

## Sale of Sidwell Street Methodist Church under Model Trust 20

<b>Contact Name and Details</b>	Mrs Louise C Wilkins, Conference Officer for Legal and Constitutional Practice wilkinsl@methodistchurch.org.uk 020 7467 5278
<b>Status of Paper</b>	Final
<b>Action Required</b>	Decision
<b>Resolutions</b>	90/1. The Council receives the report.  90/2. The Council approves the sale of Sidwell Street Methodist Church under Model Trust 20 to the Exeter Network Church (ENC) for £1 (one pound), and on the terms set out in paragraphs 4.1-4.4 of the report.

### Summary of Content

<b>Subject and Aims</b>	The managing trustees of Sidwell Street Methodist Church, Exeter Coast and Country Circuit (24/3) seeking permission to dispose of its building to the Exeter Network Church (ENC) for nil value. The managing trustees have been exploring their future in light of the ageing congregation and the ever-increasing burden of maintaining such a large building.
<b>Main Points</b>	The Church building is Grade II Listed and is of national architectural significance; it was designed by FJ Collins with an intention of resembling a Wesleyan Central Hall. The building is of an irregular shape and has a unique construction including a concrete dome. The building has been maintained to date through the dedication of local church members but the local church is finding that maintenance issues are distracting them from their mission and believe that a sale of the building to ENC would enable them to refocus their efforts on their mission rather than building maintenance. A surveyor has indicated that the market value of the property is around £250,000 but that in reality this building will be difficult to sell in light of its listing, unusual shape and potential difficulty in obtaining a change of use.
<b>Background Context</b>	The ENC is a Christian church established by a Bishop's Mission Order and is committed to maintaining a Christian presence on this central location in Exeter.
<b>Consultations</b>	The Trustees for Methodist Church Purposes

### Summary of Impact

<b>Financial</b>	The Circuit will be in financial difficulties if the building is not transferred to ENC due to the ongoing maintenance costs.
<b>Legal</b>	TMCP have advised on appropriate options that would ensure the ongoing mission of the local Methodist church.

## Sale of Sidwell Street Methodist Church under Model Trust 20

1. The managing trustees of Sidwell Street Methodist Church, Exeter Coast and Country Circuit (24/3), are seeking permission from the Methodist Council to dispose of its building to the Exeter Network Church (ENC). The Church Council unanimously agreed to explore the sale for nil value on 9 February 2016 and both the circuit and the district support this proposal and agree that it is a way to facilitate the diverse mission of both the local Methodist church and the ENC.
2. The intention of both the Church Council and the ENC is that there is a disposal of the legal title to ENC who will take on the maintenance of the building but that this will be on the basis of a sharing agreement or lease back to the Church Council to ensure that the Methodist presence within the building is not lost.
3. The Church Council has explored with the Trustees for Methodist Church Purposes other options that would ensure the ongoing mission of the local Methodist church. These have included:
  - 3.1 Granting a license to the ENC but this was rejected on the basis that it would not provide adequate security of tenure as the license could only be for up to 12 months under paragraph 14(2) of the Model Trusts.
  - 3.2 The Circuit taking on managing trusteeship of the building but the Circuit Meeting did not feel sufficiently resourced to do so.
  - 3.3 A sharing agreement with the ENC was considered on the basis that this would provide security of tenure and share burden of maintaining the property. At the time of writing this paper, there is a lack of clarity on the reasons behind the ENC not being willing to be a party to a Sharing Agreement and this might be a point the Council wish to ask of the relevant person attending the meeting of the Council on behalf of Sidwell Street Church Council.
4. **Proposed Heads of Terms**
  - 4.1 The sale would be for £1 with a reverter clause, therefore meaning that if the building ceases to be used by ENC for the purposes agreed, the building is offered back to the Methodist Church for £1.00 and if this offer is declined, the premises would be sold on the open market.
  - 4.2 The reverter clause would mean that, if the building were sold due to the use of the building by ENC ceasing, the net proceeds of sale would be Circuit Model Trust funds.
  - 4.3 The Methodist Church would be permitted to continue to use the building for Sunday morning worship and for other church run activities on the premises, without any rent needing to be paid.
  - 4.4 The ENC would be responsible for the maintenance and all running costs of the property.
  - 4.5 The ENC intend to improve access to the side entrance, modernise the ancillary buildings and install a more efficient heating system (the boiler is old and only 35% efficient).

- 4.6 The overall aim will be to make the building a centre for worship and Christian presence that is available to the community seven days a week.
5. Further discussions need to take place with the ENC and solicitors acting for the Church Council about how to ensure the local Methodist church can continue to use the premises, as is foreseen so long as the local church remains. Some questions have been raised about how this can best be achieved and any conflict avoided in the future on use and development of the building. It may well be that this is achieved through the entering into of a Sharing Agreement as a condition of the disposal.
6. The Methodist Council is asked by the managing trustees to approve this application for a sale under paragraph 20 of the Model Trusts on the basis that the property continues to be used for Christian worship and that the financial interests of the building are protected through the use of a reverter clause.
7. The Methodist Council will want to note a resolution that it passed in April 2016 when it approved the last sale under Model Trust 20. The resolution stated:-
- 44/2. The Council agreed that the decision in respect of the sale of Swaythling Methodist Church is not intended to and does not establish a precedent in respect of sales at an undervalue pursuant to Model Trust 20.*
8. The Methodist Council will however recall that the disposal leading to the above resolution was for a continued Christian presence, with a license to the remaining local Methodist Church. This sale was on the basis that there were overage provisions so that the Methodist Circuit would be entitled to a proportion of the proceeds of sale if the building ceased to be used for Christian worship within 30 years of the sale. The sale of Sidwell Street Methodist Church for £1 does not contain any limitations on the reverter, if the building ceases to be used by ENC for the purposes agreed, the building will revert to the Methodist Circuit or be sold with proceeds of sale going to the Circuit.

**\*\*\*RESOLUTION**

**90/1. The Council receives the report.**

**90/2. The Council approves the sale of Sidwell Street Methodist Church under Model Trust 20 to the Exeter Network Church (ENC) for £1 (one pound), and on the terms set out in paragraphs 4.1-4.4 of the report.**