

**Minutes of the Strategy and Resources Committee of the Methodist Council
held on 11-12th March 2009 at Hothorpe Hall**

Present: Ken Wales, Dudley Coates, Alison Jackson, Ian Harrison, Mark Wakelin, Ron Calver, Andrew Moore, Helen Woodall, Graham Thompson, Gareth Hill, Margaret Best, Margaret Havers, Jim Booth, Martyn Atkins, Christine Elliott

Apologies: John Ellis, Sue Millman

In attendance: Nick Moore, Gareth Powell, Jane Bates (Minutes)

09.2.1 Minutes

The Minutes of the meeting held on 14 January 2009 were agreed and signed as a correct record.

09.2.2 Matters arising

SRC/09/12, which listed the matters arising from previous meetings and the progress that is being made on them, was received. At the last meeting, there had been a query about SALT which was now answered (the note about this is attached to these minutes).

(a) Wesley College review

Martyn Atkins gave the SRC an update on the review of Wesley College Bristol. It had been agreed that there should be no further transitional funding until questions of the viability of the college on its current site were addressed. The January SRC had discussed some specifics of how the review was to be handled and in particular the request from the College that Clifford Bellamy should be asked to chair the review group. SRC agreed that Clifford should be approached and he has agreed to take this on. The group now consists of Martin Broadbent, Ward Jones and James Wisheart from the college, with Gareth Hill, Richard Lindsay and Sion Rhys Evans from the connexion. There is a pre meeting scheduled for the 29th March, at which the terms of reference will be agreed in advance of the first main meeting on 2nd May. It is anticipated that the review group will report to the October 2009 Council with recommendations to be brought to the Conference of 2010.

It was asked why Wesley College is being considered in this way, when other institutions are not. Wesley College was not identified by the 2007 Conference report on training institutions as one of the institutions which would receive a guaranteed cohort of full time residential students. It is the only institution which receives this level of connexional subsidy. It is also a wholly Methodist institution, in a different sense from the others. In the light of this, it was agreed that the Team should bring a report concerning the wider picture of training institutions to the September meeting of the SRC, linking it with the governance scrutiny exercise.

The September meeting will also revisit the governance scrutiny log.

(b) Hymn Collection costings

Mark Wakelin reported that an update on the hymn collection costings will be coming to the April Council. The Conference will be presented with more costed options than previously envisaged. There are issues connected to whether the Team should be involved in the collection if it is not to be authorised as it is felt that the

commercial viability of the book may depend on its authorisation. The collection itself will not be coming to the Conference this year.

09.2.3

Methodist Council report

The draft minutes of the February Council had been circulated. The Council had asked whether it could receive Mark Wakelin's paper to the November 2008 SRC which had stimulated such an interesting discussion. The SRC agreed that this should be circulated.

09.2.4

Pattern of SRC and Council meetings through the year [SRC/09/13]

The SRC considered SRC/09/13 which suggested possible alternative patterns of meetings of SRC and the Methodist Council through the year. It was noted that there have been changes, for example the Finance Sub-Committee now scrutinises the financial aspects of SRC's work. SRC agendas are no longer dominated by Team Focus matters. However, this did raise the question of the function of SRC, and whether it should meet before or after the Council. SRC is both reactive and proactive in relation to the Council.

The SRC agreed to propose that suggestion 2 be followed in broad terms with an additional SRC meeting held early in September.

Alongside this, there needs to be an indication of the major thematic decisions that need to be taken at the various points. The exact dates need further consideration, for example, a Methodist Council in January is likely to be too early to approve the accounts.

There was concern to visit again the question of the role of the SRC in the decision-making process and to take seriously the legal obligations of trustees. It was noted that CPD states that it should be SRC that initially receives the annual accounts.

09.2.5

Reserves and Major Funds (SRC/09/14)

Nick Moore presented SRC/09/14. It was asked whether the reserves policy is still appropriate. It was felt that it was. In the light of this, it was asked where the responsibility lies for the excess reserves in some of the funds. The SRC agreed that it should require those bodies who are accountable to SRC to provide a strategy by the end of August 2009 for reducing their reserves to appropriate levels and recommend that other bodies do the same. The General Secretary was asked to put together a process within the Team that would lead to further information being available to SRC concerning the funds held in reserves.

The Finance Sub-Committee was asked to work on the designated and restricted funds.

The SRC recommended to the Council that the training assessment fund be un-designated.

