

22. Methodist Council, part 1

Contact Name and Details:	The Revd Gareth J Powell Assistant Secretary of the Conference and Secretary of the Council Email asc@methodistchurch.org.uk
----------------------------------	--

SECTION A GENERAL REPORT

The Methodist Council is charged under SO 211(2) with responsibility to keep in constant review the life of the Methodist Church, to study its work and witness throughout the Connexion, to indicate what changes are necessary or what steps could be taken to make the work of the Church more effective, to give spiritual leadership to the Church and to report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention.

The full range of papers presented to the Council and the outcomes of the Council's deliberations on them are available on the Methodist Church website at www.methodist.org.uk/council

The report to the Conference is presented in two parts, this one in volume 1 of the *Agenda* and the second in volume 2 of the *Agenda*. The business conducted by the Council at its meetings in October and January is reported here; and the business conducted at its meeting in April is reported in part 2.

These reports contain those items considered by the Council and not reported elsewhere in the *Agenda*.

1.1 Governance Responsibilities

In accordance with its governance responsibilities, the Council:

- noted that the Right to Request Flexible Working Procedure had been amended in line with the revised regulations in the Children and Families Act 2014;
- made a recommendation to the Conference in respect of the extension of an appointment within the Connexional Team;
- noted the Connexional Team workplan for 2014/15;
- authorised the sale of two properties, formerly assets of Hartley Victoria College, and directed that the proceeds should accrue to the Fund for Training;
- received a report from the Committee on Methodist Law and Polity and recommended proposals regarding the replacement of responsible bodies;
- delegated managing trusteeship of 24 Somerset Road, Edgbaston, Birmingham to the Network Committee, directed the Network Committee to oversee the work required to redevelop the property for the use of students of the Queen's Foundation, and agreed to the release of up to £1,900,000 from the Fund for Training for the redevelopment;
- adopted a code of practice for ministerial appointments within the control of the Methodist Council;
- directed the Connexional Grants Committee to oversee a review of the Mission Alongside the Poor programme and to bring proposals to the Council no later than January 2016 (to fulfil the direction of the 2014 Conference);
- appointed working groups in the areas of Resourcing Leadership (NM 206 2014), Fellowship Groups (resolution 31/2 2014), Releasing Property for Mission (resolution 31/4 2014);
- approved the reserves policy and directed the Strategy and Resources Committee to undertake a formal review of the reserves levels every three years;

- discussed the development of a policy for the use of funds in the Connexional Priority Fund;
- adopted the Risk Management Policy, and appointed a working group to work on a 'corporate' risk register;
- appointed connexional committees, trusts and representatives for the year 2014/15;
- received reports from a number of committees and trustee bodies;
- agreed to the economic and demographic assumptions recommended by the Trustee of the Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC) as the basis of the actuarial variation and agreed that the deficit contributions be eliminated by the payment of a single lump sum payment from the World Mission Fund;
- subsequently received an oral report following the valuation of the two pension funds;
- agreed the amendments to the PASLEMC Trust Deed and authorised the Deed to be signed by any two members of the Council;
- approved the revised list of authorisations and delegations;
- endorsed the recommendations of the Strategy and Resources Committee (SRC) regarding work to be undertaken at Methodist Church House, agreed to provide some of the funding and directed the SRC to determine the source of the rest of the funding;
- approved recording guidance for use in safeguarding work in the Methodist Church (jointly with the Church of England);
- noted the changes in safeguarding arrangements and the termination of the existing agreement of a Joint National Safeguarding Adviser post;
- approved the creation of a new Joint Safeguarding Working Group with the Church of England, agreed its terms of reference, and appointed the Methodist members of the group;
- held preliminary discussions about the assumptions to be made in relation to the assessment figure for the connexional budget in future years;
- received update reports from the Connexional Allowances Committee regarding the review of allowances;
- agreed to establish an informal ecumenical group to advise on responding to the threat of political extremism when required (in place of the former Countering Political Extremism Resource Group);
- made appointments to regional training partnership boards.

