



SEVENTH-DAY ADVENTIST CHURCH

British Isles Headquarters

Office of the President

British Union Conference
of Seventh-day Adventists
Stanborough Park
Watford Herts WD25 9JZ

Tel: [+44] (0)1923 672251
Fax: [+44] (0)1923 893212
Email: dmcfarlane@adventist.org.uk

Letter to Pastors in the
British Union Conference

16 August 2007

Dear Friends,

Earlier today a momentous decision was taken by the British Union Executive Committee regarding the future of Roundelwood Health Spa, which church employees and members need to be aware of.

Roundelwood Health Spa, operated by the British Union, is closely associated with the name of Dr Gertrude Brown. Dr Brown worked as a matron at the famous Battle Creek Sanitarium in Michigan for seven years in the 1920's under Dr John Harvey Kellogg. On returning to the United Kingdom in 1929 Gertrude Brown and her husband enrolled at the University of Edinburgh Medical School and eventually graduated as doctors. They had a vision to establish a work in the British Isles similar to that which they saw in Battle Creek.

Soon after qualifying as doctors the Browns established the Loanhead Nursing Home. From Loanhead they moved to Crieff in 1945, determined to establish a Health Centre there. They chose Crieff because of its "outstanding beauty and fresh highland air." The Crieff Nursing Home was established in 1945.

The minutes of the British Union Executive Committee reveal that in 1964 the Browns asked the British Union to take over the Nursing Home at the market value of the property and the furnishing and equipment at an agreed price. The Browns also recommended an enlargement of the facility if the Home was to be economically viable. After carefully considering the matter over a period of several months the Union Committee 'regretfully' declined the offer from the Browns on the grounds that it would not be economically viable to operate the home. Coupled with that was the difficulty of finding suitable staff.

In 1966 the British Union bought the Crieff Nursing Home from the Browns at a cost of £30,000. The purchase was made as part of a strategy to broaden the evangelistic approach of the church in Scotland. It was felt that a health programme emanating from the Crieff Nursing Home might meet the need to broaden the church's appeal in Scotland. The purchase was made on the understanding that the Centre would be self-supporting. Additional property was also purchased in order to widen the work of the Centre and make the entire operation more viable.

The operating of the Centre proved financially challenging to the church in succeeding years and in 1981, following a long and passion-filled debate at a Session of the British Union a decision was taken to sell the Centre. The actual decision made was to accept an offer of £490,000 for the Centre, excluding the Crieff Church and a small plot of land for church use. The Centre was steeped in debt and the only way out that was envisaged then was its disposal to repay the debts. The action of the Session also invited the new Executive Committee of the BUC to give careful study to using any profits from the sale of the Centre (by then called Roundelwood) for the health work within the British Isles.

Following the Session the new Executive Committee ratified the decision to accept the offer of £490,000 for the property. However, later that year (1981) the Committee learned that the offer had been withdrawn. Consequently, alternative plans were considered for the future of Roundelwood, which resulted in the Centre being kept open. In order to facilitate the on-going operation of the Centre by the Church various measures were employed to clear the institution's debts and provide it with the potential to succeed financially.

Pastor Martin Bell, BUC Health Director, was invited to be the manager of Roundelwood Retirement Home and Health Centre in 1983. Under his careful stewardship Roundelwood's fortunes improved significantly, to the extent that major debts were cleared and the Centre was able to show a surplus at the end of most years. The second half of the 1980's and the early 1990's were good years for Roundelwood, so good that it found itself with the means to improve its facilities significantly with the addition of a swimming pool and a gymnasium.

Soon after the addition of the swimming pool and gymnasium the Care in the Community legislation was passed by parliament. This new piece of legislation was to be the death knell of Roundelwood. Careful examination of the finances of Roundelwood during the late eighties and early nineties will reveal that the Retirement segment of the operations was that which was responsible for its financial success. The Care in the Community Act provided for elderly citizens, apart from those needing nursing care, to be looked after in their own homes. Thus, funds previously available for the care of the elderly in residential homes began to dry up and the number of residents at Roundelwood began to decline. It is estimated that over 10,000 Retirement Care Homes have closed in the UK since the Act came into being.

Soon after the introduction of the Care in the Community Act it became clear that Roundelwood had begun to struggle financially. The Board charged with the responsibility of operating Roundelwood, made a number of adjustments in the programme of the Centre in order to keep afloat financially but without much success.

One of the effects of the downturn in the financial fortunes of Roundelwood was that it became dependent on the British Union for an annual subsidy. However, the level of assistance which the British Union was in a position to give was not sufficient to stabilise the finances of the institution.

