

## Southlands

### Basic Information

<b>Contact Name and Details</b>	Helen Woodall on behalf of Accompaniment Group hwoodall@tiscali.co.uk
<b>Status of Paper</b>	FINAL
<b>Action Required</b>	Decision
<b>Draft Resolution</b>	<p>Council authorizes the preparation of a Lease, Governance Deed and Transfer Agreement of Southlands College to Roehampton University on the basis of the Heads of Terms recommended by the Governing Body of the College, together with a new Southlands Trust Deed reflecting the changed relationship of the College and University which is envisaged in the Heads of Terms.</p> <p>Council requires these, when drafted, to be brought to the Council in February 2010, for review and approval prior to their submission to the Conference of 2010, and appoints a Scrutiny Group .....</p> <p>Council consents to the transfer of the Mount Clare property from the College Trust to MCCF(S).</p> <p>Council approves the proposal to amend the MCCF(S) Trust Deed to bring together the work of MCCF(S) and the Southlands Methodist Centre and to create a Trustee body who shall also form the Southlands Liaison Group.</p>
<b>Alternative Options to Consider, if Any</b>	

### Summary of Content

<b>Subject and Aims</b>	The report of the Accompaniment Group established after the February Council to review options for the future of Southlands College in particular the proposed lease to Roehampton University.
<b>Main Points</b>	<p>a) The College does proceed to enter into a 125 year leasehold arrangement with Roehampton University subject to the agreed Heads of Terms being satisfactorily reflected in the Lease, Governance Deed and Transfer Agreement; and that work on the legal documents (including any necessary alterations to the Southlands Trust Deed of 24.2.2006) recommences immediately so it can be brought to February Council 2010 and the Conference of 2010 for Approval</p> <p>b) Mount Clare is treated as a separate matter, and transferred to the Southlands Methodist Trust (aka Methodist Council Charitable Fund [Southlands])</p>
<b>Background Context and Relevant Documents (with function)</b>	<p>Paper MC/09/90 set out the case for a new relationship between Southlands College and Roehampton University.</p> <p>Paper MC/09/05 at the February Council raised questions about the deal because the parallel negotiations with Whitelands College had run into difficulties from both the Church of England and the University perspectives and the first draft of the legal documents, prepared by the university's lawyers failed to reflect fully the agreed Heads of Terms.</p> <p>In response to the paper Council suspended its previous agreement to the Heads of Terms and transformed the Scrutiny Group appointed by the October Council into an Accompaniment Group</p>

<b>Consultations</b>	Southlands College Governors including Revd John Pritchard ex Chair and Revd John Cooke Acting Chair Dr Peter Briggs, former Principal of Southlands College and Professor Yvonne Guerrier, current Principal Professor Paul O'Prey, Vice-Chancellor Roehampton University Bishop Stephen Venner and Church House staff with responsibilities for Higher Education Doug Swanney
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### **Summary of Impact**

If approval to proceed given

<b>Standing Orders</b>	n/a
<b>Faith and Order</b>	n/a
<b>Financial</b>	No change to Methodist Church Fund but removal of asset valued at £14-16 million from the consolidated accounts.
<b>Personnel</b>	New Trustee Body/Liasion Group to be appointed
<b>Legal</b>	Lease, Governance Deed and Transfer Agreement between Southlands College and Roehampton University to be completed Transfer Mount Clare property from the College Trust to MCCF(S) Changes to MCCF(s) Trust Deed
<b>Wider Connexional</b>	Ex students
<b>External (e.g. ecumenical)</b>	Whitelands College and other partners at Roehampton Church of England
<b>Risk</b>	Negative response within the Connexion to the transfer as there was to that of Westminster College to Oxford Brookes If not proceed failure to fulfil Deed of Adherence that commits the Methodist Church through Southlands College to work to sustain and develop the work of Roehampton University

## Southlands

### Summary and Recommendations

The Accompaniment Group has worked with the Southland Governors to explore the options for the future of the College and recommends that:

- a) The College does proceed to enter into a 125 year leasehold arrangement with Roehampton University subject to the agreed Heads of Terms being satisfactorily reflected in the Lease, Governance Deed and Transfer Agreement; and that work on the legal documents (including any necessary alterations to the Southlands Trust Deed of 24.2.2006) recommences immediately so it can be brought to February Council 2010 and the Conference of 2010 for Approval
- b) Mount Clare is treated as a separate matter, and transferred to the Southlands Methodist Trust (aka Methodist Council Charitable Fund [Southlands])

