



The Future of the Procure and the Society's Presence in Rome



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Acknowledgement:

The authors have consulted widely, including 4 Canon lawyers, a Roman architect with a long-standing association with, and comprehensive knowledge of, the Procure and valuers from a large international firm of Estate Agents. They would like to thank MHMs who contributed their ideas either directly to them or through others and especially thank the members of the General Council and past and current Procurators General.

1. Introduction

The purpose of this report is to examine the future of the Mill Hill house in Rome, known as the Procure. That future depends on the purpose the Society has for the Procure, particularly on whether or not the General Council, or some members of the Council, and the secretariat, will take up residence in Rome in the foreseeable future.

Several options for the Society's presence in Rome and the future of the Procure are given, detailing costs, benefits and caveats. These options are not exhaustive but the ones most often mentioned by Society members and associates in recent years.

The analysis gives details of the money spent on repairs and maintenance, the number of Society members and guests using the house, the money raised from paying guests, the facilities of the house and the related issues of the role and place of residence of Procurator General and future place of residence of the General Council and secretariat.

This report does not seek to come to a conclusion or to recommend a particular course of action. That is the prerogative of the members and associates of the Society in general and the forthcoming General Chapter in particular, having examined and discussed the information contained in this report and from elsewhere.

The future of the Procure cannot be assessed in a vacuum but only against the future use the Society intends for this property.

The fundamental questions that need to be addressed are as follows:

Should the General Council, or some members of that Council, and the General Secretariat reside in Rome?

Does the Society need a house in Rome?

What does a house in Rome contribute to the vision and work of the Society?

These are the fundamental questions to be answered before deciding on the future of a particular building, the Procure. The answers are unclear at present to many MHMs and need to be clarified and agreed by the members before a decision is made about retaining or selling the Procure. It would be helpful to taking a decision about the Procure if the Chapter first decides about the future place of residence of the General Council and Secretariat. If that decision is for the residence to be in Rome it would be helpful if the decision is for implementation within the foreseeable future (i.e. within the next 4 or 5 years) and preferably by a stated starting date.

Once MHMs are clear and agreed about the future place of residence of the General Council, or at least of the General Superior and some members of the Council and the secretariat, the *raison d'être* for a presence in Rome and owning a house in Rome should become clearer.

It is a complex issue and involves addressing other important and related issues, such as where the Procurator General should reside, where future MHMs should carry out their advanced studies and how many MHMs might require further study in Rome over the next 10 to 20 years.

It also relates to the importance or value the Society attaches to hosting clergy, religious and visitors from its mission lands in the Procure while they study or visit Rome. In giving prior attention to addressing these issues the issue of retaining or selling the Procure or of purchasing a smaller property, should become clearer. This will help avoid falling into the trap of saying "We own this lovely building in Rome: what can we do with it to justify the expense of keeping it?" Buildings should be the servants of Society policy, not its master.

The authors recognize that there are various concerns among members concerning the Procure. The main concern can be seen as:

- (i) the financial cost of maintaining the house and the related ethical question about the morality of spending large amounts of money on a single building, money often donated to the Society for mission work from those of modest means,
- (ii) the issue of the Society having a Procurator General in Rome to link with both the Vatican and other missionary congregations,
- (iii) the possibility or desirability of the General Council and Secretariat residing in Rome at some time in the foreseeable future (i.e. within 4 or 5 years), following the recommendation of the 2005 General Chapter,
- (iv) the symbolic importance of the Rome house in being located at the administrative and spiritual centre of the Catholic Church,
- (v) the international perspective a residential presence in Rome can give the Society, along with useful links with other missionary congregations,
- (vi) the psychological or emotional importance of the house in giving a feeling of security in the Society's future by not selling another property which it has owned for a long period of time,
- (vii) the service provided to visiting clergy, religious and visitors to Rome from mission areas and to MHMs, their family and friends.

Some members will be influenced by more than one of these concerns.

The psychological importance of being assured that the Society has a secure future has been mentioned most by younger members of the Society. Insecurity may have partly resulted from the sale of St. Joseph's college in London, the Motherhouse of the Society. For these members money is not the only or most important measure of the Procure's value to the Society.

The authors of this report seek to outline some of the major advantages and disadvantages of the options identified and, where relevant, the economic costs. These must then be considered alongside the other issues and concerns mentioned above. We have worked closely with the General Council, present and past Procurators General, MH residents in the Procure, an international firm of estate agents (Knight Frank) and a local architect in Rome who knows the house well and has produced a detailed report on it.

Some financial and other figures have been provided by the past and present Procurators General and others are taken from the Procure's audited accounts. This is not to suggest that one should come down in favour of using only economic criteria in coming to a decision. It is rather to

provide objective, up-to-date financial information about the issues involved, to be put alongside other factors. The economic costs can be the major criterion or one of many criteria used. However the economic factors should not be ignored or down-played, as the future realization of the vision-for-mission of the Society, including the formation of new members, continuing in-service training of existing members, funding for existing and new projects, central administration and the increasingly expensive care of elderly members, depend on the financial security of the Society. These must also be seen in the light of the unsure future of the money being provided currently through the APF, decreasing Mass stipends, legacies and donations and a significant drop in the value and dividends from the Society's investments caused by the current world-wide economic recession.

Another important issue to bear in mind for the future is the ever widening and restrictive application of legislation concerning immigration to the UK (and other countries of the European Union) by those from outside the EU seeking a UK residential and work visa. This does not apply to Rome because of a special agreement between the Vatican and Italian government. This may have implications for the place of residence of future members of the Society elected to the General Council or appointed to its secretariat.

