

Dear Friends of The Cinema Museum (TCM), thanks again for your support and your patience. TCM writes to update you of our position. SLaM is in advanced negotiations with a party for the whole site (upon which we sit). It is not the bid put in by TCM and its social housing partner Family Mosaic/Peabody. SLaM ask that we keep the potential purchaser's identity confidential and TCM is complying with that request.

POSITION WITH SOUTH LONDON AND MAUDSLEY NHS FOUNDATION TRUST (SLaM)

SLaM say they have selected a 'lower bid' because these potential purchasers are particularly keen to retain TCM on site. We have previously asked SLaM to make that part of the terms of sale and they have refused, so SLaM's assurances are unfortunately meaningless. SLaM has just told us they expect exchange of contracts to be in about two weeks time and completion in mid-March.

POSITION WITH THE POTENTIAL PURCHASERS

TCM continues to want to work positively with any new owners and had a good initial meeting with the potential purchasers, introduced by SLaM. TCM have given the potential purchasers 1) a copy of the contemporaneous chronology that captures the decade of discussions with SLaM and 2) of one of the many confirmation emails from SLaM to TCM that states "the current approach is for a solus sale to you [TCM] without open marketing" – so the potential purchasers are now well aware of the background of the matter and are up to speed. TCM has also been clear that the entire enterprise of the past decade has been to secure ownership of The Masters House & Male Receiving Wards and left the potential purchasers with a clear understanding of TCM's position (which has not changed substantially over the past decade).

The potential developers have been open and helpful and say that they:

- Are committed to retaining TCM onsite at The Masters House
- Understand the link between TCM, Chaplin, the Chaplin family, the current site, the roots put down in the local community and linked heritage (capital) funding
- Are pleased to hear that TCM wants to remain independent and own/develop its own site
- Understand TCM generates all its own income and has been financially stable for 30+ years
- Understand that TCM is an active and working museum that has reached a stage in its life when it must move to the next stage of its development
- Understand that due to a historic one year lease arrangement TCM has been unable to plan adequately, programme properly or access charitable funding and that its growth and financial sustainability has been severely constrained as a result
- Understands that the business plan and the business model of TCM will alter significantly once ownership and development is completed
- Understand the business model of a Museum, in that they are not for profit organisations that cannot afford to pay high London rents and as such the sustainable business model of a sustainable museum must include ownership of its museum buildings.
- Understand that a charity (as TCM is) can access capital grant funding (gov, grant trust, sponsorship, public donations) for capital purchase/development and collections expansion and can access revenue grant funding for: projects, programmes and staff and management salaries, but only if they have long-term security of tenure. And in the case of TCM, the sums required are such that freehold ownership or a lease exceeding 250 years is required.
- Understand that TCM wish to purchase both the Masters House & The Male Receiving Wards
- Understand that the charity cannot pay more than Red Book Value for any land asset
- Understand that the charity expects to purchase based on current planning status/conditions
- Understand museum's cannot fundraise to purchase of their building until potential funders know there is: 1) a willing seller 2) a set price 3) a contract to determine timelines/conditions
- Understand that it will take TCM something in the region of three years+ to raise the capital to purchase the Masters House & Male Receiving Wards
- Intend renewing our existing lease on the same terms in order that an agreement be reached that will allow TCM ownership of The Masters House & Male Receiving Wards.
- Fully understand the issues of the tunnels, SLaM's PPQ, the housing needs of Lambeth Council and the planning constraints around The Masters House & Male Receiving Wards.
- Have factored all the above into their site and financial planning for a successful development of the site – that includes the long-term sustainability of TCM as outlined above.

TCM have confirmed that they:

- Will keep SLaM's chosen purchasers informed of statements sent to stakeholders regarding the position of TCM in the potential purchase of the whole site
- Work in partnership with SLaM's chosen purchasers towards a successful outcome for their development, Lambeth & Southwark Council and TCM
- Will effect introductions to stakeholders to encourage a positive, connected way of working
- Are prepared to enter into discussions and negotiations around the final footprint of The Masters House & Male Receiving Wards with particular reference to the Car Parking area
- Are prepared to enter into discussions over a time-limited arrangement around capital fundraising for purchase and development
- Are keen to renovate and develop the Male Receiving Wards into an active part of the site in keeping with both the Museum and the residential aspects of the development
- Are experienced in working with construction on site – having done so already with Bellway onsite for some 18mths+ when building their adjacent flats that backed onto the Museum.
- Are happy to provide TCM as space for public consultations and other meetings/events
- Will work with the potential purchasers to dovetail the building works of both the developers and The Cinema Museum, so that there is a minimum of disruption and inconvenience.
- Will work with the potential owners to help with the marketing of their properties
- Will work with the potential owners to optimise the use of space and time during their build time.
- Are open to any discussions that will help secure the financially sustainable long-term future and development of The Masters House & Male Receiving Wards as 'The Cinema Museum'.

THE CINEMA MUSEUMS CONCLUSION ON THE POSITION

- SLaM have refused to make the deal with TCM a condition of sale and the potential purchasers say they cannot enter into detailed negotiations with TCM until after they have completed their purchase of the site from SLaM, so TCM remains at serious risk of closure.
- TCM are nevertheless very encouraged by the sentiments expressed by the potential purchasers and intend working with them in good faith to ensure a speedy and successful development of Woodlands and The Master House & Male Receiving Wards.

With thanks, I will be in touch with further news



Martin Humphries on behalf of the board of trustees of The Cinema Museum