

## Releasing Property for God's Mission

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<b>Status of Paper</b>	Final
<b>Action Required</b>	Decision
<b>Draft Resolutions</b>	43/1. The Council receives the report.  43/2. The Council affirms the recommendations summarised in paragraph 77 of the report, and commends them to the Conference.

### Summary of Content

<b>Subject and Aims</b>	Releasing Properties for God's Mission
<b>Main Points</b>	<ul style="list-style-type: none"> <li>• Proposing changes to SOs and the Model Trusts to enable releasing and more effective use of properties</li> <li>• Encouraging a missionally strategic view to properties</li> <li>• The role of local churches, circuits and districts in setting mission strategies and take decisions about the place of particular properties within those</li> <li>• Good Endings for closing buildings</li> </ul>
<b>Background Context and Relevant Documents (with function)</b>	<p>General Secretary's Report to the 2012 Conference God's properties and our stewardship – resources of discipleship and mission</p> <p>General Secretary's Report to the 2011 Conference God's properties and our stewardship</p> <p>Resolution 2/4: 'The Conference directs the Methodist Council to establish a working group to consider the issues raised in the section of the report entitled "God's properties and our stewardship" and "a fluid 'mixed economy'" and bring recommendations to the Conference as soon as proves possible.'</p> <p>MC 14/35 Releasing Buildings for God's Mission</p>
<b>Consultations</b>	The Law and Polity Committee received the report at their March 2015 meeting

### Summary of Impact

<b>Financial</b>	As set out in paper
<b>Legal including impact on other jurisdictions</b>	As set out in paper

## 'Releasing Property for God's Mission'

### Introduction, background and context

1. Deep gratitude is the proper starting point for this report. Gratitude to God and also to our Methodist forebears whose commitment and generosity led to thousands of chapels, churches, halls and schoolrooms being built, in every area of these islands: centres of worship and preaching, fellowship and invitation, witness and service. The oft repeated, rarely challenged statement that we now have too many properties for our needs, many ill-fitted in various ways to best fulfil the mission of God in the 21<sup>st</sup> century should not – and does not – remove a proper sense of gratitude, thankfulness and respect. We must not take this precious, finite inheritance lightly, use it or dispose of it without prayer, discernment, and careful, intelligent reflection and decision making.
2. The Conference has reflected regularly on matters concerning Methodist property over the decades, and several quality resources have been produced urging proper care, oversight, uses and purposes of our churches and related buildings. The main themes contained in this report arise in their latest form from 2011 when, under the title 'Contemporary Methodism – a Discipleship Movement shaped for Mission', and in a section 'God's Properties and Our Stewardship: Resources of Discipleship and Mission' the General Secretary's report of that year presented some issues relating to property being commonly expressed by Methodists today (pages 40-42, paras.46-56). Modest input came in the subsequent reports of 2012 (pages 380-381, paras.30-31) and 2013 (pages 42-43, paras. 24-28). The report of 2014 gave fuller input, relating that conversations about how best to release properties for God's mission were live and urgent and had taken place in various contexts including the Methodist Council and the Connexional Leaders' Forum. The report then identified and outlined some issues about which further work was needed to be undertaken, which the Conference agreed. (Releasing Our Buildings for Mission (pages 262-266, paras.37-46 Resolutions 31/3 and 31/4). Subsequently the Council appointed the present working group to undertake that work.

The working group members are: the Revd Dr Martyn Atkins (Secretary of the Conference and General Secretary), the Revd Mike Long (Faith and Order Committee), the Revd Jenny Dyer and Mr David Booth (Law and Polity Committee), the Revd Ian Johnson (previously served as a Property Secretary and Local Mission Development Secretary in the 'Property Office', Manchester), Mr David Quick (District Property Secretary, Leeds), Mr James Irving (District Property Secretary, Cumbria), with Mr Nick Moore (Head of Support Services, the Connexional Team) and Ms Julie Robinson-Judd (former Mission Resources Manager, the Connexional Team) as non-voting advisers.

3. Summarising several, evolving reports is not easy, but in essence the context in which the working group has undertaken its work is as follows:
  - The generally held view that we still have too many buildings ill fitted to best purpose today
  - That many loyal, local Methodists spend too great a proportion of finite resources in terms of people, time and money on maintaining many of our buildings
  - That we desire more 'centres of excellence' [NoM 228, 2009 "Centres of Excellence"] and 'fewer, better buildings', and that 'a more sacrificial and strategic approach is required of us'.

- There are significant opportunities that can best be grasped by the provision of a new building or leasing of a space, but this often has to happen after the older buildings have gone.
4. Within this context the particular work given to the group can be outlined thus:
- Recognise and enable the need to close our churches well: we want ‘good endings’
  - Reflect on where decision making and authority to close local churches – in terms of both congregation and buildings - might best lie and, as necessary, make proposals
  - Assess the need for revision of Standing Orders and Model Trusts and make proposals as necessary (particularly SO 605, 612, 962, and Model Trusts 16 and 20)
  - Think connexionally about resources released when our church buildings reach the end of their life
  - Remember that the essential focus is on releasing resources for mission rather than ‘merely’ closing church buildings. ‘Releasing’ implies the creation of new life to replace the old, and the group’s work is rooted within this context.

