

SOUTHLANDS**Basic Information**

Contact Name and Details	Helen Woodall on behalf of Scrutiny Group and Southlands Governors hwoodall@tiscali.co.uk
Status of Paper	Final
Action Required	Decision
Draft Resolution	<p>The full, formal wording of the resolutions is that in the report but in summary the resolutions invite Council</p> <p>A. to accept the report of the Scrutiny Group</p> <p>B. to recommend to the Conference that</p> <ul style="list-style-type: none"> i) Southlands College is leased to Roehampton University for 125 years ii) The 2006 Southlands Trust Deed is revoked <p>C. subject to Conference approving B above</p> <ul style="list-style-type: none"> i) to substantially revise the Methodist Council Charitable Fund (Southlands) Trust Deed including renaming it Southlands Methodist Trust ii) to transfer the remaining assets held under the 2006 Trust Deed to Southlands Methodist Trust iii) to approve the transfer of Mount Clare to the Southlands Methodist Trust iv) to enter into the Lease, Governance Deed and Transfer Agreements with the University <p>D. subject to Conference approving B above</p> <ul style="list-style-type: none"> i) to appoint the Southlands Liaison Group to act on its behalf in maintaining the relationship with Roehampton University (its Terms of Reference are set out in Appendix 2) ii) to appoint the persons listed at 3.4 as members of the Southlands Liaison Group iii) to appoint the persons listed at 3.4 with the exceptions noted in 3.6 as Trustees of the Southlands Methodist Trust <p>E. to thank Revd John Cooke, Acting Chair of Governors of Southlands College and all other Governors who will retire on 31st July when new relationships come into effect.</p>
Alternative Options to Consider, if Any	

Summary of Content

Subject and Aims	The report of the Scrutiny Group appointed at the September Council to scrutinise the legal paperwork drawn up to effect the Leasehold transfer of Southlands College to Roehampton University and all consequential changes to governance arrangements.
Main Points	<p>The Lease, Governance Deed and Transfer Agreement do satisfactorily reflect the Heads of Terms approved by the Council in October 2008.</p> <p>The 2006 Southlands Trust Deed should be revoked as the Governors will cease to administer the College in the way it determines.</p> <p>Terms of Reference for the Southlands Liaison Group have been agreed and the names of the initial members are brought for approval</p> <p>The Methodist Council Charitable Fund (Southlands) MCCF(S) Trust Deed is substantially revised and renamed Southlands Methodist Trust (SMT)</p>

	Mount Clare, the freehold of the Southlands College site and certain artefacts and other assets will be held by SMT once the College has been leased to the University and appropriate legal declarations have been prepared to enable this.
Background Context and Relevant Documents (with function)	Paper MC0970 outlined the recent history of the relationships between Southlands College and Roehampton University and authorised the preparation of the legal documents and the establishment of the Scrutiny Group.
Consultations	Southlands College Governors including Revd John Cooke Acting Chair and Professor Yvonne Guerrier, current Principal Professor Paul O'Prey, Vice-Chancellor Roehampton University Revd Gareth Powell

Summary of Impact

Standing Orders	n/a
Faith and Order	n/a
Financial	No change to Methodist Church Fund but removal of asset valued at £14 million from the consolidated accounts.
Personnel	New Trustee Body/Liaison Group to be appointed
Legal	
Wider Connexional	Ex students
External (e.g. ecumenical)	Whitelands College and other partners at Roehampton Church of England
Risk	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

At the September meeting Council approved the resolutions in paper MC0970 giving consent for the detailed legal paperwork to be drawn up for the leasehold transfer of Southlands College to Roehampton University and associated changes in governance arrangements. The Scrutiny Group appointed by the Council has worked with the Southlands Governors to ensure the papers do properly reflect the Heads of Terms agreed and protect the Methodist identity and ethos of the College. This report is prepared jointly by the Scrutiny Group and the Southlands Governors. The initial section sets out the Scrutiny Group's recommendations to the Council (including the formal resolutions required to give effect to the proposals), which are then explained further in the body of the report. The recommendations are:

A. The Council accepts the Scrutiny Group's report and agrees that the Lease, Governance Deed and Transfer Agreement as negotiated (respectively "the Lease", "the Governance Deed" and "the Transfer Agreement") accord with the Heads of Terms that Council approved at its meeting on 13/14 October 2008.