2. Key facts and figures

House Facilities & Rooms

The Procure has 19 bedrooms, of which three are double bedrooms; 6 bedrooms have full en-suite facilities. The remaining 10 bedrooms have access to nearby toilets and showers. There are at present 9 rooms available to visitors.

It was thought at one time that the Procure could be used for various types of renewal courses for MHMs but this has not proved to be a viable option. The recent course for those aged 65 and above had to be held at the Benedictine Centre as the facilities of the Procure were found to be inadequate for the task.

Numbers of Residents and Visitors at the Procure

The figures for residents and guests for 2008, the only period for which complete figures are available, are as follows:

Residency type	Number of residents	Comments
Long stay MHM residents	4 (3.5 Full Time Equivalents)	While 4 were in residence during this period, one was only in residence for only the second half of the year (i.e. equivalent to 0.5 residents)
Long stay non-MHM residents	5 (2.5 Full Time Equivalents)	Priests from Cameroon, Sudan and India studying at various Roman universities. There were 2 priests for the first five months of the year and 3 priests from June to December
Short-stay MHM visitors	21	Each visit was between 1 and 2 week's duration. If we assume each visitor stays 2 weeks, and that the visits occur evenly throughout the year, this would equate to less than 1 Whole Time Equivalents.
Short stay Cardinals and bishops from mission diocese	8	1 Cardinal and 7 bishops from Cameroon, Sudan and India. The visits varied from 1 week to 1 month. If we assume the visits occur evenly throughout the year, this would equate to less than 0.5 Whole Time Equivalents
Short stay non-MHM	18	Mostly family and friends of MHM members.

Residency type	Number of residents	Comments
	(less than 0.5 Whole Time Equivalent)	If we assume the visits occur evenly throughout the year, this would equate to less than 0.5 Whole Time Equivalents

Cost of Running the Procure in 2008

This section considers: the day to day running costs of the Procure; maintenance, repair and refurbishment costs; income from guests / residents; and the subsidy from the Central Society Account.

• Running Costs

The **total cost** of running the Procure for the year 2008, including maintenance and repairs for that year, was **€349,066** (£436,332).

The **real cost**, which includes the amount, averaged over 20 years, of money spent on major repairs and maintenance between 2000 & 2008, is **€340,285**(£272,228). This is a lesser amount than the figure above as the large amount of money spent on repairs and maintenance during 2008 (£120,843/€151,053) has been reduced by being spread over 20 years, as also the amounts spent on repairs and maintenance in previous years (2000 – 2008), which are included.

(It is regarded as good accounting practice to average out over a period of 20 years the money spent on major repairs, maintenance and refurbishment. This gives a more realistic and accurate annual cost of running an establishment over a period of time.)

The **daily running (real) cost** of running the house is thus **€932** (£746).

The real 'per head' cost of running the Procure for 2008 for the equivalent of 6 long stay residents was **€56,713** (£45,371). This is the annual cost of keeping each long stay resident in the Procure during the year 2008.

The Rome Procure has drawn substantially on the central funds of the Society over the past 9 years. It has one of the most expensive '**per head**' costs of all the Society's houses. From a report on the Procure in November 2005 by Aidan Hart, it was estimated that the 'per head' cost for the equivalent of 5 full time residents for the year 2004 was **€37,425** (£25,449). As the repair and maintenance costs for the Procure continue to rise so too do the real 'per head' costs.

A comparison between The Procure and two other MH establishments is given below:

MH establishment	'Per head' cost		Year	Comments
	€	£		
The Procure	37,425	25,449	2004	Relates to 5 full time residents and includes the cost of repairs from 2000 - 2004 averaged out over 20 years.
St. Joseph's College, Mill Hill	22,719	15,449	2004	The high cost was a major factor in the decision to sell St Joseph's college.

The Procure	56,713	45,371	2008	Relates to 6 full time residents and includes the cost of repairs since the year 2000, averaged out over 20 years.
Maidenhead	7,310	5,848	2008	10 full time residents, including cost of structural additions and alterations averaged out over 20 years.

As above, the 'per head costs' for the Procure have increased by nearly 50% between 2004 and 2008.

- **Maintenance, Repair and Refurbishment Costs**

Prior to January 2000 little money was spent repairing and updating the Procure.

From January 2000 to December 2008 a total of **€1,313,604** (£880,115) was spent on repairs and refurbishment of the Procure.

Further essential repairs/refurbishment need to be undertaken. A local architect carried out a detailed investigation of the house. His report of January 2007 stated that the electrical wiring, central heating system and water pipes were dangerous and in need of urgent replacement. He has since added the lift mechanism to this list. His estimate for the cost of this work at that time, excluding work on the lift, was **between €400,000 and €500,000** (£272,000 - £340,000). By 2011 it is estimated that this cost will have increased to between approx. **€490,000 and €562,500** (£333,200 - £382,500), excluding work on the lift.

Knight Frank estimates that a **basic** refurbishment of the complete building in 2011, including addressing all health and safety issues and redecoration etc., would be approx. **€1,744,000**.

Knight Frank estimates that a **quality** refurbishment of the complete building in 2011, to include all rooms being refurbished and redecorated and all bedrooms fitted with en-suite and modern telephone and internet facilities, would be approx. **€3,488,000**.

