Paper D1

Education & Learning

Finance

The Windermere Centre – Ways Forward

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The Windermere Centre – Ways Forward

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| **Action required** | Consultation now; for decision in May 2017 |
| **Draft resolution(s)** | **Mission Council**  **a. requests the E&L and Finance Committees to bring a fully worked out proposal for the future of the Windermere Centre for final decision by the Mission Council in May 2017, and**  **b. in the meantime agrees the E&L Committee should appoint a temporary transitional Director for the Windermere Centre until 31 December 2017 with proven management and negotiating skills.** |

#### Summary of Content

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| **Subject and aim(s)** | To consider ways forward for the Windermere Centre in the light of recent developments. |
| **Main points** | The business plan for the Windermere Centre has not been realised.  The option of a partnership with (a potential partner) is described and discussed.  Mission Council is asked to indicate for which of the ways forward it wishes further work to be undertaken. |
| **Previous documents** | Mission Council, November 2015, Paper D1 and Minute 15.34 |
| **Consultation has  taken place with...** | (The potential partner)  Windermere Management Committee |

#### Summary of Impact

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| **Financial** | Each of the options outlined in this paper has a financial implication. |
| **External  (e.g. ecumenical)** |  |

The Windermere Centre – Ways Forward

This version of the paper redacts the name of a potential partner in the work of the Centre; it will be clear where this redaction has been applied. It also removes the appendix that records and responds to commercial and financial projections which the partner provided.

John Proctor, 31st October 2016

Context

1. In November 2015 Mission Council passed a resolution ‘congratulating the Windermere Centre and its management committee on the work they have done to ensure its financial viability, and expressing its support for the Centre’s work over the period 2015-2018 ‘subject to the financial support from the Assembly budget being under £150k in each year and normally under £125k.’
2. Unfortunately the level of activity assumed in the 2016-18 Business Plan has not been achieved. In the first half of 2016 income was over £50k below budget. Up to the end of August, the cumulative deficit was £120k compared with a budget provision for the whole year of only £134k. The Windermere Management Committee (WMC) do not believe that they can continue to operate the Centre within the funding limits currently authorised.
3. In April 2016 the Education & Learning Committee agreed that the WMC could enter into talks with (a potential partner) with the intention of discussing a partnership through which (the potential partner) would run the hospitality side of the Centre. The Resource Centre for Learning function would be the responsibility of the WMC. (The potential partner) has an established record of running hotels with a Christian ethos, attracting usage by conferences, church weekends, etc.
4. Initial conversations led to more detailed discussion in August and September about how such a partnership might work. On 23rd August, the General Secretary, Deputy General Secretary (Discipleship), Deputy General Secretary (Admin & Resources), the Chief Finance Officer, the Convener of the Windermere Management Committee, the Convener of Education & Learning and the Secretary for Education & Learning met with the Managing Director and the Chair Designate of (the potential partner). The Finance Committee discussed the possibilities in September after which the URC Treasurer and Chief Finance Officer clarified further details with senior representatives of (the potential partner).
5. On 6th July Lawrence Moore made public his decision to step down from serving as Director of the Windermere Centre with effect from 4th September 2016. The loss of its Director, coupled with his sabbatical prior to announcing his resignation has meant that gaps he has left had to be filled and the important work of future planning and marketing has had to be left.
6. The Education & Learning Committee met on 6th/7th Sept and agreed that the conversations with (the potential partner) should be pursued. They also gave advice to the Windermere Management Committee on the shape of the Director’s post. The financial figures for January to August were not available to the committee at that time.
7. The WMC have given some thought to the senior staffing needs in each of the courses of action described in this paper.

