



FROM THE TREASURER
THE RT HON SIR BRIAN LEVESON

14 April 2020

To all Members of the Middle Temple

Dear fellow Middle Templars,

Middle Temple during Covid-19 Outbreak

I begin this letter by sending all of you, wherever you are, my very best wishes at this exceptionally difficult time. The speed and severity with which the Covid-19 outbreak has struck this country and so many others around the world has been truly traumatic – none of us could ever have foreseen such dramatic consequences in our personal and working lives.

In addition to the terrible cost in human terms, the impact on our economy is already immense, and the after-effects will be felt for some time. Further, it is abundantly clear that a large part (if not all) of our profession is similarly devastated by this crisis, and I know that many of our members are already feeling its effects in a number of ways.

The Inn's primary purpose is to support its members in preparing for and conducting their professional careers. As the outbreak has intensified, like many others, here at the Middle Temple, we have been trying to come to terms with what is taking place, and to understand how we can continue to provide that support at this time of unprecedented challenge. "Business as usual" is clearly impossible in the current circumstances and the purpose of this letter is to provide some information on the main strands on which we are focusing our efforts to remain in touch with, and support, our members in the challenges they currently face.

Can I first start with the financial context in which the Inn operates and seek to clear up some misconceptions about our financial position? It has been suggested that the Inn has a large amount of spare cash and enormous unencumbered assets at its disposal. I am afraid that this is simply not the case. The Inn's main financial asset is its property portfolio, from which it derives 80% of its total annual income. With such a heavy reliance on our rental stream, any reduction in this translates into an immediate financial impact on the Inn. I ought to add that, while the portfolio is undoubtedly a very valuable one (although not nearly as large as has been suggested in certain quarters), a number of our properties are designated as "Charter Properties" which means that we are not free to sell them and neither are they available to be used as collateral for any borrowings. In balance sheet terms, therefore, they have zero value.

The remainder of our revenue stream as currently structured comes from our commercial activities – principally our catering and events business: this consists of using our estate for weddings, conferences, dinners, social and other events and filming. Since the onset of the pandemic, this source of funds has collapsed entirely resulting in an immediate reduction of 20% of our revenue. This has been exacerbated by the fact that, unfortunately, spring and summer are also our most active and profitable seasons. At this stage, it is

impossible to see how many of these various events may be rescheduled, but it is already clear that a number will have disappeared completely. Although we will save a certain amount of money by not holding 'Domus' events, this will not go near making up what we will lose.

It has also been suggested that we are saving money by "furloughing" some of our staff. Where we can, we have done so but we do need some of our team to be able to provide the key services outlined which we intend to provide and which I set out below. We must also continue to ensure the safety and security of the Estate.

Finally, on the financial side, the Inn does have some limited reserves but the serious impact that the Covid-19 virus has had on the market has led to a substantial reduction both in the ultimate value of our investments and in the income that they produce. Overall, therefore, the position is very serious. As a consequence of all these circumstances, there will be a substantial reduction in money available for scholarships (only part of which comes from designated trust funds, the balance being funded by the Inn).

With that rather lengthy introduction about our financial position, I turn to what the Inn is doing. First, the core activity of the Inn has been, and remains, providing education, training and CPD to our students, pupils, and new and established practitioners. Clearly, we are not able to do this face-to-face at present, but our Education & Training team is developing a series of initiatives that will ensure that our members do not suffer unduly as a result of the lockdown. We continue to provide Qualifying Sessions for students as well as courses for pupils and new practitioners including the Pupils' Course, the New Practitioners' Programme, the Advocacy and the Vulnerable course and counselling sessions. We are also making arrangements for our scholarship interview process to continue despite the lockdown. As with Qualifying Sessions and the courses, this will mean remote working online and that is how we will conduct interviews. I can inform you that we used 'virtual' interviews throughout the process of identifying a new Under Treasurer and everyone involved was very impressed with the way that the process worked.

