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| Date of meeting | 25-26 January 2023 |
| Contact name and details | Matt Tattersall - Director of Finance and Resources tattersallm@methodistchurch.org.uk |
| Action required | Decision |
| Resolutions | <p>22/1. The Council receives the report.</p> <p>22/2. The Council directs the TMCP Board to pass a resolution under section 281 of the Charities Act 2011 to release Trust 12464B and transfer it to Trust 21508.</p> <p>22/3. The Council directs the TMCP Board to pass a resolution under section 275 of the Charities Act 2011 to amend the purposes of Trust 12464C in favour of the Methodist Diaconal Order.</p> <p>22/4. The Council directs that, following the Charity Commission's approval to the change in purposes, the TMCP Board passes a resolution under section 281 of the Charities Act 2011 to release the capital from Trust 12464C and transfer the capital to the main Diaconal Order trust 18241.</p> |

Summary of content

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| Subject of aims | To release the capital from the two small permanent endowments. . |
| Main points | <p>The permanent endowment funds are small and permission is sought in line with the Charities Act 2011 to spend the capital monies.</p> <p>The purposes of Trust 12464C must be amended in the first instance as the current purposes of the trust is for the income to be applied for the Wesley Deaconess Institute of Ilkley which no longer exists.</p> |
| Consultations | TMCP |

Summary of impact

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| Financial | Releasing small endowments is appropriate stewardship of resources. |
| Legal including impact on other jurisdictions | Charity Commission consent is required to change the purposes of a trust. |

Background

- 1 The late Arthur Smith left permanent endowments that were to benefit: the Wesley Deaconesses Institute, Ilkley; the Overseas Missionary Society, and Emsay Methodist Church.
- 2 On the closure of Emsay Methodist Church, the will directed that the residue be divided between the other two beneficiaries.
- 3 TMCP have therefore transferred the residue in line with the terms of the will. This leaves the two beneficiaries with an endowment of £738 each.
- 4 Retaining such small permanent endowments is providing minimal income to the beneficiaries and the overhead of retaining the endowments is likely to become greater than the income generated. It is therefore proposed to direct the TMCP Board to pass the appropriate resolutions under section 281 of the Charities Act 2011 to allow the capital from each permanent endowment to be spent.
- 5 In investigating this issue, TMCP has identified that on the closure of the Wesley Deaconesses Institute, Ilkley and the transfer of the funds to the Diaconal Order, it is not clear that the purposes of the Institute were amended to benefit the Diaconal Order. Therefore, TMCP are unable to transfer the endowment to the Diaconal Order without first amending the purposes of the Institute. This requires a direction to this effect from the Methodist Council.
- 6 The same issue does not exist in relation to the Overseas Missionary Society and the permanent endowment can be transferred directly to the World Mission Fund once the Charities Act 2011 resolution has been passed.
- 7 In summary, the proposal is to ensure the permanent endowments sit in main funds for the World Mission Fund and Diaconal Order fund and that the capital can be released for expenditure. In order to give effect to this a number of resolutions are required.

*****RESOLUTIONS**

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