### **Summary**

5. This report proposes that a coherent and contextual strategy relating to Methodist property is vital if we are to be an effective discipleship movement that is sufficiently resourced for God’s mission. Methodist dealings and decisions about property, in every sphere of the Church – local, circuit, district and connexion wide - should be prayerful, discerning, intentional, missional and strategic. The group is encouraged that evidence of strategic planning throughout the Connexion is plentiful and growing, but needs to become normative and required in each context.

### **Opening churches, starting congregations, and fresh expressions of church**

6. Before turning to issues relating to closing churches well, the group want to strongly affirm the importance of opening new churches and starting new congregations. Our forebears were great church planters of several sorts, and we live with their considerable legacy. The commitment of the Methodist Church today to fresh ways of being church of various kinds, some requiring ‘church’ property, some not, often in partnership with others, is absolutely right. The group encourages the continued investment of sufficient energy, thought and resources to help bring about an appropriate ‘mixed ecology of church’ as normative and expected in every Methodist circuit.
7. In CPD, material and guidance about planting new congregations and founding new churches is not as prolific or detailed as that outlining ceasing to worship and selling property. Nor does the group think extensive prescription about new churches and congregations would be particularly helpful. The group is clear however that any coherent and contextual strategy for our property must offer the same level of prayer, discernment, resolve and strategic thinking to birthing congregations and churches as to ending them well. Both planting and pruning must be held together as parts of a strategic plan, particularly, but not only, by circuit meetings, leadership groups and staff meetings.
8. In relation to this we commend using the many available resources of ‘audit’ and ‘assessment’ developed in recent years in relation to the Regrouping for Mission processes, and which now forms part of the work and ministry of the Discipleship and Ministries Learning Network, and others. Some generic and helpful resources will be held on the Methodist website.
9. But we must go further than this. There is value in seeking to identify more clearly how ‘fresh expressions’ and ‘new forms of being church’ relate to our constitution and structures. We

have a definition of a circuit, a local church and a class, and this helps clarify what is and is not currently possible in relation to, among other things, grants, and trust law and property issues. We presently have no such definition for 'fresh expressions of church' and while the lack of a definition is not itself critical, the inability to 'locate' fresh expressions of church in relation to our organisation may be adversely affecting their further growth, maturity, and the level of support able to be allocated to them as part of a circuit or district strategic mission plan. Currently it seems that 'fresh expressions of church' are under-reported if defined as fully constituted Methodist churches but over-reported if defined simply as recently formed worship and fellowship groupings. A small number of fresh expressions of church have local church status, some are regarded as 'circuit projects', while others purposely distinguish themselves from 'normal' Methodist societies in a circuit. In most cases the relationship between fresh expressions of church and 'local Methodist churches' - whether understood as societies or as buildings - is at best unclear.

10. The group considered suggesting that a list of fresh expressions of church be created akin to that found in SO 440 relating to city centre churches, or that they might be treated as 'defined areas of ecclesiastical experimentation' such as some models of local ecumenical projects. However, the group recommends that each circuit meeting shall keep a list of recognised 'fresh expressions of church' in the circuit, which is annually reviewed, reported to and authorised by the district policy committee. More importantly, that to be so listed enables circuits and districts to regard these fresh expressions of church as 'circuit projects' in terms of processes relating to grants and property, including processes normally involving Trustees for Methodist Church Purposes.
11. Guidelines about what might be reasonably recognised as a fresh expression of church for these purposes should be produced - indeed, the group believes such may already largely exist - and offered to circuits to assist the formulation of the list.

### **Circuits**

12. Our Standing Orders make clear the nature, roles and responsibilities of a Methodist circuit, particularly exercised through the Circuit Meeting acting as its managing trustees, and less formally through circuit leadership teams, staff meetings and other groupings. (See part 5 of CPD.) Vitally important is the role of the circuit in encouraging and enabling local churches in interdependence as part of a connexional Church, in terms of worship, witness, unity, service and mission. The group heard many encouraging examples where circuits are formulating and pursuing a circuit 'mission strategy', usually guided by *Our Calling* and *The Priorities for The Methodist Church* and always involving church properties. The group encourages each and every circuit to develop a coherent and contextually appropriate mission strategy.
13. The Conference charged the working group with reflecting on the task of bringing back recommendations about various matters relating to local church viability and healthy managing trusteeship, about local churches becoming classes, ceasing to worship, closing, the best context for such decision to be made and consideration given to whether changes should be made to SO 605 and 612. The group gave each of these issues careful consideration and offers the following:
14. SO 601 makes clear that there is a point at which a local Methodist congregation is deemed too small to fulfil its functions and responsibilities. It sets the minimum membership number for a self governing church at a 'very low figure' and refers to SO 605. SO 605 (1) indicates that in order to form or reform a local Methodist church 12 people, locally resident and in membership are required. SO 605 (2) indicates that when the number of those locally resident and in membership falls below 6 for four successive quarters that church shall cease to be

recognised as a Local Church. SO 612 indicates that 7 people are required to form a Church Council not including ministers, probationers and workers in the circuit. If this is not possible the Superintendent nominates to the Circuit Meeting sufficient numbers of members of other local churches to make the number up to 7, and these are appointed to be members of the Church Council. If this process is necessary for two successive years then the Circuit Meeting may apply to that Local Church the procedure set out in SO 605 (4) whereby the church becomes a Class of another church, whose Church Council takes on all the responsibilities of both Church Councils.