1.2 Other Business

The Council also:

- nominated the Revd Gareth J Powell as Secretary of the Conference from 2015;
- nominated the Revd Helen D Cameron as Assistant Secretary of the Conference from 2015.

The Council received annual reports from:

- the Connexional Manse Trustees;
- the Connexional Grants Committee;
- the Equality, Diversity and Inclusion Committee;
- the World Methodist Committee.

*****RESOLUTION**

22/1. The Conference received the General Report of the Council.

SECTION B JOSEPH RANK TRUST

The Council received a report regarding the Joseph Rank Trust, and the grants it has made during 2014 to parts of the British Methodist Connexion, as follows:

1. The Joseph Rank Trust is an independent Christian grant-making organisation, and is a practical expression of the strong Christian beliefs of the founder (Joseph Rank) and his desire to advance the Christian faith and to help the less fortunate members of society.
2. The Trust has provided a number of grants to various parts of the Methodist Church in Britain, and also towards the Methodist Church in Ireland, and details of the grants made to Methodist Church of Great Britain in 2014 are listed below.
3. Grants made by the Joseph Rank Trust to Methodist Churches and projects in 2014:

Church Property Schemes

Bridport Methodist Church (LEP), Southampton District	£25,000
Broad Street Methodist Church, Lincolnshire	£20,000
Cefn Methodist Church, Wales Synod	£10,000
Cheadle Hulme Methodist Church	£40,000
Christchurch LEP, Ilkley, Leeds	£20,000
Christchurch Stockbridge LEP, Sheffield	£20,000
Cross Hills Methodist Church, West Yorkshire District	£40,000
Fegg Hayes Methodist Church	£30,000
Kilsyth Methodist Church, Scotland	£22,000
Long Hanborough Methodist Church, Northampton District	£25,000
Moorland Park Methodist Church	£20,000
Oakhanger Methodist Church, Chester and Stoke District	£30,000
Padiham Road Methodist Church, Lancashire District	£40,000
Stratford Methodist Church, London District	£11,750
Summerbridge Methodist Church - Leeds District	£20,000
The Vale Methodist Church, Bolton and Rochdale	£5,000
Trinity Methodist Church - Clitheroe, Lancashire District	£40,000
Wesley Chapel Harrogate, Leeds District	£10,000
	£428,750

Community Service

East Oldham Methodist Church	£37,500
<i>Part-funding the costs of a Community Pastoral Worker (over 3 years).</i>	
Nailsea Methodist Church, Bristol District	£15,000
<i>Part-funding the salary costs of the Families Worker (over 3 years).</i>	
Sandylands Methodist Church - Cumbria District	£30,000
<i>Part-funding the salary costs of a Community Project Worker (over 3 years).</i>	
	£82,500

Youth

Pulrose Methodist Church - Isle of Man District	£45,000
<i>Part-funding the salary costs of a Circuit Youth and Children's Worker (over 3 years).</i>	
Sunderland Methodist Church, Newcastle upon Tyne	£10,000
<i>Part-funding the costs of a Community and Youth Development Coordinator (over 2 years).</i>	
The KEY Project, Cumbria District	£30,000
<i>Part-funding the employment of a Youth Worker (over 3 years).</i>	
Prestwich Methodist Youth Association	£20,000
<i>Part-funding core costs (over 2 years).</i>	
Trinity Methodist Church, Page Moss, Liverpool District	£23,700
<i>Part-funding the salary costs of the Children and Youth Worker (over 3 years).</i>	
	£128,700

The total grants received (all three categories) amounts to £639,950.

*****RESOLUTION**

22/2. The Conference received the Report and noted with thanks the grants provided by the Joseph Rank Trust in 2014.

SECTION C

RELEASING MONEY FOR GOD'S MISSION

1. The 2013 Conference received three memorials (M15/16/17) under the heading 'Releasing money for God's mission'. It adopted a single reply to all three, in which it agreed with some of the points that were made and in addition instructed the Methodist Council to form a working party to consider the issues that were raised and to report back to the Conference no later than 2015. The Conference's reply to the memorial is detailed below.

