



Denman Fundraising Appeal

Questions and Answers

The NFWI Board said it would not fundraise for Denman again – what has changed, why is the appeal happening now?

Since announcing the decision that if Denman incurred another deficit, with great reluctance the college would have to close, the NFWI Board has been approached by many members, asking how they could help Denman. At a recent Denman Ambassadors' conference the Ambassadors requested that they be allowed to fundraise with a view to saving Denman for future generations.

A representative of Denman Ambassadors attended a recent Denman Committee meeting and presented a proposal for a member led appeal. The board considered the proposal and impressed by the enthusiasm and dedication, the trustees agreed to go ahead with an appeal that will be carried out by Denman Ambassadors and other members who would like to help Denman.

Fundraising for any cause has to comply with fundraising legislation and therefore, the board felt it was very important to ensure that the Denman initiative was undertaken with full legal compliance with the backing of an established charity.

What will happen to the funds raised in the appeal if not enough money is collected and Denman still has to close?

The money would be used for education of WI members in collaboration with federations on a regional and local basis.

How will the funds raised in the appeal be used?

The funds will be put in the maintenance fund to help look after the buildings and grounds.

Denman's financial position at September 2015

In 2014/15, Denman has not managed to achieve an operating surplus. The operating deficit at end of September was £157k in unrestricted funds whilst net expenditure from restricted funds was £45k. The accounts therefore showed a total deficit of £202k.

In 2012/13, Denman achieved a small deficit of £10k in unrestricted funds, i.e. an operating deficit. In addition it had net restricted income of £67K following an increase in donations and legacies. Taking unrestricted and restricted funds together Denman's accounts showed a total surplus of £56k.

In 2013/14, Denman moved to a small operating surplus of £13k in unrestricted funds whilst net expenditure from restricted funds was £19k. The accounts therefore showed a total deficit of £6k.

Over the three years, Denman's total funds will have reduced by £202,000.

What is the difference between unrestricted and restricted funds and operating vs total surplus/deficit? Why does it matter?

Denman's operating surplus or deficit is based on income earned from courses, events and other fundraising less the costs of delivering services. This income and expenditure is unrestricted within Denman.

Denman's restricted funds arise from donations given for specific purposes. The main funds are the maintenance fund, the bursary fund and the travel fund. The net movement in these funds is made up of income donated in the year plus any investment income, less payments made.

The maintenance fund comprises over half the total restricted funds and is used to cover non-routine maintenance, e.g. essential major repairs and refurbishment of the estate. It is important that the maintenance fund remains above a minimum level and continues to generate investment income to provide for necessary repairs and renewals.

The overall financial aim for Denman is to generate sufficient operating surplus to replenish the fund and avoid reducing Denman's total funds.

What has been done to help improve the financial position of Denman since the June 2013 mailing when the results of the Denman Survey were sent to all WIs and federations?

The board engaged an external consultant to review the position of Denman with a view to advising how to retain the current provision of Denman but moving it to a profitable basis. The consultant's report was paid from NFWI funds, not from Denman funds.

Having reviewed the cost base of Denman, together with an analysis of the profitability of courses, the consultant advised that there was some potential to increase the annual surplus to a sustainable level by:

- Reviewing the existing offer to gain a clear understanding of the profitability of courses

- Moving to a strategy whereby the number of participants on a course is as important as the overall number of bed nights
- Increasing the number of courses on offer that can accept more than 15 participants
- Reducing the number of courses that consistently attract less than 12 students
- Increasing the use of low cost marketing including Denman Ambassadors and word of mouth promotion
- Ensuring that the staff at Denman have clear ownership of budget setting and control process and responsibility for delivering agreed targeted surpluses

The targets were set at £30,000; £50,000 and £75,000 for the next 3 years, starting in 2013, aiming at £100,000 after 5 years (in 2018) to enable Denman to be self-sustaining.

To help Denman achieve the targets and implement the changes suggested in the review, in addition to commissioning the initial report, the board also engaged the consultant for a period of 12 months to work closely with Denman staff and Denman Committee, from June 2014 to May 2015. This was paid for by Denman.

From 1 October 2015 Denman course prices have been increased to bring the college more in line with other similar establishments.

Estate

Since 2013 Denman has made the following improvements:

- Upgraded electrical wiring installed throughout the site to comply with regulations
- Security alarm system fitted to site
- Handrails have been added to the staircase from the main house first floor landing to the next level. These handrails are an exact replica of the main staircase.
- The disabled toilet in the main house has been refurbished to comply with DDA requirements
- The central heating system, windows and main door of the NFWI unit have all been replaced. The bathroom was also refurbished.
- The roof of Christmas Cottage has been repaired, a damp course put in. Other exterior works have been carried out to prevent interior damage
- A leak under the floor in April Cottage was causing a damp problem, this has been repaired.
- New boiler system installed in Fir Tree Cottage
- The walk in showers in Oak, Maple, Beech and Willow Cottages have been refurbished, including non-slip flooring and new showers
- Cladding slats to the accommodation cottages reset as weather had caused damage
- New venting put into Brunner boiler room to prevent overheating
- The guttering on the Teaching Centre has been replaced and there are now blinds in the Ferris Room
- The boilers in Oak, Maple, Beech and Willow Cottages have been replaced.
- The garage is in the process of being completely refurbished as the roof was leaking badly and had become unsafe. This involved removing asbestos and other essential work. The cost of this will be met from the restricted maintenance fund.