15. The group spent some time reflecting on whether the inconsistency in the numbers pertaining to these related but different situations was significant. Should 12 members be a minimum number in all cases: formation, re-formation, minimum membership before becoming a class and/or forming a Church Council? Some believed 12 to be too large a number below which a church 'shall' become a class of another church, notwithstanding that our current practice does not prevent such a class continuing to worship separately in the building for which, in the form of the church council, it formerly exercised the role of managing trustee.
16. The group came to the view that altering the figures could help in certain circumstances, and should be retained rather than abolished, but that overall it is too blunt an instrument to meet our current needs. Consequently we recommend employing other criteria closely connected to a 'circuit strategy for mission' to supplement some of the 'minimum membership and time scales' criteria found in SOs 605 and 612. The effect of this is to deliberately place a greater responsibility and authority with the Circuit Meeting than is currently the case.
17. We recommend that when a Local Church with its own building no longer has a sufficient membership as per SO 605 (2), or viable attendance, or the ability to meet its assessment as agreed with the Circuit Meeting, or maintain its building in accordance with the requirements of its quinquennial inspection or other survey, or appoint those officers required by our standing orders, then the Circuit meeting can choose to apply to the district Synod for permission to cease worship at that church and to transfer the membership of those members of that church to another church or churches in accordance with their wishes and the need for their continued pastoral care.
18. A new Standing Order might therefore read something like this:  
*If a Local Church:*
  - *Is unable to maintain its property in line with SOs 940 & 941 or*
  - *Is unable to appoint officers and representatives required by SO 612, or*
  - *Is unable to make a fair and proper contribution to the circuit assessment SO 650 (4), or*
  - *Would be unable to comply with SO 605 (1) in relation to forming a new society, and*
  - *Experiences long term declining membership and attendance at worship, then the Circuit Meeting can choose to apply to the district Synod for permission to cease worship at that church and to transfer the membership of those members of that church to another church or churches in accordance with their wishes and the need for their continued pastoral care.*
19. It is intended that these criteria are indicative rather than mechanistically determinative. That is, apart, and/or cumulatively they trigger that which is already part of the role and responsibility of a circuit meeting – the regular assessment of the witness and vitality of the local churches.
20. Having suggested the triggers which initiate an assessment of a local church, the circuit must draw upon its commitment to a circuit-wide strategy in relation to its mission and ministry, and the role of property as part of that. Thus, although one or more of the above criteria may

apply, the circuit or district could permit the local church to continue for sound, strategic missional reasons. The proposed new Standing Order permits several outcomes: for example, that the location and role of a local church property (or congregation) is so significant to a community that it requires supporting and resourcing as part of a missional strategy. In rural and other areas, closing a church building can mean that there is no place of Christian worship, or space for community gathering in a large locality, and this is a significant factor. Or again, given the recent breakdown of sociological locations of Methodist churches in the Statistics for Mission, a circuit may deem it a mistake to withdraw further from inner cities and city centres more than has already occurred. In other cases there will not be compelling reasons, other than natural sadness, why a Local Church should not close. In these or many more scenarios, the Circuit meeting, working through a new local Church Council if necessary, shall effect its decisions.

21. Notwithstanding these new recommendations, the processes outlined in SO 612 and 604(4) need to remain in place.
22. It is recommended that guidelines to aid circuits and districts about this process of evaluation should be produced, and amended or supplemented from time to time as required.
23. Significantly, this process gives to the Circuit Meeting responsibility to pose strategically missional issues to *all* its local churches, rather than those which are simply very small, and so serves to encourage the continuing development of intelligent and sensitive strategic planning.
24. Currently, under the requirements of SO 943, no church may cease public worship until confirmed by the District Synod and following the recommendation of the local managing trustees (ie Church Council), the Circuit Meeting and the District Policy Committee. In practice, if any of these meetings do not recommend cessation of worship, the church remains on the quarterly plan. The group believes that there may well be circumstances where closure (regardless of membership numbers, etc) is in the best interests of the Methodist Church, at both Circuit and District level. Thus the recommendation that an amendment of SO 943 is made, permitting a Circuit Meeting decision to take precedence over that of local managing trustees, where no agreement about a recommendation about the future of the Local Church can be reached. Under this circumstance, as required, the district policy committee, or some designated grouping on its behalf should serve as a place of appeal, to hear the views of the Local Church Council and the Circuit Meeting, and make a decision.

#### **Districts (and/or districts working together as larger regions of the connexion)**

25. A Methodist district, through its appropriate authority bodies and/or people, currently plays a significant role in relation to property across the connexion. It makes judgements and gives consent in respect of property projects from circuits and local churches. It sustains a district Advance Fund from which grants relating to property schemes of various kinds may be made. Through district property secretaries the annual property schedules of circuits are overseen. (See Section 96 of CPD.) The district synod is required to give permission for a local society to cease worship and for a sale to take place. (SO 943).
26. The group believe that the role of a district, or districts working together as a larger region of the connexion is an important one and as such it should harness this by becoming more prominent and where necessary authoritative than at present, in order to create a more coherent and contextual 'property strategy for mission' today.