Second, the Middle Temple is a community of practitioners, pupils, students, members (including judges) and our staff. In these troubling times, we want to make sure that we preserve that special ethos, and that all still feel part of that community. We are therefore planning to remain in close contact through our membership activities, providing updates and communication channels, as well as through other initiatives, such as the ability to listen to both series of the excellent Pupillage Podcasts and access to recorded Guest Lectures as outlined in the April e-news all to ensure our members feel connected with the Inn and with each other. As far as the library is concerned, collaboratively with the other Inns, we are providing a free documentary delivery service which can be accessed by the use of a simple form at: <https://www.middletemple.org.uk/distance-service-copyright-declaration>. In addition, there is a list of free online resources that can be accessed which can be found at: <https://www.middletemple.org.uk/libraryarchive/library/library-services/online-training-resources-and-webinars> and there is a webinar archived which may be of interest at: <https://www.middletemple.org.uk/libraryarchive/library/legal-research-training/live-stream-navigating-free-legal-web> together with an online video to be found at <https://screencast-o-matic.com/watch/cYe0X5yq1z>.

Third, we are extremely aware of the financial hardship that many of our members will be suffering as a result of this crisis. We want to provide financial support to these members and, along with the other three Inns, have supported a campaign by the Bar Benevolent Association to help those in urgent need. It seeks to raise emergency funds from those within the entire membership (including those who have retired) who can afford to donate: if you have not yet received this request, you will shortly do so. To start this fund, each Inn has committed a substantial sum and we will keep the position under review. The BBA, however, only covers practising members of the Bar – that is to say, those who have held a brief. Its statutes do not permit it to provide assistance to students, those waiting for pupillage or pupils who have not

held a brief and the Inn is looking to supplement its hardship fund for that cohort of its membership not covered by the Scheme. How this is developed and precisely who will be able to benefit will have to be the subject of detailed consideration by the Executive Committee. I will send details of how you can contribute to both schemes later.

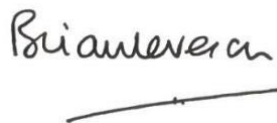
Similarly, we are well aware that many of our tenants are experiencing real difficulties in meeting their rent obligations, as revenue streams evaporate. In appropriate cases, therefore, we have agreed to provide some financial respite to both our commercial and residential tenants in an effort to help them weather the current storm.

At this exceptional time, it is not surprising that the Inns are being asked what we are planning to do to support the profession, and also whether we are ready to “share the pain” that many members are feeling. I hope that this letter goes some way to explain the constraints under which the Inn must operate and also the package of initiatives that have been put in place. I would like, however, to reiterate that the Inn has always tried to balance meeting the immediate needs and expectations of the profession, with our work to ensure the long-term health and robustness of the Bar. This work has always taken the form of our various education and training initiatives, as well as helping to fund the Bar Council and our scholarship programme – by way of example, in 2019, we invested well over £3 million in these activities. At the moment, we are not only supporting the new ICCA course (which has had the effect of helping all students by reducing course fees) but are also developing a new informal working and social area for use by students and practitioners (particularly those based outside London). We think it is critical that the Inn is able financially to support the future of the Bar through these activities, and therefore we would hope to be able to continue to invest in this way. In this regard, despite the challenges faced by the Bar, we are delighted that student numbers continue to grow, and proud that, for the last few years, Middle Temple has been the most popular destination for students, even if this does result in an additional financial burden on our resources.

I repeat that we will support the profession in this time of immediate need, and also try to ensure that we can continue to support it in the future as we have done for many, many years. We look forward to working in collaboration with our members, tenants and staff so that we can all navigate through this unprecedented period of turbulence.

I close by hoping that you all keep safe in these very troubling times and wishing you all well.

With best wishes

A handwritten signature in cursive script that reads "Brian Leveson". Below the signature is a horizontal line.

The Rt. Hon. Sir Brian Leveson
Treasurer