Therefore

B. The Council recommends to the Conference that it resolves:

- i) to consent to the granting of a 125 year lease of Southlands College to Roehampton University in the terms of the Lease;
- ii) to revoke the trusts declared by the Southlands College Declaration of Trust dated 24th February 2006, such revocation to have effect from and to be conditional on the granting of the Lease, and to declare that from and after that date the remaining assets formerly held upon those trusts shall instead be held upon the trusts of the Southlands Methodist Trust (Registered Charity No. 1100660)

C. The Council resolves, conditionally upon the Conference passing the resolutions in paragraph B. above ("the Conference Resolutions"),

- i) to make the substantial revisions to the 2000 Methodist Council Charitable Fund (Southlands) ("MCCF(S)") Trust Deed shown in Appendix 1 including renaming the trust Southlands Methodist Trust ("SMT"), such revisions to take effect on the passing of the Conference Resolutions;
- ii) to concur in revoking the trusts declared by the Southlands College Declaration of Trust dated 24th February 2006, such revocation to have effect from and to be conditional on the granting of the Lease, and in declaring that from and after that date the remaining assets formerly held upon those trusts shall instead be held upon the trusts of the Southlands Methodist Trust (Registered Charity No. 110660);
- iii) to approve the making of a declaration of trust by the Trustees for Methodist Church Purposes ("TMCP") as custodian trustee acknowledging and declaring that with effect from the completion of the Lease the freehold of the Southlands College site and other residuary assets are held for SMT (formerly MCCF(S))
- iv) to approve the making of a declaration of trust by TMCP as custodian trustee acknowledging and declaring that with effect from the date on which the present mortgage of the property known as Mount Clare (registered at the Land Registry under Title Nos. TGL47292 and TGL160764) ("Mount Clare") is discharged, the freehold of Mount Clare is held for SMT (formerly MCCF(S));

- v) to enter into the Lease, the Governance Deed, the Transfer Agreement and all other documents necessary or desirable to give effect to the resolutions in paragraphs (ii) to (iv) and to direct TMCP to join in such documents as necessary, so that:
 - a. the Lease, the Governance Deed and the Transfer Agreement shall take effect on or about 1st August 2010;
 - b. the mortgage referred to in paragraph (iv) above shall be discharged and the declaration of trust there mentioned shall be entered into prior to the date on which the Lease, the Governance Deed and the Transfer Agreement take effect.

D. The Council further resolves:

- i) conditionally upon the passing of the Conference Resolutions, to establish the Southlands Liaison Group as a delegate of the Council to act in accordance with the Terms of Reference set out in Appendix 2;
- ii) to appoint the persons listed at 3.4 as the initial members of the Southlands Liaison Group, the work of which shall begin on completion of the Lease;
- iii) to appoint in place of the present trustees with effect from the passing of the Conference Resolutions the persons listed at 3.4 (with the exceptions noted in 3.6) as the trustees of the SMT in place of the present trustees.

E. The Council expresses its thanks to Revd John Cooke, who has acted as Chair of Governors at Southlands for 2009-10, and to all other governors retiring at 31st July 2010.

1. Introduction

1.1 Council in September authorized the preparation of a Lease, Governance Deed and Transfer Agreement of Southlands College to Roehampton University. These have now been prepared. To reflect the changes in the relationship with the University these agreements set out, changes are also needed to the 2006 Southlands Trust Deed and to the 2000 MCCF(S) Trust Deed. This is because the Southlands Governors will cease to exist as a Trustee body but some of their responsibilities (for the Mount Clare property, holding the freehold of the Southlands College site and various Methodist artefacts and intellectual property rights connected to the College) will pass to the revised MCCF(S) trust. To maintain, develop and strengthen the relationship between the University and the Methodist Church a Liaison Group will be established, its initial terms of reference are given at Appendix 2.

1.2 A series of meetings have taken place between Southlands' solicitors, representatives of the Governors and the University to negotiate the agreements. Draft papers have been subject to detailed and robust consideration by the Southlands Governors and the Scrutiny Group. The final draft of the papers was unanimously approved by the Governors at their meeting on 3rd March and is now presented to the Council for approval, and where indicated, recommendation to the Conference.

1.3 The intention is that, subject to Conference's approval, the Lease, Governance Deed, Transfer Agreement and all the associated changes to trust arrangements should be completed on 1st August 2010 at the start of the academic accounting year (or as necessary in advance of 1st August 2010).

