



Motivations and reasons for School opening

- Why is a School opening on the Estate of the Inn?

For some time the Inn has been aware that the City Law School would not renew their lease on **4 Gray's Inn Place at the end of 2020 because they were constructing a new campus at Northampton Square**. A number of options were considered which included a basic refurbishment; a refurbishment with the addition of one or two new floors and rebuilding the West wing entirely (which was originally a single lecture hall but had been turned into a library with a mezzanine); all of the above plus extending the footprint onto the space occupied by the pre-1960s building; or a complete demolition of the site and the construction of a new building.

Due to the age and internal layout of the building, which was purpose built as an educational institution, it was clear that only lower grade office space could be created and this would still require an agreement from Camden Council for a change in use from *Education* to *Office* and this was by no means guaranteed. At the time of this consideration, the market for office use was very much centred on high grade offices and indeed that remains the case now – there is a surfeit of low-grade office accommodation but still a demand for the best quality offices. The decision of the Inns of Court College of Advocacy (ICCA) to locate to 33 Chancery Lane in early 2021 removed them as a potential tenant for some of the building. Other options of converting the building to residential accommodation were considered but the building would require radical changes at major cost to provide the en-suite rooms, plumbing, heating, lifts, fire exits etc. and there would still be the issue of gaining consent from Camden for a change to residential use.

Demolition of the existing building and the construction of a new one would provide the Inn with modern Category A office space, similar to that at 19-21 High Holborn, and it would be designed to be flexible for potential tenants. However, it would be a very expensive, very disruptive, challenging and noisy project given the difficulty of accessing the area and the proximity of other occupants both within and without the Inn. A Management Committee appointed Working Group took this option forward in detail with a pre-planning consultation with Camden and the appointment of a project manager, architect and various engineering specialists.

However, the onset of the pandemic and the likely change in demand for office space alongside **the Inn's need to protect our finances led us to the decision to suspend this option**. We sought advice from Camden on a change of use and were informed they would need us to demonstrate that we could not obtain another educational tenant and we engaged an agency for this purpose. Whilst they obtained a little interest there was nothing that went past an initial inquiry. However, through an initiative to improve **the Inn's links with the City, the City of London School for Girls**, based in the Barbican, expressed an interest because they and the City of London School (close to St Paul's) were seeking to establish a co-ed junior school close to the two senior schools. We felt that the values of these schools, which focus on providing rigorous and rounded education, align with those of the Inn and their desire for a long commitment to

the Inn with their backing from the City of London Corporation, would be financially extremely valuable to the Inn for its longer term future.

The School

- What kind of School will it be?

It will be a selective co-educational school for boys and girls aged between 7 and 11 and will open at the Inn in September 2022. The school will be a feeder school for CLSG and CLS for the boys. These schools pride themselves in being unstuffy and inclusive and therefore fitting with the values of the Inn. The junior school will make extensive use of the facilities of the senior schools.

- How do the values of the School align with those of the Inn?

The school is committed to providing rigorous, unstuffy and rounded education. The school is fee paying but has a clear and firm commitment to educational opportunities being open to pupils who will benefit the most from learning there, not just those who can afford the fees. They are committed to providing school places to pupils regardless of financial means and offer bursaries and scholarships for entry. Approximately 25% of the current senior school pupils receive some form of financial assistance and their Bursary awards range from 25% right up to 100%. These awards are means tested and the junior school itself intends to have means-tested **bursaries from September 2022. This reflects the Inn's approach** - all our scholarships are means tested - and we are introducing under-graduate bursaries as part of the Griffin Access Programme which involves 6th Form students from deprived backgrounds in London and it is to be extended to the Midlands Circuit. The rent from the school will assist in the provision of funds for these projects. The schools are also committed to extensive partnership programmes with the City Family of schools and are keen to develop new partnerships with local state schools.

- What is the timeline for the School to open?

In September 2022 one full co-educational cohort of 75 Year 3 pupils and Year 4-6 girls will move **from CLSG's prep school to 4 Gray's Inn Place. This will gradually increase until September 2025** when the school will be fully co-educational and there will be approximately 300 pupils.

There will be a major internal refurbishment of the building before the school opens which will improve its plant machinery, air conditioning / heating to make it as energy efficient as possible. The windows, doors and the flat roof will be replaced. This work, considerably less disruptive than the demolition and rebuild plans, will help ensure the building is in a good position for the thirty year term of the lease and minimise the need for ongoing works. The building will be scaffolded with an acoustic barrier during the course of this work.

- How long is the lease?

The lease with the school is for thirty years with a possible extension of an additional twenty years and a (tenant-only) break clause at 15 years.

The Inn can break the lease if the school sought to assign or sublet some or all of the building **and we objected to that. If we sought to introduce a landlord's break clause, the school would** introduce a reverse premium because they would have spent a substantial sum fitting out the building and would want to know they would not lose that if we broke the lease.

