

## The Future of Wesley House, Cambridge

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<b>Status of Paper</b>	Final
<b>Action Required</b>	Decision
<b>Draft Resolutions</b>	<p>64/1.The Council consents, on behalf of the Conference, to the sale of the Wesley House site and the leaseback of part of the site upon the terms and conditions before the Council at its meeting on 5-7 April 2014.</p> <p>64/2.The Council approves, on behalf of the Conference, the proposed amendments to the Foundation Deed of Wesley House dated 24 February 1919 as set out in the draft scheme sent to the Charity Commission in June 2013 (other than the amendments to the objects of Wesley House, which the Council has already approved).</p>

### Summary of Content

<b>Subject and Aims</b>	The report explains the recent developments relating to the proposals of the Wesley House Trustees for the future of Wesley House. The Council are invited to approve amendments to the Foundation Deed and agree to the sale and leaseback of part of the Wesley House site, and to approve some administrative provisions including the intention to incorporate a company limited by guarantee to which the trust assets would be transferred.
<b>Main Points</b>	Section A: Introduction Section B: Sale and Leaseback of Wesley House site Section C: The Administrative Changes
<b>Background Context and Relevant Documents</b>	MC/13/63 The Future of Wesley House Cambridge <i>The Fruitful Field Project</i> report to the 2012 Conference (Agenda pp643-760). Report of the Trustees to the 2013 Conference (Agenda pp 355-367) and the supplementary information (Order Paper pp 19-23).

### Summary of Impact

<b>Financial</b>	The Trustees do not seek any support from the Methodist Council in relation to the steps outlined.
<b>Personnel</b>	No implications for the Connexional Team.
<b>Legal including impact on other jurisdictions</b>	The proposals have received the consent of the Charity Commission where required and comply with the requirements of charity law.
<b>Wider Connexional</b>	The proposals in this report seek to enable the Connexion to continue to make use of Wesley House's extensive resources in relation to scholarship, research and innovation.
<b>External (eg ecumenical)</b>	The Trustees also seek to maintain a relationship with the University of Cambridge.

## **The Future of Wesley House, Cambridge**

### **SECTION A: INTRODUCTION**

1. Members of the Council will recall that in October 2013 the Council approved, on behalf of the Conference, proposed amendments to the charitable objects of Wesley House and also approved in principle, again on behalf of the Conference, the sale and leaseback of the Wesley House site, in furtherance of the amended objects and subject to compliance by the Wesley House Trustees with their obligations under the Charities Act 2011. It was recognised that final consent to the sale and leaseback would be sought later. The point at which such consent is sought has now been reached, as explained in Section B below.
2. In their report to the Council in October 2013 (MC/13/63, paragraph 3.8) the Trustees also referred to proposed administrative changes to the Wesley House Foundation Deed dated 24<sup>th</sup> February 1919. The purpose was to include in the Foundation Deed the sort of administrative provisions which are standard in a modern charitable trust deed and more specifically to make some amendments to the provisions governing the relationship between the Conference and Wesley House in the light of the wider changes to that relationship effected by the adoption of *The Fruitful Field*. Those changes require the approval of the Council on behalf of the Conference, which again is sought in this report. The changes, which were included in the material submitted to the Charity Commission in 2013, are explained in more detail in Section C below.
3. Since October 2013, the Trustees have continued to develop their business plan and continue to be advised that the plan, now in a much more detailed form, is viable. As part of that work, the Trustees have been advised that it is desirable to incorporate a company limited by guarantee to which the trust assets would be transferred. This would have two main advantages: it would make dealings with third parties much more straightforward, and it would limit the potential liabilities of the Trustees. Both consequences are obviously desirable given that Wesley House is in future intended to carry on a business, although for charitable purposes. The Council is not being asked to approve this proposal, but may wish to note that the Trustees' intention is that the constitutional provisions of the new company will reflect as far as possible the new administrative provisions which the Council is being asked to approve. The process of incorporation will include arrangements to safeguard assets which are a permanent endowment of Wesley House.

### **SECTION B: SALE AND LEASEBACK OF WESLEY HOUSE SITE**

4. The negotiations for the sale of the site and the leaseback of part of it on terms which are consistent with and supportive of the Trustees' business plan have reached a satisfactory conclusion and the Trustees have received clear advice to that effect from their surveyor, who is now in the process of preparing the report required for the purposes of the Charities Act 2011. The details remain confidential and will be made available to the Council separately.
5. It is hoped that as and when a company is incorporated to assume the responsibility of giving effect to the Wesley House trusts, any lease which has been granted to the Trustees will be assigned to the company, but again this is not something which the Council is now being asked to approve. The Trustees' present expectation is that an appropriate proposal will be brought to the Conference of 2014.

## **SECTION C: THE ADMINISTRATIVE CHANGES**

6. The Foundation Deed lacks a number of the provisions now commonly found in charitable trust deeds, such as provisions for dealing with conflicts of interest and for a quorum at trustees' meetings. The Trustees propose, with the approval of the Council, to take the opportunity to introduce modern constitutional provisions.
7. The Foundation Deed also recognises the relationship between the Trustees and the Conference by:
  - 7.1 providing for the appointment of trustees by the Conference;
  - 7.2 requiring the consent of the Conference to dispositions of real property;
  - 7.3 requiring the consent of the Conference to the amendment of the Foundation Deed.
8. The Trustees wish to recognise the continuing relationship between the Trustees and the Conference by retaining those provisions for connexional involvement and retaining a requirement that at least 75% of the Trustees shall be members of the Methodist Church in Britain. Some changes to the process by which the names of proposed Trustees come before the Conference are, however, proposed; the Council will be invited to nominate potential Trustees and the Trustees themselves will be ultimately responsible for bringing the list of Trustees to the Conference. As already mentioned, it is the Trustees' intention that the articles of association of any company limited by guarantee will be in the same terms as the Foundation Deed, as far as possible, and in particular will provide for the involvement of the connexion in the nomination of directors of the company, who will in effect replace the trustees.
9. Also as already mentioned, the proposed administrative changes were part of the scheme originally put to the Charity Commission in June 2013. They therefore fall within the scope of the response to consultation which was delegated to the Council by the Conference of 2013. The Council is accordingly asked to approve the new administrative arrangements. A copy of the draft sent to the Charity Commission, which includes the proposed administrative provisions, is held at Methodist Church House and is available from the Governance Support Cluster. A copy will also be available at the meeting of the Council. In view of the Charity Commission's decision that a scheme is not required to amend the objects of Wesley House (explained in the Trustees' report to the Council in October 2013), it is expected that the amendments will ultimately be incorporated in a revised trust deed rather than a scheme, but that will not change the substance of the amendments.

### **\*\*\* RESOLUTIONS:**

- 64/1. The Council consents, on behalf of the Conference, to the sale of the Wesley House site and the leaseback of part of the site upon the terms and conditions before the Council at its meeting on 5-7 April 2014.**
- 64/2. The Council approves, on behalf of the Conference, the proposed amendments to the Foundation Deed of Wesley House dated 24<sup>th</sup> February 1919 as set out in the draft scheme sent to the Charity Commission in June 2013 (other than the amendments to the objects of Wesley House, which the Council has already approved).**