### 1. Introduction and History

The resolutions of the Methodist Council on 13 October 2008, currently suspended and referred for review by the Accompanying Group and Governing Body, were:-

1. Council authorizes the preparation of a Lease of Southlands College to Roehampton University and an Agreement relating to the Management of the College on the basis of the Heads of Terms recommended by the Governing Body of the College, together with a new Southlands Trust Deed reflecting the changed relationship of the College and University which is envisaged in the Heads of Terms.
2. Council requires the Lease, Management Agreement and Trust Deed, when drafted, to be brought to the Council in February or April 2009, for review and approval prior to their submission to the Conference of 2009.
3. Council pursuant to the decision of the 2005 Conference, consents to the sale of the Mount Clare property provided that the terms of the sale meet with the approval of the TMCP and of the Council's designated representatives.
4. Council approves the proposal to amend the MCCF(S) Trust Deed to bring together the work of MCCF(S) and the Southlands Methodist Centre and to create a Trustee body who shall also form the Southlands Liaison Group.

The University is the successor body to the Roehampton Institute, created in 1975 by four higher education colleges in south west London – Digby Stuart (Roman Catholic), Southlands (Methodist), Whitelands (Anglican) and Froebel (based on the educational philosophy of the German educationalist Friedrich Froebel). The colleges then ceased to be higher education institutions in their own right. Successive Deeds of Adherence between the Institute/University and each college set out the responsibilities of each party.

34 years later the University is a distinctive, campus-based, collegiate, institution with a clear ethos and value base, strongly supported by the Christian foundations of three of its colleges. With some 8,000 students, it is relatively small by today's standards and needs to focus its resources strategically to provide excellent facilities for research, learning and teaching, for accommodation and catering and for socialising. Its student community is very diverse with over 100 nationalities represented, a high proportion of students who are the first in their family to enter higher education

and many mature students. Ensuring a high quality student experience is one of the University's major priorities.

In the 1990s a working party of the Division of Education and Youth reviewed the future of Southlands and its relationship with the then Institute. The 'Fox report' recommended that Methodism's commitment to Higher Education at Roehampton should be reinforced, and in 1997 Southlands' extensive site on Wimbledon Parkside was sold and a new, but much smaller, college was built with the proceeds on land adjacent to Digby Stuart College. The land was sold to Southlands at a very favourable price by the Society of the Sacred Heart, Digby's Providing Body. In 2005, Whitelands also relocated to Roehampton.

In 2006 the Incorporated Froebel Educational Institute (the Providing Body of Froebel College) granted the University a 999 year lease on the college. Negotiations were then begun with a view to similar arrangements with the three Church Colleges and in 2008 the Society of the Sacred Heart granted a 125 year lease of Digby Stuart College.

## **2. Current Position**

**2.1** Papers SRC/08/52 and MC/09/90 set out the case for a new relationship between the college and the University.

**2.2** The response of SRC and Council was initially supportive (SRC minute 08.4.1, MC minute 08.3.5). However, SRC did not complete a scrutiny review of Southlands College in the first round of governance reviews of the self-governing entities and changes in Connexional Team staff in September 2008 meant there was a gap in Council's knowledge of the situation at Southlands when proposals were brought.

A Scrutiny Group was established by the October 2008 Council to look at detailed paperwork. At SRC in January 2009 questions arose about the deal (SRC/09/06) particularly because the parallel negotiations with Whitelands College had run into difficulties from both the Church of England and the University perspectives. These were reinforced by the Scrutiny Group's misgivings when the first draft of the legal documents, prepared by the university's lawyers but not yet vetted by the Governors or their legal advisors, failed to reflect fully the agreed Heads of Terms.

The February Council adopted the resolution of MC/09/05 that *The Council suspends its previous agreement to the Heads of Terms* and asked the Scrutiny Group to act as an Accompaniment Group to work with the Southlands Governors to explore options and take the matter forward. Some or all of the group's members – Russell Buley, Andrew Gibbs, Graham Russell, Roger Smith, Mark Wakelin, Helen Woodall (Chair) with support from Doug Swanney – held a series of meetings between March and July with representatives of the Southlands Governing body, representatives of the Church of England and the Vice Chancellor of the University.