27. A group established (by the District Chair) to formulate a property strategy for mission (as required by an amended SO 962) should be distinct from any existing consents body but probably with some overlap of membership.
28. To this end the group recommends changes to Standing Orders 962, 955 (7), 431 (i) and 424.
29. SO 962 requires a district Policy Committee to 'formulate and keep under annual review a development master plan' relating to Methodist church buildings, noting such things as Planning Authority proposals, the buildings relating to other denominations, etc. SO 955 (7) requires district Policy Committees to regularly review at least once every three years the state of circuit model trust funds and to facilitate movement of money between circuits in order to maximise mission potential throughout the District.
30. While favouring the loss of the term 'master plan' in favour of a 'property strategy for mission' or some other phrase, the group wants to reaffirm and strengthen the role of district bodies in relation to a connexional strategy in respect of Methodist property. A property strategy for mission should reflect the district's response to the perceived opportunities for Christian, and particularly Methodist worship, ministry, service and witness within the communities located in its geographical area. The response should reflect each Circuit's existing work and vision whilst developing a more comprehensive and cohesive strategy that takes into account, for example, the effects of a local authority's future plans, road networks, new housing and public transport developments, demographic patterns and the like. The strategy should highlight areas of strength and weakness within the District (including the use of Model Trust properties) and encourage action and co-operation within and between Circuits to further support and create effective mission.
31. To offer a couple of specific examples, which are illustrative rather than exhaustive, we need to be more missionally strategic about *redundant* buildings, and a later part of this report will make recommendations in this respect. At the moment we very largely either keep properties or sell them. Sometimes we appear to keep them when there are few good reasons to do so, and sometimes we choose to sell a property when a more coherent strategic approach might cause it to be retained. The group recommends that a district (or regional) body should have a determinative voice in this respect, within the parameters outlined in Model Trust 23 below, recognising that the decision to sell is currently often taken because the remaining small membership has neither the resources nor energy to pursue any other options.

### Model Trust 23

32. Redundancy. (1) The Conference may resolve that in the opinion of the Conference any model trust property (other than any such property held by the Board upon the model trusts under paragraph 4(2) of this Schedule) or any part thereof has become redundant or that its retention is not a practicable means of advancing any purpose of the Church, and may (by the same or any subsequent resolution) further resolve that in the opinion of the Conference such property or part thereof ought to be sold, and upon the passing of such further resolution the Board shall, by virtue of this Act and without further assurance, cease to be the custodian trustees upon the model trusts and shall become the trustees of such property or part thereof to the exclusion of the managing trustees thereof, and shall hold such property or part thereof upon trust to sell the same and to hold the proceeds of sale upon trust (after discharge of any encumbrance or of any liability in respect of which any previous trustees or managing trustees and the Board as the previous custodian trustees shall be entitled to indemnity) to apply the same for any purpose of the Church in accordance with such scheme as maybe made or approved by the Conference or by the board of the Property Division.  
 ['Board' refers to the TMCP Board. The functions of the Property Division board are now fulfilled by the Methodist Council]

33. We further recommend there being designated 'district properties' deemed by the district Policy Committee and agreed by the Synod to be strategically significant not simply in terms of heritage or past prestige, but more in terms of their location and condition in relation to their mission potential both contextually and connexionally.
34. Or again, some Christian denominations have reduced or even ceased the practice of selling their properties freehold, and are selling leasehold instead. This practice should be encouraged wherever it offers the best long-term options. Also to be strongly encouraged is the good practice of church authorised bodies or persons undertaking – or instructing or overseeing the undertaking of - any planning permission etc necessary or possible which would significantly enhance the value of a property for sale or lease. The group is clear that the primary calling of the Methodist Church is not property investment. On the other hand it is hard to see how it is unwise to enhance and protect the inherited assets of the Church and use them to greatest advantage in the purposes of the gospel and the connexion.
35. A revised SO 962, which relates to the Development Plan and the District Policy Committee's role in formulating and keeping under annual review a development master-plan for the Methodist church buildings and circuit staffing of the District, that also takes into account Planning Authority proposals, should refer to the annual returns process which is now performed on-line, providing a database for all circuits and districts of the state of their property.
36. A revised SO 962 should specify the need for the production and sustaining of a comprehensive asset register. This will provide a contemporary record of properties the Methodist Church owns, leases in or out, and will aid a coherent and contextual property strategy for mission.
37. It is recognised that these recommendations increase the responsibility and authority of a district body, certainly require a broad skill set of competences and experience, and a greater use of professional input and advice of various kinds.
38. A later recommendation (see para. 77 recommendation 6) is an increased connexional resource of specialist advice to help support district, multi-district/larger regions of the connexion in these responsibilities. This may be via additional/reconfigured posts within the Connexional Team, but also through connexionally-agreed relationships with companies specialising in providing advice and project management on such matters.
39. The group notes that there is currently no specific reference to the 'development master plan' of SO 962 in SO 431 which lists the key responsibilities of the district Policy Committee, of which (i) reads: 'to formulate and promote policies which will advance the mission of the Church in the Circuits and Local Churches, and in particular to supervise the use of resources of personnel, property and finance and to assist Local Churches and Circuits having exceptional problems'. The group therefore recommends that SO 431 (i) be amended to refer directly to (an amended) SO 962, with a view to giving greater force to the requirement of a district Policy Committee to create and annually review a property strategy for mission.
40. The group also recommends that the Chair of District should be responsible for the creation of a panel of appropriately qualified and experienced persons who will consult, formulate the strategy, and make recommendations to the District Policy Committee in respect of connexional properties located in the district. This role should be added to SO 424, which outlines the responsibilities of a chair of district.

