

8. Methodist Ministers' Housing Society

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1. Our origins

At the end of the Second World War United Kingdom house prices were relatively high, rented properties hard to find and, for significant numbers of people, unaffordable. The Methodist Church realised that stipends were such that many ministers, housed throughout their service, often lasting 40 years, in church owned manses, were unable to save enough to buy a home for their retirement.

A turning point came from a generous and valuable donation on 29 April 1947. The ownership of The Manor House, Barrow on Trent, Derbyshire, with its orchard, garden, paddock and other buildings, was transferred to the Trustees for Methodist Church Purposes. A stipulation was that the property was to accommodate retired Methodist ministers of limited means. A direct result of that legacy was the formation of the Methodist Ministers' Housing Society in 1948, registered under the terms of the Industrial and Provident Societies Act 1893. Since then the Society's portfolio of properties has steadily grown as a result of generations of Methodists bequeathing their homes to us, and they continue to do so.

2. Our situation today

As life expectancy increases, more people retiring today are likely to be alive in 30 or 40 years' time. We must, therefore, plan for the long term with the Society's resources being committed to improving the quality of the homes we provide, with rents being as low as can be justified.

Significant changes in the financial circumstances of presbyters and deacons are producing challenges. Firstly, an increasing number retiring now had previous careers and built up income and assets before entering the Methodist ministry. Secondly, more spouses have earned their own entitlement to income and pension. Furthermore, some will have received a home as an inheritance. All this has meant that fewer ministers approaching retirement recently have sought the Society's assistance. That, in turn, has led to an increased number of the Society's properties being let to non-Methodists on short term tenancies at market rents, thus providing a greater choice for ministers. Additionally, in a low interest rate environment, higher returns can be earned from letting properties rather than holding cash deposits, so long as the activity is efficiently managed. However, donors gave their homes to the Society to provide accommodation for retired Methodist ministers and their immediate families, not to be let on the open market.

As a result, in May 2014, the Society's Board agreed significant changes to the eligibility criteria, all designed to make what is offered more attractive, and to encourage a greater number of ministers to consult us about their retirement plans. For example, presbyters and deacons are now eligible for our help if they have served 10 years in the Methodist ministry, rather than a much longer period. It is too early to judge the effect of the changes but the initial signs are promising. The Board is considering further modifications to meet the aspirations of those approaching retirement.

Another challenge facing the Society relates to the medical and domiciliary care needs of our residents. As over 30% of them are 80 years of age or more and significant numbers are over 90, that is not surprising. Although our ability to adapt homes to meet the support requirements of residents is limited, 16 properties had "Aid and Adaptation" installations undertaken last year. Some residents, though, need sheltered or nursing home accommodation. The combination of increasing care costs, a shortage of suitable accommodation in some parts of the UK, and reduced government funding, means that the problem is an urgent one.

3. Housing provision in 2013/2014

During the year to August 2014 twelve properties were provided to new ministerial retirees and eight existing residents moved to accommodation more suitable for their current needs. These figures are lower than in recent years and represent only a modest proportion of ministers who retired last August. The changes to the eligibility criteria will, it is hoped, result in increases in future years.

During the year 11 properties were bought, 15 were sold and 4 properties were bequeathed to us. We remain deeply grateful to those who remember the Society in this special way, and to those Methodist Districts, Circuits and Churches who make donations to help our work. The purchases were for tenants who needed to be transferred, normally because of special medical requirements. All eligible ministers who retired in August 2014 and needed our help were allocated a home.

Some properties left to us, and others that become vacant, are unsuitable for retired ministers. A few have structural defects, some are in poor condition and the cost of refurbishment cannot be justified, and others are not suitable for elderly people. On 1 March 2015 the Society owned 956 properties; 823 were occupied by retired ministers and spouses, 85 were market rented on short term tenancies and 48 were empty being prepared for 2015 retirees or awaiting tenants.

4. Rent and finances

A revised rent policy for ministerial tenants, announced in 2012, that planned to phase in substantial rent increases in each of the three years beginning in September 2013, caused much concern among our residents and, indeed, throughout the Methodist Connexion. In particular, the suggestion that retired ministers should, in cases of acute need, seek social security help by way of housing benefit was, understandably, badly received.

After careful consideration of the views expressed and the Society's current and projected financial position, the Board was pleased to decide to cancel the final large increase of around £1,000 due to be implemented in September 2015. It will be replaced by a much lower, inflation linked, rise. Instead of annual rent from September 2015 of around £4,000, the actual amount will be just over £3,000. This will be substantially less than private sector rents in most parts of England. Furthermore, approximately 40 of our recently housed ministerial households who have been paying a higher rent since their tenancies began will benefit from a significant reduction.

Rental income should always cover our carefully controlled costs, but it is our intention to maintain rent levels as low as possible, consistent with the provision of good quality homes. In the year to August 2014 rental income amounted to £2,480,000, of which £615,000 was

received from market rent tenants. When receipt of bequests and other donations is accounted for, an operating surplus was achieved before recognising gains on the sale of properties.

As at 31 August 2014 the Society's net assets totalled £67,700,000; all but £2,000,000 of that amount comprising the 'book' value of 954 unencumbered properties throughout the UK. This figure, while extremely large, is much lower than that reported in 2013 and earlier years as the Board decided to take a more conservative view of the cumulative value of our homes. The Society's financial statements for 2013/2014 are available for examination on the MMHS website (www.mmhs.org.uk).

Board members and staff understand the management, stewardship and governance responsibilities of owning and managing that substantial property portfolio, and ensuring financial viability.

