

## **To: Association Members of the Alder Bridge Association for Steiner Waldorf Education (previously Reading Steiner School Project)**

Dear Members of the Association,

You will have now received information about the forthcoming EGM that was expected to be held at the School hall on Saturday 12<sup>th</sup> August 2023.

Due to further nominations for Trustees and the need to give 14 days clear notice, the EGM date has been moved to early September 2023.

If you are not able to attend in person, do please register your proxy vote as detailed in the recent letter from Paul Ellison, the Administrator. This is an important meeting about the future of Alder Bridge Association for Steiner-Waldorf Education (ABASWE).

The purpose of this letter is to explain in more detail the proposal that Marcus & Stuart have recommended.

On 24<sup>th</sup> November 2022 ABASWE went into administration. Since that time, St. Luke's Trust (SLT) have been discussing their proposal with Paul Ellison of KRE Corporate Recovery. Our more detailed proposal to them is available on request from us. This outlines the history of the relationship between the two trusts and how the loss of Bridge House would damage the site in perpetuity.

Paul Ellison's report to members dated 19<sup>th</sup> July 2023 gives further information, but essentially sets out SLT's proposal and the consequences if members reject it – i.e. Bridge House will be sold. This will have significant implications for SLT, owner of the school building, the local community, tenants in Bridge House and the ability to provide Steiner-Waldorf education in the locality in the future.

### **The proposal in outline**

1. St. Luke's Trust are selling a property that they own to raise funds so that a loan can be made to ABASWE, secured on Bridge House. These funds will then be used by the Administrator to pay creditors of ABASWE and allow ABASWE to exit administration.
2. When ABASWE is out of administration, our proposal is that Bridge House and the Woodland will be transferred to a new charity. We will call this a Land Trust, but the exact name and most suitable structure are yet to be researched and determined.
3. SLT will gift the school building to the same new charity.
4. The new charity will take responsibility for the repair, maintenance, and enhancement of the whole site over time.
5. All rental income and associated costs will be transferred to the new charity.

Why transfer the land and buildings into a separate charity?

#### **1. Security**

Our aim is to hold the land and buildings securely in a Charity that does not run the activities. The facilities are then made available to Steiner-Waldorf initiatives using the model of St Anthony's Trust in Forest Row, Sussex. St Anthony's owns Tablehurst and Plawhatch Farms and makes these available to the farm businesses. This means that if the businesses fail, for whatever reason, the land and buildings are still available for others to use and would not be lost due to debts incurred by the activities.

#### **2. Ability to raise capital**

The proposed outline structure of the new charity will be familiar to lenders. The key here is that the charity will not be undertaking any other activities other than owning, maintaining, and managing the land and buildings. This means that in the longer term should investment be required in, for example, new educational facilities; it would be more straightforward for the charity to raise capital.

### 3. Focus

Given the proposed objectives of the new charity can result in greater focus on all of the land and buildings on the Mill Lane site. This includes access and planning consent arrangements in support of supporting Steiner-Waldorf education. These are important and significant tasks and require focus, time and attention in their own right.

### 4. Retaining charitable status

Current Labour Party policy is to change in some way the current benefits received by private educational charities. It's not clear yet in what form this change will happen. Charitable status may be withdrawn and/or VAT chargeable on tuition fees. By separating the land and buildings into a new charity could help shield some or all of the impact that might arise. For example, by retaining the benefit of gift aid on donations.

### 5. Defensive strategy

If Bridge House and the Woodland are sold; SLT could be left with a stranded asset in the school building. Access arrangements and planning permissions in place are long established for the site as a whole and are best managed in that context. Bridge House owned by a third party has contingent risks of uncertainty for the remainder of the site.

### 6. A new gift

SLT are proposing to gift the school building and its land to the new charity. This is a valuable gift. The proposal being advocated is the ONLY proposal that results in this gift.

### 7. Planning for growth and successful Steiner-Waldorf education in this locality

SLT needs to plan for the future. Our site at Christchurch gardens is growing. Our new garden (resulting from land purchased from a neighbour, greatly increasing the size of the garden) opens in September and enables a way for further site development and increased numbers. Some of these parents (currently 50) and their children will wish for Steiner-Waldorf education. The Mill Lane site is the best alternative to support this future development.

Following our proposal being submitted to the administrators, another proposal has emerged at the last minute and is being put to the Meeting. Given that this proposal comments on ours, we need to make some further comments:

In 2008, the then Trustees of ABASWE decided to sell Christchurch Gardens Kindergarten in order to pay off debts that they had built up and subsidise the running of AB School. St Luke's stepped in and bought 5 Christchurch Gardens, thus preventing it being sold on the open market and lost for S-W education. The result is that numerous children and parents have and are benefitting greatly from the continuation of the Kindergarten and Parent and Child work there (some going on to Alder Bridge School), and the income from the renting out of the 5 residential rooms has supported the purchase from ABASWE. In a similar way, if we keep Bridge House, the Early Years rooms are then available and the income from the residential rooms can be used to support the building.

We believe that the estimate of £1.5m for Bridge House is in practice too high and that it is more likely to be nearer £1m given its listed building status, it being in a conservation area, the time that has past since the valuation and its condition. This means the 'legacy fund' could be just over £0.5m. This would be insufficient to replace the buildings lost, even if planning permission in the conservation area were possible.

Further, it is our view that the legal structure of the ABASWE charity is inappropriate for a legacy trust, for the same reasons as ABASWE has not been able to look after their properties. The current structure will likely create conflict as people try to get hold of funds for themselves and their own pet projects. The capital would dwindle away with the Trustees enjoying giving away money in multiple directions, but the site, and access to the site, will be lost for Steiner Waldorf Education – particularly Early Years. Also, who would ensure that the Trustees were appropriately qualified for such a task, including supervising the use of the money after it has been handed out?

Just as Bridge House was bought in the past, the debts, as a proportion of total value, are perfectly manageable, particularly given the rent achievable in the current market. The market has changed, interest rates have risen significantly and house prices are falling. On the other hand, rents are rising and our proposal is financially underpinned by these income streams.

Ex-parents who are association members, please think of the future as was done in past years by the pioneering group in establishing the school (with no funds at all) and think of the future parents who want their children to

receive a Steiner Waldorf start in life, in the Reading area.

We ask members of the association to only vote on trustees that state that they support the establishing of a land trust for the whole site – this will make our work so much easier in getting it established and moving on to the future. Martin Large in particular would be an excellent Trustee given his knowledge and interest in Land Trusts.

Once ABASWE is out of administration and the proposed legal structure of the new charity clear, the trustees of ABASWE will consult with members before progressing with the implementation of the proposed new arrangements.

Members may have questions or concerns about this proposal. If you wish to ask any question or express any concern, you can e-mail these to either Stuart or Marcus: [marcus.webb@hotmail.co.uk](mailto:marcus.webb@hotmail.co.uk) or [stuart.brown@stlukestrust.org.uk](mailto:stuart.brown@stlukestrust.org.uk)

Kind regards,

Marcus Webb & Dr. Stuart Brown

6<sup>th</sup> August 2023