The architect and Knight Frank are of the opinion that wall and ceiling cracks in various corridors and rooms indicate possible subsidence resulting in structural damage to parts of the building. This requires urgent investigation and could involve additional and costly remedial work to the foundations and structure of the building. All this work is essential. For health and safety reasons it should be undertaken sooner rather than later if the Society decides to retain ownership of the property. Knight Frank advised that the costly structural survey be postponed until the Society makes a decision about the future of building. If it is to be sold the buyer will insist on having his/her own survey carried out.

It might seem sensible to have proceeded with rectifying all the health and safety issues while the Society is deliberating the future of the house. However, if the house is sold and bought by a property developer, the developer would likely gut the interior of the building and restructure it to provide the optimum number of quality apartments. The offer price would be much lower than that of a private buyer and would be unlikely, therefore, to include the money spent by the Society on rewiring, replumbing or remodelling the house, and would thus have been wasted expenditure.

The implication is that the Society should not postpone a decision about the future of the house and, if deciding to retain it, to be clear about its intended use.

- **Income from Residents / Guests for 2008**

The total Boarding Income for the full year 2008 was **€12,315** (£9,852).

The money raised from board donations makes only a small contribution towards the cost of running the Procure. In the year 2008 the board income covered approximately **3.4 %** of the total annual net cost of running the house.

Since January 2009, non-MHM short-stay visitors have been invited to donate €30 per full-board bed-night and long term non-MHM residents €500 per month, unless special arrangements have been agreed with the General Council. This should have the effect of increasing boarding income, which will, however, most likely continue to make only a small contribution towards the total cost of running the house.

To defray the full cost of running the house, the number of paying guests at €30 per night would need to number 30 for every night of the year, which is more than the Procure could accommodate.

At €500 per month, long term non-MHM residents are paying €16.44 per overnight stay so they are being heavily subsidised by the Society.

These figures are given to answer the suggestion made by some MHMs about the possibility of the house covering its costs through boarding income from non-MHM visitors and long stay non-MHM residents.

It is not possible for board income to get anywhere near to covering the running cost of the house through bed-night 'donations' from non-MHM visitors and long-stay non-MHM residents. In effect, at present the Society is heavily subsidising every non-MHM visitor and non-MHM resident.

- **Subsidy from Central Society (CSA)**

In 2008 that subsidy from the Central Society Account to the Procure was **€436,332** (£349,066), to cover the costs of running the house, which included the £120,843 (€151,053) spent on repairs and maintenance of the Procure in 2008. It is up to the members and associates of the Society to decide whether or not this subsidy from CSA is an appropriate use of Society funds and a major reason for selling or retaining ownership of the Procure.

In its present use the Procure will always require a substantial subsidy from the central funds of the Society.

3. The legal perspective on the Role of Procurator General

This section deals with 2 fundamental questions:

- Does Canon Law require the Society to have a Procurator General?
- Must the Procurator General be resident in Rome?

Does Canon Law Require the Society to have a Procurator General?

Advice has been taken from four Canon lawyers on this issue. They advised that it is no longer a canonical obligation. The Code of 1983 makes no mention of the office of Procurator General. They add that it is, at times, useful to have such a person but a Procurator could be used from another Society with a residence in Rome.

A possible answer to this question is that if the Society decides to maintain a residential presence in Rome then the Procurator General might as well reside there, combining the office of Procurator General with managing the house. MHMs have to decide if it is appropriate to maintain a house in Rome solely for the residence of the Procurator General and a small and decreasing number of MHMs following further/advanced studies at Roman universities.

The current and last Procurator General both report that their visits over the years to Vatican Dicasteries and institutions on Society business have been few and far between. In the last twelve months the Procurator General has made 1 visit to a Vatican Dicastery on Society business. Six other visits to Vatican Dicasteries and 4 visits to other Vatican institutions were on behalf of non-MHM priests resident in the Procure. In addition the Procurator General attended 7 meetings of other groups (Sedos, Cenro Unione and Propaganda).

An issue for discussion is whether or not these latter meetings would be better attended by the General Superior or other member of the General Council as the Procurator General does not feel that the current role of this office within the Society enables that person to represent the Society adequately at these meetings.

The Society's Constitution states in Directive 83:

The Society has its own Procurator General in Rome. He transacts all the business of the Society with the Holy See in accordance with the directions of the General Superior. He maintains contact with the various missionary societies and institutions in Rome and takes part in activities concerning Mission organised there. He keeps the General Council informed of all pertinent developments.

Some have queried whether or not the opening sentence is mandatory or merely stating facts pertaining at the time of writing. Advice has varied on this issue. This directive can be changed by a simple majority vote of the General Chapter, without recourse to the Holy See (Cf. C. 144).

Must the Procurator General be Resident in Rome?

The short answer is 'No' but the advice given by the four canon lawyers consulted is somewhat confusing. Some say it is useful in some cases, others that, with the speed of modern communications and travel, it is unnecessary. The *Annuario Pontificio* lists several male congregations which do not have their Procurator General resident in Rome.

4. Options for the future of the Procure

In reaching a decision about the future of the Procure, there are a number of options that need to be considered. In their broadest terms, the options are two fold:

- Option 1 – Stay in Rome
- Option 2 – Leave Rome

However there are a considerable number of variations within the first option, six in all.

The options that are being considered as part of this report are as follows and are discussed in detail on the following pages.