5. Planned maintenance programme

Several years ago the planned programme to replace kitchen and bathroom fittings and other major items that had reached the end of their useful lives was suspended. However, essential refurbishment and maintenance projects are continuing. In the year to August 2014 11 kitchens and 26 bathrooms have been refurbished, external redecoration has been carried out at 31 properties and replacement windows have been installed at 17 homes. In addition, we have replaced 38 central heating boilers and re-laid 8 driveways. In future the Society, rather than our ministerial residents, will bear the cost of an annual clearing of gutters. With an improved financial position now established we expect to resume the planned improvement programme within the next year or so.

6. Repairs

A few years ago it was clear that the repairs and maintenance arrangements were falling short of tenants' expectations. The Board reviewed the service and higher levels of satisfaction are now being achieved following the appointment of local, respected contractors. In addition, the contract with British Gas for the provision of essential annual gas safety checks and the servicing of electrical equipment, is working well. Formal arrangements are in place to deal with emergency repairs. We are pleased to report this success in providing better value for money and increased efficiency.

7. Other activities

A review of the Society's Rules was completed, job descriptions reassessed, and a revised Staff Handbook prepared and distributed. As a result of the passing of the Co-operative and Community Benefit Societies Act 2014, the Society is now known as a 'Registered Society'.

8. Board membership

During 2014 the Board appointed three new members: the Revd Jacqueline P Evans, the Revd David Gamble and Mr Max Teare, who are bringing much relevant expertise and commitment to the Society's activities.

At the 2014 AGM Dr John Lander was appointed Chair to succeed the Revd Patricia A Billsborrow. Pat's long and dedicated service to the Society began in 2006 and included nearly

two years as Chair, having agreed to replace the previous incumbent at very short notice. Her term of office coincided with the emergence of a number of problems that needed attention and she led the Society with great devotion. She retired from the Board in February 2015 with the grateful thanks and best wishes of her colleagues.

The AGM in February 2015 reappointed Mrs Debbie Faulkner, the Revd Dr John Harrod and Mr Brian Roberts to the Board for further periods. The Revd David Gamble was appointed for a three year term.

The Board comprises six serving or retired presbyters and deacons, and seven lay people with a wide range of experience. In addition to their contributions to the Society, they provide time and talents for the wider benefit of the Methodist Church in different capacities in various parts of England and Wales. The Board is judged to be well equipped to deal with the issues that lie ahead.

9. Staff

Mr Peter Shearer retired as Chief Executive Officer and Society Secretary in October 2014. Mr David Cattermole retired at the end of March 2015 after giving the Society 17 years of dedicated service as Finance Director, latterly also being Acting or Interim Chief Executive for almost a year.

Following a thorough recruitment process, the Board was delighted to appoint Mrs Mairi Johnstone as the Society's Chief Executive Officer and Society Secretary, and Mrs Atawa Aryee as our Financial Services Director. Mairi joined us in early March 2015 after 3½ years as Director of Finance and Administration and, latterly, Chief Executive Officer, of A Rocha UK, a Christian national conservation and environmental charity. A lawyer by profession, qualified in both Scottish and English law, Mairi's earlier career specialised in banking law and property finance. She is a Non-Executive director of the Charities Aid Foundation Bank. Brought up in the Church of Scotland, she has been an Anglican for more than twenty years and is a Licenced Lay Minister. She is also a Lay Assessor of calling to ordained ministry as well as a reviewer of clergy and lay ministers.

Mrs Atawa Aryee, a qualified accountant, has held senior financial appointments since 1999. After her education at the Wesley Girls' High School, Cape Coast, Ghana, founded by the wife of a Methodist missionary in 1836, and the University of Ghana, Atawa continued her accountancy training in London. Atawa and her husband are involved in church activities in Kilburn and Hertfordshire. The Society warmly welcomes these two senior members of staff and looks forward to benefitting from the valuable contributions they will make.

Together with Mr Godfried Addo, our Property Services Director, they form the senior management team. The Board acknowledges and thanks the staff for their service to our residents, especially during the past year when uncertainties have been apparent.

10. Conclusion

The Society's purpose is a worthy one that has been fulfilled for 68 years. Over 820 Methodist ministerial households make the Society's properties their homes, and we hope that number will increase again in the future.

I reaffirm our commitment to do our very best to meet the needs of ministers who have served the denomination with skill and dedication.

During the period since the 2014 Conference the Society has continued to address a number of challenges. Headway has been made and it is hoped that next year's Report will reflect the continuation of that progress.

Board members serve the Society as an expression of their Christian witness. Like all Christians we seek the renewal of the Church in the belief that individuals and our communities; local, national and international, need to accept and follow the teachings of Jesus. It is with this in mind that we share the plea of Frank Mason North, who wrote in 1903 (*Hymns & Psalms*, 431 verses 1 and 4):

Where cross the crowded ways of life,
where sound the cries of race and clan,
above the noise of selfish strife,
we hear thy voice, O Son of Man.

O Master from the mountain-side,
make haste to heal these hearts of pain;
among these restless throngs abide,
O tread the city's streets again

The final line of each verse contains the confidence and trust that we can find through acceptance of all that Jesus had to say to us.

North sought, 100 years ago, to address national social ills, notably racial inequalities and factory working conditions for children. Our twenty-first century resolve at the Methodist Ministers' Housing Society is to provide good quality housing for retired presbyters, deacons and their immediate families of limited means at an affordable rent – less dramatic than North's aims but worthwhile nonetheless.

*****RESOLUTION**

8/1. The Conference received the Report.