Reply

2. *The Conference thanks the Chester and Stoke-on-Trent Synod for highlighting the need for churches, Circuits and Districts to ensure that the funds that they hold are maximised for use in God's mission. It reminds District Policy Committees of their responsibility under Standing Order 955(7) to review the state of Model Trust funds held by each Circuit at least every three years and to propose to Circuit Meetings that they transfer money to support projects elsewhere within the District.*

The Conference also reminds trustees of all Methodist money that it should be held in accordance with regularly reviewed reserves policies, which should ensure that trustees do not allow their reserves to be inappropriately high.

Each church is required to submit its annual accounts to the Circuit Treasurer and each Circuit to the relevant District Treasurer. There are no rules which prevent Circuit Treasurers from compiling a summary of the funds held by each church in the Circuit and forwarding them to District Treasurers, or for District Policy Committees to request such information. Such a practice may be seen as embodying the Methodist Church's connexional nature.

However, the Conference also recognises that a coherent approach across the Connexion may be of maximum impact in releasing money for mission so it instructs the Methodist Council to form a working party to consider the issues raised by memorials M15, M16 and M17 and to report back to the Conference no later than 2015.

Introduction

3. The Council appointed a working party, which gathered information from several district treasurers on the reserves that individual churches hold. This enabled the group to gain an insight into how churches operate their funds and what level of reserves individual churches within circuits held. The Working Party discovered many examples of churches using funds imaginatively; often within the context of effective circuit mission plans – with much evidence of good practice. However it also discovered instances of some churches holding significant levels of funds with no discernible plan; sometimes where sadly the level of reserves were significantly higher than the remaining congregation could realistically deploy.
4. A report, *Releasing Resources for Mission: Review of Circuit and other Advance Funds*, which considered future mission strategy and the use of finance, personnel and property was presented to the Conference in 2004. The Conference adopted the report, with three amendments. It is notable that the report stated: *For too long it has been thought that saving all we can meant hanging on to savings and investments often in preparation for a mythical "rainy day". The priority of mission ought to mean that the focus of the use of our resources is an outward movement, more in tune with John Wesley's "give all you can." The priority for the use of our resources is not the maintenance of what we have, but the support of work in the service of God's mission in the world.* [section 5, paragraph 3]

A key feature of the Methodist Church, as a connexional Church, is the sharing of money and resources. It is not a model based on individual churches acting in isolation. This view is echoed in A Generous Life's 'Theological Foundation' paper which states:

Connexionalism itself can be seen as an example of generosity. Connexionalism is about sharing resources, rather than local churches pursuing their own growth and development in isolation from other churches and without concern for the wellbeing of other communities within Christ's Church. Connexionalism also enables the distribution of resources in a way that recognises and responds to the greatest areas of need within the Church. This can make Paul's teaching on the Body of Christ (1 Cor 12) a greater reality.

It is apparent from the work of this Working Party and the 2004 Conference report on resources and mission that concerns of a possible 'rainy day' have often limited churches' vision and ability to discern their mission and their growth as a result. Churches should be encouraged to harness their mission potential by making best use of their resources, which this report aims to do via the recommendations it makes to the Council.

Stewardship

5. As Christians, it is recognised that being accountable for our buildings and money is an important part of being effective stewards. It is important not only that we are accountable, but also transparent; properly discharging the duties of charity trustees. Guidance and tools that assist with the management of funds should be encouraged and utilised. Equally important is the process by which churches decide what level of reserves to hold and assistance needs to be provided for them to determine this within the context of the circuit and their place within it.

Reserves

6. The direction of travel from the General Secretary's reports to the Conference in the last few years has focused on the relationship between stewardship and discipleship and mission. An effective reserves policy is a useful tool in achieving this. To this end, the Releasing Money for God's Mission Working Party revised the Church's guidance on this. The guidance was rewritten to assist Church Councils and Circuit Meetings as trustee bodies to prepare and assist in managing their reserves well, and to ensure that the reserves benefit the mission of the church/circuit as part of the wider Connexion. The Accountancy Support Group endorsed the new reserves policy guidance, which is located on the Methodist Church website as part of the Standard Form of Accounts.

