

## 17. Trustees for Methodist Church Purposes (TMCP)

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<b>Subject and aims</b>	This report provides a brief overview of the service and work undertaken by the Trustees for Methodist Church Purposes (TMCP) in its role as Custodian Trustee and in support of Managing Trustees across the Connexion.
<b>Background context and relevant documents</b>	To be read in conjunction with this Report please see TMCP's website: <a href="http://www.tmcp.org.uk/about/publications">www.tmcp.org.uk/about/publications</a> for a full copy of the Trustees Report and Accounts for the year ended 31 August 2022.

### SECTION A: GENERAL REPORT

#### 1. Mission Statement, Governance and Key Roles

##### Mission Statement and Governance

The purpose of the Board (TMCP) is to serve the Methodist Church in the advancement of the Christian faith in accordance with its doctrinal standards and discipline, and any charitable purpose of the Methodist Church or Church organisation.

##### *Our mission is to serve the Methodist Church*

Our mission is to support and strengthen the Methodist Church, both by providing practical support to Managing Trustees and by working closely and effectively with our colleagues in the Connexional Team.

We aim at all times to:

- work within an ethical and Christian framework;
- perform our role to the highest standard;
- act with integrity and patience;
- listen carefully and communicate effectively;
- value and nurture the talents of those within the organisation;
- work efficiently and effectively within the confines of available resources.

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### **Our Vision and Goals:**

Our Vision is:

- to continue to fulfil our principal duty to act as custodian trustee of all properties held on model trusts of the Methodist Church Act 1976, to better help the Church to achieve its mission;
- to provide a comprehensive role as the corporate body of the Church;
- to continue with our specific areas of specialism such as sharing agreements, trusts and data protection (GDPR);
- to ensure that the TMCP team is utilised in the most effective and efficient way, while still maintaining clarity about its particular role within the Connexion.

Our Goals are:

- to streamline all processes through collaboration with our colleagues across the Connexion and their advisers;
- to fulfil our responsibility to Managing Trustees through guidance and training;
- to provide appropriate and adequate assistance to the Methodist Connexion;
- to ensure that resources match the need now and on an ongoing basis;
- to support our staff in their ongoing training and development.

In partnership we hope to help and support Managing Trustees across the Connexion to build a sustainable mission-led future.

### **Structure**

The Board is a corporate body and was incorporated by the Methodist Church Act 1939. Our governing documents are the 1939 Act, our Trust Deed of 1939 and the Methodist Church Act 1976. The Board is served by four sub-committees: the Executive, Audit and Risk Committee, Grants Committee and Investment Committee.

### **Board members**

Our Board members are members of the Methodist Church and they are appointed by the Conference on the nomination of the Board. As far as possible the Board comprises equal lay and ministerial members. Nominations are assessed in terms of experience, skills and expertise. A skills audit is performed annually by the Chair in consultation with all Board members. Board members represent a cross-section of Church Officers and members. A list of current Board members is available from TMCP's website: <https://www.tmcp.org.uk/meet-the-team>.

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### Working together with Managing Trustees

TMCP are the custodian trustees for all property held on the Model Trusts of the Methodist Church Act 1976 (except for that in the Channel Islands or the Isle of Man which are held by their own boards of trustees) and this includes nearly all of the property held by over 3,800 Local Churches, 339 Circuits and 29 Districts.

The Board is also custodian of the funds held in 5,553 trusts, a small number of which are under the direct management of the Board and discretionary grants are given from these in accordance with the terms of the trusts.

It is important to distinguish our role as custodian trustees from that of Managing Trustees:

<b>TMCP as Custodian Trustee:</b>	<b>Role of Managing Trustees:</b>
<ul style="list-style-type: none"><li>• We hold legal title.</li><li>• We have a duty to ensure Managing Trustees do not act in breach of trust.</li><li>• We do not get involved in the day-to-day management.</li><li>• We can only act under the lawful direction of Managing Trustees</li></ul>	<ul style="list-style-type: none"><li>• They are responsible for the day to day management of the property</li><li>• They exercise power or discretion in respect of the property</li></ul>

The activities of the Board include, but are not limited to:

- Effecting all sales, purchases and leases of property by Church bodies and checking legal documents before signature by Managing Trustees.
- Investing funds received from sales or bequests and transmitting funds for purchases or to meet the cost of projects as instructed by Managing Trustees
- Fulfilling any other duties or responsibilities required of, or appropriate for, the corporate body acting on behalf of the Methodist Church.

Partnership working remains at the heart of what TMCP does.

### Working together with the Methodist Council

Under SO 931(3) the Methodist Council has delegated to TMCP the role of inspecting and approving contracts. In addition, they may instruct TMCP to undertake additional work.

