

21 July 2020

## Denman FAQs

*Please note, these FAQs are also available on My WI and will be added to over time, so please check My WI for the most up to date version.*

### **Who made this decision and when was it made?**

Since March 2020 and the first week of lockdown, the NFWI Board of Trustees have been carefully examining the financial position of Denman and considering all possible options. Trustees held a Special Board meeting in early April and voted to provide a comprehensive financial support package for Denman up to 1 July 2020, with the majority of staff being furloughed to reduce on going running costs and minimise Denman's losses during the lockdown period. However, as we approached 1 July, it became clear that Denman was unable to open. Remaining government restrictions significantly reduced what Denman could offer after 4 July and the majority of those booked on courses in July and August had contacted us to say they did not feel comfortable attending. This would have meant that Denman would have immediately operated at a loss and would have required a level of subsidy that NFWI was unable to offer. In May and June 2020 the staff team and Board of Trustees worked hard to identify all the options available to Denman College with a view of maintaining some level of operations from July onwards. However, without sufficient numbers of participants, visitors and guests it was not possible to find a financially viable option. As such we have been left with no choice but to recommend formal closure.

### **Why is this proposal being made now?**

During the lockdown period the College has received no income other than that generated by 'Denman at Home' and rental income from 2 cottages on the estate. However, Estate running costs have remained, even with the majority of staff furloughed and the buildings on site formally closed.

Based on the three month closure and assuming a resumption of activities at planned levels by end of July, the year-end course income is forecasted to bring in around £960K as shown in the March 2020 management accounts which is 60% below budget. Course income in the fourth quarter of the year (Q4) is forecasted at around £220K, which is 68% below budget. On top of this we know from course attendees that they remain concerned about returning to the college this summer and so we have processed a significant number of refunds or re-bookings for later courses. This further impacted predicted income levels.

Many of you will know we have been delivering commercial events at Denman for the last 12 months as a way of improving income levels and with the hope of recouping its reserves. Despite the success of this activity, these events have also been impacted by the Covid-19

period. All external bookings scheduled for this financial year, including weddings and parties, have been postponed to next year and therefore no revenue from this activity will be generated in Q4 of this financial year. Predictions within the hospitality industry remain pessimistic about any immediate recovery on events and conference bookings due to government restrictions relating to large gatherings.

### **Why couldn't you reopen on 4 July as some restrictions were lifted for the hospitality industry?**

Denman H&S safety contractors have undertaken Covid-19 risk assessments to review our position, and although Denman may have been able to open its doors on 4 July, as per Government guidelines, the procedures we would need to put in place due to government guidance, would significantly impact on the delivery of our services at Denman and result in the reduction of the capacity of the college.

There were 70 courses planned in July 2020, however, cancellations due to COVID-19, brought the viable courses down to 10 with 127 attendees and no courses in the first two weeks of July. There were three federation visits booked for the month of July, however two federations have subsequently cancelled and the remaining federation has reduced the size of their group by 50%.

Any remaining courses scheduled would have to be offered without a residential option (which represent 80% of its total revenue) and/or limited food and beverage service unless government restrictions were lifted further. As a result of these factors Denman, even if open from 4 July, would have no significant income during the month of July and all operating costs, including staff salaries, would have to be covered by NFWI.

### **Why can't NFWI support Denman for longer?**

Denman is a restricted fund of NFWI and operates as a separate charitable entity. It has always been the NFWI model to ensure that membership subscriptions are not used to fund Denman College. The College operates commercially and therefore in order to be successful it needs to at least break even. Only 3% of members (on average) attend courses and events at Denman each year, and as such it would not be an appropriate use of NFWI funds to heavily subsidise the college. NFWI Trustees have a responsibility to ensure they use any NFWI funds for the greatest benefit of all members. Denman was always meant to be self-financing and in past surveys members have regularly said that they don't agree their subscription should subsidise the running of Denman.

As NFWI has already provided a significant temporary loan to Denman to cover its costs until 1 July, further subsidy would have put the organisation under impossible financial pressure and would have burdened Denman with debts that it would not have been able to pay off for a considerable number of years. This would also have meant that Denman would have continued to operate without reserves and so would have continued to be vulnerable.

### **What will happen to the Denman estate?**

Following the recommended closure of the College, our Denman staff are formally 'at risk' and we will be completing a full consultation period with them regarding their roles. Whilst this consultation period is underway the College will remain in the ownership of NFWI and all costs for its maintenance and staffing will be covered by NFWI.

The Board's recommendation is to sell the college and for it to be placed on the market immediately, but no decision will be made on the sale until full consultation with affected staff has taken place.