Enabling churches to maximise the benefit of their funds

7. Recommendations regarding governance of monetary resources need to be combined with appropriate planning of mission. This is in line with Charity Commission guidance. The Church's mission fields are its communities, and the foundations are our Local Churches. If we expect to release resources for mission we need Local Churches to be led, inspired, empowered and enabled to use the resources at their disposal. Often this is seen as too difficult because it is not tangible – there is often no planning and very little mission. Some congregations are afraid to fail or waste precious resources, failing to recognise the adage that "if we always do what we always did, we will always get what we always got" hence inertia and a lack of growth as churches settle into a mode of, at best, maintaining the *status quo*.
8. Circuits and churches need to be encouraged to develop simple, realistic mission plans and medium term strategies covering a three to five year cycle. Basics should include who they

are, what they do now, what they discern God is calling them to do in future. Added to that is what they need in order to do it, what they can do with what they have got and who do they need to help them? This can be accompanied by an accountability process to monitor funds, such as the District Policy Committee or equivalent body. Resources cannot be deployed effectively without such planning having been undertaken. Success factors and timeframes need to be simply stated like - when will we do X, Y and Z; what do we expect the outcome to be and how will it be measured? How will we learn from their successes and failures? Encouragement to develop such strategies, and designate money to support them, is already incentivised by links to exemption from levies on Circuit Model Trust Funds under SO 955.

9. The Working Party recognised that Districts have the opportunity to encourage this development and implementation of mission plans via their use of District Advance Funds (DAFs). When considering applications for grants from DAFs, they should require Circuits to demonstrate not only effective plans, but also that their constituent churches are all pooling resources; not that one or two are retaining excessive reserves. The award of such grants should be conditional upon feedback regarding success factors and learning outcomes from mistakes/failures and problems experienced. Small degrees of shift can make a difference locally but doing nothing should not be an option. Therefore it is recommended that the Connexional Grants Committee looks more closely at such means to encourage the releasing of local resources for local mission, via its awards from connexionally held funds, but also the distribution of Connexional Priority Fund levies via DAFs. At its meeting in April 2014 the Council resolved that the long-term uncommitted reserves level of the Connexional Priority Fund (CPF) should be £5m. They currently stand at just under £10m, meaning that the Council is in the process of deciding a process for reducing the level of reserves accordingly. In order to promote mission locally, one of the Working Party's recommendations to the Council is that the balance of the Connexional Priority Fund (CPF) is reduced to the newly adopted reserve level of £5m by increasing the amount distributed to the DAFs over three years.

Connexional Funds

10. The Working Party welcomes the fact that the Council has adopted a new Reserves Policy for connexional funds and that as a result grant budgets from the Mission in Britain Fund and the Fund for Property are planned to be higher for the next three years. However, it is understood that work is underway on a Reserves Policy for all restricted funds coupled with strategic policies for the use of all funds. We trust that this will result in the Council adopting a policy that will ensure its funds are always used effectively for mission and ministry, and thus leading by example.

Bequests/Restricted Funds

11. There are circumstances where churches have money that is tied up in trusts originating from bequests or other restricted funds. Sometimes consent is required from the Charity Commission to release them, sometimes not. Research of funds held by Trustees for Methodist Church Purposes (TMCP) found that in total there are £343m under management within 7,340 trusts. Of these £172m is held on behalf of churches and Circuits. These are held in 7,022 trusts of which 4,269 (58%) have balances of less than £10,000.
12. The Working Party is recommending that the Council encourages churches to investigate the possibilities for freeing up all such money, and in the cases which involve TMCP, the Working Party is recommending that local churches, circuits and districts work with TMCP to free up funds. It recognises that this is additional specialist work which needs to be properly resourced and asks that the Council makes funding available from a connexional fund, such as the Epworth Fund, in order to facilitate it. It is estimated that £60,000 over two years would

provide sufficient input on behalf of the Council on a consultancy basis. The Chief Executive of TMCP has indicated support for such a project.

