

Property Development Committee Annual Report

Contact Name and Details	The Revd Dr Stuart J Burgess Chair of the Property Development Committee
Status of Paper	Final
Action Required	Discussion and possible recommendations to the Council
Resolution	11/1. The Council receives the report.
Background	MC/18/74 Connexional Property Strategy

Introduction

- Underpinned by the reaffirmation of *Our Calling*, there is a renewed interest in Methodist property and in thinking through how the Church can maintain a Christian presence within communities. This is expressed through the Connexional Property Strategy, which the Council adopted in October 2018.
- The most of the 4,000 plus Methodist properties were built in the Victorian and Edwardian eras. Many such buildings were very large and only filled on special occasions. One rural church in Yorkshire seated over five hundred people yet the population of the village never exceeded two hundred. Methodism has, at times, been somewhat ambivalent about its property and in the past many buildings were sold at reduced prices for a quick sale and without consideration as to whether a better price could be achieved if planning permission were obtained. Through the work of the Property Development Committee (PDC) there is now a greater understanding of our property assets, both as an invaluable asset in furthering *Our Calling* and for income generating. We would do well to remind ourselves that our forebears often gave sacrificially to build many of the properties Methodists consider a burden today.
- Alongside this has to be a rethink of our attitude to money. John Wesley, in his famous sermon on the 'Use of money' spoke about money being a gift from God and then continued to implore people to 'Earn all you can, save all you can and give all you can'. Thus Wesley is saying that there is nothing intrinsically wrong with having money but the challenge is how we use it. Making money through the use of our assets is to be encouraged as this gives Methodism greater opportunity to use the profits wisely, to help the disadvantaged. Methodists through the use of resources, both money and property, can do much to contribute to the well-being of society. A mantra which may be helpful at this point is that every organisation should have 'a social heart and a commercial head'. The social heart of Methodism is today expressed in *Our Calling* and in the Church's commitment to further the imperatives of the gospel.
- It is against this backdrop that the Property Development Committee (PDC) sees its work. The Methodist Council adopted the Connexional Property Strategy in October 2018 and this was launched at Westminster Central Hall in May 2019 with the title '*Our Calling to fulfil: Reimagining Methodist Property*'. There has been much enthusiasm from across the Connexion for the new approach to property. A key challenge continues to be the declining numbers of people willing and able to take on managing trusteeship responsibilities and the ability to fund the projects that managing trustees are being encouraged to undertake. The offer of match funding for the early/speculative stages of a potential project has been well received along with the ability of the PDC to grant exceptions to the replacement project criteria. This has enabled financial support

for projects that are very much encouraged by the Connexional Property Strategy but which do not fall within the replacement project criteria. The PDC welcomes the ongoing work of the Council in exploring new criteria for replacement projects and means by which income to the levy fund can be maintained, despite the decline in the number of properties now being sold.

5. The PDC has sought to encourage and empower the District Property Secretaries (DPS) who are the 'ears and eyes' of the District in respect of Methodist property. A few DPSs are paid, but even those are technically only part time. All DPSs are fully committed to their role but, despite their best efforts, not all hold the necessary skills and experience required to support managing trustees as fully as we might wish. Unfortunately, the question once again returns to money, and how District Property Secretaries can be paid to ensure that the right people with the right skills and availability can support managing trustees.
6. The Property Development Committee continues to seek opportunities to work with Methodist partners in respect of connexional properties such as Methodist Homes for the Aged in respect of the North Bank estate in Muswell Hill. The Committee also encourages managing trustees to seek Methodist partners and other organisations with a social heart when considering a property project or future of their land or property. Such an example can be found at Bainbridge where a redundant chapel is being converted to two social housing flats partly funded through the refund of the connexional priority fund levy and assistance from one of the property consultants. Another example is the redevelopment of St John, Enfield where a small church has enthusiastically sought to redevelop their local church site to support the local community which is in an area of high deprivation. The local church has been encouraged and supported by the Circuit, with the Circuit taking on the managing trusteeship of the property, and one of the connexional property consultants has been on hand to guide and encourage the local church's thinking.
7. **Memorial 23 (2018) – Community Land Trusts**

The London District Synod, Representative Session (Present: 194; Voting: 192 for, 0 against) expresses its great concern about the cost of housing in our cities, towns and villages throughout the country. London CLT has pioneered the first urban community land trust in the UK. This community benefit society is not for profit and provides homes, which are affordable by linking their value to local incomes. Their homes sell at between one third and one-half of the open market price. The importance of community land trusts is that the homes are permanently affordable and cannot be sold on the open market. The London District Synod believes that Methodist Church land can be used to provide homes which are affordable in perpetuity and that this is an important part of our gospel mission to bring good news to the poor. The District is supporting a pilot project on church land in Wembley to provide homes on this basis for the local Church and its community.

The London District requests the connexional Property Development Committee to include community land trust developments as part of the Church's strategic approach to using church land for affordable homes throughout the Connexion where there is need; and to report to the 2020 Conference.

Reply

The Conference thanks the London District Synod for drawing to its attention the problems of affordable housing and the contributions made by community land trusts to making affordable housing more easily available.

As part of the development of a connexional Property Strategy, the Property Development Committee has already given some initial consideration to how the Methodist Church might be able to work in partnership with existing trusts or establish its own community land trust. As part of the Methodist Church's commitment to working in partnership with others, the Committee is already undertaking further work on this matter so as to ensure the most faithful, effective and life-enhancing use of Methodist property for all God's people. It is hoped that the connexional Property Strategy will be considered by the Methodist Council in October 2018.

