

38. Trustees for Methodist Church Purposes (TMCP)

Contact name and details	The Revd Dr Keith Davies, Chair of the Board kjs.davies63@btopenworld.com Mrs Anne Goodman, Chief Executive goodmana@tmcp.methodist.org.uk
Subject and aims	This report provides a summary of the service and work undertaken by the Trustees for Methodist Church Purposes (TMCP) in its role as Custodian Trustee and in support of Managing Trustees across the Connexion.
Resolutions	<p>38/1. The Conference receives the Report.</p> <p>38/2. The Conference appoints the <u>Revd Paul H Davis</u>, the <u>Revd Rodney Hill</u> and <u>Ms Alethea Siow</u> as members of the Board of the Trustees for Methodist Church Purposes.</p> <p>38/3. The Conference, pursuant to clause 2 of the Trust Deed dated 4th September 1939, directs that the bequest from the residuary estate of the late Derek George Phillips be held upon the Model Trust as Connexional Property with the Methodist Council acting as Managing Trustees pursuant to SO 907.</p>
Main points	<p>In the year ended 31 August 2017 TMCP:</p> <ul style="list-style-type: none"> • Helped and supported Managing Trustees: <ul style="list-style-type: none"> ○ providing up to date and comprehensive guidance through its website, Finance and Legal Teams. ○ in their work to generate property income and release funds for mission. ○ completing non-residential leases, shorthold tenancies and licences. ○ by processing £42.3m of property proceeds received. ○ by processing £46.8m in payment requests. ○ administering 6,331 trusts. • Worked closely with the Connexional Team to: <ul style="list-style-type: none"> ○ provide new comprehensive guidance on the new Data Protection Regulations. ○ develop a panel of solicitors for Managing Trustees. ○ outline practical issues arising in the application and interpretation of Standing Orders.
Background context and relevant documents	A full copy of the Trustees Report and Accounts for the year ended 31 August 2017 is available from TMCP's website: www.tmcp.org.uk/about/publications

PART A: GENERAL REPORT

Section 1: Building a sustainable future together

The purpose of the Board (TMCP) is to serve the Methodist Church in the advancement of the Christian faith in accordance with its doctrinal standards and discipline, and any charitable purpose of the Methodist Church or Church organisation.

Our mission is to serve the Methodist Church

Our mission is to support and strengthen the Methodist Church, both by providing practical support to Managing Trustees and by working closely and effectively with our colleagues in the Connexional Team.

We aim at all times to:

- Work within an ethical and Christian framework.
- Act with integrity and patience.
- Listen carefully and communicate effectively.
- Value and nurture the talents of those within the organisation.
- Continue to assist Managing Trustees as much as we can through guidance and training. We are here to provide a service and to ensure that all processes with which we are involved are clearly outlined.

Our vision and goals



Our mission is at the heart of what we do and forms the basis of our vision and goals. Our people are our most valuable resource and we deeply value our connexional relationships. We work closely with Managing Trustees, the Connexional Team, District Property Secretaries and members across the Connexion in their various property and finance roles for church, Circuit and District. In partnership we want to focus on and measure the outcomes of our involvement in this work. We recognise the valuable work of our partners across the Connexion and appreciate that this is often done in a voluntary capacity and with limited resources.

Our vision is:

- to continue to fulfil our principal duty to act as custodian trustee of all properties held on model trusts of the Methodist Church Act 1976 and to show how this provides a meaningful and necessary role in the life of the Church and help it to achieve its mission;
- to provide a comprehensive role as the corporate body of the Church;
- to continue with our specific areas of specialism such as sharing agreements, trusts, data protection and burial grounds;
- to ensure that the TMCP team is utilised in any appropriate area where it can bring a quantifiable benefit and avoid duplication of costs across the Church, while still maintaining clarity and a clear understanding of its role within the Connexion.

Our goals are to:

- To fulfil our responsibility to Managing Trustees through guidance and training.
- To provide appropriate and adequate assistance to the Methodist Connexion.

To ensure that resources match the need now and on an ongoing basis, we have committed our resources including our people, their expertise and our systems to the service of the Church.