09.2.6

Budget [SRC/09/15]

Nick Moore presented the proposed connexional budget for 2009-10. The budget has already been considered by the Finance Sub-Committee; there have been some changes made since then due to further checking of the numbers. The budget represents a saving of 26-27% on core costs compared with the connexional budget prior to Team Focus, however, the process of review has not yet been completed in

the areas of Finance and the Manchester office. Decisions concerning the integration of mph into the Team have also affected the figures, with five mph staff due to join the team under TUPE regulations.

It was suggested that there might need to be some funding that is budgeted for the hymn collection in 2009/10, since work could begin immediately after the 2010 Conference. Ron Calver suggested that the Epworth Fund could be used for this.

Ron Calver raised the question of how district assessments should be handled if the RPI falls to the point where it becomes negative. This is difficult because the situation could change dramatically during a year. It was felt that it would be good to show that the thinking about this has begun. The policy to link assessments to RPI was agreed in a time of inflation and some felt that it would be legitimate to review this now that the economic climate is very different.

The SRC was content with the principle and size of the proposed contingency fund and the grants packages for World Church Relationships and Mission in Britain.

The SRC discussed the proposal in section 3 for an all-partners consultation event in 2010. Christine Elliott emphasised this is a significant time in the area of world church relationships; the last overseas district is becoming autonomous and this seems to be a good opportunity to reconsider what it means to be the Methodist Missionary Society in the twenty-first century. There are questions around the area of grant-giving and how this relates to a culture of dependency; this could be a pivotal conference which reshapes our world church relationships. One major difference since the mission conference of 1910 is the way in which the world church has come to live in Britain and this would also provide a way of celebrating and recognising that. With these emphases, the SRC was supportive of the proposal, and suggested they should be included in the budget presentation to Council.

The proposal to extend the provision of an Executive Officer for at least one more connexional year was supported.

The implementing of a fundraising programme was agreed. It was noted that this has caused some concern among charities which relate to the Methodist Church and this needs to be handled carefully. There will, in any case, need to be careful communication with the churches and circuits. It was emphasised that opportunities need to be taken to raise funds from beyond the Methodist Church, and that it should include assisting fundraising for local benefit; not merely the Team.

There was discussion about the proposed administration charges (previously known as levies) on the major funds. There was concern that the permanent staff in the World Church Relationships area should be funded through the core costs. However, it was noted that the 15% provides a rough estimate of the staffing costs since there is also support from other areas of the Team (eg finance, personnel, communication). Christine Elliott emphasised that the Fund for World Mission is a relationship fund rather than simply a grant-giving source, therefore it is appropriate to take money from it to support the building of those relationships. If it is simply a grant-giving fund, this serves to exacerbate a dependency culture. The SRC felt that this rationale should be stated clearly in the budget papers.

It was noted that in order to fulfil a Conference Notice of Motion, work is being done on reviewing the staffing in the World Church Relationships area. It is likely that the report on this, which will come first to the April Council and then to the Conference, will have budget implications. There was some concern that these proposals need to be coherent and consistent with the proposals made through the budget. However, the SRC felt that it was not appropriate to build any further contingency into the proposed budget. It was noted that there is some margin within overall labour costs as the team budget assumes nil vacancies during the year, which is unlikely. In addition, it would be at the discretion of the management team whether or not to use part of the £250,000 for innovative work towards any additional posts arising from this report.

The proposals for the charges on the funds were agreed in the light of these emphases.

The use of reserves as set out in section 5 was approved.

SRC was invited to comment on the draft report that would form a basis for the report to the Conference. Individuals who had particular comments to make were asked to contact Nick Moore in the next few days. There was concern that the report was not easy to read and that it needed a summary of the key issues. It was suggested that this needs to be related more clearly to the Priorities. It was noted that this is broadly the form in which it will be taken to the Council, but there will be a more refined version for the Conference.

The SRC recommended the proposed Connexional Team budget for 2009-10 to the Methodist Council for recommendation to the Conference.

Thanks were expressed to Nick and to the staff who had contributed to this work, and to the Finance Sub-Committee, in this transitional period.

09.2.7

Open discussion

Dudley Coates chaired this item.

Ken Wales presented SRC/09/16, which demonstrated where his thinking has reached in the area of leadership and change arising out of his academic studies. In particular, Ken asked the SRC for support in his research; this was given.

Mark Wakelin presented SRC/09/17, which was concerned with purpose and how this can be identified in a way that informs strategy and enables evaluation of outcomes.

The SRC engaged in an open discussion based on these papers and presentations.

09.2.8

Pensions [MC/09/11 and MC/09/11A]

Methodist Ministers' Pension Scheme

Ron Calver explained that the difficulties in the timetable had meant that these papers had been discussed by the Council before the Trustee Boards had met. The actuaries are now assuming greater longevity of life which generates a big increase in pension liability. The financial difficulties are therefore not just about the economic situation, but also the demographics of the scheme and the fact that it needs to provide a larger pension pot per individual because we are all living longer.

