

21. Trustees for Methodist Church Purposes

Contact name and details	Mr Ian White, Chair of the Board ian.alsager@gmail.com Mrs Anne Goodman, Chief Executive anne.goodman@tmcp.org.uk
Subject and aims	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.
Background context and relevant documents	Please see TMCP's website (www.tmcp.org.uk/about/publications) for a full copy of the Trustees Report and Accounts for the year ended 31 August 2020.

PART A

Section 1: Building a sustainable future together

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.tmcpc.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 4,000 Local Churches, 343 Circuits and 30 Districts.

The Board is also custodian of the funds held in 5,885 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:

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

The activities of the Board for 2019/20 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

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

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The Board was extremely pleased that the Service Level Partnership Agreement was finalised and signed by the Methodist Council and the TMCP Board in July 2020.

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 seeks to focus on optimising the support offered to Managing Trustees, ensuring a high quality of service which is outcome-focused.

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.

Panel of solicitors

This was established in May 2018 and use of the services offered by the Panel has continued to grow.

The Framework Agreement 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 we have responsibility for ensuring the terms of the Framework Agreement are complied with.

Feedback questionnaires are sent at the end of a 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 is summarising statistics relating to use of the Panel for monitoring, reporting, management and addressing feedback and complaints.

TMCP holds regular face to face monitoring meetings with each member of the Panel. Training events regularly take place and since March 2020 TMCP has completed a series of Guidance Notes and News Hub articles with Panel members to guide Managing Trustees through COVID-19 related property and GDPR matters.

Data Protection

TMCP continues to act as the Data Controller for all Churches, Circuits and Districts

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who are deemed to be Data Processors; with the exception of the two areas covered by the Connexional Team registration - safeguarding and complaints and discipline issues. This means that the Connexional Team is responsible for all data protection matters concerning safeguarding and 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.

In the financial year to 31 August 2020 TMCP organised five face-to-face data protection training days aimed at data champions and hosted by the Panel of Solicitor firms across the Connexion. The training days were held in Newcastle, Leeds, Birmingham, Cardiff and London between 16 September 2019 and 11 November 2019 with an average of 25 attendees per day.

TMCP continues to deal with and help co-ordinate Data Subject Access Requests (DSAR's) as well as acting as a point of reference on other matters arising in respect of both registrations.

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 40 articles published, many of which have provided specific guidance on the rapidly changing situation with COVID-19, produced in co-ordination with the Connexional Team to complement the material available on the Methodist website. Managing Trustees are encouraged to sign up for the News Hub emails to be kept informed of current developments.

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.

Grants awarded by the Board during the 2019/20 year from the discretionary trusts managed by TMCP totalled £989,611 covering 40 different projects and other requests for funding assistance.

Section 2: Outcome Focused

Outline of Service Level Partnership Agreement (SLPA)

The Agreement seeks to focus on optimising the support offered to Managing Trustees, ensuring a high quality of service which is outcome-focused. It details: -

- The relationship between partners
- The key stakeholders
- The service agreement
- The method of reviewing and monitoring performance.

It was determined by the Secretary of the Conference and the Conference Officer for Legal and Constitutional Practice (COLCP) together with the Chair and Chief Executive of TMCP that half-yearly meetings would be held between the representatives of both parties to the Agreement, primarily to complete the necessary periodic review and monitoring.

The first of these meetings was held on 2 March 2021. TMCP provided an overview of the team's performance in relation to the agreed external KPIs and in the main, despite the constrictions of operating remotely during COVID-19, TMCP had operated primarily well within the agreed parameters. It was also noted that over the last year there had been an increased volume in work despite and to a certain extent, because of, the pandemic.

TMCP's "Roadmap" for its IT project was shared with the group and is referenced in

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Section 3 of this report. The investment in new systems in terms of actual cost and staff time was recognised by the group. It was agreed that new ways of collaborating using digital platforms was welcomed and encouraged in order to provide more seamless ways of working.

More task based KPIs are to be developed through discussions between TMCP Legal Manager and the COLCP and these analytics will help to outline continuing ways to streamline operations.