Option	What the option entails
1	Remain in Rome
1a	Remain in the present Procure, with only Health and Safety issues, a structural survey and any necessary structural repairs being undertaken.
1b	Remain in the present Procure, with the whole building refurbished and modernised with en-suite facilities provided in some rooms, as per architect's report and plans.
1c	Remain in the present Procure, using the ground, first & second floors and converting the top floor into private apartments for renting to members of other religious congregations or members of the public.
1d	Move to a smaller, more modern building, while retaining ownership of the current Procure and refurbishing and restructuring the whole building into private apartments for renting to other congregations or members of the public.
1e	Stay in Rome, sell the current Procure and buy a smaller, more modern property.
1f	Remain on the current Procure site but demolish and rebuild a smaller, modern and more energy efficient building tailored to the needs of the Society.
2	Leave Rome
2a	Leave Rome and sell the Procure
2b	Leave Rome but retain ownership of the Procure and rent it out as private apartments

Further Points for Consideration

Please note that the professionals who provided the various costs and prices contained in this report stressed that they were estimates based on their professional knowledge and experience, 'ball park' figures; they are not exact costings, which would depend on a more detailed specification being drawn up for what was required and also on the state of the economy, labour and material costs extant when the contract is draw up and a date agreed for when the work would start or the property sold.

It should be borne in mind that many major building projects over-run their original estimates, some by a substantial amount. Perhaps 'approx.' before financial figures should be read as 'at least'!

There are cracks in several walls and ceilings in parts of the building. If the Society decides to retain ownership of the Procure for whatever purpose, both the architect and Knight Frank strongly advise that a structural survey of the building, including its foundations, be carried out as soon as possible. Any problems identified in the subsequent report should then be rectified at the earliest opportunity. These would be additional costs to the figures given for each option, as would be the cost of repairing or replacing the lift mechanism. The architect estimated the cost of the structural survey as being at least €20,000 - €40,000. If structural repairs are needed to the walls and/or foundation it could be very costly.

If it is decided to sell the Procure permission will have to be sought from the Vatican as its value is in excess of €1million.

If it is decided to sell the Procure (Options 1e and 2a) the date set for the sale would be important as prices are currently depressed because of the economic downturn in the economy.

Further points for consideration in respect of Options 1.a) – 1.f).

In a situation of many unknowns and rising prices it may be helpful if MHMs in favour of one of the sub-options under Option 1 identify what economists term 'the compensating variation' (CV), that is, the highest amount of money they are willing for the Society to spend to achieve their preferred option, above which they would cease to be in favour of that option.

Option 1.a) Remain in the present Procure, with only Health and Safety and any necessary structural repairs being undertaken.

• Costs

The cost of the Health and Safety repairs in 2011, as outlined in the architect's report of 2007 and adjusted upwards to take account of inflation, will be between approx. **€490,000 and €562,500** (£333,200 - £382,500), plus the cost of replacing or repairing the lift mechanism, a structural survey and any necessary structural repair work, which could be very expensive. (cf. P.11)

• Benefits

- (i) It retains ownership, at the least cost, of an attractive property in an ideal, and much sought after, location in central Rome, which has been owned by the Society since the 1950s. The architect's report of 2007 talks of the property being "located within the area with the highest altitude and in the oldest part, and also the most attractive and prestigious....";
- (ii) It retains a place of residence for MHMs pursuing further/advanced studies at Roman universities.
- (iii) It gives a psychological feeling of security in the Society's future to younger MHMs.
- (iv) It maintains a presence of the Society in Rome and a residence for the Procurator General who is thus readily available for visits to the Vatican on Society business and contact with other missionary congregations and institutes.
- (v) It provides a service to MHMs, their family and friends, and clergy of MH mission areas visiting or studying in Rome.
- (vi) It keeps all options open, including Rome as a possible future residence for the General Council, or some members of the Council and its secretariat.
- (vii) It maintains the long-term investment value, through capital appreciation, of this valuable property, thus contributing to the future financial security of the Society and its ongoing work.

• Caveats

- (i) The cost of the basic and necessary repairs is high, and could be even higher if structural work to the foundations, walls and ceilings is required. If this option is pursued, despite having spent a considerable sum of money, the rooms will still not have been upgraded with additional en-suite, telephone and computer facilities or redecorated.
- (ii) MHMs are increasingly pursuing further/advanced studies at universities other than in Rome. Those who require their qualification to be from a particular Roman university can obtain accommodation from other congregations in Rome with spare capacity. This would be far cheaper than the per-head cost of running the Procure. As with all the options involving the Society maintaining a residential presence in Rome which does not include some members of the General Council and secretariat, (whether in the Procure or in another building), the money is being spent on a small number of MHMs, resulting in high per-head costs.
- (iii) There may be merit in strategic abandonment. With the last General Chapter's recommendation for the membership to embrace a simple lifestyle, should the conviction that the Society has a future depend on buildings, particularly ones that are under-used, in need of major repairs and expensive to maintain? Buildings, like organisational roles and structures,

eventually become obsolete and dysfunctional. Holding on to them can waste valuable resources, time and energy. Abandoning them can give renewed life, energy and vision to the members.

- (iv) With the speed, low cost and availability of modern means of travel and communication, the Procurator General does not have to reside in Rome or at least not in such a large and expensive-to-maintain house. Visits to the Vatican on Procurator General's business are few and far between. Contacts with other missionary institutes are equally few in number and would, perhaps, be better undertaken by the General Superior or another member of the General Council who could fly in for these occasional meetings and, if necessary, stay overnight in a hotel or with another congregation.
- (v) Whilst the service of providing accommodation to visiting MHMs and members of their families, and to visiting clergy from mission areas, is commendable, the cost is very high, due to the high overall cost of maintaining this old house. Boarding payments make only a small contribution to the overall cost of running the house.
- (vi) No decision has yet been taken on the issue of the General Council, or some of its members, taking up residence in Rome. That issue should be decided before discussing the future of the Procure.