Management of children within the Inn

- How will the children arrive and depart?

The school will not use the Raymond Gate or the road in front of Raymond Building, and will **enter the Inn via the Jockey's Fields Gate where they will be met by school staff and ushered to** their classroom, or via Warwick Court for those arriving by tube. Very few, if any children, will be driven to school and some will arrive on the school minibuses which will drop children off at **Jockey's Fields Gate.**

To stagger the arrival and departure, some children will attend the Breakfast Club from 7:30am and some will attend after school activities. Both the Breakfast Club and after school activities **will be conducted internally within 4 Gray's Inn Place or at the senior schools. The school will undertake outside sport at the senior schools, at Coram Fields or Lincoln's Inn Fields (for tennis).**

The school will only be in operation 165 days a year, unlike a commercial office tenant.

- How will the Walks be used?

The School will use a designated area at the top of the Walks next to Theobalds Road for a morning break between 10:15am and 10:45am and at lunch between 11:45am and 12:45pm. The children, in groups, will be walked up to this area and supervised throughout their recreational period and then walked back to their lunch sitting or lessons. The children will be restricted to their designated area and will walk to and from it in silence. The supervisors will provide some group and individual activities, such as bean bags, hula-hoops, etc but football will not be permitted.

Although the Walks are private, the Inn allows access to members of the public at lunchtime for much of the year for which the Inn provides security and litter picks. There are also Inn and commercial events which take place in the Walks, especially during the Summer.

- What about their sports days, louder outdoor play, organised games, etc?

As the junior school to the two senior schools, the children will use the extensive facilities there, **which includes two swimming pools, or go to Coram's Fields when they need more outside space or to play sport. They may also use Lincoln's Inn Fields for tennis.**

- How will the School be using Hall? Will it still be open to Members and their guests?

The school and the Inn will have different times for lunch, as agreed by Pension.

Hall will be used to provide a nutritious lunch in family style servings to the children in two shifts between 11:45am and 12:45pm – whilst one half of the School eats, the other will be at play in **the Walks or internally at 4 Gray's Inn Place if the weather is bad**. They will be escorted to and from Hall in silence and are encouraged to eat lunch quietly.

All the children and School staff will be finished and out of Hall so that Member and guest lunch can begin at the new time of 1:00pm – 2:30pm. Due to the increased number of lunches to be served, the kitchen space, servery and cooking equipment, much of which is old, will be replaced.

Hall remains for Members to use and we very much hope the later time will attract more people to Hall Lunch which has been declining in numbers sharply over the past few years putting its viability at risk. Where lunch is required before 1:00pm, it can be ordered and eaten in the refurbished Bridge Bar.

- Will the School take over more parts of the Inn?

The school will be a tenant and have the same opportunity to hire rooms for functions, meetings, etc as any other tenant.

- How will you ensure that there is good communication between the School and the residents, Members and tenants?

A Liaison Group will be established comprising, tenants, representatives of the Residents' Association, representation from the Gray's Inn Barristers' Committee, the school and the Inn to facilitate discussion on matters relating to the school's tenancy. It will be chaired by a Bencher, who will also have responsibility for the school on the Management Committee. It is anticipated that it will meet quarterly.

- **What involvement, if any, did the Gray's Inn Barristers' Committee (GIBC) have in the decision-making process?**

The Constitution of GIBC stipulates that two of its members sit on the Management Committee. Accordingly, the Chair and Vice-Chair attend and actively participate in these meetings, and have been involved in the Management Committee decisions throughout the process of the consideration of the future of 4 Gray's Inn Place. Mindful of the confidentiality requirement, but conscious of the submissions made to Management Committee by the Inn's tenants, the Chair of GIBC sought the Inn's permission to discuss the potential tenancy, with appropriate assurances given to the Inn as to confidentiality, with the members of GIBC. As a result the GIBC met on two occasions specifically to discuss the proposals, and produced two papers, both of which were considered by Pension.

- What is the view of the GIBC regarding the proposals?

As GIBC represents the Voice of Hall, it took the opportunity to consider the information presented to it seriously and carefully scrutinised the proposal. The GIBC raised a number of concerns about the effect of the tenancy on the character and use of the Inn with the Treasurer and Under-Treasurer and were given assurances and information similar to that set out in this document. Having scrutinised the proposals and considered in detail its potential effect on members of Hall, the GIBC supports the proposal for the School becoming a tenant and regards it as being of benefit to the Inn. The GIBC has requested and has been promised a place on the Liaison Committee, and has exercised the opportunity to provide input to the Framework Agreement. In particular, GIBC is keen to ensure that the educational, social and outreach aims of the Inn are neither diminished nor disrupted by the tenancy.