2. Agreements with the University

2.1 These clearly reflect the Heads of Terms the Council approved at their meeting in October 2008. The Scrutiny Group is confident that they fulfil the understanding and expectations of the Council. In particular the Governance Deed provides for the preservation of the name, ethos and identity of Southlands College. It is envisaged that this will be achieved by the appointment of a Head of College and a Methodist chaplain, both posts to be funded and housed by the University. The role of the

Southlands Liaison Group as the communication channel between the University and the Church is established. Provision is made for archives and a list of excluded assets (largely artefacts given to Southlands College such as portraits of former principals) to be retained under Methodist control. Appended to the Governance Deed are the University's current Chaplaincy Policy and a paper setting out the Role of the Methodist Chaplain. Appended to the Lease is a Use of Chapel Policy preserving Methodist control over the Chapel's use. Two accompanying Side Letters contain a number of assurances that certain present practices in the College will be respected and continued. Any Council member wishing to see the full text of these documents should contact Gareth Powell at powellg@methodistchurch.org.uk.

2.2 During the negotiations the Methodist negotiators have sought to preserve the principles of the existing Trust provisions, including clause 3 of the 2006 Southlands Trust Deed, which provides that: "The nature and character of the religious instruction that shall be given on the Property or any other property forming part of the Trust Property shall not be contrary to the principles and doctrinal standards of the Methodist Church as interpreted by the Conference". While recognising their responsibility for preserving this principle, the Methodist negotiators have also sought not to prevent the University from carrying out its proper activities (such as the academic study and exposition of other religious and non-religious positions). Consequently, a number of relevant references have been made in the legal documents, reflecting the constraints on both sides. One specific application has concerned the Muslim Prayer Room that has been operating within the College under the auspices of the University's Chaplaincy and other policies, and which might have been thought to represent a breach of the existing Trust provision referred to above. However, it should be noted that, firstly, under its need to establish such a facility, the University approached Southlands because of the Methodist College's reputation for greater inclusivity, hospitality and catholic spirit. Secondly, the facility was only agreed to after the then Chair of Governors had discussed the matter with the then Connexional Secretary for Inter-faith relations. Thirdly, now that use of the Muslim Prayer Room has been established, the Vice Chancellor indicated that terminating such use could have negative consequences, which the Governors considered inadvisable to provoke. Fourthly, accordingly its use has been accepted but limited according to the narrow provisions of the second Side Letter (which also serves to remind against any other possible future breaches of this nature).

3. Changes to the Governance Arrangements and Trust Deeds

3.1 The agreements with the University will change the role of the Methodist Governors/Trustees at Southlands. They will no longer need to have concern about buildings, showers, catering contracts and vacation bookings, and it is proposed that the remaining functions of the Governing body will be taken over by the Southlands Liaison Group or by the revised MCCF(S) Trust. The Southlands College Methodist Trust will therefore cease to operate. Documents have been drawn up and tested through the scrutiny process and agreed by the Southlands Governors and the Scrutiny Group. Any Council member wishing to see the full text of these documents should contact Gareth Powell at powellg@methodistchurch.org.uk.

3.2 The 2006 Southlands Trust Deed establishes the role and responsibilities of the Southlands College Governing Body. Council is asked that this be revoked and a Declaration of Trust enacted to transfer the freehold of the Southlands College site and other residuary rights to the revised MCCF(S) Trust.

3.3 Appendix 2 sets out the proposed Terms of Reference for the Southlands Liaison Group. Council is invited to approve these as the SLG will be acting with delegated authority from the Council in maintaining the relationship with Roehampton University and for ensuring observance of the Governance Deed.

3.4 The following names are brought as the initial members of the Southlands Liaison Group from 1st August 2010. Some are existing Governors to give continuity. The usual term of service will be 6 years but those who are existing Governors have agreed to a shorter term that both reflects the service they have already given and ensures a steady pattern of renewal for the Group.

Chair Revd David Deeks former General Secretary and Secretary of the Conference (6 years from 2010)

Professor Yvonne Guerrier – Head of Southlands College

Revd David Innes – Chaplain of Southlands College

A Senior Member of Academic Staff based in Southlands College nominated by the University – To be appointed

Representative of Richmond & Hounslow Circuit – John Logan (6 years from 2010)

Graduated from Southlands College in 1981 and taught Religious Education for ten years. Became a Lecturer at La Sante Union College, Southampton, and then Director of the British and Foreign Schools Society National RE Centre, Brunel University. Currently Headmaster at St Mary's and St Peter's CE Primary School for the last six years. Member of Hounslow Methodist Church and Local Preacher.

Representative of District/Connexion – To be appointed

Stephen Ludlow (appointed 2007) (3 further years)

Estate Agent Ludlow-Thompson, Member Putney Methodist Church, Currently Foundation Governor Southlands College, Member of The Council of Roehampton University representing Southlands College.

