

Sale of Swaythling Methodist Church

Contact Name and Details	Mrs Louise C Wilkins, Conference Officer for Legal and Constitutional Practice 020 7467 5278 wilkinsl@methodistchurch.org.uk
Status of Paper	Final
Action Required	Decision
Draft Resolution	44/1. The Council approves the sale of Swaythling Methodist Church under Model Trust 20 to City Life Church subject to the agreed overage provisions.

Summary of Content

Subject and Aims	Southampton Circuit are seeking permission to sell Swaythling Methodist Church to City Life Church under Model Trust 20. The aim of the Circuit is to ensure continued Christian worship in the building but to shift responsibility for maintaining the property.
Main Points	The proposed sale is at nil value with a qualified surveyors report having given the property a market value of £900,000. Permission is sought to sell under Model Trust 20 which permits a sale at a undervalue to another Christian Denomination. Swaythling Methodist Church are now a class of another local church but continue to worship in the hurch building and this will continue after a sale along with other Methodist projects. City Life Church are part of the Pioneer Network and estimate they will need to spend over £900,000 to put the property in a good state of repair.
Background Context and Relevant Documents (with function)	City Life Church has been worshipping in Swaythling Methodist Church since 2010. The building is well used by a number of community groups including Flowers of Justice which support families on a nearby housing estate.
Consultations	The Trustees for Methodist Church Purposes

Summary of Impact

Financial	The Circuit will be in financial difficulties if the building is not transferred to City Life Church due to the ongoing maintenance costs. The market value of the property is £900,000.
Legal	TMCP have advised on appropriate overage provisions.
Wider Connexional	Agreement to a sale at such a significant undervalue may set a precedent for future sales of a similar nature.
Risk	Precedent is set which encourages sales at an undervalue.

Sale of Swaythling Methodist Church

The Council will be aware of the provisions of Model Trust 20. The policy adopted by the Council in January 2011 permits a sale at an undervalue to another Christian denomination where the building is to be used for public worship.

A request has been received from the Southampton Circuit for permission from the Methodist Council to sell Swathling Methodist Church at an undervalue to City Life Church. The proposed sale would be for nil value with a qualified surveyor having given the property a market value of £900,000. The church site is extensive with a number of buildings and large main building with a glass dome roof, all in need of significant maintenance, repairs and improvements.

The relationship between the Swaythling Methodist Church and City Life Church began in 2010 when City Life Church, along with the Flowers of Justice project, began to work together in the Swaythling Methodist Church building. It also began the Circuit's relationship with the Pioneer Network of churches to which City Life is affiliated. Swaythling Methodist Church became a class of St James Road Methodist Church in Southampton in 2014. The class still meet in part of the Swathling Methodist Church building and they will continue to be permitted to do so even if the property is sold to City Life Church.

The three churches work together in the building on various projects and community outreach. The church building is in an excellent area for mission which would be lost if the building was to be sold for development. The building is located very near to the main university campus, from which many students come for worship, and is on the edge of one of the most deprived areas of the city, the Flowers housing estate.

The proposed sale of the building to City Life Church would remove the significant burden of maintaining the building from the Circuit but still enable the work of the Methodist church to continue. The ongoing work of the Methodist congregation includes an outreach project with Methodist Homes for the Aged, a weekly devotional meeting with counselling and prayer, a food bank, weekly lunch and fellowship meeting supported by Flowers of Justice, Methodist worship on a Sunday morning and a prayer centre is being planned for use of all.

The Pioneer Network, of which City Life are part, have been working with the Southampton Circuit across the city under the Pioneer Connexion banner. This relationship has been developing since 2010 with congregations at St Andrews Church and Netley Church in the east of the city. The Council may wish to note that discussions are due to be held by the Connexional Secretary with leaders from the Pioneer Network to clarify the intentions of the Pioneer Connexion.

Swaythling Methodist church building is in a very poor condition. The estimated costs provided by City Life Church, for putting the building back into a good state of repair are £912,570. A copy of the schedule of costs can be obtained from the Conference Officer for Legal and Constitutional Practice should any member of the Council wish to see it. The schedule is provided by City Life Church and is not a schedule of costs undertaken by a qualified surveyor on behalf of the Circuit. The qualified surveyors report provided to the Circuit is not a building survey but does not the need for significant work in the building as well as the extent of the church site.

Some of the work required is a new heating system, rewiring and a large glass dome on the roof of the main building is in need of complete refurbishment. The Circuit cannot afford to spend what is

required to bring the building back into a good state of repair. City Life Church have already spent £65,000 on immediate repairs and decoration and the Circuit has recently had to spend £44,000 repairing a flat roof. City Life Church has said they will refund the Circuit the £44,000 if the sale is agreed.

The building is Grade II listed which severely restricts what the Circuit can do with it and the ability to sell the building for redevelopment. Retaining the building any longer will cause the Circuit significant financial harm.

The Circuit appreciate that the sale is at a significant undervalue and in order to protect the interests of the Church, overage clauses will be inserted into any sale transaction. It has been agreed that if the property were to be transferred for nil value, the Circuit would be paid 75% of future proceeds of sale for the first 25 years and 50% in the following 25 years.

The Methodist Council should note that a previous qualified surveyors report valued Swaythling Methodist Church at nil value and following concerns being raised by TMCP and the Conference Officer for Legal and constitutional Practice, a second surveyors report was obtained which valued the property at £900,000. A copy of both reports can be obtained from the Conference Officer for Legal and Constitutional Practice.

The proposed sale was considered by Jade Bath and Martyn Evans as two members of the Council who usually consider requests for sales to be made at an undervalue on behalf of the Council. However given the significant undervalue in this case and concern about a precedent being set, the two members of the Council felt that this proposed sale should be considered by the Council as a whole.

It is evident that City Life Church is a growing and vibrant church which the Circuit are keen to support and is a way of ensuring a continued Christian presence in the Swaythling area which is one of the more deprived areas of the city. More information on the work of City Life Church can be found at <http://www.citylife.org.uk/>.

The Council is asked to give permission to the proposed sale at nil consideration on the basis that overage provisions are included within the sale documentation that provide for the Circuit being paid 75% of the proceeds of sale if the building were sold in the first 25 years and 50% for the following 25 years.

*****RESOLUTION**

44/1. The Council approves the sale of Swaythling Methodist Church under Model Trust 20 to City Life Church subject to the agreed overage provisions.