£1,206,458	£954,219
	Staff costs	£1,339,890	£1,356,690	£1,324,775	£1,059,731	£1,061,661	£1,187,581
	Of which Agency costs	£38,363	£24,518	£89,995	£107,789	£32,941	£2,433
	Repairs and renewals	£75,307	£70,786	£91,562	£116,832	£107,034	£68,015
	Depreciation	£58,613	£36,104	£35,467	£36,484	£41,610	£24,004
	Central costs	£114,351	£120,512	£127,474	£135,438	£124,968	See Note

Note: Central costs allocated at year end. Central costs Jan-Sept 2024: **-£103,308**. Total deficit for period **-£196,799 + -£103,308 = -£300,107**

Each of the tables provides for the year in question:

- details of occupancy %,
- incoming resources (including residents' fees)
- running costs of the homes (including staffing costs)

The tables illustrate how the impact of low occupancy on incoming resources when combined with the need to provide sufficient staffing levels, can result in staff costs being more than resident fee income. Also, where the situation arises of not having sufficient full and/or part-time staff then additional costs are incurred through having to use agency staff. Thus illustrating further the challenges of staffing residential care homes.

Costs relating to repairs and renewals are those incurred in ensuring that the building fabric and services are in a good state of repair. As would be expected, as a building ages then the cost of repairs and renewals will increase. As can be seen, these are becoming significant for the Harpenden Home which is now 55 years old.

The other significant cost that have been included are the central costs which are proportionally allocated to each of the residential homes. These costs are those associated with running the charity together with providing central services such as accountancy, quality systems and human resources support.

In 2023, one of the concluding slides in the Chairman's presentation stated:

What are the challenges faced by Bethesda trustees? These were summarised in two statements are:

- Sustaining and improving the way Bethesda operates
- Identifying the future direction of the Charity was maintaining its purpose and ethos

These challenges remain and the trustees look to the Lord to make this great mountain, a plain.

Finally, the trustees have been burdened, over recent years, as to what is the Lord's will for the future of Bethesda and are very conscious whatever action is taken will impact on the lives of individuals: residents, staff, volunteers, loved ones, friends and local churches. As mentioned, this burden lies heavily upon the trustees yet there is a need to ensure that the resources of Bethesda are stewarded in such a way that Bethesda continues to fulfil its purpose.

The trustees' cry, at our weekly prayer meetings and other times, has often been "neither know we what to do" yet we trust the Lord will provide and show us what He would have us to do together with submission to His Perfect Will.

Brethren pray for us - beseeching the Lord that He might appear in building up the GS causes and congregations that we seek to serve in the provision of Bethesda for current and future generations.

Thankyou.