## **3. Response to issues raised**

The terms of reference for the Accompaniment Group reflected the questions and conversations at Council together with the usual scrutiny process for self-governing entities.

### *3.1 Do we still believe this is the only option?*

It is the preferred option. In meetings of the Accompaniment Group with representatives of the Southlands Governors alternative options were sought and explored but it was agreed that going ahead with the lease on the basis of the Heads of Terms previously negotiated was probably the best

way forward. The Accompaniment Group asked that the sale of Mount Clare be considered separately.

*3.2 What would happen if we did nothing? Do the Managing Trustees have the capacity to ensure the property is administered? Could we still be fully part of the University while maintaining effective ownership of the property?*

Southlands is financially sound but has limited resources to make provision for future major repairs or refurbishment of the property and no way of increasing them.

Through the Deed of Adherence the Methodist Church is committed to support and develop the University. The proposed agreements give assurances about honouring and supporting Methodist values and ethos which are not found in the Deed.

To date both Froebel and Digby Stuart are content with their lease arrangements. To decline a similar lease would stall and stifle relationships. The University would welcome closer liaison with the Methodist Church in developing joint initiatives.

*3.3 Are these the best terms?*

The Heads of Terms provide that in return for the 125 year lease on the College Buildings the University will provide or undertake to pay

- salary and on-costs of part-time Head of College, Grade 9 on University pay scale
- stipend and on-costs of full-time Chaplain at Methodist minister rates
- housing for Head of College
- housing for Chaplain, to CPD-required standards
- salary and on-costs of Head of College's assistant, time commitment not stated
- provision of office space for Head of College and Chaplain
- accommodation and office for Assistant Chaplain, if appointed
- telephone and stationery costs
- budget of £30k for college activities
- a 'reasonable budget to manage the Chapel and Chaplaincy services'
- management of College archives – secure storage and availability
- full maintenance and repairs of the College property, including the chapel
- insurance of buildings and contents

All the above will be adjusted (ie normally rise) annually; the £30k explicitly in line with CPI. In all an estimated annual consideration of some £200k which for a full repairing lease is a reasonable agreement. (Initial disquiet at the proposals was prompted by a front-page piece in the *Methodist Recorder* which mentioned £30k as if that were the University's sole input.)

*3.4 Is the asset realisable in any case?*

No – The Deed of Adherence commits the Methodist Church to using the property for the benefit of the Roehampton University

Furthermore the college is built on land formerly owned by the Society of the Sacred Heart and the Society has retained in its ownership a 'ransom strip' along Roehampton Lane which is the only access to the college.

### *3.5 Capacity of Southlands Governors*

One of initial drivers for the lease going ahead in 2009 had been retirement this summer of Revd John Pritchard (Chair of Governors, at completion of six years' service on the University Council as required by University Statute) and Dr Peter Briggs (Principal)

Rev John Cooke, the Vice Chair of Governors, has agreed to act as an interim Chair. Professor Yvonne Guerrier, Dean of the School of Business and Social Sciences and a long-time Southlands Governor has been appointed Acting Principal (on the same part-time basis as the current and previous Principals) for two years while future relationships are resolved. Once decisions on these have been confirmed by the 2010 Conference the process of appointing her successor will be set in train.

The Governing Body is a relatively young body with a policy of regular recruitment and renewal. Its members have a good range of professional expertise – financial property and legal. Elizabeth Ovey has agreed to join Governing Body for this transition period. She helped to draw up both the current Deed of Adherence and the current Trust Deed which will need revision if current proposals go ahead.

Two of the Governors are members of the University Council while a third Methodist member of Council is nominated by the Methodist Council (Noel Rajaratnam is due to step down in December 2009.)

If the new relationship goes ahead and the Governing Body is replaced by a Liaison Group, its composition is suggested in section 5 below. It is expected that some of the current Governors with the required expertise will be willing to serve.