Dean Sutton (appointed 2008) (4 further years)

A retired Chartered Surveyor who is currently a Foundation Governor of Southlands and a member of the University's Estates Committee. An active member of the Croydon Circuit with property experience in Ecclesiastical, Educational and Institutional matters.

Nigel Fairhurst (appointed 2008) (4 further years)

Nigel is a Chartered Accountant with a wide range of experience having held finance director roles in a number of different businesses covering the retail, publishing, professional services and property sectors. He is a member of Putney Methodist church and has been a Co-opted Governor since September 07 and a Foundation Governor from September 2008. He is also treasurer of the local scout group.

Elizabeth Ovey (appointed 2009) (up to 5 further years)

Practising barrister; member of connexional Law and Polity Committee; circuit and church steward; previously Foundation Governor 1996-2003, and currently from 2009.

3.5 As agreed at September Council the MCCF(S) Trust will have updated charitable objects and responsibilities. The existing body has a remit primarily focussed on supporting the educational, chaplaincy and other charitable work of Southlands College. The revised Trust will continue to support such work and the reflection of Methodist values and ethos within the College community. However, it will now become more explicit that the Trust is also a resource for the wider Methodist community and public in Britain and abroad and one that, within a higher education environment, helps develop Christian and Methodist understanding and appreciation of contemporary issues of local, national and global significance for church and/or society. Appendix 1 sets out the revisions proposed to the 2000 MCCF(S) Trust Deed including that the Trust should henceforward be known as The Southlands Methodist Trust (SMT). Part of the new responsibilities of SMT will be to manage the freehold of the College site, assets excluded from the leasehold transfer of the College, and Mount Clare. These assets,

together with the sale proceeds of the former Chaplain's manse at Enmore Road, will add value to the Trust, but also bring increased management responsibilities for its Trustees.

3.6 It is proposed that the members of the Southlands Liaison Group, with the exception of the Chaplain and the nominated senior member of academic staff based in the College, should also be Trustees of SMT. With those exceptions, Council is invited to approve the names listed at 3.4 above as the initial Trustees of SMT.

3.7 The accounts of the Southlands Methodist Trust will continue to be consolidated into the Methodist Church Fund accounts.

3.8 Some of the existing Governors, including Revd John Cooke who has acted an interim Chair of Governors for 2009/10 while the negotiations with the University are concluded and new governance arrangements come into effect, will retire on 31st July 2010. Council is asked to thank them for their services.

4. Mount Clare

4.1 Mount Clare is a Grade 1 listed building overlooking Richmond Park. It is on a separate though neighbouring campus and is not an integral part of the College estate. It was purchased at the request of the University that rents it to provide 180 bed spaces of student accommodation. Mount Clare was purchased with surplus of the proceeds of the sale of the old Southlands College site. Its book value at the end of July 2010 will be £3,357,274 with market valuations ranging from £2.5-6 million. As at end of March 2010, the property has loans outstanding on it of £2,068,000. The September Council accepted the recommendation of the Accompaniment Group that Mount Clare should not be transferred to the University but rather transferred from Southlands College to SMT. A Declaration of Trust to achieve this has been prepared and scrutinised by the Scrutiny Group and the existing MCCF(S) Trustees. Any member of Council wishing to see the full text of it can contact Gareth Powell at powellg@methodistchurch.org.uk. Council is asked approve this investment property being transferred to SMT.

4.2 Southlands College's outstanding loan on Mount Clare is with HSBC. This loan has been secured partly on the College building and partly on the Mount Clare property. At a meeting on 5th February HSBC agreed to the loan being transferred to SMT and for it to be secured only against the Mount Clare property. The University has given the necessary assurances that they wish to continue to rent Mount Clare as student accommodation on a full repairing lease for the term of the loan and that the rental income from this arrangement will be sufficient to service the HSBC loan and towards the end of the loan period generate a surplus that SMT can apply to its wider charitable purposes. Technically, the transfer of the loan will be effected by a discharge of the existing borrowing and mortgage from funds to be lent by HSBC to SMT and this transaction (together with the transfer of Mount Clare to SMT) therefore needs to take place before the revocation of the trusts declared in the 2006 Trust Deed, but after the amendment of the 2000 Trust Deed. Under the amended 2000 Trust Deed, the trustees of the SMT will have power to enter into the new secured loan without needing the approval of the Council and so no formal resolution seeking approval is included here. Confirmation of the revised loan terms when agreed will be reported to Council (or SRC acting on its behalf).

4.3 A further loan from the University that part funded the purchase/renovations of Mount Clare will be paid off from surplus balances within the College account before the transfer of the College to the University takes place.