

Property Development Committee (PDC)

Contact Name and Details	The Revd Dr Stuart Burgess, Chair of Property Development Committee
Resolution	75/1. The Council receives the report.

Summary of Content

Subject and Aims	To provide an overview of the work of the PDC during its first 6 months.
Main Points	<ul style="list-style-type: none"> • Introduction to the Committee's work • A connexional strategy for Methodist property • Supporting districts • Importance of quinquennial inspections • An asset register of Methodist property • Property as an investment • Development/acquisition of new property • Conservation properties • PDC input to specific projects • Delegated managing trusteeship
Background Context and Relevant Documents	The Council adopted a revised Terms of Reference for the PDC in paper MC/16/91

Summary of Impact

Standing Orders	As quoted in the report
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1.0 Introduction

- 1.1 The Property Development Committee (PDC) was established by the Council in April 2016, with effect from 1 September 2016. It has Terms of Reference that were slightly modified at the Council's meeting in October 2016. The Committee has met twice to-date, with a third meeting scheduled in April 2017. It has decided to adopt a pattern of meeting four times per annum for the foreseeable future.
- 1.2 The Committee spent the majority of its first meeting exploring freely the varied experiences of its members in relation to property, particularly Methodist property. It identified a number of key themes and priorities that would shape its initial work. One key issue is the need to maintain a high level overview of the use of property in general for mission, whilst balancing that with involvement in questions and challenges that may be brought to its attention in relation to specific properties and/or development projects.
- 1.3 The Committee has recognised the incredible amount of work and commitment required by property stewards, manse stewards and many others within churches, circuits and districts. Its focus is to affirm and work alongside them, taking initiatives that support and facilitate local work in caring for and developing Methodist property for the most effective use in mission.

2.0 A Connexional Property Strategy

- 2.1 The Committee felt it important to recognise some of the benefits relating to property of being a connexional church. The Model Trust provides a consistent legal basis on which most Methodist property is held, supplemented by the relevant Standing Orders; mainly found in Part 9 of CPD. This is reinforced by the existence of a primary custodian body, Trustees for Methodist Church Purposes (TMCP), which holds the title deeds for Methodist property on behalf of the whole Church, apart from specific arrangements in other legal jurisdictions.
- 2.2 The responsibility for the care and use of most church properties rests with local managing trustees. Decisions regarding the purchase, sale or capital works on properties are recorded via the on-line Consents system; authorised by district consent-giving bodies. This itself means that the Church has a single database, managed by the Connexional Team and used by TMCP, on which are held the details of all property registered in the name of TMCP.
- 2.3 The Committee noted that conversations within various forums in recent years have identified the general lack of District Development Plans as outlined in SO 962. There is some query, based on anecdotal evidence, about the basis on which district consent-giving bodies are taking decisions without the support of any district master-plan. Some districts have specific procedures or groups that are involved before the decision is taken to sell any buildings associated with a church that has ceased to meet, whilst many others appear to encourage sale as quickly as possible. SO 932(1A) empowers the appropriate district or connexional authority to require a quinquennial report to be produced prior to giving consent, if it sees fit, but it is not known how frequently this is invoked.
- 2.4 A strategic plan that encompassed the use of all property across the connexion in mission and ministry will provide a clear and coherent basis on which such decisions can be taken. It will need to balance the needs and responsibilities of managing trustees taking decisions locally, against an overall view of how a connexional Church may wish to, for example, retain certain buildings because of their strategic location or facilities. The Strategy and Resources Committee (SRC) had previously designated £1m of the reserves of the Connexional Priority Fund (CPF) for use as directed by the PDC. The first use of this money has been to engage a Property Strategy Consultant, Charles Palmer, to work with the Committee through 2017 on developing such a strategy.

3.0 Support for districts

- 3.1 The Committee has spent some time considering the responsibility that rests with districts, particularly as outlined above with regard to the provision of consent under SO 930. It recognises the key role played by District Property Secretaries (DPSs) and has committed to working collaboratively with them. In January 2017 it invited all DPSs to attend a joint meeting, hosted at The Wesley hotel in London, where PDC members had an extremely fruitful time listening to DPSs and engaging with some of the challenges that were faced and suggested improvements for future practices and processes.
- 3.2 Several members of the Committee have raised the need for a higher level of connexional support for districts as they assist circuits in developing plans for mission and then for the property needed to enable that. In addition to ways in which the Connexional Team provides support to DPSs and local trustees, it will later in the year be considering the impact of the ending of the District Development Enabler (DDE) scheme and how the Church and Community specialism of the Discipleship and Ministries Learning Network (DMLN) has been able to fulfil that role.

4.0 Quinquennial Inspections

- 4.1 SO 952 requires the Circuit Meeting to arrange for an inspection of all local property by a professionally qualified person every five years. For a property strategy to be effectively implemented it is vital that the information held about each property is accurate and complete. Both the Committee and the DPSs felt that it was important not to increase the burden on property stewards or local trustees by introducing any new requirements. The PDC has decided rather to emphasise the need for Circuit Meetings to comply with SO 952 and to ensure that the quality of quinquennial reports is of a consistently high standard across the connexion.
- 4.2 Appointing appropriately qualified and experienced professionals is key to this, as is the guidance produced by the Connexional Team. All of the relevant documentation will be reviewed and republished by the start of the 2017/18 year, and this will be promoted at the DPS meeting held in November 2017. The Committee intends to write to all District Synods/DPCs stressing their role in monitoring compliance of SO952 and to report back to the Committee for their district. It has also asked the Connexional Team to find ways of reporting to it on the compliance with the 2017 property returns process.
- 4.3 Engaging appropriate professionals, specifying the format of the report and then acting upon it can be challenging for managing trustees. However, this is a vital part of the Church's stewardship of the property that God has provided and often identifies the need for planned preventative maintenance that is far more cost effective than having to respond to unplanned work required in response to an emergency.

