

## M19 (2013) – Review of the Connexional Priority Fund (CPF) Levy Policy

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<b>Status of Paper</b>	Final
<b>Action Required</b>	For Decision
<b>Draft Resolutions</b>	<p>48/1. The Council receives the report.</p> <p>48/2. The Council recommends to the Conference an amendment to the CPF Levy policy to allow the Council to grant exceptions to the application of the CPF Levy.</p> <p>48/3. The Council appoints a group to assist with the decision making process for the classification of replacement projects.</p> <p>48/4. The Council instructs the Connexional Team to produce amended guidance for replacement projects in consultation with the Connexional Grants Committee.</p>
<b>Alternative Options to Consider, if Any</b>	See resolutions

### Summary of Content

<b>Subject and Aims</b>	Review of the Connexional Priority Fund (CPF) Levy and the process for classifying a replacement project
<b>Main Points</b>	Review of Connexional Priority Fund (CPF) Levy policy regarding replacement projects under SO 973 that currently only apply to building projects. Report needed no later than the 2015 Conference with proposals for any amendments to the policy
<b>Background Context and Relevant Documents (with function)</b>	<ul style="list-style-type: none"> <li>• SRC/15/9 M19(2013) Review of the CPF Levy Policy</li> <li>• SRC/14/52 M19 (2013) Briefing Paper – Review of Connexional Priority Fund (CPF) Levy Policy</li> <li>• SRC/14/16 M19 Briefing Paper – Review of Connexional Priority Fund (CPF) Levy Policy</li> <li>• MC/14/58 Replacement Projects (M19) Work to be Undertaken by the Council</li> <li>• The 2013 Conference – Memorial (M19) Replacement Projects</li> </ul>
<b>Consultations</b>	The Trustees for Methodist Church Purposes

**1. Introduction**

1.1 The 2013 Conference accepted Memorial 19 from the North East Somerset and Bath Circuit:

**M19 Definition of replacement projects**

The North East Somerset and Bath (7/13) Circuit Meeting (Present: 49; Voting: unanimous) requests the Conference to review the principles under which a levy upon the proceeds of sale of a property are made under Standing Order 973 and to broaden the definition of ‘replacement scheme’ to include new ventures in mission that may not involve buildings, thereby releasing resources for new models of mission.

The Circuit Meeting recognises that their memorial M17 (2012) to the Conference of 2012 was declined by the Conference but are concerned that this was solely on the grounds of the potential impact on the amount of money that would then be available to the Connexional Priority Fund (CPF). It appears that no consideration was given to the major point of principle that the present arrangements involve a bias towards projects involving new or renewed buildings over against those where churches seek to develop new patterns of church life which do not involve developing their own buildings. The Circuit Meeting again requests the Conference to review the principle that Methodism, as a discipleship movement shaped for mission and as a Church encouraging fresh expressions of church, should give increased resources to work that involves new patterns of church life over against those which relate solely to the replacement of existing buildings.

Whilst the Circuit Meeting recognises that new ventures in mission may themselves attract money from the CPF there is no certainty, when planning future policy, under present Standing Orders that this would be forthcoming.

**Reply**

The Conference thanks the North East Somerset and Bath Circuit Meeting for its memorial.

The Conference has received a number of memorials which seek to expand the definition of replacement projects under Standing Order 973. It is important to consider any amendment to the definition of replacement projects alongside the level of income to the Connexional Priority Fund and commitments of the Connexional Priority Fund.

The 2011 Conference expanded the interpretation of replacement projects to allow for multiple dispositions to not attract the CPF levy and the Methodist Council considered the impact of these amendments in the papers MC/11/20 and MC/11/45. Prior to any further amendments to the definition of replacement projects the Conference considers it appropriate for a full review to be undertaken into the application of the CPF levy and the exemptions and the income from the levy since 2011.