Travel to MH mission areas is of central importance to members of the General Council who might be seriously inconvenienced by Roman airports currently not providing access to direct flights to Africa and the Far East. However, a small number of members of other missionary congregations in Rome consulted on this issue reported that they did not find this to be much of an inconvenience.

- (vii) The long term investment value of the Procure has to be set against the substantial subsidy from the Central Society Account which has to be made to it each year and the substantial sums of money already spent, and still needing to be spent, on maintenance and repairs. The personnel problem of identifying MHMs who speak Italian and would be willing and able to manage the Procure must also be taken into account.

Option 1.b) Remain in the present Procure, with the whole building refurbished and modernised, as per architect's plans of 2007.

This option involves the Society continuing to use the Procure as at present, having all health and safety issues fixed (electric wiring, heating, lift mechanism and plumbing, structural survey and any necessary structural repairs) and most of the bedrooms upgraded with modern en-suite, telephone and internet facilities.

• Costs

The cost of a **basic** refurbishment of the Procure, as detailed in the architect's report of 2007 will cost in 2011 approx. **€1,744,000**, plus the cost of the structural survey and any necessary structural work..

The cost of a **good quality** refurbishment in 2011 is estimated by Knight Frank at approx. **€3,488,000**, plus the cost of the structural survey and any necessary structural work..

• Benefits

Many of the positive issues as above at Option 1.a apply here also, particularly the Society retaining ownership of the building. In addition:

- (i) The Society would have protected its investment in this property by bringing it up to date with modern facilities and putting right all health and safety and structural issues.
- (ii) The updated premises might attract more paying guests which would help defray a larger part of the cost of running the house.

• Caveats

Many of the caveats at Option 1.a above apply here also. In addition:

- (i) The refurbishment will have protected the Society's substantial investment in this property, (**€1,225,872** in repairs and maintenance since 2000), but at a substantial additional cost.
- (ii) There would need to be a very substantial increase in the number of paying residents and visitors and the amount they pay, for the income from this source to make a significant contribution to the running costs of the house. This in turn would require extensive advertising and a dedicated office and trained staff to administer the business. Other 'guest houses' run by the Society experience many of the difficulties inherent in running such a business and few, if any, cover the total cost of running the house.

Option 1.c) Remain in the present Procure, using the lower three floors and converting the top floor into private apartments for renting to members of other religious congregations or members of the public.

This option involves refurbishing the whole building, the Society retaining the ground, 1st and 2nd floors for its own use while renting out the top floor.

This option would involve applying to Rome Municipality for a Variation of Use. The Rome architect advises that the Procure “is not subject to any preservation regulations”.

Bringing the new services required for modern apartments to the top floors and engaging in some amount of restructuring would be expensive.

• Costs

Knight Frank estimates the cost of converting the top floor into three 2 bedroom apartments in 2009 to be approx. **€600,000** (£480,000), plus the cost of the structural survey and any necessary structural work..

Net annual rental income in 2009 would be approx. **€30,000-€35,000** (£24,000-£28,000), thus taking approx. 20 years for the Society to recover its initial outlay. The above costs will have increased by 2011, the earliest time that refurbishment work is likely to be able to commence. The architect estimates an increase of around 8-10% in labour and material costs. Rental income should also increase over the years ahead, particularly after the current economic recession recovers.

• Benefits

Many of the Benefits listed at Option 1.a above apply here also, particularly the Society retaining ownership of the building. In addition:

- (i) The Society would continue to own this valuable property to help secure its financial future and ongoing work.
- (ii) Ideally the rental income from the apartments could contribute to the cost of running the Procure, once the initial outlay has been recovered after approx. 20 years.
- (iii) The ground, first and second floors would remain available to the Society for whatever use it deemed suitable, thus enabling the Society to continue owning the house and having a presence in Rome. It would have 1,200 sq. m at its disposal.

• Caveats

Many of the Caveats listed above at Option 1.a apply here also.

- (i) This option would involve a very large financial outlay by the Society, which would take many years to recoup from rental income.

The architect advises that the renovations would have to comply with “Italian laws, urban rules, regulations of the Rome municipality and land registry control”. Italian bureaucracy is famous for its complexity and tardiness.

Removing the top floor from use by the Society may necessitate some amount of restructuring and refurbishment of the ground, first and second floors, the amount of restructuring dependent on the anticipated number of MHMs that would be in permanent residence at any one time in the years ahead. Also, fewer places, would be available to visiting clergy from mission areas or to visiting family and friends of MHMs.

- (ii) The architect's report of 2007 states; "After a large amount of research, it became obvious that there is no interest in the renting market for this type of property in the Monteverde area, with the type of internal structure of the building in question. It would be in any case unadvisable to rent out single floors as it would then make it necessary to create a technical and administrative office in order to run the building."

An agent would have to be contracted to manage the lets, the annual fee for such being in the region of 10% of rental income. Other legal, municipal and maintenance costs could increase this to over 25% of letting income.

- (iii) At present there is no separate access to the top floor of the building. This presents problems of privacy and safety.

Also, mixed use of the building between lay and clerical tenants could lead to a conflict of cultures.