The proceeds of the proposed sale will be restricted for educational activities and NFWI will be working on a plan for its educational activities in the future, with a focus on making these accessible to all Members. This process will be in consultation with the Charity Commission and led by our legal advisers.

Until the estate is fully sold, all Denman estate costs will be covered by NFWI. A small amount of residual income will be generated by the ongoing rental of the cottages, the use of the Unit by NFWI staff and the ongoing delivery of 'Denman at Home'.

### **What is the proposed timeframe for selling the estate?**

NFWI is currently in a consultation period with its staff at Denman and until this is concluded no formal decision will be made regarding the estate. However, should a final decision be made to sell the college in the Autumn, after this consultation period, then Members will be notified and provided a period in which to make representations regarding the proposed sale.

### **Who will manage the sale of the Estate if it is sold?**

The day-to-day operations of the Denman estate, including any proposed sale, will continue to be managed by the Denman Committee (as sub-Committee of the NFWI Board of Trustees) including the General Secretary, Head of Finance and Head of Denman. In addition to existing members this Committee will include an external adviser and the Surveyor chosen to support the evaluation and sale. Any recommendations made by the Denman Committee will be taken to the full Board of Trustees.

NFWI is working with the Charity Commission and its legal advisers to ensure that if in a position where the estate is put up for sale then this would be managed efficiently and that any funds from this sale would be used to deliver educational activities for members in the future.

### **Does NFWI have the permission to sell Denman and will members have a say?**

Denman is a restricted fund of NFWI and operates as a separate charitable entity. NFWI Trustees are responsible for the management of this fund to ensure it continues to deliver on its educational charitable objects. This management includes making decisions about the future of any property or assets held within this fund. The NFWI Board of Trustees has made the proposal to close the college because of its inability to operate without making a significant loss (which would need to be covered by NFWI funds). NFWI has notified the Charity Commission of its proposal to sell the estate and is following their advice and that of the NFWI solicitor.

We intend to offer a series of Member Zoom calls after the consultation period, where WI members will have a chance to ask any questions. In addition, NFWI will formally notify members in October 2020 (by hard copy mailing) and invite formal representations from members. The NFWI Board are required to consider all representations made, although the final decision must be made based on financial, practical and legal considerations and this decision rests with the NFWI Board of Trustees. Members should be reassured that

completion of the sale of the estate cannot take place until this formal stage has been completed and that they will be given sufficient notice to make their representations.

### **What will happen from the proceeds of sale?**

Any proceeds from the sale of the estate will ultimately return to NFWI but will be restricted for use towards NFWI's educational charitable objects. The availability of this restricted funding alongside NFWI's need to continue its educational activity in another form following the closure of Denman mean that within this model it would be proposed that some staff be retained to continue this work and plan for the future.

However it is to be noted that since the start of lockdown in March 2020 all Denman costs have been covered by the NFWI and any additional costs incurred from this point onwards continue to be managed in this way as Denman has only a residual level of income whilst closed. As such, the total amount paid by NFWI to support Denman during lockdown, any costs during the consultation period, the cost of refunds, and any costs incurred from the management of the closure and sale of any part of the estate, will ultimately need to be repaid to NFWI from the proceeds of the sale. This money will be covered by a formal interest-free loan agreement between NFWI and Denman to comply with accounting requirements and charity law.

### **Will I get a refund from the course I booked?**

Yes, everyone booked on courses will be contacted individually and refunded in full. We commit to ensuring that all refunds are completed within 30 days of the formal announcement of this proposal (30 days after July 21 2020).

### **Will I get a refund for my Denman vouchers?**

Yes, anyone with Denman vouchers will have these redeemed. Please contact the Denman team to arrange this: [finance@denman.org.uk](mailto:finance@denman.org.uk)

### **Will we get a refund for our scheduled Denman visit?**

Yes, any monies paid for Denman visits will be fully refunded. We commit to ensuring that all refunds are completed within 30 days of the formal announcement of this proposal (July 21 2020).

### **What happens to the funds in the Save Denman fund?**

We are awaiting advice from our solicitors and will update the FAQs on My WI to answer this question.

### **What will happen to Denman staff?**

Unfortunately we have had to put the majority of Denman staff at risk of redundancy. In addition we have terminated the Thomas Franks (catering) contract. The Denman staff are currently in a formal period of consultation and we ask that you provide NFWI with the space to conduct this sensitively and appropriately to ensure staff are fully supported. Under the current proposal, two Denman staff will be retained to support 'Denman at Home', develop NFWI's new educational programme, and maintain the site until it is sold.

### **Why can't you keep Denman open for events, weddings, etc.?**

We have identified some positive potential opportunities but nothing that can be guaranteed to cover the inevitable increase in running costs that each would require. As such, Denman would make a loss in the short-term and require further NFWI subsidy. This would not be an appropriate use of charitable funds. The lack of capital for investment and the need to generate an immediate income were also barriers to a viable commercial plan which would justify the retention of the staff required.