Catering

The current caterer is Thomas Franks. Their contract was renewed in March 2015. The quality of food and service has improved over the last few years. Denman now has waiter/waitress service at dinner and a full salad bar as well as hot choices at lunch.

Denman Programme

Denman programme has been revitalized, with new courses and new tutors being added on a frequent basis. Since October 2013 the college engaged 47 new tutors and 144 new courses. The programme is reviewed every few months to remove courses with low enrolments and to put on extra courses where there is a waiting list.

Denman works closely with Denman Ambassadors and federations to ensure that they have full support with federation visits to the college.

Friends of Denman

Following the membership survey about the future of Denman, the college has been offering a new scheme, Friends of Denman and currently this has 145 Friends. Altogether, 228 members have signed up since the scheme started and it has brought in £8,672 in 2013/14, and the end of September 2015 it had brought in £8,650 in 2014/15. The cost is currently £75 per annum.

Why has the board decided against the sale of the London HQ and relocating to Denman?

This is an issue that the NFWI Board considers on a regular basis. The most important legal requirement of trustees is to ensure that they act in the best interest of the charity they serve. Moving London HQ to Denman would not be in the best interest of the NFWI; in fact, it could be considered as potentially detrimental. Although Denman would benefit, short-term, from an injection of cash, without filling 61 beds a night the future of the college would still be uncertain. It is doubtful that the move of the NFWI to the college would be helpful to Denman, apart from the short term financial boost. The NFWI would take up bedroom space for offices resulting in fewer members being able to visit. Denman would also lose its special atmosphere. It is true, many organizations have moved out of London, but to modern, purpose built offices. Many organizations and charities have sold historic houses and residential colleges because of expensive upkeep.

Should the NFWI provide funds to keep Denman subsidized?

The NFWI does not have surplus funds that can be used for this purpose. We currently hold free reserves that just meet our needs for working capital and to cover potential risks, plus designated reserves earmarked for projects that potentially benefit all members and their communities.

We share the NFWI's five year financial projections with National Council members on a regular basis. This shows that over the next few years the NFWI is planning to reduce the amount that comes to it from members' subscriptions in order to increase the share kept by WIs and Federations; this would result in a financial deficit without growth in other sources of income.

Providing funds for Denman would require future increases in subscriptions for all members so that the NFWI could maintain a necessary level of reserves but would only benefit the small number of members who currently use Denman's facilities.

Whilst the NFWI does not have the resources to give money to Denman, it supports the college financially in other ways by organizing courses and conferences at the college and paying rent for the NFWI Unit office. WI Enterprises Ltd also support the college by seeking appropriate income generating activities.

The NFWI Board understands that members may ask why the VAT funds are not being used to help Denman. Legally, trustees are obliged to do the best for the charity they serve. Using the VAT refund to prop up Denman instead of providing educational opportunities to the whole membership in collaboration with federations would only benefit the few who go to Denman. It would be a short term measure and the trustees believe that as many members as possible should benefit from this fund.

Where are we now?

Regrettably, for the financial year 2014-15 Denman is again showing a substantial operating deficit of £202K.

The NFWI Board is very concerned that despite all the investment and hard work both of the staff and trustees, and all the support received from federations and WI members the college is not able to generate modest levels of income to ensure its future. The buildings and grounds are beautiful, however, they are also costly to maintain. The budgeted maintenance budget expenditure for 2015/16 is £95,300.

The board is aware that it is its duty to be prudent and to manage charitable resources to serve the membership.

It is with grave disappointment that the board agreed at the September board meeting that if Denman is not financially on course to achieve the budgeted operating profit of £70,790 for the 2015/16 financial year, the college will close. The NFWI would then look at alternative ways of delivering education to members in co-operation with federations.

At the time of writing, the bookings for the coming year are excellent. The residential courses are already 95% full and federations and individuals are booking for 2017. However, providing for maintenance and refurbishment will still present a challenge for future years.

The next steps

At the recent meeting of the National Council the trustees shared the above facts with National Council Members and asked them to continue to do all they can to promote Denman with a view to increasing bookings at the college.

The trustees also asked National Council Members to promote the Friends of Denman scheme that provides the much needed financial support to the college in addition to income from educational and other activities.

This will all help Denman achieve the modest surplus it needs to continue offering a wide variety of courses and other activities in a safe and well maintained environment.

National Council Members were concerned about the future of Denman staff should the college not achieve its target for the current financial year. Council members were briefed about the NFWI redundancy policy that is deployed in redundancy situations. The policy ensures that staff are supported in accordance with best employment practice and provides redundancy pay over and above the statutory minimum. The NFWI also provides help with re-training, job interviews and any other help that staff may require when looking for new jobs.

In addition to questions about the staff, the NFWI Board appreciates that many other questions will be asked, such as how would the proceeds of the sale be used, what would happen to bursaries, what would happen to federation rooms and many others.

Denman would not close overnight, but a carefully drawn up plan would be shared with the membership to ensure that every aspect was covered.

However, two questions can be answered without any hesitation now:

- any proceeds from the sale would be used for educational purposes for the benefit of members and in consultation with the membership, and
- everyone who had paid a deposit, or full fee for a Denman course would receive a guaranteed refund.

It must be stressed that Denman is not closing. Denman's current bookings look healthy and promising already at this early stage of the financial year, and there is every indication that the college can achieve its target by September 2016. Speculation and negativity will not help and we all must approach this serious matter together and constructively to keep Denman open.

The NFWI Board would like to thank federations and members for their continued support to Denman and to restate the commitment to keeping federations fully informed about the situation.

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