After several years of financial decline the Roundelwood Board came to the conclusion that it was no longer viable to operate the Retirement segment of the business due to escalating costs and diminishing income. Consequently a decision was made four years ago to close the Retirement Home and operate the Centre as a dedicated Health Spa. This was a popular idea, as health is an integral part of the work of our church and as it was felt that the purpose for the acquisition of the Centre was being maintained. Sadly, the operating of the Centre as a dedicated Health Spa did not significantly improve its fortunes.

Pastor Bell decided that he had taken the Centre as far as he could and recommended that a new manager be found. Following careful search and a rigorous selection process, a member of the church with extensive marketing experience was invited to manage the Centre. Shortly after arriving he embarked on a process of upgrading the facility to an acceptable Health Spa standard. He also recommended a number of new measures to raise the profile of the Centre and increase occupancy levels, including an intense marketing programme. These were supported by the Board and the services of a top marketing company and PR outfit in Scotland were secured.

At its last meeting in 2006 the Board came to the conclusion that should the new marketing campaign not result in the levels of client occupancy that would signal an appreciable improvement to the finances of the Centre, consideration would be given as to whether the church was able to continue operating this institution. Six months (January to June 2007) was considered a reasonable period for the effects of the marketing programme to become clear.

It is important to note that while all the improvements to the property had been taking place and while we eagerly awaited the results of the new marketing campaign, the Centre continued to lose large sums of money and was only able to keep going from the sale of property.

The Board met on July 15 2007. This was said to be one of the most important meetings in Roundelwood's history, as it would determine, based on available information, whether the church was in a position to continue the operation of Roundelwood.

The Board had to face a number of unwelcome facts at its July 15 meeting:

- (a) The new marketing drive had resulted in slightly increased client occupancy levels but the increase was not of the nature to suggest that crucial targets would be met and that the operational loss of the Centre would decrease in the short-term or even the medium term.
- (b) The church was running out of properties to sell to keep the business going. However, even if there were more properties that could be sold, the Board did not consider that their disposal for the short-term operating of Roundelwood was a wise use of the church's funds.
- (c) The British Union was not in a position to provide from its own resources the level of funding required to keep the institution operational. In addition, the entire programme of the Union and its subsidiaries could be jeopardised if the Union was to provide the funding required.

Following a long discussion and prayer, the Board voted to recommend to the British Union Executive Committee that Roundelwood Health Spa be sold.

The Executive Committee of the British Union met today, 16 August, and after carefully examining the recommendation from the Roundelwood Board and its many ramifications took an action to approve the Board's recommendation to sell. As one can imagine, taking an action to dispose of an institution that is part of the fabric of our church's programme in the British Isles was not easy. However, by a margin of three to one the Committee decided that there was no other responsible decision that could be made.

The action taken by the Executive Committee was not dissimilar to that taken in 1981. Some of the proceeds from the sale are to be used to establish a sustainable health work in the British Isles. At this stage the nature of that work has not been determined. The Health Department of the church and the BUC administration have been given the responsibility to formulate a proposal for discussion by the Executive Committee.

In disposing of Roundelwood we are seeking to sell it as a going concern. However, should the returns from this form of sale prove not to be in the wider interests of the church, we are prepared to sell it as development property, bearing in mind that the greater the proceeds from the sale, the more extensive the proposed alternative health work can be. Members who are interested in purchasing the Centre can contact the BUC Treasury Department for relevant information.

The welfare of the staff has been a major consideration during all the discussions regarding the future of Roundelwood. More than eighty percent of the staff are not Seventh-day Adventists but they are some of the most committed and conscientious employees in the British Union. Many have been working for the church for several years. We have sought to be open with staff and whether the Centre is sold as a going concern or as development property great care will be taken to ensure that they are treated justly and compassionately.


As a member of the Roundelwood Board for several years I along with others argued in the past for the continued operating of the Centre, even when the prospects did not seem bright. I now accept that we have done everything possible as a church to maintain a health work in Scotland as envisaged by Gertrude Brown and her husband and by the British Union Committee in 1966 and have reluctantly come to the conclusion that there is no alternative but to sell. At the same time I am pleased that the Centre has been able to touch the lives of thousands in a positive manner and that in some small ways we have been able to make a difference.

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As indicated earlier, the disposal of Roundelwood is not the end of a practical, hands-on health work in the British Isles. We believe that health ministry is one of the effective ways of helping people in our society and breaking down prejudice against the church. Please pray for those who have been charged with putting together a plan for what will ultimately replace Roundelwood as the church's primary health care programme in the British Isles.

This is a very long letter but I thought it was important to give you a full picture of why the British Union Committee took the decision to sell Roundelwood. Thank you for your assistance in circulating the news about the decision to sell Roundelwood and for your earnest prayer for God's leading in establishing a sustainable health work in the British Isles.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D W McFarlane', written in a cursive style.

D W McFarlane
President