Italian law with regard to letting property tends to be in favour of protecting the rights of tenants. The normal letting period, depending on the type of contract, is of 3 or 4 year's duration, with the tenant having the right to extend, making it difficult to remove an unsuitable tenant.

Option 1.d) Move to a smaller, more modern building, while retaining ownership of the current Procure and refurbishing and restructuring the whole building into private apartments for renting to other congregations or members of the public.

This option involves the Society vacating the whole of the Procure, refurbishing and remodelling the whole building into private apartments and purchasing a smaller property in Rome for the Society's own future use.

Previous enquiries from male and female religious congregations about their renting the whole or part of the Procure came to nothing.

• Costs

The cost of restructuring, refurbishing and modernising the whole building into private apartments would be approx. **€3,488,000** at 2011 prices.

The cost of purchasing another property would depend on size and location. It has been suggested that a building which could accommodate 8 MHMs would be the ideal, or one that could accommodate 4 or 5, but with sufficient land for future additional accommodation should that become necessary at any time in the future.

In 2005 the architect who drew up the refurbishment plans for the Procure identified several suitable properties in the Monteverde area of Rome. One was a 1930s villa, in Liberty style, in the same street as the Procure. It was on sale then for between **€2.7 – 2.9 million**.

Some have suggested that a new and purpose built property on the outskirts of Rome, within easy reach of rail and road access to central Rome, might be a better and less costly option.

Knight Frank estimates that the net total annual income from rents for the entire property would be approx. **€174,400 - €203,465** in 2011.

If the Society sees a long term future for its presence in Rome the purchase, rather than renting, of a smaller, modern or updated building, would seem the financially wiser course of action due to capital appreciation in the long term and less outlay on repairs and maintenance.

• Benefits

- (i) This enables the Society to retain ownership of the Procure and remain in Rome in a more suitable building and one less costly to run and maintain.
- (ii) The capital appreciation of the purchased building and rental income from the old Procure would make a valuable contribution to the Society's future financial security and ongoing work.
- (iii) The human and financial burden to the Society of running the expensive-to-maintain Procure would hopefully cease as the intention would be for the rental income to cover, over time, the cost of the refurbishment, remodelling and ongoing maintenance. This is a long-term option as the financial benefits are only likely to be realised after many years.

- **Caveats**

- (i) The Society would need to be very clear on both the short and long term need for an additional house in Rome before another property is purchased, in order to avoid a continuation of current problems with the next building.

A property in the Montverde area of Rome is unlikely to be a new-build but rather an old building that has been refurbished and modernised. This may have future maintenance problems and costs and may be expensive to adapt to the particular needs of the Society both now and in the future.

A property on the outskirts of Rome, whilst being cheaper to buy, will have the problem of access to central Rome and the Vatican. This will involve additional time and travel costs for those studying at Roman universities or visiting Rome.

- (ii) The architect's report of 2007 concludes that, without a major and very expensive restructuring of the interior of the Procure to enable the construction of apartments of suitable size and layout, tenants would be difficult to find. His report states; "After a large amount of research, it became obvious that there is no interest in the renting market for this type of property in the Monteverde area, with the type of internal structure of the building in question." So, without a very expensive restructuring of the Procure, it would be very difficult to convert the building into apartments suitable for renting.

An agent would have to be contracted to manage the lets, the annual fee for such being in the region of 10% of rental income. Other legal, municipal and maintenance costs could increase this to over 25% of letting income.

It would take many years for the Society to see a return on the large amount of money it invested in such an expensive project.

- (iii) Buying or renting a smaller property in Rome perpetuates the personnel problem of finding suitable MHMs in the years ahead who speak Italian and are able to run a house in Rome.
- (iv) Buying another property in Rome will be a further drain on the Society's finances.

Option 1.e) Stay in Rome, sell the current Procure and buy a smaller, more modern property.

The major difference between this and the previous option is the selling of the Procure.

If this option is decided upon it would be helpful if MHMs indicated whether their preference is for a cheaper and new/newer property on the outskirts of Rome, in proximity to rail and road links, or for a more expensive and older property in central Rome, perhaps in the Monteverde area of the current Procure.

An important issue would be when to sell the Procure, as its value has dropped substantially in the current economic crisis, from around €13-15 million in 2007 to around €8-9 million in 2009. These sale prices apply to a private buyer. Were the Procure to be sold to a property developer Knight Frank estimates a sale price in 2009 of around €3,600,000. If the sale is delayed until property prices recover to their 2007 level the Society could be left owning two buildings in Rome for some years ahead, with the consequent additional drain on The Society's financial and human resources.

• Costs

A smaller 1930's property in the same Monteverde area as the current Procure, which the architect felt suited to the Society's needs, was on the market in 2005 for **€2.7 – 2.9 million**. No price is given for a new or modern property on the outskirts of Rome as there are still too many unidentified specifications from the Society concerning such a property.

• Benefits

- (i) The sale price of the Procure would cover the purchase price of another property and still leave a substantial sum of money for investment in the work of the Society.
- (ii) The Society remains in Rome in a smaller, more modern building and gets rid of the expensive-to-run and expensive-to-repair Procure.

• Caveats

- (i) Once the Procure, with its unusual design, fairly spacious grounds and beautiful location, is sold, it is gone forever.
- (ii) If the new property is in the Monteverdi area of Rome it is likely to be an old building which has been refurbished. This may present problems of maintenance in the future. It will also be difficult to restructure to the current and future needs of the Society. If the new property is outside Rome access to central Rome and the Vatican will be an additional expense in time and money.
- (iii) If the Society decides to proceed with the purchase of a smaller house in Rome, and to delay the sale of the Procure until property prices recover, it could be left owning two buildings in Rome for some years ahead, with the consequent additional drain on financial and human resources.