Examples of the systems we provide to support Managing Trustees include:

- The Trust Information System (TIS), which provides statements, balances and other trust information to those for whom TMCP holds funds as Custodian Trustee.
- Our website which provides comprehensive guidance on money and property issues for Managing Trustees and their advisers.
- Continuous investment in our staff and systems with the aim to provide a more effective and efficient service. To achieve this we monitor closely the outcomes of our service to Managing Trustees.
- We continue to improve our methods of internal review and also employ the services of an Internal Auditing firm to perform annually at least 20 days of auditing of our core services. There is also an annual review of policies and procedures to ensure compliance with best practice and current legislation.

In partnership, we hope to help and support Managing Trustees across the Connexion to build a sustainable future.

Structure

The Board is a corporate body and was incorporated by the Methodist Church Act 1939. Our governing documents are this Act, our Trust Deed of 1939 and the Methodist Church Act 1976.

The Board meets at least three times a year and is served by three committees; the Executive, Audit and Investment committees. Much of our work is discharged through these committees and by our staff throughout the year.

Our staff comprises three teams including finance, legal and administration. They have considerable experience and wide ranging skills. Our team has many years of combined professional and practical experience in their relevant areas. We are committed to their ongoing training and development and over the past year they have attended training courses on areas such as Property Law, Money Laundering, Charity Law updates and Data Protection. We wish to record our grateful thanks to our staff for their hard work, expertise and dedicated commitment to our mission and to the Church we serve.

Board members

Our Board members are members of the Methodist Church and appointed by the Conference on the nomination of the Board. Nominations are assessed in terms of experience, skills and expertise.

Many of our Board members also undertake the role of Managing Trustees in local Methodist churches around the Connexion. The members of the Board during the year to 31 August 2017 were:

The Revd Rosemarie Clarke	Mr John Bell
The Revd Dr Keith Davies (Chair)	Mr Graham Danbury
The Revd Doreen C Hare	Mr Ralph Dransfield
The Revd Jennifer A Impey	Dr Ian Harrison
The Revd Stephanie J Jenner (appointed 29/6/17)	Mr John Jefferson
The Revd Gillian M Newton	Mr David Moore (retired 29/06/17)
The Revd Kenneth Street	Mr Malcolm Pearson
	Mr G Alan Pimlott
	Mr Ian C White (appointed 29/6/17)

A skills audit is performed annually by the Chair in consultation with all Board members. In addition to regular meetings the Board members also meet to review strategy and key developments.

Working together with Managing Trustees

TMCP are the custodian trustees for all property held on the Model Trusts of the Methodist Church Act 1976, except for that in the Channel Islands or the Isle of Man which are held by their own boards of trustees. This includes nearly all of the property held by the 4410 or so Local Churches, 375 Circuits and 31 Districts. This amounts to approximately 5000 church buildings, 1950 manses and 77 investment properties.

Over the past year we have worked with a large number of Managing Trustees involving many different properties from nearly all 375 Circuits.

This work has generated over 20,000 items of correspondence, including letters, emails and notifications from the online property consents website.

The Board is also custodian of the funds held in 6,331 trusts, a small number of which are under the direct management of the Board and discretionary grants are given from these in accordance with the terms of the trusts. These funds are held for Methodist purposes for Managing Trustees who may be local Church Councils, Circuit Meetings or other bodies of trustees.

In the past year we have reviewed all our guidance to ensure we provide a high calibre, accessible, easy to use and up-to-date suite of reference materials and template documents. This is available via our website and we have introduced a great deal of new guidance.

It is important to distinguish our role as custodian trustees from that of Managing Trustees:

TMCP as Custodian Trustee:

- **We hold legal title.**
- **We have a duty to ensure Managing Trustees do not act in breach of trust.**
- **We do not get involved in the day-to-day management.**

Role of Managing Trustees:

- **Are responsible for the day to day management of the property**
- **Exercise power or discretion in respect of the property**

The activities of the Board for 2016/2017 include, but are not limited, to:

- effecting all sales, purchases and leases of property by Church bodies and checking legal documents before signature by Managing Trustees;
- investing funds received from sales or bequests and transmitting funds for purchases or to meet the cost of projects as instructed by Managing Trustees;
- fulfilling any other duties or responsibilities required of, or appropriate for, the corporate body acting on behalf of the Methodist Church.

