

# Methodist Ministers' Housing Society (MMHS)

MC/22/68

Date of meeting	2-4 April 2022
Contact name and details	The Revd Dr Jonathan Hustler, Secretary of the Conference <a href="mailto:soc@methodistchurch.org.uk">soc@methodistchurch.org.uk</a>
Action required	To note
Resolutions	68/1. The Council receives the report. 68/2. The Council directs the task group reviewing the MMPS to consider the current level of provision for surviving partners. 68/3. The Council asks the Law and Polity Committee to review the proposed changes to Standing Orders 364 and 805 and to present a draft to the Conference.

## Summary of content

Subject of aims	An update documenting the consultations had with the Secretary of the Conference (SoC), MMHS, Pensions Team and the Chair of the Connexional Allowances Committee (CAC), looking at issues that arose from Notice of Motion 2021/110 and possible next steps forward.
Main points	<ul style="list-style-type: none"><li>• Meetings with SoC, MMHS, Pensions and CAC and identifying key question/ issues.</li><li>• The relationship between MMHS and the Conference</li></ul>
Background context and relevant documents (with function)	Report to the Conference 2018 – 34. Connexional Allowances Committee – care of supernumerary ministers and their dependants  Notice of Motion 2021/110: Methodist Ministers Housing Society
Consultations	MMHS, Pensions and Finance Team, CAC

## Report of the meetings following Conference Resolution 57/2 (2021)

- 1 In response to the report of the Methodist Ministers' Housing Society, the 2021 Conference adopted a Notice of Motion:

The Conference gives thanks for the longstanding relationship between the Methodist Church of Great Britain and the Methodist Ministers' Housing Society (MMHS).

The Conference recognises that MMHS is now a Private Limited Company by guarantee and not under the jurisdiction of the Conference and it is deeply thankful for it is Articles of Association expediting its objectives for Methodist presbyters and deacons (MMHS AA 2.1).

However, the Conference notes the proposed 95% rent increase over the next 11 years to 2032 is vastly beyond the current means of many supernumeraries or their widows/widowers.

The Conference recognises the range of incomes differs greatly and some currently in the Society benefit from very low rental rates when their household incomes are in excess of £40,000. However many household incomes are greatly less and the new rises have caused deep shock and fear in many across our Connexion.

Therefore the Conference seeks to amend the report by adding the following resolutions:

57/2 The Conference asks for a collaborative conversation between Pensions, MMHS, the Secretary of the Conference, the Chair of the CAC and any other significant individuals who might find a sensible way of looking at how the Covenantal relationship between the Church and its retired ministers (& Widows etc.) can be expressed fully and appropriately.

- 2 Since the Conference in 2021, the SoC has met on three occasions with the Director of Finance and Resources, the Chair of the Connexional Allowances Committee and the CEO of MMHS to consider the covenant relationship of ministers with the Conference. The Pensions Manager was involved in the last of the meetings.
- 3 The group discussed the issues around the Notice of Motion at the Conference and tried to identify the key questions.
- 4 The group identified two overarching themes:
  1. The Covenant Relationship between the minister and the Conference.
  2. The relationship between MMHS and the Conference.

## The Covenant Relationship between the Minister and the Conference

- 5 In relation to the first of these themes, the group noted the work done in 2017-18, particularly in the additional CAC report to the 2018 Conference (34), which identified many of the key issues around the covenant relationship. That report included an appendix which attempted to summarize the key themes of the covenant relationship though the Council was clear that it has no status other than a background paper to that report<sup>1</sup>. In other words, it 'showed the working' of the CAC in responding to a memorial about the Conference's responsibility to its supernumerary ministers.
- 6 With that caveat, the group noted that the four strands of the relationship identified in that paper are still a helpful framework for considering the responsibility and it added a fifth. These might be defined as the reasonable expectations that supernumeraries have of the Church:
  - i. **Provision of a pension** - the group noted that the Council has asked for a review of the Methodist Ministers Pension Scheme and appointed a task group to do that work. Given that one factor in the conversation about the affordability of MMHS rent is the level of pension paid to the surviving spouse, the task group reviewing of the MMPS might be asked to consider the current arrangements for surviving partners in its work.

