

Guy Chester Centre – Governance and Oversight

Contact Name and Details	Mrs Louise C Wilkins, Conference Officer for Legal and Constitutional Practice wilkinsl@methodistchurch.org.uk
Resolutions	<p>79/1. The Council receives the report.</p> <p>79/2. The Council adopts the Articles of Association for the Guy Chester Centre subject to any necessary minor amendments being approved by the Chair of the Council and Secretary of the Council.</p> <p>79/3. The Council appoints the directors of the Guy Chester Centre as follows: Ms Alethea Siow, Mr Dov Whittle, the Revd Jennifer R Pathmarajah and Professor Roy Swanston.</p> <p>79/4. The Council delegates the matters reserved to it as the parent body set out in Article 29 of the Articles of Association to the members of the Property Development Committee until such time as this resolution is revoked.</p>
Background Context	MC/17/87, Exploration of connexional property developments by the Property Development Committee (PDC): The Council encouraged the Property Development Committee to continue exploring potential developments for the North Bank Estate and Oxford Place, Leeds. [Minute 17.3.15]

1. Part of the North Bank Estate which is connexional property next to Muswell Hill Methodist Church is student accommodation known as Guy Chester Centre. Following the Fruitful Field report to the 2012 Conference, the Guy Chester Centre was declared to be income generating with distributable profits from the Centre passing to the Methodist Church Fund.
2. Significant work has been undertaken over the last two years by members of the Property Development Committee on clarifying the governance arrangements for the Guy Chester Centre and working with the former local management committee to improve its income generation. The local management committee has ceased to exist with the intention being that in future the Centre Manager will make regular reports in terms of budget, accounts and capital expenditure for approval by the Property Development Committee.
3. The review of the governance structures has raised the question of whether the Centre can continue to be fulfilling a primary purpose of the Methodist Church particularly as the Centre, whilst offering Christian hospitality, charges the market rate for student accommodation in order to make the Centre profitable. Having sought legal advice on this matter, the Property Development Committee has concluded that it would be appropriate and prudent for corporate taxation reasons to establish the Guy Chester Centre as a wholly owned trading subsidiary of the Methodist Council. The Centre would therefore continue to provide student accommodation with meals, and can fulfil a non-primary purpose of the Methodist Church with distributable profits being gift aided from the company to the Methodist Church Fund.

4. Establishing a company to run the Guy Chester Centre will mean that there has to be a lease of the land from the North Bank Estate to the company at market rent. Advice is being obtained on the estimated market rent to see how feasible it will be for the Guy Chester Centre to pay a rent for the site. The lease would clearly need to include break clauses in favour of the Council should there be a wish to redevelop the site in the future and the lease would be excluded from the Landlord and Tenant Act 1954.
5. Draft articles of Association for a wholly owned trading subsidiary company are being prepared and will be sent via email to members of the Council.
6. Provision has been included within the Articles to ensure that the company exists purely for the purposes of the Methodist Church and that the distributable profits from the company pass to the Methodist Council for Methodist Church purposes.
7. Article 29 provides for the matters that are reserved for decision by the Methodist Council as the parent body. The reserved matters include:-
 - Taking on a mortgage
 - Winding up the company
 - Amalgamation
 - Entering into a lease
 - Dismissing employees
 - The payment of directors (NB there is no proposal that directors are paid and this is prohibited unless the agreement of the parent body is obtained)
8. It is proposed that the Council delegates decisions in respect of reserved matters to the Property Development Committee who shall clearly need to manage conflicts of interest between those who are members of the Committee and directors of the Company when making any decisions on reserved matters. A full list of the reserved matters will be available either as part of the Articles or from the author of this paper at the meeting of the Council.
9. The Council shall also be responsible for appointing the directors and have the power to remove them. Provision has been included for there to be at least 50% of the directors being members of the Methodist Church as far as practical. It was considered prudent not to require 50% to be members of the Methodist Church as this might not always be possible to achieve. Directors are appointed for a three year term with the ability to be reappointed for a further term of three years.
10. The Council is asked to adopt the Articles of Association and therefore establish the Guy Chester Centre as a separate legal entity who shall take a lease of the Centre once surveyor's advice has been received and terms of the lease agreed. The first directors shall be three members of the Property Development Committee and the Centre Manager as proposed below. It is anticipated that further directors will be proposed for appointment at a later date:-

The Revd Jennifer R Pathmarajah
 Ms Alethea Siow
 Professor Roy Swanston

*circuit minister, stationed in the Jersey Circuit
 solicitor, member at Hinde Street Methodist Church
 chartered surveyor, former chair of English Heritage
 committees, chair of Methodist Church House Management
 Committee, local preacher
 Guy Chester Centre Manager*

Mr Dov Whittle

*****RESOLUTIONS**

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