

Methodist International Centre; Spirituality of Hospitality

Basic Information

Contact Name and Details	Revd Dr Stuart Burgess Stuart.Burgess@ruralcommunities.gov.uk
Status of Paper	Final
Action Required	Decision
Draft Resolution	The Council adopts the recommendation of the MIC Trustees.
Alternative Options to Consider, if Any	

Summary of Content

Subject and Aims	This paper outlines the recommendations of the MIC trustees as to the future direction of the MIC and asks for Council approval.
Main Points	<ul style="list-style-type: none"> - While the purpose of MIH was to provide a safe and welcoming haven for young people from all over the world, the changing profile of the foreign students has rendered this redundant. - In light of this, a Development Committee was established to explore a number of options for MIC to effectively meet the demands of the 21st Century and these are outlined. - The recommendation of the Development Committee, unanimously agreed to by the MIC trustees, that MIC explore the option of an Ethical Hotel to generate funds for pursuing Charitable Purposes is outlined and the benefits and implications are discussed. - The Council is asked to agree to this recommendation.
Background Context and Relevant Documents (with function)	
Consultations	

Summary of Impact

Standing Orders	
Faith and Order	
Financial	
Personnel	
Legal	
Wider Connexional	
External (e.g. ecumenical)	
Risk	

Spirituality of Hospitality
A 21st Century Interpretation of Hilda Porter's vision
A Vision Paper by the Managing Trustees of MIC
March 22nd 2010

1. Background

1.1. The thriving MIC hospitality is the legacy of Hilda Porter, the founder of Methodist International Houses. Having been a missionary in China, Hilda Porter came back to England to find that overseas students coming to universities were having trouble finding suitable accommodation. She persuaded the Methodist Church in London to support her in setting up a hostel at Inverness Terrace, Bayswater, in 1950 and became the first Warden.

1.2. The purpose of MIH was to provide a safe and welcoming haven for young people from all over the world. The idea proved successful and other cities with universities followed suit.

1.3. Over the years countless students have acknowledged their gratitude for the support they have received in this Christian environment.

2. Dramatic Change in Students' needs in the 21st century

2.1. The world of student needs and accommodation has changed beyond recognition in the last ten to fifteen years. Today, the foreign student is part of a vast student market, highly sought after and very well provided for by universities and the private sector and at levels of comfort and with a range of facilities beyond that which MIC could provide. The students at MIC are from wealthy families and/or supported by growing economies in Asia and even parts of Africa.

2.2. Therefore the Trustees have had to face the fact that the original reasons for MIC providing student accommodation support have now all but disappeared. Such issues have been at the heart of the search of the Trustees to discern the Will of God for this place over the last few years. We have always tried to adapt to the changing marketplace and it was this awareness, as well as the need to support our charitable education purpose, that led to MIC Trustees' decision to open one floor of other accommodation – hotel style.

2.3. As a result we established a Development Committee. As we face ongoing economic and social drivers for change, this committee, endorsed by the Board of Trustees, has considered various options to position MIC effectively to meet the new demands and opportunities of the 21st Century.

3. Options Explored

3.1. **Option one: Stay as we are or revert to MIH model:** Sustain the current model (80 student spaces plus 28 Guest rooms) by recruiting students from marginalised countries. In fact, the marginalised student rarely makes it to London today as those who get here are either on good scholarships or have wealthy families supporting them. To change the profile of student staying at MIC approximately £30,000 subsidy per student per year would be needed (travel, university fees, accommodation, food, etc). Without changing the current business model, the Church would have to provide funding of £2m-£3m each year if marginalised students were funded to live at MIC whilst studying in London. We consider this to be an unsustainable option in the medium to long term

3.2. **Option 2. Sell up:** The answer of the Trustees was that this was a short term solution which would reduce the diverse nature of Methodist social engagement. We would not argue that Methodists schools be sold just because there are enough schools and the money may be invested

elsewhere. The risks of reducing our strength in diversity, and of not reaching new audiences, and therefore influencing future generations, would be lost forever. Therefore we do not consider this a viable option.

3.3. **Option 3. Turn MIC into a hostel for the socially disadvantaged:** There are other Methodist sectors that are already doing this, along with many other agencies. We risk turning MIC into yet another building with no income to support it, and it becoming a millstone for institutions that already struggle to fund their existing properties. Therefore this is not a viable option.

3.4. **Preferred: Option 4. Ethical Hotel to generate funds for pursuing Charitable Purposes:** Should MIC offer ethical hospitality with a specific target audience of guests who work for social enterprises, charities, NGOs, faith based organisations who cannot afford the high prices of London hotels? And then use funds generated to support other charitable and ethical endeavours.

