

34. Relief and Extension Fund for Methodism in Scotland

1. Legal

- 1.1 The fund is governed by a Deed of Trust registered in the books of the Lords and Council and Session at Edinburgh on 4 November 1869. The Deed narrates resolutions of the Conference of 1869 as to the raising, administration and purposes of the Fund. (See Standing Order 476 for further information.)

The purposes of the said Relief and Extension Fund for Methodism in Scotland are: -

- (1) The liquidation of debts yet remaining on Methodist Churches, Chapels or Manses in Scotland or debts that may yet be contracted with the sanction of the connexional property committee,
- (2) The purchase or erection of new or additional places of worship and of sites for such objects, and
- (3) The acquisition of Manses or investment of money to meet house rents thus making provision for the residences of ordained ministers where at present only Probationers are stationed and from time to time in other places as occasion may arise.

2. Administration

- 2.1 The means of Aid is by way of Grants and/or interest free loans. No funds can be allocated unless the project is listed under the Methodist Church Property Consents Procedure for authorisation by local and circuit bodies and by the District Consents Panel and, where appropriate, the Connexional Conservation Officer. Where a grant has been made it remains refundable if the property is subsequently sold.

- 2.2 The Trustees are:

OFFICIAL: The Revd S Mark Slaney – Synod Chair; the Revd Dr Helen E Jenkins – Presbyteral Synod Secretary; the Revd Allan Y Loudon – District Ministerial Property Secretary and the Revd Nicholas B Baker – District Home Mission representative.

NON-OFFICIAL: Dr Alan J Hayes; Mr David A Easson; Mr Edward A L Wallace (General Treasurer); and Miss Maureen G Anderson.

The General Committee consists of the Trustees, General Secretary and Treasurer, the District Lay Property Secretary – Mr Phillip A Haggis, the Superintendent Ministers of every Circuit and Mrs Margaret Brown, Mrs Jenny Easson and Mr Peter Mills as the present Synod-nominated lay members subsequently appointed by Conference.

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3. Financial

- 3.1 The accounts for 2022 were presented by the fund treasurer to the Trustees and General Committee in March 2023 and these were accepted for presentation to Synod and completion of the OSCR return.
- 3.2 The incoming resources of the Fund for the year ended 31 December 2022 was £49,228 (2021 £12,046). The change over the previous year was due to increased grant repayments from the proceeds of sale of grant aided properties and was despite the suspension of Circuit Subscriptions under SO 476.
- 3.3 The net of incoming resources for the year after deducting grants paid and expenses was an increase of £28,415 (2021 £635) with CFB capitalised surplus funds of £147,981 (2021 £108,462) and investments valued at £253,163 (2021 £291,261).
- 3.4 Balances at 31st December 2022:
General Fund £5179 (2021 £2,713),
Grant Fund £94,230 (2021 £73,456), recoverable grants £344,488 (2021 £347,052)
Loan Account £53,752 (2021 £48,577), outstanding loans £12,575 (2021 £16,975)
The overall Fund value at 31st December 2022 was £406,385 (2021 £416,007).

4. Grants

Grants previously approved paid out totalling £Nil (2021 £Nil).
Grants approved and paid out this year totalled £20,000 (2021 £10,000).
During the year two new applications for aid were considered and granted by the General Committee:
Strathclyde Circuit [Netherton Church] £10,000
Ayrshire and Renfrewshire Circuit (New manse) £10,000
Also in relation to this property was the transfer of the contingent liability of £3,750 from the Langhall Manse under the replacement scheme.

5. Loans

Loan instalments are collected half-yearly in May and November. No loans were approved and paid during the year. (2021 £4500)

6. General

Due to the continuing impact of the COVID 19 pandemic on the finances of churches and Circuits the trustees and general committee recommend a further extension to the current suspension of Circuit subscriptions to the fund during the Connexional year 2023/24.

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7. Changes to the Fund

The fund report to the 2022 Methodist Conference set out certain proposed changes:-

"7.1 Recognising that the Relief and Extension Fund (R&E Fund) is an independent Charity reporting to the Conference under the noted Trust Deed and to OSCR under Scottish Charity law - notification is given that the following changes to the operation of the Fund are under discussion with the aim to make it more flexible in its operation and more effective in its support of the mission plan of the Scotland District. These discussions form part of the streamlining of operational structure in line with the current District Review being brought to Synod in May 2022.

1. *The reporting financial year to be changed - to be the connexional year rather than calendar year.*
2. *A joint application for DAF and R&E Fund be implemented for assessment and administration purposes under the scrutiny of the District Grants Committee. (The application form has been agreed by Trustees in 2021.)*
3. *Existing named Trustees to step down and the Trustees of the R&E Fund to be set to match the District Grants Committee membership – to be Chair, two ordained ministers and three lay members, with non-voting administrative support.*
4. *The role of the R&E Fund General Committee (for approval of Funds) to be undertaken by the revised DPC (subject to Synod authorisation of proposal) – operational from September 2022.*
5. *R&E Fund to be reported by annual report to the Conference via Synod.*
6. *Financial Management to be done by District Treasurer in collaboration with TMCP – to fulfil the Trust role of the General Treasurer.*
7. *Fund Operation to be done by District Grants Officer – to fulfil the Trust role of General Secretary.*
The Conference is asked to receive these proposals and facilitate their implementation through legal adjustment to the Trust Deed and administrative support as required."