Issues Arising

1. Can the role of the Windermere Centre as a Resource Centre for Learning which has been dedicated from its beginning to lay education be fulfilled without the demands of running a small hotel in the Lake District? The work of successive directors has been recognised throughout the denomination. The combination of skills to both enthuse and inspire the Church to ‘Walk the Way’ whilst attending to the practical implications of a hospitality business are, however, rarely combined in one individual.
2. Given the financial commitment that the Church would have to accept under the partnership arrangement (outlined in the Appendix), the Finance Committee hoped that Mission Council would also consider what other approaches might deliver the Church’s priorities for encouraging discipleship. The Committee felt the widely appreciated work of the Director post could be continued and enrich the Church without the post holder being so closely tied to a particular building for the delivery of courses. The Committee noted that two other Resource Centres for Learning offer residential accommodation and one of them is located in the same Synod as the Windermere Centre. In addition there are many other centres of Christian hospitality around the country, not least another (potential partner) hotel in the Lake District which would be glad to accept URC business and neither seeks nor needs URC subsidy.
3. The Education & Learning Committee had wanted to await the outcome of the Walking the Way process before making any far-reaching decisions on the future of any of the RCLs. This was in order to evaluate what role our existing resources might play in the future life of the Church.
4. What does the immediate future hold? The WMC considered the suggestion of a part-time interim/transitional director to work until (the potential partner) took over in order to hold the URC vision clear in negotiations. However this assumes that the Church wishes to enter into a partnership arrangement with (the potential partner) in 2018. Notwithstanding this question, there will need to be immediate action to support the work of the Centre and its staff as they continue to serve the Church.

Courses of Action

1. In essence Education & Learning and Finance in discussions in recent weeks have identified three possible courses of action.
2. **Enter into a partnership with (the potential partner)**  
     
   13.1 From January 2018 (the potential partner) would manage the Centre’s hospitality activities and environment, e.g. accommodation, meals, general maintenance, safety and legal compliance. (The potential partner) has extensive experience in this field and its establishments have a clear Christian ethos. The Centre would be run on a commercial basis and hospitality would be open to all, but (the potential partner’s) business plan would depend on the continued use of the Centre by URC groups and require the URC to carry all financial risks. Because of the major uncertainties around whether this model can be made to work financially, (the potential partner) would only be willing to enter into the partnership if they were able to withdraw at any time without having to refund the subsidies paid to them by the Church up to that point.   
     
   13.2 In order for the Centre to maintain its ethos and be recognised as part of the URC’s mission, and indeed to balance (the potential partner’s) business plan, it would be essential to run a strong range of courses and other activities at the Centre. This would require a skilled Director to design, organise and lead courses with support for the promotion and administration of the programme. This activity would be distinct from the hospitality element but the experience for attendees and guests would be seamless. The costs of a Director would be additional to the cost of support to (the potential partner).  
     
   13.3 The subsidy required from the URC to sustain the Centre until the partnership could begin in 2018 and for its first three years would be substantially in excess of the current budget for Windermere. If Mission Council preferred this option it would therefore be important to indicate clearly which budgets Mission Council wished to reduce in order to release the additional money needed for Windermere. The other large items in the Education and Learning Committee’s budget are the training of stipendiary ministers and support for the other three Resource Centres for Learning.
3. **Carry on the management of the Centre as at present.**  
     
   14.1 Carry on, as at present, with the aim of increasing the numbers of bookings and activities. (The potential partner) has already put in considerable resources and expertise to improve the management and administration of the Centre. In the event of a Partnership not being agreed, (the potential partner) would withdraw the current secondment of a staff member in a timely fashion but indicated they would not leave us in a difficult position, suggesting they may be open to helping cover a short period while we sought a replacement operations manager.

14.2 The Centre would continue to run a deficit which appears to be growing quite rapidly and is already running beyond the amounts authorised by Mission Council. Without the efficiency savings that (the potential partner) would hope to introduce under option 1 above, the total subsidy is likely to be significantly higher under this option than under option 1. The advantage would be in being able to continue having the building as a key RCL resource, particularly for lay people at a time when the URC is giving substantial and prolonged focus on lay learning. The current ethos of the Centre, which is valued, would continue and there would be opportunity for residential learning which has been highly appreciated.

14.3 As with option 1 above, for the URC to continue the necessary financial support, Mission Council would need to indicate from which other budget the additional money required in the immediate and longer-term future for Windermere should be taken.

1. **Take the decision to close the Centre.**   
     
   15.1 The advice we have received from (the potential partner) in such a scenario would be to close the Centre quickly and in an orderly manner with core services being maintained while needed. No impact assessment of this course of action has been undertaken. There would inevitably be costs involved but releasing the building would open up the possibility of a sale, from the proceeds of which closure costs could be covered and perhaps a new fund established to support lay discipleship in line with the historic purposes of the Centre and the current Walking the Way priorities.

1. The committees are mindful of the effect of these discussions upon the existing staff at the Centre and are committed to sharing information as appropriate to minimise anxiety.

Appendix: Financial Aspects of Partnership

This appendix to the paper responds to commercial and financial projections supplied by (the potential partner), and since these are not being pursued, the partner does not expect us to make them public. Therefore this part of the paper will not appear on the Church website.