Working together with the Methodist Council

We undertake work on behalf of the Methodist Council, and in recognition of this work, the Methodist Council makes an agreed annual contribution towards the staff costs of the Legal Team.

Connexional Property Development Committee

We continue to support the work of this committee by providing representation from the Board and also attendance from the Chief Executive at these meetings. TMCP recognises the distinct advantages of this collaborative way of working.

TMCP as a corporate body

TMCP continues to take advantage of its unique position as a body corporate in a number of ways and is always looking for other cost saving opportunities for the Church. For example, in this role we are able to hold the copyright for publications on behalf of the Church under the direction of the Methodist Council, including *Singing the Faith* and works held in the Art Collection. In addition, we assist Managing Trustees across the different legal jurisdictions of the United Kingdom in relation to their letting of residential property. We are registered, on behalf of Managing Trustees, as landlord for the Scottish Landlord Register and also for the Rent Smart Wales scheme. In England, a different type of scheme operates. However, in our role it is possible for us to offer guidance to Managing Trustees in relation to the scheme relevant to them.

Connexional Joint Working Party for Legal and Property Support

TMCP is committed to supporting this initiative and engaged with the Working Party as requested. This has included furnishing the group with information in respect of processes, policies and ways of working and facilitating joint meetings with our Executive committee members, Chief Executive and Legal Manager. We are looking forward to the publication of the Working Party's findings and to embracing any recommendations that arise out of the review.

Working together with the Connexional Team

We work in partnership with the Connexional Team, including the Conference Office, the Connexional Secretary, and Support Services, including the Consents Team and the Conservation Team.

Panel of solicitors

In partnership with the Conference Office and the Connexional Team's Procurement Officer, we have developed and completed a tendering process of a panel of solicitors for use by Managing Trustees. After a thorough selection process, five firms have been selected for the panel. The firms are all experts in charity law and are able to provide a wide range of legal advice to Managing Trustees in most technical areas, including, property, charity and employment law. TMCP and the Connexional Team see this as a key development and have consequently invested a great deal of time and resources in its formation.

Data protection

With the Connexional Team, we formed a joint working party on data protection. Together we have undertaken a comprehensive review of data protection in light of the introduction of the General Data Protection Regulations (GDPR) – which, at the time of writing this report, is due to come into force on 25 May 2018.

This has led to the Connexional Team becoming a data controller for the Information Commissioner's Office (ICO), to cover those data processing activities which fall outside TMCP's registration including Safeguarding, Complaints and Discipline, as well as those areas for which they are solely responsible.

TMCP will continue to act as the Data Controller for all churches, Circuits and Districts who are deemed to be Data Processors, ie those who deal with data/information on behalf of the Methodist Church. This will continue to be the position after the introduction of the GDPR, with the exception of the areas now covered by the Connexional Team registration.

Consents Liaison Group

TMCP takes an active part in referring issues that come to our attention in respect of the Consents system. This group comprises members of TMCP and the Connexional Team and meets regularly to discuss technical and practical matters regarding the Consents database and website application.

Conservation Team

The connexional Conservation Team is based in our offices and we enjoy a good relationship with the team as we are in daily contact with them about properties across the Connexion.

Working together with the Central Finance Board

The Finance team work closely with colleagues in the Central Finance Board (CFB) and the Connexional Team in relation to the investment of funds on behalf of Managing Trustees. In addition, in recognition of the close working relationship Anne Goodman (Chief Executive), acting as a representative of TMCP, continues to be a member of CFB's Council and also currently chairs their Audit Committee. It is an exciting time for CFB while it continues to implement its development strategies and TMCP welcomes the collaborative approach of its Board and staff team.

Section 2: Outcome-focused

We closely monitor the service we provide to Managing Trustees. This includes the volume of incoming and outgoing correspondence to identify turnaround times. Whilst incoming correspondence continues to rise, we have been able to achieve an average response time of 8.3 days (2015/2016: 9.2 days). Many matters are dealt with quicker than this, but the more complex matters push the average response time up. In 2015/2016 we received approximately 19,000 items of correspondence and this increased to over 20,000 items in 2016/2017.