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<sup>1</sup> MC/18/34 'Connexional Allowances Committee'.

The group has noted, however, that the surviving partner's pension is automatically provided and the member has the possibility to improve their benefits should they wish.

- ii. **Reasonable expenses for ministry** – Supernumeraries are entitled to reimbursement for any costs they incur in their continuing ministry. Continuing ministry is an expectation (SO792) though what a Supernumerary can offer will vary in each case and stage of life.
- iii. **Pastoral Support** – There was much discussion in 2017-18 about the responsibility for pastoral support for supernumeraries which rests with the Chairs and Superintendents. The group noted, however, that the MMHS respects the confidentiality of its residents, so those offering pastoral care may not know that the supernumerary lives in an Housing Society property.
- iv. **Help with housing** – the MMHS is one way in which the covenant relationship is honoured by endeavouring to ensure that those who leave a manse on sitting down without having other accommodation are not left without a home. There are certain eligibility criteria which the MMHS has which are available from the Society on request and the Society wanted to note that its mission (about which it is passionate) is particularly to serve “presbyters and deacons of limited means” (and those dependents who can be considered beneficiaries too). -
- v. **Care for (widowed) dependents** – part of the mission of the MMHS is to support the surviving dependents of a minister or supernumerary after their death. The group was asked to consider single occupancy rates but the Society has argued that those are unfeasible on the basis that the rent is so low already. The group also noted the danger of generalization - not all single occupants are necessarily of particular limited means.

The group also noted the danger the covenant relationship becoming paternalizing. All ministers and supernumeraries have autonomy to make their own decisions regarding their finances and housing. The group also noted that many of those in less affluent circumstances might be able to access state benefits as well. MMPS, MMHS and Connexional Team members are all involved in pre-retirement courses to help with planning. The group noted, however, that ministers might need to be encouraged to seek financial advice long before the last few years of active ministry, recognising changing circumstances and issues around the disposal of property owned before candidating.

## The relationship between MMHS and the Conference

### 7 History and current position

The group heard from the MMHS that the notice of motion contained a number of inaccuracies. The relationship between MMHS and the Conference has not changed as a result of MMHS's conversion from being a community benefit society registered with the Financial Conduct Authority to being a company limited by guarantee (CLG) registered as a charity. MMHS followed the statutory procedure set out in s112 (1) (a) of the Co-operative and Community Benefit Societies Act 2014. MMHS was not under the jurisdiction of the Conference prior to conversion and of course that remains the position after conversion.

When MMHS converted, pension liabilities were transferred to the CLG. The Methodist Council was party to the Deed of Participation and Agreement of Flexible Apportionment Arrangement relating to the Pension and Assurance Scheme for Lay Employees of the Methodist Church MMHS was grateful at the time for the Methodist Council's timely support in the process of conversion.

Regarding MMHS's Rent Plan, it is for a period of 12 years. The calculation of a 95% does not take account of the element of inflation which would have been applied each year if the Rent Plan were not in place.

The group was also told that those ministers (and their spouses/partners) who have a joint income in retirement of more than £40,000 are required to pay a supplement. The Society also wished to stress that in the letter which accompanied the Rent Plan it stated:

'Not one of our ministerial residents will be asked to pay extra rent if, after accessing the options we have suggested, they cannot meet the cost.'

## Communication between bodies in the Church and MMHS

- 8 There is a willingness and eagerness from MMHS to regularly report and provide updates of their work to the Conference. The CEO of MMHS meets the Secretary of the Conference periodically and is part of the 'Methodist Family' group of Chief Executives.
- 9 The group was aware that some supernumeraries face significant financial challenges, part of which will be the cost of housing. Where there is awareness of such a case (often as a result of unusual circumstances at the time of retirement), there will usually be a meeting (typically involving the CEO of MMHS, the Chair of the CAC, the Secretary or Assistant Secretary of the Conference, one of the Wellbeing Advisers, and the supernumerary's District Chair) to consider all avenues of support.

## Next Steps

- 10 On looking at SO 364 it was felt that this SO provided small but beneficial support. The group proposes that the text of SO 364 be updated to provide an accurate description of MMHS.