The figures quote in Section 3 of MC/09/11 have now been accepted by the Trustee Boards.

One key issue is about the nature of the covenant that the church has with its ministers, and in particular, its supernumeraries.

Section 5 was agreed by the Council. Section 6 asks a specific question about whether it would be appropriate to create a pensions reserve fund. The SRC agreed that this should be proposed to support both the pension schemes, and that it should be suggested that it is created this year. Ron Calver's suggestion that this be funded from property sales was supported and he was asked to prepare a paper for the Council, outlining two or three options for how this money could be divided between the competing funds.

Pension and Assurance Scheme for Lay Employees

Although this is a multi-employer scheme, the Council, as the majority employer, is able to set the policy. The demographics are much better in this scheme and the situation is not as difficult as it is in the ministers' scheme. The resolution contained within MC/09/11A was agreed by the February Council. The Council also agreed not to adjust the scheme benefits over the remainder of this valuation cycle, in the light of the upheavals over the last few years.

It was asked whether these differences now make it difficult to consider the amalgamation of the schemes. Careful thought needs to be given to that possibility.

09.2.9

Pensions Trust [SRC/09/18]

Nick Moore explained the background to SRC/09/18. Lay employees (for example, circuit and district employees) entered the Pensions Trust for pension provision; when they leave that employment, and if there are no new employees, the employer becomes liable. A list of potential debts was included in the paper, however, this may not be complete. The largest debt relates to former lay mission partners' pensions. The SRC was asked to consider whether the Council should become the guarantor for these liabilities. There would need to be clarity about the extent of the liability. There also needs to be clarity about the advice that should be given to circuits and districts about this in the future. The SRC did not feel it could commit to this at this stage and asked Nick to bring the matter back, with more information.

09.2.10

Mph transition [SRC/09/19]

SRC/09/19 was noted as an update report. The proposal that Methodist Publishing should be integrated into the Connexional Team financial structures, rather than creating a separate trading entity, was agreed. It was suggested that the Team may need to investigate the necessity for public liability insurance as protection for the Council which is about to become a publisher as a result of the changes.

09.2.11

Connexional Team Projects Cluster Progress Report [SRC/09/20]

Trevor Durston was welcomed to the SRC to present SRC/09/20, which consisted of an update report as well as proposed changes to the projects process and criteria.

There has been some overlap between applications that are for projects to be managed by the Connexional Team, and those which are in reality, applications for funding which should properly come under the remit of the Connexional Grants Committee.

The SRC received the report and approved the revised process by which a new project concept becomes an approved project within the Connexional Team set out in Appendix 3. Some suggestions were made about the assessment criteria set out in Appendix 4 and it was received as a working list. The SRC members were affirming of the work being done in this area.

09.2.12

Safer Recruitment Policy [SRC/09/21]

Gareth Powell presented SRC/09/21, explaining that this could only be an outline paper because the Government's guidance is not yet available. There remains some ambiguity and uncertainty concerning the implementation date of 12 October 09. There will be an impact on Standing Orders, particularly Standing Order 010 (Qualification for Appointment). Jim Booth has been working with Pearl Luxon to draft potential new Standing Orders. The Law and Polity Committee, which meets next week, will consider this. It was noted that Standing Order 211B gives the Council the authority to amend Standing Orders if they contradict domestic legislation. SRC/09/21 was received for information.

09.2.13

Discipleship and Ministries Committees Review [SRC/09/22]

SRC/09/22 was received, noting that it forms part of the wider review of committees that is being undertaken.

09.2.14

SRC Membership

It was noted that Ron Calver will conclude his term as Connexional Treasurer at the end of the connexional year 2009-10. It is suggested that the second connexional treasurer, Andrew Gibbs, should attend SRC and Council meetings during 2009-10. It was felt that it would be helpful to include some information about the vacancy in the quarterly mailing to ministers and deacons and also to circuits through district offices.

Helen Woodall will complete her term of membership on the SRC at the end of this connexional year. It was agreed to form a small group to identify a successor. It was felt that it might also be helpful to work towards identifying the new members of the SRC for 2010 at the same time, so that some shadowing could take place during next year.

09.2.15

Non-Team Council Employees

Martyn Atkins asked the SRC to note that there is now an issue about the number of Council employees who are not members of the Connexional Team. This is raising many questions concerning the terms and conditions of their employment (for example study leave and grievances). Work will need doing in this area.