#### **'Classes'**



41. The group considered the present situation in respect of SO 605 (2 and 3) concerning the creation of classes. It recognises that the creation of classes produces a number of quite different outcomes. In some cases the creation of a class – which effectively brings to an end the life of a Methodist Local Church as a society – arises from a careful and prayerful strategic and informed decision process. In others it appears to be a move designed simply to delay or avoid the need for closure, and in some instances leaves a small congregation in its existing building, served on the weekly plan but from which has been removed all responsibilities of managing trusteeship (see SO 605 (4) and (5)). The group suggests that overall the possibility of dealing with a very small church in the way outlined in SO 605 should remain as it is, now laid alongside the process encouraged by placing new missional criteria alongside those relating to number of members.
42. The group recognises that in some cases the current congregation ‘takes precedence’ in terms of pastoral and missional significance, over the current building. And in some instances the current building, in terms of its location, quality and potential is more missionally and pastorally significant than the current congregation worshipping and witnessing in it. Flexibility is key, but the determinative decisions about all such matters should lay with the circuit meeting.

#### **Greater flexibility of use of Methodist property**

43. Key to the further development of a coherent and contextual property strategy for mission throughout the connexion is seeking a greater flexibility of use of Methodist properties than is currently possible under our Standing Orders, Model Trusts - and possibly the Methodist Church Act 1976. The group is aware of the considerable work – and potential cost – involved in making changes to such significant documents but believes that the life and mission of the Church now requires that sensible and thoughtful, and more ‘gospel entrepreneurial’ developments should occur.
44. The Model Trusts were written several decades ago and primarily for a very different context: in terms of culture, faith and society. They have served the Methodist Church, formed in 1932 from three mature and different connexions, each with considerable assets brought into the Union, with excellence, intelligence and durability. However, they were not – and could not be – formulated with awareness of the vast changes in context, not least in terms of ecumenism, plurality, or cultural traits that are realities in the earlier 21<sup>st</sup> century.

#### Selling or leasing at an undervalue

45. The Model Trusts together with requirements relating to the Charity Commission, results in Methodist properties normally being sold or leased at a professionally determined market value. Model Trust 20, ‘Special Powers on Disposal of Property’, makes provision to sell or lease at an undervalue if it is considered that ‘any purpose of the Church would thereby be advanced’ and requires the permission/agreement of the Methodist Council. In this it takes up the language of The Methodist Church Act 1976 which speaks of ‘the purposes of the Methodist Church’ which govern many activities including the use of properties held on the Model Trusts. Selling or leasing at an undervalue is therefore possible but quite rare, and this ensures that the assets of the Methodist Church are protected.
46. SO 935 identifies ‘Housing Associations’ as a category falling within Model Trust 20 (1) (and therefore, by implication, a purpose that ‘advances’ the Methodist Church) and then proceeds to carefully define criteria with which a Housing Association must comply to qualify. This includes the need for it to be wholly charitable, and either ‘subsidiary or ancillary to the

Church' or relating to the 'furtherance of ecumenical work or activity within the purposes of the relevant church body.'

47. The Model Trusts place restrictions relating to the sale and lease of Methodist property, whether or not at an undervalue. These largely pertain to ethical or moral grounds relating to decisions and statements of the Methodist Conference, and the group believe that these continue to reflect values that the Methodist Church would want to uphold and maintain.
48. Several related issues arise, which are set out here and include recommendations. The group would encourage a broad and generous view of the Methodist Church Act and Methodist purposes, and supports the belief that good works undertaken in our name promote the Christian religion. Recognising that legal advice and discussions with the Charity Commission would be required, the group recommends to the Conference that it directs that a more permissive approach in relation to the purposes for which the Church could lease or let properties, or sell at less than full market value, when they are no longer required for worship. The group believes there is good sense in first exploring the limits of ingeniously opaque statements before undertaking the considerable expense and time involved in seeking to amend the 1976 Act, though, if that were ultimately necessary, the group would urge it to be undertaken.
49. Adopting this generous view the group recommends that a broadening of the circumstances in which both sales and leases of Methodist property at an undervalue is made possible, and identifies three groupings or categories for consideration.