The Conference therefore accepts the memorial, directing the Property Development Committee to report on this work as part of its own reporting to the Methodist Council as soon as possible.

The Committee in its meeting in December 2019 received a legal advice note and a discussion paper on Community Land Trusts (CLTs) in response to this memorial. The Committee considered whether there should be an exploration of sales of church property no longer required for Methodist Church purposes to be sold at an undervalue to Community Land Trusts. The Committee was however not convinced there was a need for managing trustees to be disposing of land to CLTs. It wished to explore further the advantages of disposing to a CLT as an alternative to managing trustees partnering with a regulated provider to provide affordable housing. The Committee noted that CLTs are still a relatively new concept and will therefore seek an expert in the field to present to its next meeting to enable an informed decision as to what, if any recommendations are made to the Methodist Council.

8. Local Church Projects

The following are the projects that are currently before the PDC:

West Wickham Methodist Church near Bromley – proposals to redevelop the existing site to provide a new "Huff" designed church along with approximately six houses that will fund the new church/community building.

St Budeaux Methodist Church, Plymouth – granting funding is being sought from Homes England to build five affordable residential units on church land which will fund the building of a new church and community centre.

St Kingsthorpe Methodist Church, Northampton – negotiating an offer made by a local developer to purchase the church site in order to develop 24 flats as well as provide a new church facility within the building.

Ponsanooth Methodist Chapel, Cornwall - exploring a redevelopment opportunity for adjoining land owned by the church for residential or car parking use and considering options for the chapel which is a listed building.

Victoria Hall, Bolton – seeking means by which the large Central Hall can be retained for future use by the Church but making it financially self-sufficient.

Heptonstall – The conversion of the Sunday school to provide a village community facility plus a holiday let has meant that the Chapel can be maintained through the income that will be generated by the holiday let and community centre, easing the burden on the local managing trustees and retaining an historic Methodist chapel for worship.

Brunswick, Swansea – The building has significant issues with dry rot and is structurally unsound. The local Church was keen to ensure that a very successful alcohol and drug rehabilitation

programme could be maintained. A Housing Association partner has been found who will build flats on the church site and a secure permanent base for the drop-in centre has been found nearby.

Kings Hall, Southall – A developer has been found who will redevelop the existing building for key worker accommodation in addition to the conversion of the ground floor to a new worship area along with community rooms and a café. The intention is that the income from the flats will provide a sustainable income for the local church’s mission.

9. **Update on Camden Town Methodist Church**

A detailed paper was presented to the Strategy and Resources Committee in September 2019 and by way of update the current programme for the building is set out below.

Task	Date
Invitation to contractors to tender	October 2019
<ul style="list-style-type: none"> • Contractors return tenders • Managing trusteeship formally transfers to the Methodist Council 	December 2019
<ul style="list-style-type: none"> ▪ Construction commencement ▪ Agreement to lease/Development agreement takes effect between The Methodist Church & MIC Ltd 	June 2020
<ul style="list-style-type: none"> ▪ Completion shell and core works ▪ Lease agreement between The Methodist Church and MIC Ltd takes effect 	September 2021
<ul style="list-style-type: none"> ▪ Hotel fit out completion ▪ Under lease for worship area and associated spaces between MIC, TMCP and Camden Church Council takes effect 	December 2021
<ul style="list-style-type: none"> ▪ Hotel opens for business ▪ Camden Methodist Church opens for worship 	January 2022

A fuller report on the Camden project is available from the Conference Office to any member of the Council who wishes to see greater detail.

10. **Update on Oxford Place Chapel Leeds development**

The current cost estimate exclusive of VAT amounts to:

- Base Build – £12,167,581.00
- Fit Out – £3,094,977.00

It is anticipated that four contractors with strong experience of hotel development will be invited to tender. Current programme for redevelopment is:-

Task	Date
Invitation to contractors to tender	December 2019

Contractors return tenders	March 2020
Construction commencement	May 2020
Hotel fit out completion	September 2021
Hotel open for business	October 2021

A fuller report on the Oxford Place project is available from the Conference Office to any member of the Council who wishes to see greater detail.

11. Conclusion

The PDC continues to be excited by the potential of the Connexional Property Strategy and will continue to encourage circuits in a variety of ways to make the most of their assets for the wider mission of the Church.

If we invest wisely and for the long term, the use of our assets will be able to contribute to the re-shaping of the Christian presence in this country.

There is much more to be done especially in the following areas:

- Making the Connexional Property Strategy and the expertise that is available more widely known;
- Entering into a dialogue with managing trustees at the blue sky thinking stage of projects;
- Assisting districts in the development and adoption of district development plans or district mission plans and ensuring circuit mission plans are in place before any project begins;
- Supporting managing trustees of listed buildings with their redevelopment; working with the Listed Buildings Advisory Committee;
- Where appropriate, being prepared to provide resources that enable managing trustees to take informed risks which are based on thorough business case;
- Where properties need to be sold, making sure they are sold for the absolute best terms achievable, seeking planning permission before sale, undertaking the redevelopment before sale and utilising The Wesley hotel brand where appropriate for the furtherance of *Our Calling*.

***RESOLUTION

11/1. The Council receives the report.