5.0 Asset register

- 5.1 All Methodist property is owned in order to enable the Church's mission to be fulfilled. In the majority of cases this is via the direct use of the property in local mission and ministry, including the provision of appropriate manses for ministers. However, a number of properties are owned, held both locally and connexionally, primarily in order to generate investment income that can be used to fund mission and evangelism. The Committee has been made aware of several examples of property owned by Methodist bodies, but not necessarily included on the connexional database, held on the Model Trust nor with the title registered in the name of the appropriate custodian body. Often these cases involve caretakers houses or shops situated close to or adjoining chapels, that have never been registered or recorded separately to the chapel building, where a variety of models of ownership exist.
- 5.2 During the 2017/18 year it intends to initiate work, alongside DPSs and TMCP legal staff, to rectify this situation. It reminds all trustees of their obligations under SO 901 that 'all land acquired for use as local, circuit or district property or otherwise on behalf of any Local Church, Circuit or District shall be vested in the custodian trustees of the Model Trusts'.

6.0 Property as an investment

- 6.1 Managing trustees are able to designate any Methodist property as investment property as described in SO 908. The Committee has raised the need for this to be used coherently by trustees with the definition that applies to charity accounts under the FRS102 Statement of Recommended Practice (SORP). It has also noted that there are a growing number of situations where existing properties could potentially be redeveloped wholly or primarily for the purpose of generating income for mission. Furthermore, there is a growing trend towards mixed use developments, where buildings may be built or redeveloped specifically in order to combine spaces for worship and/or community use alongside other uses, which may be commercial or may, for example, provide social housing.

- 6.2 Given that the prime asset when considering such developments is the ownership of land, the committee strongly supports the view that the potential for such projects should be evaluated by managing trustees prior to any decisions to dispose of property. It recognises that situations vary widely and it is important not to adopt a 'one-size-fits-all' approach. However, the Church's history is such that many of the buildings that are no longer appropriate for use for regular worship are in prominent locations which may lend themselves to more innovative use either in mission or as investment properties.
- 6.3 Provision of adequate insurance is both a requirement and also a factor in the retention of property that is not currently being used. Although it is for managing trustees to select an appropriate provider, the Committee recognises that in the majority of cases this is the Methodist Insurance Company Ltd, with whom it has initiated conversations in order to maximise the effectiveness of the service that it is able to offer Methodist trustees.

7.0 Development/acquisition of new property

Given its rich stock of buildings, many of them historic, there is a temptation for the predominant narrative to be one of closing buildings and either selling or redeveloping them. However, the Committee has noted that changes to population and the increased house building in some areas provide the opportunity for new Methodist societies to be established. Sometimes this may best be facilitated by the provision of a new property and the Committee is keen to encourage districts and circuits to make this part of their mission planning, avoiding any overriding tendency towards 'managed decline'.

8.0 Conservation

- 8.1 Around one third of Methodist chapels are either listed or in conservation areas. The care and development of these are subject to separate regulations, particularly with regard to the Ecclesiastical Exemption from the Local Planning Act.
- 8.2 The chair of the PDC has met with the chairs of both the Listed Buildings Advisory Committee (LBAC) and the Methodist Heritage Committee (MHC) in order to explore how the work of each can best be encouraged. The PDC recognises both the burden that managing trustees can feel when they are responsible for historic properties and also the responsibilities of the both the LBAC and the Conservation Officer in upholding the Ecclesiastical Exemption. It intends that the overarching property strategy will enable development decisions to be made regarding such properties within a coherent, mission-focused framework that promotes consistency across the connexion. The Committee noted Memorial M19 (2015) 'Management of listed buildings' that had been referred to it by the Methodist Council. It proposes that the outstanding points raised within this memorial be answered as part of the overall property strategy.

9.0 Specific projects

Although the main thrust of the PDC's work will necessarily be strategic, it has engaged with several individual projects that have been brought to its attention, or where trustees have requested input, as follows:-

- King's Hall MC Southall, London. The PDC has commissioned an options appraisal, working with the circuit meeting and MIC Ltd.
- Lambeth MC, London. The trustees and district felt the project was already too far advanced to consider additional input.

- Sedbergh Cornerstone Community Church (LEP), Cumbria. After a request from the trustees a group from the Committee is offering guidance regarding potential redevelopment options.
- Malton MC, York and Hull. A small group from the Committee is assisting discussions between trustees and the LBAC regarding a complex project to a historic listed chapel.
- Chatterton Hey, Manchester. The Committee is providing input regarding work to explore how the potential financial value of land can be maximised by gaining outline planning approval prior to disposal.

10.0 Delegated managing trusteeship

10.1 At its meeting in January 2017 the Methodist Council revoked its previous delegation of the managing trusteeship of Methodist International Centre, Euston, London, and instead delegated it to the PDC. It has signalled its intention to undertake the same move with the North Bank Estate and potentially the new student accommodation at 24 Somerset Road.

10.2 The Committee recognises that fulfilling this role is an important part of its Terms of Reference and is working with the Conference Officer for Legal and Constitutional Practice to ensure that it undertakes it efficiently and effectively.

*****RESOLUTIONS**

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