#### Housing associations

50. SO 935 should be reworked to permit a broader definition of housing associations deemed to fall within Model Trust 20 (1).  
The group is aware that the Methodist Council declined to permit a widening of the criteria relating to Housing Associations, but encourages that this issue is revisited, particularly in the wider context of this report. Considerable changes have taken place in respect of 'housing associations' in recent years, giving them a greater prominence, and a reworked standing order should reflect this.
51. In particular, the group recommends that any housing association or similar organisation which intends providing low cost affordable housing, for rent preferably, but not prohibiting sales, aimed to meet the needs of poorer sections of our society, should be explicitly included in a revised SO 935. This would give tangible expression to resolutions of the Conference in recent years, for example *Notice of Motion 208 (2012) about 'The Housing Crisis'* and the JPIT paper *'Faith in Affordable Housing'*, from which the following is an excerpt:  
*"One option open to churches disposing of land or property for affordable housing, is to retain the freehold of it and opt for leasing to a housing association (which may or may not be faith-based) or a charitable organisation such as a Community Land Trust. This has the obvious benefit of retaining ownership for the long-term future. A typical lease length is 125 years, enabling enough time for shared ownership buyers to secure a mortgage. The housing association or charitable trust becomes responsible for managing tenants and administering changes in occupancies for all types of tenure concerned. The return on investment (the rent or premium), though modest, can fulfil the Charity Commission guidance on Public Benefit by enabling the advancement of religion by meeting current social need in the relief of poverty. At the end of the lease period, the site and the homes built on it will revert to the ownership of the Church, (although their use will be limited by the continuing occupancies and any surviving Section 106 agreement). The asset will of course revert with the enhancement of the planning*

*permission, the homes constructed, and the site infrastructure such as services and roads; all provided at no cost to the reversionary freeholder.”*

'Best Value' test for Ground Rents and Lease Premiums

*A disposal of charity property may be made at less than the best price reasonably obtainable if it is made in furtherance of the charity's purposes (s.36[9] Charities Act 1993), and in only one or two other very limited circumstances. In 2008, the charity Housing Justice obtained advice from the Charity Commission on this issue. The Commission made it clear that the doctrine of Christianity can broaden the definition of charitable purpose.”*

52. The group commends the careful setting up of trading subsidiaries committed to social and affordable housing, not least for ex-offenders and sanctuary for women for various reasons, recognising that some Methodist circuits have themselves embarked on such.

Charities resonant with the Church's commitment to enriching communities

53. The Group further recommends that it should be made possible for Methodist property to be sold or leased at an undervalue to certain other types of charities. The group believes that the purposes of the Methodist Church resonate closely with those of charities working to improve the lot of communities, particularly among children, young adults, very elderly, disadvantaged and needy people.

Other Christian churches and groupings

54. The group recommends that Methodist property might be leased or sold at an undervalue to other Christian churches and groupings.
55. Both the ecumenical context and the level of diversity of Christian churches and groupings in these Islands are significantly different from the context in which the Model Trusts were formulated. The group notes the commitment of the Methodist Church to offer hospitality, welcome and sanctuary. The group recognises the force of graceful reason of Methodists in local situations, desirous to lease or sell their property at an undervalue to a Christian grouping who will sustain a Christian presence, ministry and worship in a locality where such is much needed, especially if the closure of the local Methodist Church removes such a Christian presence from a locality, estate or neighbourhood.
56. In respect of sales and leases to other Christian churches and groupings – whether or not at an undervalue – the group recommends a further change to the Model Trusts, namely Model Trust 14 (2) (A).
57. Model Trust 14 (2) (A) makes clear that there needs to be a Methodist presence in a building in order to lease or let it to another Christian group using the property for purposes *including their own worship*. However, if there is no Methodist presence in a building it currently cannot be leased or let to other Christian groupings for activities including worship (though of course it can be sold). It can however be leased (or sold) to a number of community or activity groups whose activities do not include Christian worship. This prevents Methodist people from choosing to use a redundant building to fully accommodate other Christian groupings through lease or let rather than sale. Many of those groupings, such as language, national or migrant fellowships or churches, inside or outside the worldwide Methodist/Wesleyan family of Christians, and without the wherewithal to purchase a property, are groups of Christians that very many Methodist people would want to accommodate. Also, a continuing worshipping Christian community retains a church building for its principle use, while safeguarding the asset for a further period of time. In short, in today's context the effect of Model Trust 14 (2) (A) seems unnecessarily protectionist and inflexible, so the group recommends it be amended

so as to include properly arranged, formal lease arrangements with Christians meeting for worship.

Indicative guidelines as to the nature and parameters of 'Christian groupings and churches' to be included in a revised Model Trust 14, should be produced and revised as necessary.

58. In relation to all three of these 'expanded categories' the group are responding to hearing repeatedly of the desire of local Methodists to ensure that we lease or sell our properties to those who are committed to some sort of good, godly, healthy or necessary presence, and if necessary, at a measure of undervalue.

### Partnerships

59. The Methodist Church rightly prides itself on its broad ecumenical commitment to partnerships, as espoused in its *Priorities*: "In partnership with others wherever possible". From this longstanding commitment to others has arisen a variety of older and newer arrangements about church properties. Some are complicated and become contentious, and the group understands that work on some historic local ecumenical partnership arrangements is being undertaken by our Ecumenical Officer together with other such officers.
60. In more recent years 'Extended Ecumenical Areas' and other apparatus has emerged in parts of the connexion, almost always involving the shared use of ministries and buildings. The 'Cumbria model' endeavours to make this kind of missional localism normative across an extensive geographical area – the "Ecumenical County".
61. The group welcomes and affirms these recent commitments to partnership rooted in locality, mission and presence. Indeed the group recommends a more robust and thorough exploration of 'repurposing through Partnerships' – entering *missional* (rather than necessarily formal LEP status) partnerships with other Christian groupings, and of some variety and creativity.
62. Care must be taken of course. All 'partnership arrangements', whether formal or informal need to have a consistent basis where it involves or relates to a Methodist property. Standard forms of agreements setting out the formal/informal basis of the partnership, its duration, the expectations and obligations, living arrangements for any minister or lay employee, financial arrangements, sharing of worship etc, should be clearly set out and applied consistently.
63. The group recommends that the Conference agree this 'direction of travel', towards more flexible types of partnership, and directs that further work be undertaken and proposals brought to a future Conference as soon as practicably possible.