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The Board is extremely pleased that the Service Level Partnership Agreement, originally finalised and signed by the Methodist Council and the TMCP Board in July 2020, continues to underpin and maintain transparency and accountability in respect of the services TMCP provides across the Connexion.

The Agreement guides the relationship between the Board and the Methodist Council, outlining the protocols and parameters within which both will work. The intention is to promote collaboration and maintain efficient and effective working relationships. The Agreement helps optimise the support offered to Managing Trustees, ensuring a high quality of service which is outcome-focused.

The Secretary of the Conference and the Conference Officer for Legal and Constitutional Practice (COLCP) together with the Chair and Chief Executive of TMCP continue to hold half-yearly meetings, primarily to complete the necessary periodic review and monitoring.

### **TMCP as a Corporate Body**

TMCP has corporate status and it has been found to be useful as a vehicle beyond trusteeship as such, where certain legal functions need to be vested in a corporate person, rather than a group of individuals. Examples of where TMCP's corporate role has been of benefit to the Methodist Church include holding shares in Methodist controlled trading subsidiaries and entering into the framework agreement and management of the Panel of Solicitors on behalf of the Methodist Church.

### **General Data Protection Regulations (GDPR)**

TMCP continues to act as the Data Controller for all Local Churches, Circuits and Districts (who are deemed to be the "Data Processors" ie the people who deal with data/information on behalf of the Methodist Church).

Under a separate registration the Connexional Team is responsible for all data protection matters concerning safeguarding, complaints and discipline issues for the whole Methodist Church.

TMCP and the Connexional Team continue to work together to provide data protection resources to the wider Connexion, including precedent documents, policies, practical guidance and frequently asked questions. TMCP continue to hold regular online forums with District Data Champions to bring them up to speed on current developments in Data Protection and to provide support and guidance as needed.

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As Data Controller, TMCP requires assurance from the Local Churches, Circuits and Districts that all necessary GDPR processes are being adhered to. In order to obtain such assurances, and on the recommendation of its Internal Auditors, TMCP introduced an Annual Checklist. This is completed by local Managing Trustees, with a deadline for submission being 31 May. The Annual Checklist is reported back via the Circuit and District who collate the returns to confirm that the Managing Trustees are fulfilling their responsibilities with regard to Data Protection legislation.

### **Working Together with the Methodist Church and Partners**

TMCP puts Managing Trustees at the centre of all it does and it has close working relationships with many parts of the Methodist Church and its partners.

Key stakeholders include:

- Managing Trustees including the Methodist Council;
- District Chairs;
- District Property Secretaries;
- Circuit Superintendents;
- District, Circuit and Church Treasurers;
- Connexional Conference Office, Property Team and the Property Development Committee;
- Panel Solicitors;
- external Solicitors and Surveyors;
- Central Finance Board (CFB);
- other Methodist Church related organisations such as MIC Ltd.

### **News Hub Articles**

Articles are regularly published on the TMCP website 'News Hub', providing information to Managing Trustees and their professional advisers on updates to the website, guidance on changes in legislation, training events, availability of trust statements and other relevant information. During the year there have been ten articles published, providing guidance on topics such as housing Ukrainian refugees, landlord and tenant matters, streamlining of property transactions and data protection updates. Managing Trustees are encouraged to sign up for the News Hub emails to be kept informed of current developments. The number of subscribers is currently in excess of 1,000.

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### **Grants**

TMCP continues to encourage grant applications to be made in respect of the discretionary funds for which the Board has responsibility. The protocols and details of how to apply are on the website.

The Board is pleased that, due to increased publicity across the Connexion and through the Property Development Committee, it paid grants totalling £194,153 for property and other projects from these trusts during the last financial year.

### **Monitoring of Panel of Solicitors**

TMCP and the Connexional Team have carefully selected firms of solicitors to be on the Panel for the Methodist Church who can provide advice across the Methodist Connexion in England and Wales. All the firms appointed to the Panel have the proven skill, expertise and technical knowledge to provide excellent legal advice to Managing Trustee bodies.

The Framework Agreement between TMCP and the Panel firms sets out the overarching principles for the performance and management of the Panel. In its capacity as the Church's corporate body TMCP is party to the Framework Agreement meaning it has responsibility for ensuring the terms of the Framework Agreement are complied with.

Feedback questionnaires are sent at the end of every legal transaction to all Managing Trustees who use the Panel. Feedback is an important part of the monitoring process and ensures that Managing Trustees are receiving a high level of service and advice. TMCP are summarising statistics relating to use of the Panel for monitoring, reporting, management and addressing feedback and complaints.

TMCP hold quarterly face to face monitoring meetings with each firm on the Panel and training events regularly take place.