In response, the 2022 Conference passed Resolution 54/3 which provides as follows:

"The Conference notes the proposals to change the Trust Deed, and directs the trustees of the Relief and Extension Fund for Methodism in Scotland to consult with the Scottish Charity Regulator (OSCR) and the Law and Polity Committee on the proposed changes and to bring detailed amendments to the 2023 Conference as required."

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The Trustees of the Fund have consulted as directed and with the legal advice of David Gibson, a member of the Law and Polity Committee and of the Scotland Synod, the following outcomes have been reported:

1. The Fund is governed by a Deed of Trust registered, as previously noted. In discussions, OSCR have confirmed that any changes to the Deed of Trust would be a variation in the constitution of the charity and would thus require to be the subject of a Charity Re-organisation Scheme, a process controlled by OSCR as the Scottish charity regulator. Under such a Scheme, it is necessary to demonstrate compliance with the conditions and outcomes set out in the Scottish charity legislation. It is felt that this would be a time consuming and potentially expensive process and that on a cost/benefit analysis it is unlikely that the amount of work required and the cost involved would be justified. However, it appears possible to achieve the majority of the desired structural changes utilising the powers reserved to the Conference in terms of the Deed of Trust. Other matters are of an operational nature and should be able to be accommodated within the existing practices of the Fund, with two exceptions in relation to paragraphs 1 and 5 of 7.1.
2. The two principal structural changes sought are in relation to the constitution of the General Committee of the Fund and the designation and number of Trustees of the Fund.
3. The General Committee is the controlling body of the Fund. Under the Deed of Trust, power is reserved to the Conference to determine the composition of the General Committee and the current composition is set out in SO 476. Accordingly, the proposed change to the General Committee set out in paragraph 4 of 7.1, whereby the General Committee is to be composed of the members of the Scotland District Policy Committee, can be accommodated by amendment to SO 476 as proposed in paragraph 8 below.
4. The Deed of Trust requires there to be four Official (ie ex-officio) Trustees and four Non-Official Trustees. Paragraph 3 of 7.1 sought to reduce the number of Official Trustees and Non-Official Trustees to three in each case and to alter the composition of the Official Trustees with the intention that the Trustees be the members of the Scotland District Grants Committee ("DGC"). This would require alteration to the Deed of Trust. However, utilising the power reserved to the Conference in the Deed of Trust to determine the office-holders who are to be the Official Trustees, it should be possible to re-organise the composition of the Official Trustees to align with the composition of the DGC. This can be accommodated by amendment to SO 476 as proposed in paragraph 8 below. The composition

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- of the Non-Official Trustees is able to be aligned with the composition of the DGC utilising the existing provisions in the Deed of Trust.
5. The matters referred to in paragraphs 2, 6 and 7 of 7.1 are operational and administrative in nature and should be able to be accommodated within the existing practices of the management of the Fund. No changes are required to Standing Orders as regards these matters.
 6. The Deed of Trust specifies the reporting financial year as the calendar year. Accordingly, the reporting financial year cannot be changed to the connexional year, as proposed in paragraph 1 of 7.1, without changing the Deed of Trust. It has been acknowledged that the proposed change is not practical and that the reporting financial year would remain as the calendar year.
 7. The Deed of Trust requires the Fund to report annually to the Conference and so the proposed change in paragraph 5 of 7.1 cannot be effected without changing the Deed of Trust. It has been acknowledged that the proposed change is not practical and that the existing practice of reporting to the Conference should continue.
 8. Accordingly, the proposed changes to SO 476 presented to the Conference for consideration are as follows, with bold italics denoting inserted text and strikethrough denoting deleted text:

476 Scotland. (1) *The General Committee of the Relief and Extension Fund for Methodism in Scotland shall consist of **the members of the District Policy Committee of the Scotland District:***

- (i) ~~the Chair and secretary of the Methodist Synod in Scotland and the presbyteral secretaries responsible for home mission and property affairs (being the ex-officio trustees of the fund);~~*
- (ii) ~~the other trustees and the secretary and treasurer of the fund and the lay secretaries responsible for home mission and property affairs;~~*
- (iii) ~~the Superintendent of each Circuit in the District;~~*
- (iv) ~~lay persons nominated by the Synod and appointed by the Conference.~~*

(1A) The Official Trustees of the fund shall be the Chair of the Scotland District, the Treasurer of the Scotland District, the secretary of the Scotland District Grants Committee and a Superintendent from the Scotland District nominated annually by the Superintendents in the Scotland District.

(2) Annual collections on behalf of the fund shall be taken in all places of worship in Scotland on a Sunday, in addition to donations and subscriptions received from trust funds and personal contributions.

(3) The arrangements for raising the fund shall not interfere with the Standing Orders relating to the Methodist Fund for Property, collections and subscriptions for which shall be gathered and forwarded as though no separate fund for Scotland existed.

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(4) In the Synod of the Scotland District the business of the fund shall be considered in connection with that of the connexional funds.

9. With regards to the structural changes to the Fund as proposed in SO 476 as set out in paragraph 8 above, OSCR have advised that the Fund should notify OSCR once the changes to Standing Orders have been made and should provide OSCR with a copy of the updated Standing Orders. OSCR advised that there was no requirement to obtain OSCR's prior consent to the changes since no changes were being made to the purposes of the Fund.

8. Future Change

The Trustees also report that further changes to the structure of the Fund are under consideration, with a move to adoption of the Model Trusts in place of the existing Deed of Trust. This is with a view to updating governance and management procedures so as to encourage more effective use of resources.

***RESOLUTIONS

- 34/1. **The Conference receives the Report.**
- 34/2. **The Conference amends SO 476 as set out in the Report.**