

19. Methodist Ministers' Housing Society

Contact name and details	Dr John Lander Chair of the Board jandplander@btinternet.com
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1. Introduction

The Methodist Ministers' Housing Society (MMHS) was formed in 1948 following the gift of a house, buildings and land in Barrow on Trent, Derbyshire to provide accommodation for retired Methodist ministers of 'limited means'. For many years since then the number of properties under MMHS ownership grew as a result of generations of generous Methodists bequeathing their homes to the Society.

2. Our situation today

The Board and Senior Management Team have decided that the time is right to give the necessary thought, prayer and research to produce a new Strategic Plan covering the five years 2017 to 2021. As this Report is being written, preparations are being made for the start of careful and thorough discussions to begin in April 2016. The Society's report to the 2017 Conference will include the outcome of these deliberations, implementation of which will, inevitably, be phased over the course of 2017.

3. Housing Provision in 2014/2015

During the year to August 2015, 20 properties were provided to new ministerial retirees, a welcome increase over the previous two years, and 12 existing residents moved to accommodation more suitable to their current needs. Those numbers still represent only a modest proportion of ministers who retired last year.

During the year 17 properties were bought or bequeathed to the Society. The Society remains deeply grateful to those who remember MMHS in this special way, and to those Methodist Districts, Circuits and churches who make donations to help our work. All eligible ministers who retired in August 2015 and needed our help were allocated a home.

Some properties left to the Society, 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. The cumulative effect of those reasons explains why the relatively high number of 24 properties was sold during 2014/2015.

In March 2016 the Society owned 938 properties; 800 were occupied by retired Methodist ministers and spouses, 99 were market rented on short term tenancies and 39 were empty being prepared for 2016 retirees, awaiting tenants or in the process of being sold.

4. Rent and Finances

In September 2015 the rent increase for Methodist tenants was modest, calculated by the increase in the Retail Price Increase (RPI) in January 2015 compared with the previous year. The annual 2015/2016 rent amounts to just over £3,000 which is around 40% of average market rents in the UK. The rent increase for our Methodist tenants in September 2016 will again be small; subject to Board confirmation the annual rent will be £3,108, an increase of 1.3% compared with increases in market rents that have been between 5% and 7% in each recent year.

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 2015 rental income from Methodist tenants amounted to £2.483 million. A further £0.697 million was generated from market rate tenants. When all other income related to legacies, bequests, donations and profits on the sale of properties is accounted for, the Society earned a substantial surplus in the year to 31 August 2015. The book value of the Society's assets was £70.75 million; Board members and staff are conscious of the stewardship, management and governance responsibilities imposed by the ownership of that property portfolio and of the people who live in them. The Society's financial statements for 2014/2015 are available for examination on the MMHS website.

5. Planned Maintenance Programme

Several years ago the structured programme to replace kitchens, bathrooms and other major items that had reached the end of their useful lives was suspended due to the Society's financial difficulties. Substantial refurbishment continued to be undertaken before newly retired ministers moved into their MMHS homes and essential maintenance projects continued. In the year to August 2015 82 kitchens were replaced, 84 bathrooms were refurbished and 118 boilers were replaced with more efficient ones. In addition, windows and doors were renewed in 63 properties, 29 driveways were renovated and electrical rewiring was undertaken in 6 homes.

Last year's Report indicated that following the achievement of a greatly improved financial position, without the need for a substantial rent increase, the Planned Maintenance Programme to meet the aims of the Government's previously stated Decent Homes Programme would be resumed. The Society's Board was pleased to be able to authorise an additional £1 million to be spent on this programme in the 2015/2016 financial year. Our tenants are being consulted on their assessment of what improvements are necessary and future Reports will detail the progress made.

6. Repairs

The changed arrangements for dealing with day to day repairs continue to work well. In addition, the contract with British Gas for the provision of essential annual gas safety checks and the servicing of electrical equipment remains efficiently conducted. Negotiations regarding renewal of the contract are now being held. Formal arrangements are in place to deal with emergency repairs.

7. Board membership

Early this year, Mr Max Teare, who had chaired the Finance Committee for two years, reluctantly had to resign because of his other extensive charitable commitments. The Society is grateful to him and to Deacon Karen McBride and Mr Brian Roberts who retired from the Board at the 2016 AGM having completed their periods of office. One Board member, the Revd David Gamble, died during the year.

With the planned retirement of a number of Board colleagues in February 2017, the Society is planning to appoint several new members over the next few months. The recruitment process is underway and next year's Report will detail the result of this important exercise. Currently the Board comprises almost equal representation of ministers and lay members and it is hoped that that continues.

With increasing responsibilities being placed on all voluntary Boards, it was decided to review the Society's governance arrangements. The results of an independent review, undertaken by an external consultant, will be presented at the Board's annual conference. Last year's Report to the

Conference expressed the view that the Board was judged to be well equipped to deal successfully with the issues that lay ahead. In his findings the consultant considers '...MMHS as generally well run in terms of its overall governance with no major risks or shortcomings evident.' Improvements can be made and careful consideration will be given to the recommendations made.

8. Staff

The Society undertook a staff restructuring exercise during the summer of 2015 so that the necessary resources were available to meet the present business requirements. The Board acknowledges and thanks the staff for their contributions in providing our elderly Methodist residents and our market rented tenants with homes that provide good facilities. The commitment to provide a caring and supportive service is greatly appreciated.

9. Conclusion

The Society's purpose is a worthy one that has been fulfilled for 69 years. 800 ministerial households make the Society's properties their homes. The strategic planning exercise that is now underway will seek, among other things, to address the likely future pattern of retirements among Methodist presbyters and deacons. The challenges faced are not unique to MMHS and the Board will consider how best to seek a collaborative approach to them. There is a determination among Board members and staff to resolve the current and forthcoming issues to the very best of our collective ability so that our tenants can be confident of our commitment to look after them as far as is possible.

*****RESOLUTION**

19/1. The Conference received the Report.