The Conference therefore accepts the request for a review of this policy and directs the Council to undertake a full review of the CPF levy policy and report no later than the 2015 Conference with proposals for any amendments to the policy.

## **2.0 Consideration by the SRC in November 2014**

- 2.1 In November 2014, the SRC received a paper making a recommendation that no changes be made to the CPF Levy policy. The SRC agreed that replacement projects should continue to be classified only where there is a property purchase and that no changes should be made to the policy. The SRC did note that it felt a replacement project may be classified as such where a lease of 5 years or over was being entered with a view to further the mission of the Church.
- 2.2 However it appears that in seeking to undertake a full review of the CPF levy policy, the review undertaken to date has not considered the actual process and how amendments to the process could assist in helping people to be more satisfied with the conclusions reached.

## **3.0 The Current Process**

- 3.1 The Methodist Council annually delegates its connexional authority for classifying a replacement project under SO 973(1) and in October 2014 the Council delegated this to Louise Wilkins and the Revd Gareth Powell. On a day to day basis it is the Conference Officer for Legal and Constitutional Practice who receives requests for classifying a project as a replacement project. If it is a manse being sold and a replacement manse being purchased then this is a simple case of confirming the replacement project. However, many classification requests are more complicated for example where worship has ceased and a building is being sold but a decision is taken after the cessation of worship for *some* members of the former church to amalgamate with a church where redevelopment works are taking place and the claim is then made that this should become the replacement project.
- 3.2 There is currently no appeal route for managing trustees if they feel an error has been made in the decision making process. There is also no ability for anyone or any body to agree that there are exceptional circumstances and therefore that the CPF levy should not apply. There are occasions when classifying a replacement project would seem to be within the spirit of the CPF levy policy but SO 973 makes no allowances for an exception.

## **4.0 The Guidance**

Some clearer definitions for the purposes of classifying a replacement project would assist the decision maker and those seeking to clarify whether or not their project is likely to be classified as a replacement project. Queries around the interpretation of the guidance often leave local Churches and Circuits feeling frustrated when the decision is not made in their favour. More detailed guidance might make it easier for local churches and circuits to accept decisions if they feel the decision is based on a written set of criteria rather than one person's decision.

## **5.0 Recommendations from the SRC in February 2015**

- 5.1 In February 2015, the SRC agreed that it would be helpful to have an amendment to the CPF Levy Policy to allow exceptions to the application of the CPF Levy to avoid some more innovative schemes being not classified as replacements. They felt it would also be helpful to have a consultation group involved to avoid making somewhat subjective decisions.

- 5.2 The SRC recommends that the Council appoint a group to assist with the decision making task, particularly for the complicated cases. The group would only need to be three people and this might include a member of the Connexional Grants Committee, a District Property Secretary and a member of the Council.
- 5.3 In order to develop a more detailed guidance document, the SRC recommends to the Council that the Connexional Team is requested to develop more detailed guidance for the classifying of replacement projects with key terms defined. The detailed guidance should be developed in consultation with the Connexional Grants Committee which has responsibility under SO 971 for administering the Connexional Priority Fund. The SRC also suggested to the Council that a recommendation be made to the Conference that SO 973 be amended to enable the Council to receive requests for exceptions to the application of the CPF levy. This was preferred to a formal appeals process. The Council would however need to develop with the support of the Connexional Team and in consultation with the Connexional Grants Committee a document that sets out the criteria for when applications for exceptions can be made.

Accordingly the SRC passed the following Resolutions.

- 9/1. The Committee received the report.**
- 9/2. The Committee recommended to the Council that it proposes to the Conference an amendment to the CPF Levy policy to allow the Council to grant exceptions to the application of the CPF Levy.**
- 9/3. The Committee recommended that the Council appoints a group to assist with the decision making process for the classification of replacement projects.**
- 9/4. The Committee recommended that the Council produces amended guidance for replacement projects in consultation with the Connexional Grants Committee.**

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**\*\*\*RESOLUTIONS**

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