

6. Special Resolution

Contact name and Details	Richard Hood, Interim General Counsel and Company Secretary hoodr@methodistchurch.org.uk
---------------------------------	--

Special Resolution submitted by the 2019 Conference to the Methodist Council under Standing Order 126(1)(c)

Under Standing Order 126, special resolutions of the Conference require to be confirmed the following year after appropriate consultation before they can become effective. For the purpose of consultation, they are either referred to the Methodist Council (unless moved on the Council's behalf, in which case they are referred to the Law and Polity Committee) or dealt with as provisional legislation under Standing Order 122 and submitted to the Synods and the Law and Polity Committee.

The bodies consulted may approve or disapprove the resolution but may not amend it.

The 2019 Conference referred one such resolution to the Methodist Council. The background information and proposed amendments to the Model Trusts and Deed of Union are set out below.

1. The Law and Polity Committee has noted, following communication from the Charity Commission, that there were examples across the Connexion of managing trustees being appointed to paid roles and/or as lay employees without the consent of the Charity Commission having been obtained. At the moment should any managing trustee body wish to appoint one of its trustees to a paid role it would be necessary, in the Charity Commission's view, to obtain its consent (or potentially the consent of another relevant authority if outside England and Wales) before being able to make such an appointment. It should be noted that reference to a 'paid role' within this section does not include a minister who is being appointed to an appointment within the control of the Church. This section is mainly concerned with managing trustees or persons connected with them being appointed as lay employees within a Local Church, Circuit or District.
2. A charity may, however, at least in England and Wales, include within its governing documents a power to appoint charity trustees or a connected person to a paid role for the charity without the need to obtain Charity Commission consent so long as conflicts (particularly when voting) are appropriately managed. The amendments below propose the inclusion of such a power in the Model Trusts. The opportunity has also been taken to make clear that an existing employee who becomes a managing trustee is entitled to retain the benefit of any improvements in his or her terms and conditions of employment made subsequently, and to clarify the position in relation to ministers.

3. Finally, the opportunity has been taken to propose the inclusion of an express power for managing trustees to engage in transactions with one of their number or a connected person, while recognising expressly that such transactions require the authority of the Charity Commission in England and Wales and may require the authority of a regulator in other jurisdictions.
4. It is proposed to amend the Deed of Union so that the same provisions apply when the business under consideration is not Model Trust business.
5. There is clearly the potential for many members of the Conference to have a conflict of interest when exercising their vote in respect of the proposed amendments to the Model Trust and Deed of Union. Details on how any conflicts will be managed when voting at the Conference will be contained within a report of the Conference Law and Polity Sub-Committee.
6. The proposed amendments to paragraphs 2 and 16 of the Model Trusts and insertion of a new Trusteeship section and new clause 42A to the Deed of Union are special resolutions and will therefore need to be submitted to the Methodist Council for approval or disapproval in accordance with SO 126(1)(c).

Model Trusts

2 Managing trustees. (1) Subject to the provisions of this Part of this Schedule, so long as any model trust property or any part thereof shall be held, used or applied so as to fall within any category mentioned below, the managing trustees of such property or such part thereof shall be the body of persons or the person or persons (or such of those persons as shall have attained full age) specified immediately after such category as follows:

(a) – (e) [*unchanged*]

(2) *Employees of managing trustees may become members of the body constituting those trustees ex officio or by election or appointment on the same basis as if they were not employees and may retain any increased benefits resulting from a subsequent change or changes to their terms of employment as if they were not trustees.*

(3) *For the avoidance of doubt, a person may be a trustee and exercise trustee functions under sub-paragraph (1) above notwithstanding the fact that he or she is a minister, exercises those functions as part of his or her ministerial responsibilities and is also in receipt of a stipend and other benefits as a minister.*

16 General powers of managing trustees. (1) Subject to any statutory restriction and to the provisions of this Schedule, the managing trustees may –

6. Special Resolution

(a) – (o) [*unchanged*]

(p) subject to compliance with Standing Orders as to conflicts of interest:

- (i) employ or engage the services of any managing trustee or connected person at remuneration and on terms not more preferential than would be accorded to a member of the public with the same qualifications and experience;**
- (ii) subject to any obligation to obtain a necessary consent, buy or sell land or goods from or to any managing trustee or connected person on terms not more preferential than would be accorded to a member of the public for the same transaction.**

(2) In sub-paragraph (p) the expression “connected person” has the meaning given by section 188 of the Charities Act 2011 and the expression “necessary consent” means:

- (i) in England and Wales, the consent of the Charity Commission if required by statute;**
- (ii) in other jurisdictions, the consent of any person or body whose consent is required under the law of the relevant jurisdiction.**

Deed of Union

Section 10A Trusteeship

42A Benefits to trustees. The provisions of paragraphs 2(2) and (3) and 16(1)(p) and (2) of the Model Trusts shall apply, with any necessary changes, to all Church Courts and their members when acting as charity trustees, notwithstanding that they may not be transacting Model Trust business.

The Methodist Council approved the Resolution.

*****RESOLUTION**

6/1. The Conference confirms the amendments to the Model Trusts and the Deed of Union as set out above.