Obstacles to Releasing Money for God's Mission?

13. Despite the connexional nature of the Methodist Church, resistance to releasing money may be voiced by churches/circuits that do not think that other parts of the Connexion should interfere in how they spend 'their' funds. They may also think that their money should not be redirected to other churches/circuits, as a result of them not having a detailed reserves policy which accounts for their spending.
14. A mechanism currently exists that partly addresses this situation as a contribution is made at the end of each year under SO 955(6) to district Advance Funds from monies held in Circuit Model Trust Funds. The Working Party noted, however, that no such mechanism exists relating to model trust funds held on behalf of individual churches, which is one of the key points raised within these memorials. It therefore recommends, that the scope of SO 955(6) should be extended to include local church Model Trust Funds, so that monies held that are not being used for mission can be channelled into DAFs for distribution to where they can be used most effectively in mission within the district.

Summary

15. There is existing guidance on ensuring that funds held by churches/circuits/districts can be maximised for use in God's mission and its greater use is encouraged. As the response to memorials 15, 16 and 17 stated, "*there are no rules which prevent Circuit Treasurers/District Policy Committees from compiling/requesting a summary of the funds held by each church in the Circuit.*" However, it is understood that the Conference has a role in assisting them in managing their funds, by advocating good stewardship and the implementation of this by the preparation and monitoring of a reserves policy. Although it is the managing trustees of churches and circuits who hold the responsibility to ensure that they are managing their funds well, they do this in the context of their place in the connexion under the leadership embodied by the Conference. Assistance to carry out this task using the tools available would ensure awareness of funds and the opportunity to allocating them for God's mission effectively in the locations of greatest need or potential fruitfulness.
16. The Council therefore makes the following recommendations to the Conference.
 - 16.1 Circuit Treasurers should be required annually to compile a summary of all monies and investments held by each church in the Circuit and forward them to District Treasurers attached to the Standard Form of Accounts. This will ensure that decisions regarding the award of grants and allocation of resources are based on a complete picture of the financial situation of each individual church.
 - 16.2 The Trustees for Methodist Church Purposes (TMCP) should be asked to continue to work with churches to release funds/help churches to release endowment/bequests. Resources to assist this process will be included by the Council within the Connexional Central Services Budget as outlined.

*****RESOLUTIONS**

22/3. The Conference received the Report.

22/4. The Conference directed each Circuit to provide annually a summary of all monies and investments held in each Local Church as set out in paragraph 16.1 of the Report.

22/5. The Conference directed the Council to undertake further work on the proposal to apply the levy in SO 955(6) to local church capital model trust funds and to report their recommendations to the Conference in 2016. [DR 7/10/3]

SECTION D

Chair of the Council

The Council elected the Revd Ruth M Gee for nomination to the Conference as Chair of the Council from 2015-2018.

Ruth Gee was President of the Conference in 2013-14. She is currently Chair of the Darlington District, and Deputy Moderator of the Churches Together in England (CTE) Forum. She is a member of the Faith and Order Committee and for the last three years has been the Methodist Church representative to the URC Mission Council. She was Synod Secretary in the West Yorkshire District. She has chaired the Working Group on Human Embryology and Early Human Life which brought the *Created in God's Image* report to the Conference.

Ruth is committed to facilitate full participation by Council members in meetings of the Council and to ensure that the work of the Council continues to be carefully and rigorously planned, fulfilling the requirements of the Conference and the responsibilities of the Council. Having chaired a number of sessions of the Council during the connexional year 2013-14, as well as presenting an item of Council business to the Conference, Ruth is well placed to chair the Council and represent it in wider connexional circles.

*****RESOLUTION**

22/6. The Conference appointed the Revd Ruth M Gee as Chair of the Methodist Council for a period of three years from 1 September 2015.