### *3.6 Whitelands*

Whitelands Governors wish to go forward into a similar lease arrangement. However issues around its level of indebtedness following relocation to Roehampton mean this will not be at the same time as Southlands. Accompaniment Group members' conversations with C of E suggest that its higher education officials are in favour of such a transfer and there is hope that Whitelands may have reached an agreement in principle before the Southlands lease is finalised. A joint meeting of the two colleges' Governors is planned for the autumn

## **4. Mount Clare**

Much the most complicated issue proved to be the proposal to sell Mount Clare to the University.

The Mount Clare property is on a separate though neighbouring campus and is not an integral part of the College estate. The Mount Clare site is situated within the high density London Borough of Wandsworth's Housing Estate (Alton Estate). It extends to circa 1.5 ha and comprises a range of buildings including a Grade 1 Listed Building to the north of the site, which is adjoined to the east by a two-storey circa 1960s dining block. Within the grounds are 15, two-storey student accommodation blocks (housing around 180 students) together with a two-storey Lodge and a Grade II listed Temple in the south eastern corner. Limited car parking is provided to the north of the site. The site contains numerous trees, many of which are protected by a Tree Preservation Order (TPO); and abuts Richmond Park along the south eastern boundary. The site lies within the Alton Conservation Area.

Southlands spent £6,231,182 on the purchase and renovation of Mount Clare in 2001/02. This was achieved with the help of a number of loans, of which two are still outstanding: about £2.2m to

HSBC and about £720k to the University (which was not in 2001 in a position to buy Mount Clare outright but was able to lend the College £1m in order to part-fund the purchase). The University rents Mount Clare at £400k p.a. on a full repairing and insuring lease that runs until 2020. Income from the University to date has enabled Southlands to recover about half of its initial outlay.

The rationale for the sale was:

- that it would be foolish for the Managing Trustees to agree a 125-year lease on the College which is its primary commitment, but retain Mount Clare in which we have only a recent and tangential interest
- that Mount Clare was acquired for, and at the request of, the University which needed extra student accommodation (at a time when neither the University nor any of the other colleges could afford it whereas Southlands, having sold off its Wimbledon property, was in a position to draw down the necessary loans)
- that the University is now able and willing to arrange a deal which will cover all outstanding loans.

The Accompaniment Group took a very different view:

- that Mount Clare was acquired as an investment
- that by holding on to it, the Trustees will, once the loans are all repaid and the University's lease expires in 2020, have recovered their outlay and still own Mount Clare as an asset
- that it should be possible to come to an arrangement under which Mount Clare could be retained as a Methodist asset, for example by transferring it to MCCF(S) or to another Trust, after the long-term lease of Southlands to the University is completed.

The Governing Body's representatives were attracted by this alternative and undertook a wide-ranging exploration of its feasibility. After considerable debate, the Governors now propose:

- to repay the outstanding £720k to the University out of College funds before they are taken over by the University
- and to transfer Mount Clare to MCCF(S). MCCF(S) – to be renamed the Southlands Methodist Trust (see Section 5 below) – will receive rent from the University under the lease agreement, and will repay HSBC on the current basis (subject to any variations HSBC may insist on), leaving an increasing surplus for SMT's purposes. Out of this surplus it will probably be necessary to pay for the management of SMT funds.

The Governors are assured that the University has no desire to relinquish Mount Clare before the expiry of the lease agreement in 2020.

Preliminary conversations with HSBC indicate that there would be no problem, in principle, for loan on Mt Clare to be transferred from the College to MCCFS/SMT nor for removing the College as security for the loan but that this is likely to trigger a change in the terms of the loan.

## 5. Southlands Methodist Trust

If these proposals are agreed, changes will be needed to the Methodist Council Charitable Fund (Southlands) trust deed, if only because its trustees are currently defined as the Foundation and Ex-Officio Governors of the College, roles that will no longer exist. While doing this it seems sensible to review the status of the Southlands Methodist Centre [SMC] also. Neither MCCFS nor SMC are formally included in the new arrangements with the University but both play an important role in enabling the Methodist ethos of Southlands to find expression in a variety of ways.

Ever since MCCFS and SMC were set up there has been confusion between the two. However the position is clear. MCCFS is a separately established trust, with charitable status, which has four basic purposes. SMC is essentially a committee whose terms of reference define its aims and the activities that it can undertake in order to achieve them. The main link between them is that promoting the work of SMC is one of the purposes of MCCFS. A further link is that the trustees of MCCFS form a majority of the members of the SMC Management Committee.