Option 1.f) Remain on the current Procure site but demolish and rebuild the building.

This option involves the demolition of the present building and its replacement with a new building of a more suitable size and layout, built with energy efficient materials and provided with modern facilities.

We were informed that a government grant may be available at some time in the near future if the building meets proposed standards of energy efficiency. It is reported that the issue is currently before the Italian parliament.

• Costs

The current house has a total internal floor space of approx. 1,600 square metres. We are advised that a new house of 1,200 sq. metres on the current site would cost approx. **€3,600,000** to build at 2009 prices, this price including demolition and site clearance. This price is likely to be closer to approx. **€4 million** by 2011.

The size of 1,200 sq.m is equivalent to the space of three out of the four floors in the current Procure.

• Benefits

- (i) The new building could be tailored to the Society's needs in terms of size, layout, facilities, resources and energy efficiency.
- (ii) The Procure remains in its current ideal location and attractive grounds and close to the Vatican and Roman universities. The site also has substantial off road parking.
- (iii) The Society would own a modern building in central Rome.

• Caveats

- (i) This is a large sum of money to spend on accommodation for a small number of MHMs.
- (ii) This option, as with all options involving the Society remaining in Rome, requires the Society to be very clear as to its need for a permanent residential presence in Rome. Assurance is required on the personnel issue of having a supply of members in the future who speak Italian and are able and willing to run the Procure.
- (iii) Building and owning an expensive property, with attractive grounds and situated in a much sought after area of Rome, would not seem commensurate with the simple lifestyle recommended by the last Chapter.

Option 2.a) Leave Rome and sell the Procure.

- **Costs**

Property prices in Rome have fallen in recent years due to the world economic recession. In 2007 the architect valued the Procure at **between €13 and 15 million** in its current condition. Knight Frank valued it in 2009 at between **€8 and 9 million**.

- **Benefits**

- (i) Selling the house releases its capital value for the work of the Society and stops the haemorrhaging of Society funds to cover the ever increasing cost of repairs and maintenance.
- (ii) It solves the moral dilemma of using money collected for the work of mission, often from those of modest means, to maintain an expensive building.
- (iii) Leaving Rome solves the future personal problem of having to find an MHM who speaks Italian and is able and willing to manage a house in Rome.

- **Caveats**

- (i) It may not be financially prudent to sell a valuable property in a time of recession.

If the decision is taken to sell the Procure, it might be better to wait until prices recover. However this may take several years and the problems remain of spending yet more money on the house for the expensive and urgent repairs identified by the architect, and expensive structural repairs which a structural survey may reveal. The structural survey will cost between €20,000 and €40,000.

- (ii) Once sold the property is gone forever and lost to future generations of MHMs.
- (iii) The Society will have to seek alternative accommodation for future MHMs studying in Rome and for the Procurator General.

Option 2.b) Leave Rome but retain ownership of the Procure and rent it out as private apartments.

Most of the costs, benefits and caveats for this option regarding refurbishing the Procure into private apartments for renting to members of other congregations or members of the public are detailed above at Option 1.d. The only difference here is that Option 2.b retains ownership of the Procure but not the presence of the Society in Rome.

• Costs

The cost of restructuring, refurbishing and modernising the whole building into private apartments would be approx. **€3,488,000** at 2011 prices.

Knight Frank estimates that the net total annual income from rents for the entire property would be approx. **€174, 400 - €203,465** in 2011.

• Benefits

- (i) The Society retains ownership of the Procure.
- (ii) The Society changes the Procure, in the long term, from a cost-incurring to income-generating property.
- (iii) The Society solves the problem of having to find MHMs who speak Italian and are able and willing to manage a house in Rome.
- (iv) The Society can return to Rome and resume residence in the Procure at any time in the future, if it should so decide.

• Caveats

- (i) The cost of conversion and refurbishment is very large. Is it morally right for such a large amount of money entrusted to the Society for mission to be spent on a building?
- (ii) A company will need to be engaged to manage the letting and future maintenance of the apartments, which will reduce the income.
- (iii) The Society will need to find alternative accommodation for MHMs pursuing advanced studies in Rome and for the Procurator General.
- (iv) The Procure will have been remodelled and partly restructured to convert it into private apartments of suitable size and layout. This remodelling and restructuring may not be suitable for occupation by the Society in the future. The current Chapel, kitchen, dining rooms, laundry, sitting room, storage space and offices will have been restructured into private apartments

5. Conclusion

The most immediate issue that needs resolving is that of the future place of residence of the General Council. The answer to this question may add more weight to some of the aforementioned options and to the following question.

Does the Society need a presence and house in Rome?

The answer to this central question, informed by all the issues raised in the body of this report, should take the wide and long-term view.

If the Society wishes to keep the Procure, MHMs should be clear about their reasons for maintaining a residential presence in Rome, both now and in the future and be of the opinion that the benefits outweigh the human and financial costs.

If they wish to sell the Procure and/or cease to have a presence in Rome they need to be clear that this is in the best long-term interests of the Society, supportive of the membership and reflective of the vision of the last Chapter for the life-style of the members.



Executive Summary

This report is a cost-benefit analysis of the future options for the current Mill Hill house in Rome, known as The Procure. These options depend fundamentally on the Society's reasons for wishing to maintain a residential presence in Rome.