Decision making

- What was the timeline and process for decision-making?

From the first approach by the school, Management Committee has been briefed and agreed the various stages in the negotiation. Pension was asked for a decision on 9 December concerning their willingness in principle for a school to be a tenant of the building and on 17 March Pension agreed that the start of the **Inn's lunch could be delayed to 1:00pm to enable the school to have their lunch in Hall between 11:45am and 12:45pm**. Management Committee and Pension are the representative bodies of the Inn and the responsibility for the decision-making process falls to them. The final decision was taken at Pension on 11 May following an earlier meeting on 5 May; they were fully aware of the arguments for and against the proposal which was overwhelmingly approved by Pension.

- Why are we hearing about this when it has been agreed?

A City of London Corporation requirement was that negotiations had to be undertaken confidentially; they were considering a number of sites and did not want these options to become known because of the potential disruption to the school. Equally, they wanted to make **the announcement about the school as soon as the Inn's governing body, Pension, agreed so** that they could start the process of registration and recruitment for next year which should have begun in April. The requirements of confidentiality prevented the Inn communicating details of **the potential tenant beyond the Inn's Management Committee (which includes the Chair and Vice-Chair of the Gray's Inn Barristers' Committee) and Pension**. Pension did consider a school as a potential tenant, and whether that in principle would be acceptable, and they agreed it was. Thus, negotiations were able to continue without misleading the City Corporation on the general acceptability of a school as a tenant.

The Inn faces real challenges if it is to continue to remain relevant to the profession, maintain its historical Estate and traditions, provide a high level of scholarships and ride out the current turmoil in the property market. The Inn has no reserves of finance upon which it can draw and is totally reliant upon income from its estate which is why Standing Orders states that the Inn has a duty to maximise its income from the Estate to fund its charitable activities.

Financial considerations

- **What would happen to 4 Gray's Inn Place if the School did not become a tenant?**

There has been no other interest in the use of 4 Gray's Inn Place for either office or educational use. With a large surplus of low-grade office accommodation now available in London and no interest expressed in the building, it is likely that large parts of the building will be left empty. There will be the expense of business rates and maintenance costs which are likely to rise over time. The building could be sold but we would then lose control over what happens to it and who occupies it. Demolition and rebuild might be the option selected by the new owner which, as stated above, would be extremely noisy and disruptive and necessitate the construction of a compound and turning circle for large vehicles on part of the Walks for the duration of the project.

- **Why not draw on the Inn's financial reserves and accept the losses for a few years and then make a decision?**

The Inn does not have a financial reserve and derives the money it uses for its fundamental objectives - scholarships to aspiring barristers and their continuing education - from the rental income of the Estate.

The Inn has lost over £1,000,000 in income since the start of the pandemic and several staff members were made redundant. A large and much needed refurbishment and new classroom project was cancelled so that funds would be available. £150,000 has been made available to the Barristers Benevolent Association Emergency Relief Fund and also dispersed via the Inn's own Hardship Working Group, which helped those who had not yet held a brief and so were ineligible for the BBA scheme. All of this was done without the Inn having a cash reserve amid great uncertainty for the future.

Due to the judicious oversight of the Management Committee, finances are steady but without a long-term tenant for 4 Gray's Inn Place, there would be an ever present and widening financial black hole which would reduce our resources and weaken our ability to enhance our charitable activities such as the provision of scholarships and the Library. In 2021 the Inn will award at least £1,300,000 in scholarships despite the losses and other calls on its funds due to the pandemic. In keeping with the Inn's objectives and the intention for the Inn to remain relevant, it needs to ensure it can continue to deliver meaningful, means tested scholarships into the future. The income to provide this comes from the Estate of which the income generated by the school will be an important part.

The Inn could have chosen to accept a long-term loss of potentially millions of pounds on 4 Gray's Inn Place but Management Committee and Pension agreed that was unacceptable and the secure and long term income that the School will provide, as well as fitting in with the Inn's educational character, were strong factors in influencing the decision taken by Pension. Demand for office space in the future, especially from Chambers, is uncertain and whilst we seek Chambers the composition of our tenants has often fluctuated. Currently there are a number of

Chambers on the Estate but that has not always been the case and a diversity of rental income is a way to help safeguard the Inn against wider changes and shifts in working practice.

- Why not leave the building as it is and make a decision later, post pandemic?

Even empty or shuttered 4 Gray's Inn Place attracts business rates of around £300,000 to £400,000 a year.

The building would continue to decline, further reducing its attractiveness to tenants and we would risk having voids in occupancy with no rental income and increased business rates as well as potentially an ever changing, transient set of tenants with no connection to the Inn just seeking cheap office space. The chances of another long term tenant who will improve the building, make use it in a way which is complementary to the Inn and pay an attractive rent is unlikely to be repeated.