The four Charitable Purposes of MCCFS are:

- to provide such financial assistance as may be required in order to ensure the continuation of the College chaplaincy within the University
- to promote and develop the educational work of the Southlands Methodist Centre.
- to support charitable work initiated by the Governors for the benefit of the College
- to provide financial assistance towards the cost of such capital building projects at the College as shall have previously been approved by the Methodist Council

The terms of reference for SMC, approved by the Methodist Council, set out its aims as follows:-

SMC aims to:

- be a resource associated with Southlands College and Roehampton University that develops Christian and Methodist understanding and appreciation of contemporary issues of local, national and global significance for church and/or society;
- add value to the Methodist community in the UK and internationally;
- enrich the community life of Southlands College in ways that reflect its Methodist values and ethos.

To achieve these aims, SMC:

- will collaborate with the academic schools and staff of Roehampton University and with appropriate external bodies to develop specific projects;
- may decide to focus its activities on particular themes or areas of interest for specific periods;
- may arrange lectures, seminars and conferences; organize training sessions; produce publications; invite resource persons; provide bursaries and scholarships to enable visiting staff and students to work and/or study at Southlands; foster international links; and undertake any other activities appropriate to the achievement of its aims.

In the circumstances it makes sense to bring MCCFS and SMC together by amending the MCCFS trust deed. The trust might be re-named (or known by a working title as) *The Southlands Methodist Trust*. We suggest that its Charitable Purposes be restated as follows (noting that the College chaplaincy will be funded by the University under the terms of the Management Agreement):-

- to support in association with the College and University the development of Christian, and specifically Methodist, understanding and appreciation of contemporary issues of local, national and global significance for church and/or society and to facilitate the public dissemination of such developments

- to enable members of the Methodist community and the wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and the University and the facilities available within them
- to enrich the community life of Southlands College and the work of its Chaplaincy in ways that reflect its Methodist values and ethos
- to support charitable work undertaken for the benefit of the College

In order to fulfil these purposes, the Trustees would be expected to

- collaborate with the academic schools and staff of Roehampton University and with appropriate external bodies to develop specific projects;
- make grants
- arrange lectures, seminars and conferences; organize training sessions; produce publications; invite resource persons; provide bursaries and scholarships to enable visiting staff and students to work and/or study at Southlands; foster international links; and undertake any other activities that the Trustees deem appropriate

(Legal advice, subject to any reconsideration, is that only the last of these need be included in the Trust Deed, as at present)

To simplify the arrangements and to enhance the links between the Trustees and the College/University, we suggest that the Trustee body and the proposed Southlands Liaison Group have identical membership, consisting of between six and ten people, appointed by the Methodist Council. They would include:

- a Chair, who shall normally also be a Providing Body representative on the University Council
- the Head of Southlands College
- a senior member of the academic staff based in the College
- at least one nominee of the local Methodist circuit
- a senior representative of wider Methodism, at connexional or district level

The Trustees shall, between them, have competence in the academic, financial, legal and property fields and an intimate knowledge of Methodism.

Several of the existing Governors may be willing to continue to serve on the new body.

## **5. Hope/Expectations at end of process**

For the College: a commitment by the University to retain its collegiate structure, to honour and support the Methodist traditions and ethos of Southlands, to meet its staffing costs and maintain its fabric.

For the University: a strengthened management structure, centralised rather than fragmented services, greater ability to build on its strengths, survive and thrive in an increasingly competitive Higher Education sector.

For the Methodist Church: freedom from concern about buildings, showers, catering contracts and vacation bookings, in order to concentrate on serving and influencing the lives of College students and staff, on chaplaincy and, through the Southlands Methodist Trust, on bringing considerable resources to HE in imaginative ways.

## **6. Resolutions for Council**

Council authorizes the preparation of a Lease, Governance Deed and Transfer Agreement of Southlands College to Roehampton University on the basis of the Heads of Terms recommended by the Governing Body of the College, together with a new Southlands Trust Deed reflecting the changed relationship of the College and University which is envisaged in the Heads of Terms.

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Council approves the proposal to amend the MCCF(S) Trust Deed to bring together the work of MCCF(S) and the Southlands Methodist Centre and to create a Trustee body who shall also form the Southlands Liaison Group.