Whilst the SLPA doesn't deal with funding issues directly, it was noted that TMCP may need to increase the management charge going forward as this has not been increased for nearly 10 years.

Outcomes - 2020 Trustees Report

Full details of the volume of property transactions undertaken in 2019/20 and the financial transactions processed can be found in our full Annual Report and Accounts, which is available on our website.

The Finance 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 2,765 users at the end of 2019/20.

The Legal 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 2019/20 they continued to assist Managing Trustees with guidance on new major redevelopment projects, property sales and purchases of new property as well as trust matters, bequests, ecumenical issues and other queries.

Section 3: Resources and Investment

Digital Transformation Project

Following the recognition of the need to streamline working processes and provide more detailed analytics the Board commissioned the scoping and development of a Matter Management System (MMS) while heavily investing in a new digital platform.

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There was a requirement to: -

- Digitise historical paper to improve record management and increase efficiencies
- Invest in new technologies due to age profile of existing systems
- Develop and implement new digital systems
- Align and improve inter-operability with the Connexional Team

During 2020 the TMCP Board engaged external consultants to undertake an IT strategy review. Following that review, TMCP has upgraded its IT estate to support digital transformation and this will, coincidentally, also meet the challenges presented by COVID-19.

Significant progress was made in the year to 31 August 2020 with a move towards completing the first phase of this programme. The infrastructure implementation has been completed and the migration of electronic files to new structures and locations is scheduled for early 2021.

The scoping of the Matter Management System was developed and completed during the financial year and the Team commenced the procurement process. The evaluation, selection and contract negotiation were scheduled for early 2021 and are on target for completion.

Reserves Policy Review and Budget Constraints

The current Reserves Policy was agreed in 2020. The Board had determined to operate a deficit budget over the last five years to subsidise its work, deciding not to pass the full cost of operations on to the Methodist Connexion. The new Policy recognises that a balanced budget will be required in future years.

The Service Level Partnership Agreement noted that one of the purposes of the agreement is to ensure appropriate levels of funding are available to maintain service levels. Discussions will be held as part of the monitoring and reporting process to decide upon new charging mechanisms and ensure a balanced budget.

Section 4: The Future

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

Having completed phase 1 of the Digital Transformation Project and with phase 2 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, will have a positive effect on the services TMCP provides to the Connexion.

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There continue to be challenges in respect of resourcing. The TMCP Board will be considering sustainable funding options to ensure its continued service in future years. In the meantime, the Board thanks all its partners across the Church for their continued support and collaboration.

PART 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.

Changes in Office

1. Resignations

The Revd Jennifer A Impey and Dr Ian Harrison have indicated their intention to resign as members of the Board prior to the 2021 Conference and will be contacting the Secretary of the Conference accordingly. The Board recognises and deeply appreciates the significant contribution made to the Board, its subcommittees and the wider life of TMCP by each of them over a very prolonged period of time and their insight and wisdom during a time of considerable change.

2. Board Membership as at 28 February 2021

The Revd Rosemarie E G Clarke
The Revd Paul Davis
The Revd Rodney Hill
The Revd Jennifer A Impey
The Revd Simon Leigh
The Revd Gill Newton
The Revd Philip Wagstaff

Mr Gerry Davis OBE
Mr Ralph Dransfield
Dr Ian Harrison
Mr David James
Mr John Jefferson
Ms Alethea Siow (Vice-Chair)
Mr Ian White (Chair)

*****RESOLUTION**

21/1. The Conference receives the Report.

PART C

Declarations under the Methodist Church Trust Deed 1939

From time to time property is bequeathed to the Trustees for Methodist Church Purposes where no express or special trusts are declared by the legatee or where those terms are uncertain or are wishes only. In such cases clause 2 of the Trust Deed of 1939 adopted by the Conference further to Section 11 of the 1939 Act empowers the Conference to declare the trusts upon which the Board is to hold the property.

1. William Tattersall Deceased – Trust 5723A

By his Will dated the 27 May 1954 William Tattersall left the Trustees for Methodist Church Purposes (the 'Board) a share of his residue estate where he directed that the income be paid to the Ulleswater Methodist Church to be applied as follows:

- 1/3 to augment the ordinary income of the church organist and
- 2/3 to augment the ordinary income of the church.