### **What educational offering will NFWI offer to compensate for the loss of Denman?**

In the short term we will continue to deliver and grow our 'Denman at Home' offer so that members can continue to access the high quality Denman activities that we always prided ourselves in. In the longer-term our proposal is to develop a new educational model to be delivered to members and funded by the proceeds of the sale of the Denman estate. The proceeds of the sale will be restricted for use specifically to deliver our educational charitable objects and despite making the difficult decision to close Denman, NFWI remains committed to ensuring it delivers educational and personal development opportunities to its members and, where possible, the wider public. As a result discussions are already underway about how NFWI can ensure it continues to provide this for members. As soon as final decisions have been made regarding the College and the Estate the focus of the team will transfer to a new educational offer. Our aim with any new offer is that we deliver this in a way that is accessible to all Members and tailored around feedback about the type of courses members are interested in. Denman has been a wonderful asset to the NFWI and provided exceptional educational activities and we do not intend to compromise on the quality of what we offer. However, we are mindful that many members felt that the location and pricing of the Denman offer was not fully inclusive and that each year it reached only 3% of our membership. Therefore one of the key factors in the design of any new educational model will be to deliver an offer that is more accessible for members in the future.

### **What will happen to the items in our federation room?**

Your federation will be contacted by the Denman team to arrange the return of any items belonging to and/or donated by Members within your federation. This will be organized on a case by case basis. Denman will cover the costs of returning these items, though for larger pieces (including furniture) we would ask federations to consider whether they wish to have these returned. It will take the team time to make arrangements with all federations so we ask for your patience while these arrangements are made.

### **I have items for our federation's room at Denman that we have just made. What shall we do with these?**

As these items cannot be used in your federation's room, your federation will need to make a decision whether to keep the items within your federations, or donate to the Denman archive. The NFWI is currently looking at the development of a formal archive to ensure the safeguarding of its history and artefacts (alongside its continued partnership with the Women's Library) and so if you wish to leave items in the care of NFWI then please contact [membership@nfw.org.uk](mailto:membership@nfw.org.uk) to discuss this.

## **What will happen to the historic items and NFWI history currently housed at Denman?**

Many of the items housed at Denman are on long-term loan and therefore these items would be returned to their owners. All other items would be securely packed and moved to the NFWI head office for storage in the archive there. Ultimately it is hoped that these items will be made available for members to view in the future at events or on loan; however, first these will need to be catalogued and insurance arrangements made as part of our wider work to conserve our historical collections. NFWI has just agreed a new archive plan and the Denman collection will be covered by this to ensure the history of the College is preserved.

## **What should we do with our Denman bursary scheme? Can this money be spent on other educational activities?**

We are awaiting advice from our solicitors and will update the FAQs on My WI to answer this question.

## **Can we visit Denman before the final sale of the estate?**

Unfortunately we will not be able to facilitate visits to the estate. Although some staff will remain on site in the short term, the majority of the estate will be formally closed to reduce ongoing costs. In addition we will not have the required staff teams operating that would make a visit viable or safe for our members or members of the public.

## **What will happen to the faberdashery?**

All items in the faberdashery are donations to Denman, and we will be consulting with the appropriate teams about what to do with these items.

## **Why is it only a “proposed” closure, and might this change?**

The closure is currently only proposed, as we have formally entered a consultation period with all Denman staff facing redundancy. The consultation period is an opportunity for staff to make representations on the proposal; therefore no decision can be made until the consultation period has ended.

## **What does this mean for Friends of Denman?**

The FOD programme will be dissolved and any renewals that took place after September 2019 will be refunded.

## **Why can't you close the London office and move all London staff to Denman?**

We have always made it very clear to members that a relocation of NFWI London staff to Denman is not viable. Whilst the College was open there was insufficient space to house the staff from London office. In this scenario the only option would have been to build another office on the site or close some of the college facilities to accommodate the staff. In the former scenario this building project would have been costly and challenging to accommodate on site (with sufficient funds required prior to sale of 104) and in the latter scenario the impact of the lost revenue would have further exacerbated Denman's financial challenges.

In addition to the financial and practical challenges of moving the headquarters to Denman, whilst also operating a fully-functioning College, a move of this significance would have required staff consultation and would in all likelihood have meant that we would have lost many highly valued staff who could not afford to commute to Oxfordshire. Some large charities have made this type of move but have done this by providing generous relocation packages and financial support to staff in order to retain them. NFWI does not have that level of financial resource and so as a result would have faced considerable operational challenges by not only moving premises but then also recruiting a new staff team.