Streamlining for sales has been in operation for over 12 months. This enables agreed processes to be followed with the adoption of precedent documents. It has meant TMCP needs to spend less time involved in a transaction especially when a buyer has been found (the time critical stage) and on the whole transactions are proceeding with greater speed.

The legal team are working with the Panel on the introduction of streamlined process for both purchases and leases. This will work in a similar way to those involving sales with the increased use of template documents and quick, straightforward steps to the completion of transactions.

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The current framework agreement is due to come to an end in May 2023. TMCP is working closely with the Connexional Procurement Officer on the retender process and has extended the current framework agreement for the three firms on the existing Panel to the end of August with a view that the retender will be complete and training completed for any new firms for a start on 1 September 2023.

### 2. Outcomes and Achievements

#### The Finance Team

The Team supports the Board's role as custodian trustee by planning and performing all financial operations relating to the receipts and payments of Model Trust monies as well as the investment of funds on behalf of Managing Trustees.

The Trust Information System provides online access to trust statements, balances and other information. There were 2,800 users at the end of 2021/22.

Key achievements 2021/22 include:

- the month end completion process has continued at an average of five working days which has resulted in information being available earlier for Managing Trustees;
- TMCP is working with third parties to ensure they provide information to TMCP as quickly as possible with a view to further reducing the month-end completion process;
- average number of payments requested per month is 94 including consents payments;
- average total value of payments has increased to £6.3m per month;
- payments are actioned within three working days of receiving the application (provided the application has been completed correctly);
- average instructions outstanding at the end of each working month equate to 11% of all instructions received - these are primarily instructions received in the final two days of the month or items that are ongoing due to scheduled requested future payments

#### The Legal Team

The Team continues to help Managing Trustees across the Connexion to secure income from their property to fund mission including granting non-residential leases, residential tenancies and entering into licences and one-off booking forms. During the connexional year 2021/22 Managing Trustees were assisted with guidance on new

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major redevelopment projects, property sales and purchases of new property as well as trust matters, bequests, ecumenical issues and other queries.

Key achievements 2021/22 include:

- streamlining has allowed the legal team to 'virtually' meet with Managing Trustees thereby increasing accessibility, approachability, and closer working relationships;
- the team has hit all performance targets as outlined in the SLPA as well as our own internal targets;
- introduction of guidance on the TMCP website for Managing Trustees involved in disputes;
- support to Managing Trustees in Wales for the Rent Smart Wales scheme for ensuring they received top up training for the Landlord's Licence;
- working with the Scottish District for the creation of a panel of solicitors in Scotland;
- continuous training for data champions on the revised annual return form;
- updated guidance on the website on Model Trust 14(2A) following the changes to the Model Trusts and implementation of the accompanying Methodist Council policy;
- more assistance on specific streams of work for the Connexional Team.

### 3. Key Strategies

A number of key strategies are being rolled out in respect of the work performed by TMCP. These primarily commenced in 2020/21 and are all now well underway. Delivery of these strategies will result in the streamlining of all internal processes and continue to lead to efficiencies which will positively impact performance. The Board and team are investing resources to achieve these outcomes. The current status of these strategies is outlined below:

IT Strategy (Delivered)

- upgrade of office computers to laptops running Windows 10 for remote working;
- migration of email to Microsoft 365 on 'tmcp.org.uk' domain;
- digital ways of working implemented;
- procurement of a Matter Management System;
- initial user training on Microsoft 365, Teams and SharePoint;
- start of file migration to Microsoft 365;
- implementation of new telephone systems using Microsoft 365 Platform;
- procurement of a new Managed Service Provider for on-going IT Support.

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### IT Strategy (in progress)

- configuration and implementation of the Matter Management System:
  - TMCP is making excellent progress with this project;
  - improvements are being made along the way to enhance the benefits to Managing Trustees and there is a clear path through to delivery;
  - the TMCP Board is very keen that there is not a compromise on quality;
  - the Board extends its renewed gratitude to the Team, recognising what has been achieved;
  - current timescales aim for rollout of the new platform at the beginning of 2023/24.
- migration of files to new digital platform and integrating agreed Key Performance Indicators (KPIs);
- review alternative Finance Systems, and plan for replacement software.

### Legal Strategy

- refinement of existing KPIs and the introduction of focussed KPIs as necessary;
- streamlining – 2023 will see this extended across more types of legal work;
- improved ways of communication – increased use of Zoom and Teams to virtually 'meet with Managing Trustees (MTs);
- panel of solicitors for Scotland;
- more guidance and training for MTs – for example ecumenical website pages, more precedent documents and updates to guidance in property and trusts following the incremental changes brought in the Charities Act 2022;
- implementing further integrated ways of working with connexional colleagues and Districts, including District Property Secretaries.