Should the above two provisions of the will fail then the income was to be paid on similar terms to the Bridge Street Methodist Church.

In the event that the Bridge Street Methodist Church closed then 'the income is to be applied by the Board for such purposes in their absolute discretion think fit'.

The current value of the Trust is £188,687.24.

First, because no trusts have been declared this is a case where it falls to the Conference to declare the trusts further to the Deed of 1939.

Second, it has always been policy to reflect, as far as possible, the wish of the legatee in any Directions which the Conference gives to the Board. In this case, following consultations with the Bolton Methodist Circuit, the Board resolved to divide the William Tattersall equally between the Board's Administration Fund and the Bolton Methodist Circuit for the upkeep of Local Methodist Churches in the Bolton Circuit for use in especially deprived areas.

The Board therefore proposes the following Resolution for adoption by the Conference.

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***RESOLUTION

21/2. The Conference hereby directs that the bequest of William Tattersall shall be held by the Trustees for Methodist Church Purposes (the 'Board') and applied as follows:

- 1. 50% of the William Tattersall bequest upon trust to apply the same as to the income to the Board's Administration Fund and**
- 2. 50% of the William Tattersall bequest upon trust to apply the same as to the income to the Bolton Methodist Circuit for the upkeep of Local Methodist Churches in the Bolton Circuit for use in especially deprived areas.**
- 3. The Board and the Bolton Methodist Circuit may use the provisions of sections 181 and 182 of the Charities Act 2011, as appropriate, in order to release the capital from the permanent endowment.**

2. Betty Victoria Dutton Deceased – Trust 10921

Betty Victoria Dutton, by her Will, bequeathed "The sum of ONE THOUSAND POUNDS (£1,000) to the TRUSTEES FOR METHODIST CHURCH PURPOSES ("the Board") for which sum the receipt of the Secretary for the time being of the Board shall be sufficient discharge".

First, because no trusts have been declared this is a case where it falls to the Conference to declare the trusts further to the Deed of 1939.

Second, it has always been policy to reflect, as far as possible, the wish of the legatee in any Directions which the Conference gives to the Board. In this case, following enquiries, the Board has ascertained from the solicitors who administered the estate and the Managing Trustees of the River Methodist Church in the Canterbury and East Kent Circuit that Betty Victoria Dutton was an active member of River Methodist Church prior to her death.

The Board therefore proposes the following Resolution for adoption by the Conference.

***RESOLUTION

21/3. The Conference hereby directs that the bequest of Betty Victoria Dutton shall be held by the Trustees for Methodist Church Purposes for the benefit of the Managing Trustees of the River Methodist Church in the Canterbury and East Kent Circuit.

3. Extraordinary Property Fund – Trust 17A

In 1992 due to the considerable level of reserves held by the Trustees for Methodist Church Purposes Board (the 'Board'), the Board asked that the Conference direct that £400,000 of their Administration Fund be separated to 'create a fund to be disbursed on the advice of the Property Division for grants or loans in special property cases where the normal sources of aid are not available or adequate, or because the scheme is not eligible for them, or because the scale of the liability imposed on the church, or because of some other unusual feature of the scheme' ('The Extraordinary Property Fund')

It was also directed that £100,000 of this fund be paid to the Methodist Central Hall Westminster renovation appeal.

The Board finds itself in a position where the current level of its Administration Fund is not sufficient to meet the missional needs of the Church. In addition, the Board is currently investing in its infrastructure to enhance the support it provides to the Connexion and this also requires funding. These monies will help supplement funds and keep any necessary increase in charges to a minimum.

The Extraordinary Property Fund currently has a balance of £115,297.64.

The Board therefore proposes the following Resolution for adoption by the Conference.

***RESOLUTION

21/4. The Conference hereby directs that the Extraordinary Property Fund shall be held by the Trustees for Methodist Church Purposes (the 'Board') upon trust to apply the same as to both capital and income to the Board's Administration Fund.