### **Connexional wide resources**

64. The coherent and contextual 'property strategy for mission' advocated in this report involves each sphere of the Church, with circuits, districts, local churches and the wider connexion each playing a critical part, that together promises the benefits of a focus on strategic thinking and action, and the right combination of connexional coherence and connexional contextuality.
65. The resources of the Connexion, held in the Connexional Team, including the Discipleship and Ministries Learning Network (DMLN) as a part of it, also have an important role to play. The group recommends an increased connexional resource of specialist advice to help support district, multi-district/larger regions of the connexion in their responsibilities outlined in this report. It recognises that this may be best delivered by a combination of Team staff and

connexionally-appointed firms of property professionals, to ensure that the Church receives the best and most appropriate advice.

66. The group recommends that a 'toolkit' enabling local people in circuits and local churches, particularly in leadership teams and/or serving as managing trustees, to effectively manage their property assets, be continued to be produced and delivered through the DMLN.

#### **Further work**

67. Alongside the continuing work recommended in this report, the group is aware that further work could be undertaken to benefit if the Conference chooses to direct its undertaking. The following topics are indicated here:
68. Guidance on burial grounds, including making clear responsibilities, is required.
69. Some issues relating to Listed Buildings would repay further thought, particularly whether or not some could become district projects, and issues relating to listed buildings falling into disrepair and disposed of very cheaply for other organisation to then de-list and redevelop, making large profits.

#### Ecological consciousness and conservation

70. Given the Conference commitment to *Hope in God's Future* and other documents relating to ecological consciousness and conservation the group have reflected the extent to which such issues should create criteria used in the decision making to close a church or not. Should there be, for example, new minimum standards, (eg running water, a toilet, a disabled toilet? etc).
71. Should a 'Buildings Efficiency rating' (akin to an Energy Efficiency Rating) of each property be a required part of any coherent and contextual property strategy for mission'? (eg seating capacity in relation to attendance at public worship, or the extent of the wider use of the property in relation to its witness and mission in the locality?)
72. Additional assistance with closure & disposal of buildings
  - A panel of solicitors for each region who are familiar with the work of TMCP
  - A panel of surveyors who are familiar with the rules governing the disposal of charitable assets
  - Drafts of calling notices and motions to be put before church councils and circuit meetings
  - A handbook dealing with practical matters such as meter reading

#### **'Good endings'**

73. The significance of lifelong membership and/or sense of belonging to a 'home' church are highly significant to many Methodist people. The group is aware that some Methodist members and adherents go through 'serial closures' in their lives and can feel despondent and debilitated. The ending of a Local Church brings different emotions: anger and upset; relief and release. Many local Methodists experience their buildings, however much loved, as an increasing burden and a worry to the remaining few. The group affirms the value and importance of what some refer to as 'hospice' care, and preparing gently and properly for the prospect of the 'death' of a congregation. Equally the embedding of remaining members into one or several new local congregations is a demanding and substantial investment of time and resource. A coherent and contextual strategy for mission includes the provision of careful and sensitive pastoral care and oversight which when undertaken well is highly significant.

74. Issues relating to ceasing to worship, and ‘closing the chapel’ whether involving sale or other uses, or not, are emotive and significant subjects. They must not be dismissed but nor must they become the determinative barriers to sensitive, proper strategic thinking and action. There are dangers in acting too hastily, but there are also consequences of acting too slowly and the group heard of situations when timely, hard decisions were made, through good organisation and leadership, and also situations in which decisions about closure, merger, etc took so long that all resources and energy had dissipated, rendering any future plans or planning – however laudable and potent - untenable.
75. The ‘turnaround’ or ‘resurrection’ story, whereby a seemingly lost cause becomes revitalised is often referred to as both an encouragement and a reason to keep a property open as long as possible in virtually every case. The group believe that such revitalisation sometimes appears to ‘just happen’ but actually happens more often when it is planned and prayed for as part of a coherent strategy. There remain instances where, year on year, valuable resources seem to be merely propping things up: greater strategic thinking and action is required of us.

## **Conclusion**

76. The Methodist Church is blessed with a significant and richly varied wealth of properties, all used and offered to the glory of God. In many cases the location and design of these properties is inherited from vastly different circumstances both within the Church and wider society. Although in total we now have more buildings than we require, there are often situations where a new building, or the use of one under the terms of a lease, is needed in order to grasp new mission opportunities. The working party has explored how these two realities interact and how the Church’s various governing documents and processes need to be reconsidered in order to facilitate the more effective deployment of property in mission within the current and emerging societal contexts.