### Finance Strategy

- ground-up review of processes:
  - the month-end processes were successfully streamlined; however, they continue to be monitored and reviewed to see if further improvements can be made;
  - a successful External Audit was undertaken with new auditors;
  - as part of a rolling Internal Audit programme, a review will be undertaken to ensure that the Budgeting Process is robust and realistic.
- improved engagement with external parties:
  - the team continues to communicate well with Managing Trustees creating stronger relationships;
  - the relationship between TMCP Finance, Central Finance Board and the Connexional Team continues to flourish and we work collaboratively where appropriate to improve the overall service delivered to the wider Methodist Church.

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- grants, with ever diminishing funds the grant process has been under review to ensure that as many applicants as possible are considered at each sitting. During the connexional year to August 2022 £194,153 grants were paid. Monies are continually sought to improve the grants facility.

### Workforce Strategy

- the Board successfully implemented the Salary and Performance Review policy;
- this ensures levels of pay are reviewed against benchmarks;
- any salary increases are directly correlated to sector benchmarks as well as performance in each role.

## 4. Collaborative Working and Challenges

### **Development of a sustainable model providing support to the Connexion in future years**

Having completed phase 2 of the Digital Transformation Project and with phase 3 underway the TMCP Board believes that this investment will provide a solid working platform for the organisation going forward. The continued investment in resources in terms of the staff team and IT systems, together with the implementation of change management and streamlining of systems, is having a positive effect on the services TMCP provides to the Connexion.

Part of TMCP's road map is to consider, with some urgency, the fact that its current funding model is not sustainable and presents key risks. By way of example, the model is not dynamic and cannot respond to changes in demand for legal services.

In a more regulated world, where the pre-requisite is openness and transparency, TMCP now have the opportunity to re-establish how it links its key role as Custodian Trustee with its charging structure. Also, as a separately registered charity, TMCP must, through appropriate funding, be able to meet its ongoing responsibilities and be able to operate as a going concern.

Within the Service Level Partnership Agreement, it is recognised that the parties should mutually ensure that appropriate levels of funding are available to maintain service levels and in 2020/21 it was agreed collaboratively that we would work towards this. As a consequence, the TMCP Board has considered a variety of funding models and have decided on a preferred option. TMCP is now in conversation with the Connexional Team to 'sound out' the proposals.

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The focus on whether or not TMCP has adequate resources has sharpened during 2022/23 as the flow of work continues to increase and additional pressures are being felt across the team. It is envisaged that, following more detailed discussions with the Connexional Team and other parties, there will be a funding proposal put to the 2024 Conference.

In the meantime, TMCP and the Connexional Team continue to collaborate successfully and are carefully ensuring that any systems and IT developments across both teams can dovetail together as much as possible.

The Board recognises and values greatly the work performed by the TMCP team, especially in respect of the additional work performed relating to the implementation of new IT systems and processes. The Board is proud of the achievements of the team to date and are looking forward to the ongoing advancement and streamlining of our systems.

### **Communication Strategy**

As TMCP streamlines processes and implements a new integrated IT system, the Board, CEO and Team are keen to ensure they communicate efficiently and engage effectively with Managing Trustees and all key stakeholders. There is a need to ensure the roles of Managing Trustee and Custodian Trustee are clearly communicated and understood. TMCP wants to support all those using its services and also manage expectations. The team wishes to engage early on at the start of transactions, wherever possible, in partnership with the Panel of Solicitors.

A plan for achieving these objectives will be implemented alongside the rollout of new systems and processes. TMCP will ensure objectives are measurable within this strategy and a selection of key stakeholders will be consulted during the process.

In the meantime, the Board takes this opportunity to thank Managing Trustees and all its other partners across the Church for their continued support and collaboration.

## **SECTION B**

### **Membership of the Board**

The Board is required to report to the Conference if any members have resigned, died, become bankrupt or made an assignment with their creditors, resided outside the United Kingdom for more than twelve months, refused or become unfit to act or ceased to be members of the Methodist Church so that new appointments can be made by the Conference on the nomination of the remaining members of the Board.

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### **Changes in Office**

#### **1. Resignations**

The Revd Simon Leigh resigned from the Board with effect from 10 November 2022. The Board recognises and appreciates his contribution to the Board.

#### **2. Board Membership as at 28<sup>th</sup> February 2023**

The Revd Rosemarie E G Clarke

The Revd Paul Davis

The Revd Rodney Hill

The Revd Gill Newton

The Revd Philip Wagstaff

Mr Gerry Davis OBE

Mr David James

Mr John Jefferson

Ms Alethea Siow (Vice-Chair)

Mr Ian White (Chair)

### **SECTION C**

#### **Declarations under the Methodist Church Trust Deed 1939**

There are no matters to report under the Trust Deed of 1939.

#### **\*\*\*RESOLUTION**

**17/1. The Conference receives the Report.**