The study was requested in 2008 by the Society Assembly;

“The Assembly requests that the General Council conduct a thorough study of the viability of the Rome Procure in the context of our future Society needs. This will include exploring future uses for and functions of the house, a current valuation, detailed running costs, estimates for its renovation, and all alternatives to maintaining ownership of it. This study should be ready for Society-wide discussion at the beginning of 2010, in preparation for a Chapter decision.”

MHMs have various concerns about the Procure. Young members stress the emotional / psychological importance to them of historic and significant buildings belonging to the Society, such as the former Motherhouse at Mill Hill in London. They feel that selling such buildings is almost like selling the Society's future! The Procure is another such building. Others feel that Rome has an important spiritual value and/or international significance and that the Society should always have a permanent presence there. Some members express shock at the financial cost of running the Procure, including the amount on past and continuing repairs, and feel that it raises a serious moral issue for the Society and its use of the money entrusted to it.

This report is more than an economic assessment. The costs being examined are not just financial. They include important intangibles as: a psychological feeling of security in the Society's future; the spiritual significance of Rome; the historical heritage of the Procure; the investment value of the property; its symbolic function; the ethical/moral issue of the Society's stewardship of its finances; and the Society's vision for the life-style of its members.

The purpose of the study is to provide relevant and up-to-date information to enable MHMs to choose among a number of options for the future of the Procure and the Society's presence in Rome.

MHMs are invited to answer the following critically important questions **before** tackling the question of the future of the Procure;

Should the General Council, or some members of the Council, and the General Secretariat reside in Rome?

**Does the Society need a house in Rome?
Or to put it another way –**

What does a house in Rome contribute to the vision and work of the Society?

The answers require a wide and long-term view by MHMs. They should take account of both internal and external changes, (internal to the MH Society and external in society at large) including the age profile of the Society's membership and its future requirements, decreasing income and increasing financial costs and the other issues tackled in this report.

Key findings of the report include the following:

- The Procure is substantially under used. (please refer to **Section 2** for further details)
- The Procure has one of the most expensive 'per head' costs of all the Society's houses. In 2005 its 'per head' costs were higher than those for St. Joseph's College in London whose high overhead costs were a major factor in the decision to sell it. In 2008, the annual per head cost for the Procure was **€56,713** (£45,371). In 2008 the subsidy to the Procure from the Central Society Account was **€436,332** (£349,066). (please refer to **Section 2** for further details)
- The money raised from board donations in the Procure makes only a small contribution towards its running costs. In the year 2008 the income covered approximately **3.4 %** of the total annual net cost of running the house. (please refer to **Section 2** for further details)
- In addition to the **€1,313,604** (£880,115) spent on repairs / refurbishment work during the years 2000-2008, the cost of additional and urgent remedial work currently required to make the house safe was estimated by the architect in January 2007 as **€400,000 - €500,000**. This figure does not include the cost of any structural work to the foundations or structure of the building which may be necessary following a structural survey to determine the reasons for cracks in various walls and ceilings. Nor does it include the cost of repairing or replacing the lift mechanism. By the year 2011 it is estimated that the above figures will have increased to at least **€490,000 - €562,500**, again not including the cost of any necessary structural work. Or repairs to the lift. The cost of a full refurbishment and modernisation of the building in 2011, excluding the cost of a structural survey and any necessary structural work and depending on the quality of fixtures and fittings chosen, is estimated at approx. **€3,488,000**. (please refer to **Section 2** for further details). The architect estimated the cost of the structural survey on its own to be between €20,000 and €40,000.
- There is no requirement in Canon Law for the Society to have a Procurator General or for him to be resident in Rome. However, there are some advantages to having a Procurator General and to his being resident in Rome. (please refer to **Section 3** for further details)

The financial analysis in respect of the various options is as follows:

Option	What the option entails	Costs / Income (estimates)	Year to which data relates
1	Remain in Rome		
1a	Remain in the present Procure, undertaking only necessary Health & Safety work, structural survey and identified repairs.	€490,000 - €562,500 , plus cost of structural survey, replacement/repair of lift mechanism & any necessary structural work.	2011
1b	Remain in the Procure, repair, refurbishing and modernising the whole building	€1,744,000 (basic refurbishment) €3,488,000 (quality refurbishment)	2011
1c	Remain in the Procure, the Society retaining use of only the ground and first floors; necessary repairs and renting out 3 rd floor.	€600,000 , generating an annual net income from rents of approx. €30,000 - €35,000	2009
1d	Remain in Rome but buy a smaller, more modern property, while repairing and refurbishing the Procure into private apartment for rent	Cost of buying a smaller property in the region of €3 to 4 million Cost of refurbishing and modernising the Procure will be approx. €3,488,000 , with a annual total net rental income of approx €174,400 - €203,465	2007 2011
1e	Remain in Rome, sell the current Procure and buy a smaller, more modern property	Cost of buying a smaller property around €3 to 4 million Sale price of Procure around €8 to 9 million	2007 2009
1f	Remain in Rome and remain on the current Procure site but demolish the building and rebuild a smaller (1,200 sq. metres) and better building	Approx. €3,600,000	
2	Leave Rome		
2a	Leave Rome and sell the Procure	Procure was valued at around € 8-9 million..... but may be less during the current economic recession.	2009
2b	Leave Rome but retain ownership of the Procure, repair and refurbish into private apartments to rent	Cost of refurbishing and modernising the Procure approx. €3,488,000 , generating an annual total net rental income of approx. €174,400 - €204,048 .	2011