

57. Methodist Ministers' Housing Society (MMHS)

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1. Introduction

This Report covers the period **5 April 2019 to 31 August 2020**, our first reporting period as a newly formed company limited by guarantee. We converted using sections 112-113 of the Co-operative and Community Benefit Societies Act 2014 and are now fully regulated by the Charity Commission and the Scottish Charity Regulator. This was a significant event in MMHS's life. We wish to position ourselves well for the future.

Our mission is to meet the housing and housing-related needs of retired Methodist ministers of limited means, their spouses, widows and widowers – and to offer support for their wellbeing in the key areas of mobility and independence.

Our mission is directed by **our vision** for MMHS which is set out in this single verse from the New Testament: 'There was not a single person in need among them'. (Acts 4:34)

Everything we do is underscored by **our core values**. We have a Christian distinctiveness of which we are proud and it underpins who we are and what we do. Our concern is to show high standards of care in all we do and to be professional both as individuals and as an organisation.

2. Overview of the period

Little did we think at the start of our reporting period that our world would soon be turned on its head. The COVID-19 pandemic has caused havoc and has affected the lives of so many people. This includes all the people who are connected to MMHS and in particular our ministerial residents who, because of their age profile, have felt the full force of the virus and the various restrictions that have been put in place to try to contain it.

Families, friends, churches, communities and nations have been affected and we face immense health, economic and social consequences which we cannot yet measure.

However, we have also experienced unprecedented expressions of concern and care for our work and our continuing mission. Our Trustees and staff have worked together more closely than ever during these challenging times. We are incredibly

fortunate to have such dedicated and committed people involved in our work. We are also so grateful to the many people who support the work of MMHS through church donations, personal donations, bequests and legacies.

3. Housing Provision during the period

As at 31 August 2020, we had 918 properties. Of that number, 736 were occupied by our ministerial residents, 145 by market rent tenants and 37 were empty. Empty properties are unavoidable due to transitioning periods between residents and during marketing periods for sale or rent. Empty property numbers are always kept to a minimum and the time they are left empty is kept as short as possible.

We were pleased to provide housing for 37 new ministerial residents, including two medical retirees. We transferred nine ministerial residents.

Our equity sharing scheme enables our ministerial residents to acquire a financial interest in their retirement homes. During the reporting period, 16 new interests were acquired and 29 were repaid.

Best possible management of our property portfolio is at the heart of our mission. We strive to get things right. In making the best use of all our resources, we prioritise using our existing portfolio when offering accommodation to new ministerial residents. Occasionally, however, we will purchase properties for those who have medical or other valid reasons for requiring a particular type of property in a particular area. Our purchasing budget is allocated mainly to transferees. We find life can be very difficult for our older ministerial residents, especially if they are advancing significantly in age – they want to be near to their close family members.

4. Rent and Finances for the period

We were able to hold the increases in our rent for ministerial residents to CPI levels. Our annual flat-rent for 1 Sept 2019 – 31 August 2020 was £3,276.

Rental income from ministerial residents amounted to £3.412m. A further £1.688m of income was generated from market rate tenants, £115k from interest and dividends and £2.274m from legacies, bequests and grants. Donations amounting to £234k were received from individuals, churches and circuits within the Methodist family. The net surplus derived from the sale of surplus properties amounted to £233k.

Overall expenditure was £9.3m. This expenditure exceeded income by £1.3m, largely as a result of the higher depreciation charges of MMHS's properties that were charged (fair value) following its conversion to a company limited by guarantee.

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The Society's total funds as at 31 August 2020 were £182.512m.

5. Refurbishments and repairs and maintenance

We have a rolling programme for maintaining our properties, including kitchen and bathroom refits. We also take the opportunity when properties are empty to undertake major refurbishments to avoid disturbance to our ministerial residents.

These refurbishments comprise the replacement of kitchens and bathrooms with upgrades to joinery, heating, plumbing and electrical installations together with building fabric repairs, complete redecoration and replacement of finishes. This is a comprehensive specification. It prevents projects drifting beyond refurbishment into remodelling, extensions and structural alterations requiring external consultants to design and manage. Although this may be a consideration in highly exceptional circumstances, this is not the norm.

Over the period, we refurbished 33 homes at an average 'spend' per property of £35,180.

We also made great strides in the tighter control of refurbishment contracts by ensuring our documentation of works included all that it should, at the time of tender. We are also pleased that most of our refurbishment projects are now delivered on time – or even ahead of time.

Almost 2,800 jobs were recorded relating to the repair and maintenance of our properties. These jobs ranged from £10,000 roof replacements down to fixing a leaking tap. In addition to repair and maintenance, all our properties are routinely inspected to ensure compliance with respect to electrical and gas safety standards.

Electrical inspections and associated remedial works are administered and undertaken by HES Fire Protection Limited. Boiler Plan UK Limited took over our gas compliance checks from British Gas at the beginning of 2020. Boiler Plan make use of the management software Job Logic which is available to us, too, and provides us with real-time information on compliance and appointments.

We remain very committed to 'greening' our property portfolio. Energy efficiency and insulation levels are constantly being upgraded whenever works are undertaken. We are pleased to confirm the following:

- we have a rolling programme of boiler replacement, taking out old inefficient boilers and replacing with modern combination boilers and we are also

eliminating cold water storage tanks which can harbour diseases such as legionella;

- heating systems are being upgraded to provide better controls including thermostatic radiator valves throughout to allow our residents to minimise their use of fuel while still remaining comfortable;
- instantaneous low flow shower fittings are being provided;
- loft insulation is being installed when missing, and also increased where appropriate;
- our window and external door replacement programme provides modern double-glazed units that improve insulation levels and eliminate draughts;
- all light fitting replacements to kitchens and bathrooms are safe, compliant, low energy in type.

6. Board of Trustees

The Board has eight trustees who offer their knowledge and experience in providing good stewardship of the Society's assets and sound governance of its operations. The requirement for trustees to demonstrate effective governance of charities increases year on year.

We were shaken by the sad loss of the Revd Glynn Lister in April 2020 due to COVID-19. He chaired our Finance and Resources Committee and his death had a profound effect on the senior staff and the Board. We thank God for his life and for his valuable contributions to the work and development of MMHS.

7. Staff

The Senior Management Team comprises the CEO and three Directors (Finance, Operations and Property). The CEO is responsible for the implementation of the decisions of the Trustees and the day-to-day management of the affairs of MMHS. She is also the Company Secretary. Together with the Chair, she works to enable the Board to fulfil its functions. She is responsible for effective management systems to ensure all staff have clarity about their roles and objectives and have the appropriate appraisals and training to enable them to fulfil their roles and contribute to MMHS's strategic objectives.

The staff team is 17 strong and for part of the period being reported on, they had to work under extraordinary pressures attributable to lockdown policies. Their dedication and professionalism is so appreciated.

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8. Conclusion

Housing is of profound importance. A former MMHS Board member once wrote the following in our regular news publication, Roof 'n' Roots – '...a house is not just a utility object protecting us from the elements and giving security and safety. Our house feeds our wellbeing in so many ways. It's a place where friendship, family and love are deepened and enjoyed...our wholeness involves the house – the home'. We are pleased to be entrusted in providing the many ministers who qualify for MMHS's help with a house they can call home.

***RESOLUTION

57/1. The Conference receives the Report.