## **77. Summary of recommendations**

1. The group recommends that each circuit meeting shall keep a list of recognised ‘fresh expressions of church’ in the circuit, which is annually reviewed, reported to and authorised by the district policy committee. More importantly, that to be so listed enables circuits and districts to regard these fresh expressions of church as ‘circuit projects’ in terms of processes relating to grants and property, including processes normally involving Trustees for Methodist Church Purposes.
2. The group believe that the role of a district, or districts working together as a larger region of the connexion, should become more prominent and authoritative than at present, in order to create a more coherent and contextual ‘property strategy for mission’ today. To this end the group recommends changes to Standing Orders 962, 955 (7), 431 (i) and 424.
3. The group recommends that a district (or regional) body should have a determinative voice with regards to being more strategic about *redundant* buildings within the parameters outlined in Model Trust 23.
4. The group recommend there being designated ‘district properties’ deemed by the district Policy Committee and agreed by the Synod to be strategically significant not simply in terms of heritage or past prestige, but more in terms of its location and condition in relation to its mission potential both contextually and connexionally.

5. A revised SO 962, which relates to the Development Plan and the District Policy Committee's role in formulating and keeping under annual review a development master-plan for the Methodist church buildings and circuit staffing of the District, that also takes into account Planning Authority proposals, should refer to the annual returns process which is performed on-line, providing a database for all circuits and districts of the state of their property. It should specify the need for the production and sustaining of a comprehensive asset register. This will provide a contemporary record of properties the Methodist Church owns, leases in or out, and will aid a coherent and contextual property strategy for mission.

The group recommends that SO 431 (i) be amended to refer directly to (an amended) SO 962, with a view to giving greater force to the requirement of a district Policy Committee to create and annually review a property strategy for mission. The District should form a property strategy group distinct from the consent giving body specifically to oversee this.

6. The group recommends an increased connexional resource of specialist advice to help support district, multi-district/larger regions of the Connexion in these responsibilities. This may be via additional/reconfigured posts within the Connexional Team, but also through connexionally-agreed relationships with companies specialising in providing advice and project management on such matters.
7. The group recommends that the Chair of District should be responsible for the creation of a panel of appropriately qualified and experienced persons who will consult, formulate the strategy, and make recommendations to the District Policy Committee in respect of connexional properties located in the district. This role should be added to SO 424, which outlines the responsibilities of a chair of district.
8. The group recommends employing other criteria closely connected to a 'circuit strategy for mission' to supplement some of the 'minimum membership and time scales' criteria found in SOs 605 and 612. The group suggests that overall the possibility of dealing with a very small church in the way outlined in SO 605 should remain as it is, now laid alongside the process encouraged by placing new missional criteria alongside those relating to number of members
9. The group recommends that when a Local Church with its own building no longer has a sufficient membership as per SO 605 (2), or viable attendance, or the ability to meet its assessment as agreed with the Circuit Meeting, or maintain its building in accordance with the requirements of its quinquennial inspection or other survey, or appoint those officers required by our standing orders, then the Circuit meeting can choose to apply to the district Synod for permission to cease worship at that church and to transfer the membership of those members of that church to another church or churches in accordance with their wishes and the need for their continued pastoral care.
10. It is recommended that guidelines to aid circuits and districts in the process of assessing the witness and vitality of the local churches should be produced, and amended or supplemented from time to time.
11. The group recommends that an amendment of SO 943 is made, permitting a Circuit Meeting decision to take precedence over that of local managing trustees, where no agreement about a recommendation about the future of the Local Church can be reached. Under this circumstance, as required, the district policy committee, or some designated grouping on its behalf should serve as a place of appeal, to hear the views of the local Church Council and the circuit meeting, and make a decision.

12. The group recommends to the Conference that it directs that a more permissive approach in relation to the purposes for which the Church could lease or let properties, or sell at less than full market value, which are no longer required for worship.
13. The group recommends that SO 935 should be reworked to permit a broader definition of housing associations deemed to fall within Model Trust 20 (1). In particular, the group recommends that any housing association or similar organisation which intends providing low cost affordable housing, for rent preferably, but not prohibiting sales, aimed to meet the needs of poorer sections of our society, should be explicitly included in a revised SO935.
14. The Group recommends that Methodist property should be made possible to be sold or leased at an undervalue to certain other types of charities.
15. In respect of sales and leases to other Christian churches and groupings – whether or not at an undervalue – the group recommends a further change to the Model Trusts, namely Model Trust 14 (2) (A) so as to include properly arranged, formal lease arrangements with Christians meeting for worship.
16. Indicative guidelines as to the nature and parameters of ‘Christian groupings and churches’ to be included in a revised Model Trust 14, should be produced and revised as necessary.
17. The group recommends a more robust and thorough exploration of ‘repurposing through Partnerships’ – entering *missional* (rather than necessarily formal LEP status) partnerships with other Christian groupings, and of some variety and creativity.
18. The group recommends the Conference agree this ‘direction of travel’, towards more flexible types of partnership, and directs that further work be undertaken and proposals brought to a future Conference as soon as practicably possible.
19. The group recommends that a ‘toolkit’ enabling local people in circuits and local churches, particularly in leadership teams and/or serving as managing trustees to manage their property assets be continued to be produced and delivered through the DLMN.

### **\*\*\*RESOLUTIONS**

- 43/1. The Council receives the report.**
- 43/2. The Council affirms the recommendations summarised in paragraph 77 of the report, and commends them to the Conference.**