**364 Other Restricted Funds.** (1) The Methodist Council shall raise and administer the Fund for the Support of Presbyters and Deacons, the objects of which shall be to provide assistance at the discretion of the council, or of any committee or officer to whom it may delegate its powers in this behalf, to:

- a. supernumeraries;
- b. persons who have been permitted or directed to become supernumerary;
- c. ministers in the active work or without appointment, persons recognised and regarded as ministers by virtue of clauses 43 to 45A of the Deed of Union, probationers and student ministers who, in any such case, are in acute financial need;
- d. ministers who are in need as a result of illness or impairment or the illness or impairment of any member of their immediate household, for the purpose of enabling them to continue in or resume the active work;
- e. probationers who are in need as a result of illness or impairment or the illness or impairment of any member of their immediate household, for the purpose of enabling them to continue on or resume probation or to complete probation and enter the active work;
- f. student ministers who are in need as a result of illness or impairment, or the illness or impairment of any member of their immediate household, for the purpose of enabling them to continue their ministerial formation and training; and
- g. the widows or widowers of ministers and probationers and other members of their immediate households who, in any such case, are in need; and to make grants to the Methodist Ministers' Housing Society. The Methodist Ministers' Housing Society is a **charitable company limited by guarantee, Company Number 11929754 and Charity Numbers 1186758 (England and Wales) and SC050661 (Scotland)**. ~~society registered under the Co-operative and Community Benefit Societies Act 2014, admission to membership of which is subject to the approval of the Conference.~~ See also the note as to the Methodist Ministers' Pension Scheme at S.O. 790(1D). It was envisaged that, following the revocation of the then S.O. 773 and 751(6) by the 2001 Conference, eligible persons might wish to make an application to this fund in relation to the cost of removal to their permanent residence.

- 11 Small amendments to SO 805 are also suggested:

### **805 Retirement Benefits.** (1)

(a) A minister or probationer may apply to become a member of the Methodist Ministers' Pension Scheme according to the Rules for eligibility and application set by the Trustee of that Scheme. The Methodist Ministers' Pension Scheme is a registered pension scheme (formerly a scheme approved

under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988) administered, in accordance with the Scheme Rules, by a corporate trustee, The Methodist Ministers' Pension Trust Ltd., appointed by the Conference. Information about any possible implication of the rules of the Methodist Ministers' Pension Scheme for the benefits of a minister undergoing a change in his or her conditions of service may be obtained through the Stationing Advisory Committee (for which see S.O. 323).

(b) The Conference may from time to time on the recommendation of the Trustee of the Scheme approve levels of contribution to the Scheme that are required from Circuits or other bodies providing the stipend for a minister or probationer, and from any minister or probationer who applies to be a member of the Scheme.

(c) The Conference shall receive reports from the Trustee of the Scheme as to the level of pension and deferred pension to be paid by the Scheme to its members.

(2)

(a) A minister or probationer may apply to the Methodist Ministers' Housing Society for help with housing upon becoming a supernumerary, according to the Society's ~~Rules for~~ eligibility **criteria**. Information about any possible implication of the **eligibility criteria** ~~rules~~ of the Methodist Ministers' Housing Society for the benefits of a minister undergoing a change in his or her conditions of service may be obtained through the Stationing Advisory Committee (for which see S.O. 323).

(b) The spouse of a minister or probationer may apply to the Methodist Ministers' Housing Society for help with housing upon becoming a widow or widower, according to the Society's ~~Rules for~~ eligibility **criteria**. See the note to S.O. 364(1).

(3)

(a) A presbyter may apply for assistance from the Fund for the Support of Presbyters and Deacons on becoming a supernumerary.

(b) The spouse of a presbyter or presbyteral probationer may apply for assistance from the Fund for the Support of Presbyters and Deacons upon becoming a widow or widower. See further S.O. 364(1)

### \*\*\*RESOLUTIONS

**68/1. The Council receives the report.**

**68/2. The Council directs the task group reviewing the MMPS to consider the current level of provision for surviving partners.**

**68/3. The Council asks the Law and Polity Committee to review the proposed changes to Standing Orders 364 and 805 and to present a draft to the Conference.**