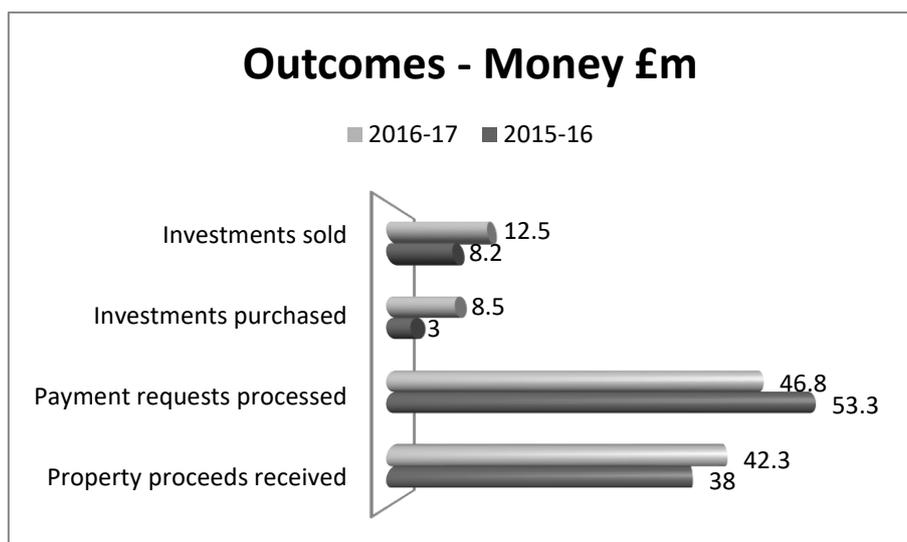
We are looking at how to monitor our work in a variety of ways to ensure that our systems and processes are as efficient and effective as possible. Whilst we understand that turnaround times are important we also want to focus on outcomes for Managing Trustees to maximise the way we can help and facilitate them in their ongoing mission.

We are developing Key Performance Indicators (KPIs) and a matter management system to provide sufficient data to measure our performance against these KPIs.

We would encourage those interested to review our website in order to understand the breadth of the work of the team. However, in summary:

The Finance Team supports the Board's role as custodian trustee by planning and performing all financial operations relating to the receipts and payments of Model Trust monies as well as the investment of funds on behalf of Managing Trustees.

Some of the highlights of activities undertaken during the last connexional year are as follows:

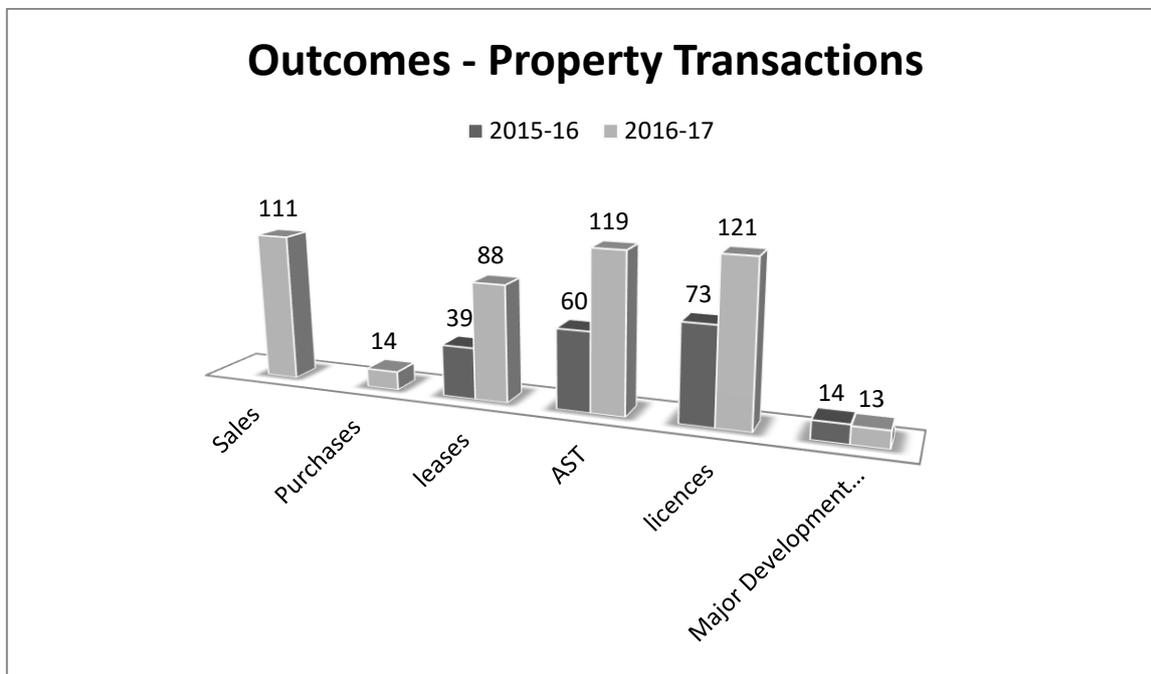


The Trust Information System, an online system which TMCP developed in 2014, provides online access to trust statements, balances and other information. There were 2,631 users during 2016/2017 (2,269 in 2015/2016).

The Legal team continues to help Managing Trustees across the Connexion to secure income from their property to fund mission including granting non-residential leases, residential tenancies and entering into licences and one-off booking forms. During the connexional year 2016/2017, they have

also assisted Managing Trustees with guidance on new major redevelopment projects, property sales and purchases of new property as well as trust matters, bequests, ecumenical issues and other queries.

In the year 2016/2017, the Legal team has assisted Managing Trustees in relation to the following transactions:



Section 3: Resources and investment

It has been the ongoing policy of the Board to drawdown £100,000 each year from reserves to cover its running costs and not pass on to Managing Trustees the full running costs of our organisation. In recognition of a desire to continue to cap the recharging of its costs to the Connexion, in 2016/2017 the Board increased this draw-down to £130k. The Board hopes to be able to continue this policy for the foreseeable future. Since 2015 the Board has committed over £90k to invest in infrastructure projects including upgrades to our IT systems and the development of our website. We are committing further investment for a proposed matter management system.

Section 4: The future

Working together remains at the heart of what we do. TMCP values the close relationships it has with the Connexional Team, District Property Secretaries, District Chairs etc, and sees these relationships as crucial in helping Managing Trustees in their day to day management of the property and assets they are responsible for.

The provision of comprehensive guidance on data protection is a good example of this joint working and we hope that it will be possible to work together on many more similar projects. The sharing of our joint expertise offers substantial cost savings for Managing Trustees across the Connexion. In relation to the changes in the data protection legislation it will not be necessary for Managing Trustees to pay for external training or guidance because detailed and easy to use resources will be provided on our website. We will be adding a training video to our website on the changes to the data protection regulations and intend to develop this resource with further videos over the coming year. Legal team members will be providing a detailed presentation to District Chairs on the changes to the data protection regulations. Further guidance and training are being developed which will be specific to the needs of the Methodist Church. We wish to thank all staff involved who have put in considerable time and expertise to progress this additional work.

In collaboration with the Conference Office, the development of the panel of solicitors offers Managing Trustees the opportunity to instruct solicitors who will work closely with us to ensure legal transactions proceed more quickly and more cost-effectively.

Our website continues to be developed and there are many guidance and focus notes being updated regularly which Managing Trustees will find helpful. We have introduced a news hub to provide updates on any changes in relation to the law or processes relating to money or property. Subscribers to our website receive automatic updates. Have you subscribed? If not, you can do so by adding your email address on the link on our website's homepage. It is simple to do and can be found if you scroll down our website's homepage at www.tmcpc.org.uk/

We are also in the final stages of our project to develop key performance indicators and a matter management system. This project has involved reviewing our existing systems and identifying the most appropriate ways of capturing data to monitor the services we provide. This will ensure that we achieve the efficiencies we want to deliver to Managing Trustees.

We continue to encourage applications to be made in respect of the discretionary funds for which we have responsibility. The protocols and details of how to apply are on our website. Alternatively please contact the Revd Doreen Hare for further information.