3.4.1. After consideration, we think that there is a strong argument for this approach. In addition we think that there is a good market of guests from organisations such as the BBC, UN etc who could afford more expensive hotels but who find the spiritual and ethical stance of MIC fits their personal and professional preferences.

3.4.2. MIC could become a role model for not just other Christian places of entertainment and hospitality such as retreat centres, cathedral cafes and faith HQ's – but also a model for secular society.

3.4.3. Developing hotel rooms and improving communal facilities will enable the organisation to grow. We will develop business with existing clients and compete for business in new markets – eg, to tender for residential conferences - including Methodist Church groups and corporate / group accounts where volume is a pre-requisite. With a robust business plan in place, now is the time to act, to capitalise on a relatively cost effective time for construction work.

4. Using the funds generated : the Hilda Porter Bursary Fund

4.1. In exploring the future for MIC we had to answer a number of critical questions. Is there still a need for providing homes for students? A firm no. But, does this mean we drop the historic mission of supporting students from developing countries? The answer is also no.

4.2. We plan to develop a bursary programme funded by the profits from the hospitality dimension of MIC and we wish to fund students within their own countries or regions through bursaries to Methodist or other Christian Universities and establishments.

4.3. There are many positives for supporting students to study in their own countries, not least the brain drain. The finer details of this will be worked out with consultation with Mike King and the team at World Church Relationships at Methodist Church House.

4.4. This new approach will have no effect to our charitable status. With the Hilda Porter Bursary Fund in place, we retain our charitable educational role and at the same time reflect the changing times and take a lead in addressing problems.

4.5. We currently operate with a separate trading arm whose surpluses are covenanted to the charity through the Gift Aid scheme, which is based on the advice on the Charity Commission's website with the proviso, "...as long as assets owned by a trading subsidiary are locked in - that is, they cannot be sold off to benefit individuals."

4.6. Our profits are solely for the advancement of education and relief to the marginalised. It is the very reason why we trade at all.

5. The Benefits

5.1. Methodism's desire to offer busy, professional people a secure and safe space to sleep or reflect or rest or simply to relax makes the case for an ethical brand of hospitality – MIC.

5.2. By having MIC right at the heart of the business family in London, it can influence ethical practice in this important sector. We are clear that business does not have to be “business-as-usual” and MIC can offer other services such as offering due diligence health checks to those wishing to do business ethically by bringing CSR to the centre of their operations. The use of MIC as a benchmark will become the norm. MIC can become the social glue for those men and women doing business for the benefit of the people and planet.

5.3. MIC must continue to cater to a significantly high proportion of its guests who are women, often travelling alone, who appreciate the security, the safety and ambience on offer.

5.4. The rebranded MIC will be a home-away-from-home for the Wesleyan family especially guests coming to UK as pilgrims to the homeland of John Wesley. Their experience will be greatly enhanced and fulfilling if they stay overnight in a place replete with Methodist heritage and values and a chance to interact with guests on a similar journey.

5.5. Furthermore, the rooms developed could still be made available for any scholars needing a place to stay in London at a club or membership rate.

5.6. From the profits generated by the ethical hotel business, we can provide considerable bursary funding for students to study within their own country or region, thus continuing the educational role which lies behind MIC but not inadvertently adding to the “brain drain” problem of taking students from developing countries to the West and of them never returning to contribute to their own communities.

6. Business case

A Business Case has been researched and written with regards to the redevelopment of Methodist International Centre (MIC)

1. The Business Case guarantees a minimum contribution of £500,000 per annum to the Hilda Porter Bursary Fund, thereby ensuring a worthy legacy for the work and vision of our founder, Hilda Porter.
2. It creates a business model that is sustainable both from a turnover and cost perspective, thereby preserving the Hilda Porter legacy for future generations.
3. The Business Case significantly improves the net profit of MIC's business, with substantial improvements in net revenues from all aspects of the business: namely, our hotel, conference centre, members' club and restaurant. Being competitive in commercial terms and delivering a consistent annual net profit will ensure that the Hilda Porter Bursary Fund is successfully financed and maintained.
4. The outcome of the Business Case ensures that the full potential of the MIC building and asset value are maximized.
5. The Business provides the opportunity to establish the respected MIC ethical hospitality brand in greater depth and on a much larger scale.

6. The Business Case has already received positive feedback from MIC's Bank, HSBC, and will undergo rigorous analysis and testing from an appropriate professional, prior to final decisions being made.

7. Recommendation to the Council

7.1. The following resolution was unanimously agreed by the Managing trustees.

7.1.1. That the trustees adopt the principle of the vision paper recognising that it incorporates a new direction of the educational charitable role of MIC. That the Business Plan be adopted likewise with the proviso that built into it there is a basic minimum for the educational bursary.

7.1.2. We now submit this vision to the Methodist council for approval.

Resolution

The Council adopts the recommendation of the MIC Trustees.