TMCP is committed to serving Managing Trustees as they discern their calling to use their assets as effectively as possible. By working together we can offer support to enable them to build a sustainable future for their societies by securing the right buildings and assets for their needs now and in the future. We look forward to serving you and working with you in the coming year.

*****RESOLUTION**

38/1. The Conference received the General Report of the Trustees for Methodist Church Purposes.

PART B

Membership of the Board

The Board is required to report to the Conference if any members have resigned, died, become bankrupt or made an assignment with their creditors, resided outside the United Kingdom for more than twelve months, refused or become unfit to act or ceased to be members of the Methodist Church so that new appointments can be made by the Conference on the nomination of the remaining members of the Board.

Changes in office

1. Resignations

The Revd Kenneth Street has resigned as a member of the TMCP Board with effect from October 2017. The Revd Stephanie Jenner has indicated her intention to resign as a member of the Board prior to the Conference 2018 and will be contacting the Secretary of the Conference accordingly.

Mr G Alan Pimlott has also indicated his intention to resign as a member of the Board prior to the 2018 Conference, and will be contacting the Secretary of the Conference accordingly.

2. Board Membership as at 28 February 2018

The Revd Rosemarie Clarke	Mr John Bell
The Revd Dr Keith Davies (<i>Chair</i>)	Mr Graham Danbury
The Revd Doreen C Hare	Mr Ralph Dransfield
The Revd Jennifer A Impey	Dr Ian Harrison
The Revd Stephanie J Jenner	Mr John Jefferson
The Revd Gill Newton	Mr Malcolm Pearson
	Mr G Alan Pimlott
	Mr Ian White

3. Nominations for appointment to the Board

Further to Section 4(3) of the Methodist Church Act 1939, the Board nominates:

The Revd Paul H Davis
The Revd Rodney Hill
Ms Alethea Siow

Paul Davis is the Chair of the Lancashire District.

Rodney Hill is the Mission Enabler for the Manchester and Stockport District.

Alethea Siow is a solicitor and a Circuit Steward of the West London Mission Circuit, a director of the West London Mission Housing Association and a member of the connexional Property Development Committee.

*****RESOLUTION**

38/2. The Conference appointed the Revd Paul H Davis, the Revd Rodney Hill and Ms Alethea Siow as members of the Board of the Trustees for Methodist Church Purposes.

PART C

Declarations under the Methodist Church Trust Deed 1939

From time to time property is bequeathed to the Trustees for Methodist Church Purposes where no express or special trusts are declared by the legatee or where those terms are uncertain or are wishes only. In such cases clause 2 of the Trust Deed of 1939 adopted by the Conference further to Section 11 of the 1939 Act empowers the Conference to declare the trusts upon which the Board is to hold the property.

Derek George Phillips Deceased

Derek George Phillips, by his Will bequeathed:

“To the Trustees for METHODIST CHURCH PURPOSES of Central Buildings Oldham Street Manchester M1 1JQ the sum of One Hundred Thousand Pounds (£100,000) with the recommendation that it be invested in the Central Finance Board Mixed Fund Units and that the income arising therefore be paid in The General Fund account of Wesley Memorial Church New Hall Street Oxford” (Bequest 1)

“MY TRUSTEES shall hold my Residuary Estate upon trust for OXFAM of 274 Banbury Road Oxford OX2 7DZ and the Trustees for METHODIST CHURCH PURPOSES in equal shares absolutely” (Bequest 2)

With Bequest 2, the Board has received an interim distribution of £1,700,000. It is preferable that the bequest from the estate of the late Derek George Phillips is available for the widest possible purposes. Therefore it is proposed that the Conference direct that the bequest be held upon the Model Trusts as Connexional Property. Such property is then the responsibility of the Methodist Council as the appropriate Managing Trustees pursuant to SO 907.

*****RESOLUTION**

38/3. The Conference, pursuant to clause 2 of the Trust Deed dated 4th September 1939, directed that the bequest from the residuary estate of the late Derek George Phillips be held upon the Model Trusts as Connexional Property with the Methodist Council acting as Managing Trustees pursuant to SO 907.