

36. Methodist Ministers' Housing Society (MMHS)

Contact name and details	Mairi Johnstone CEO mjohnstone@mmhs.org.uk
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1. Introduction

This report covers the period **1 September 2023 to 31 August 2024**, but we also comment on matters of note from 1 September 2024 to date.

Our vision adopts words found in Acts 4:34, 'There was not a single person in need among them'.

Our mission is to meet the housing and housing-related needs of retired Methodist ministers of limited means, their spouses, widows and widowers, and to offer support for their wellbeing in the key areas of mobility and independence.

Our core values are underpinned by a Christian ethos of which we are proud. Our concern is to show high standards of care in all we do, and to be professional both as individuals and as an organisation.

2. Overview of the period

We had the great pleasure of celebrating our 75th anniversary in 2023. We enjoyed commemorating the year in many ways, from the commissioning of a contemporary hymn, *Christ is the Cornerstone*, to the hosting of a dinner for an inspiring gathering of people who, one way or another, were connected to our charity and its work.

We made good progress against our targets, in yet another challenging geo-political and economic environment. We faced many challenges – continued supply chain problems, the effects of inflation, and recruitment struggles to name but three. Each presented an opportunity to learn from our experiences, focus on our long-term financial resilience, and upskill and develop our people.

3. Housing provision during the period

At year-end, 31 August 2024, we had 874 properties. Of that number, 672 were occupied by our ministerial residents, 101 by market tenants and 101 (also) were unoccupied. The number of unoccupied properties was unusually high due to implementation of our plan to sell our market-rented portfolio.

We were pleased to provide housing for 18 new ministerial residents during the period. We also transferred six ministerial residents to alternative properties.

Our Equity Sharing Scheme enables our ministerial residents to acquire a financial interest in their property. At year-end, 31 August 2024, 375 ministerial residents had equity interests with a total fair value of £17.739m.

During the year, we provided housing through a mix of newly purchased properties and ones identified from within our existing portfolio. One key consideration we have is the suitability of properties for long-term independent living.

4. Rent and finances for the period

Our standard charitable rent is the same for all our ministerial residents; for 2023-24, the rent was £344pcm (£4,128pa). Some of our ministerial residents pay a higher rent if their income in retirement is above the upper-limit figure set for our standard charitable rent.

We continued to cross-subsidise those less able to pay using our designated Wellbeing Fund. We are pleased that we can maintain a standard charitable rent which is well below those set by social housing providers, and substantially below market level rents.

Rental income from ministerial residents amounted to £2.555m for the year. A further £1.765m of rental income was generated from market tenancies, £574k from interest and dividends, £1.208m from legacies and bequests, and £66k in grants from Fund for the Support of Presbyters and Deacons (FSPD).

Donations amounting to £45k were also received from individuals, churches and Circuits within the Methodist family. The net surplus derived from the sale of surplus properties amounted to £1.655m.

Total expenditure in the year was £7.603m. The main components of our cost base were property maintenance, refurbishment, office-based operating costs, depreciation and salaries. The year finished with an operating surplus of £265k and an overall surplus of £1.475m after taking into consideration, an unrecognised gain on fixed asset investments.

MMHS's closing year balance sheet net assets were £190.215m.

5. Management of our properties and our wellbeing initiatives

We maintain and repair our properties regularly. More than 975 jobs were completed. These included 18 bathrooms, 31 driveway repairs and 90 external decorations. We also refurbished seven kitchens and replaced 48 boilers and 16 sets of windows and doors.

In addition to maintaining and repairing our properties, we routinely inspect them to ensure compliance with electrical and gas safety standards. Electrical inspections and associated remedial works are administered and undertaken by HES Fire Protection Limited. Gas-Elec Group are our national supplier for annual gas compliance checks.

We delivered three refurbishment projects. This number is significantly less than previous years and reflects our move to buying for new ministerial residents.

A key part of our strategy is enabling our ministerial residents to remain in their own homes for as long as possible, if this is what they wish to do. We were able to deliver this part of our strategy, in part through the provision of direct grants for building adaptations such as grab handles, handrails, and external ramps. These items are usually put in a property following a request from a ministerial resident or a member of their family or community.

During the year, a total of 13 mobility improvements were carried out at a cost of just over £66k. The new post of *Housing and Wellbeing Officer* (HWO) has transformed what MMHS is able to offer by way of wellbeing support. We are already evidencing benefits, not only in terms of emotional and practical outcomes for applicants, ministerial residents and their families, but in terms of greater efficiencies and effectiveness. We are also focused on the new opportunities we have, to strategically – and practically – link our wellbeing initiatives to our safeguarding responsibilities.

We developed our Wellbeing Fund under five categories of support – general expenditure, IT, maintenance and repair, rent subsidising and mobility. This demonstrates the width of coverage, and, in time, the fund will grow to enable yet more support.

6. Board of Trustees

At year-end, 31 August 2024, MMHS had nine trustees. The Chair and the CEO worked closely together to manage the business of the board, the effective stewardship of MMHS's assets, and the sound governance of its operations. Trustees are expected to keep themselves up to date with legislative and regulatory developments and take part in the MMHS Trustee Learning and Development programme which has been developed to equip them to perform well in their trustee roles.

7. Staff

During the reporting period, the Senior Management Team comprised the CEO and three executive Directors, two for part only of the year. The CEO is responsible for the implementation of the decisions of the trustees and the day-to-day management of the affairs of MMHS. The CEO is also the Company Secretary. The CEO is responsible for effective management systems to ensure all staff have clarity about their roles and objectives and have the appropriate appraisals and training to enable them to fulfil their roles and contribute to MMHS's strategic objectives.

8. Plans for the future

We are now well into the third year of our Strategy for 2022-2027. We are pleased with the progress we are making in expanding our present mission. We were delighted to appoint the HWO, to help us crystallise our ambitions to put wellbeing at the heart of our mission. We are planning for yet more growth in this area.

In furtherance of our commitment to look after both our properties and the people in them, we were pleased to hire a firm of surveyors and energy advisors to undertake a multi-faceted survey on our behalf. They were undaunted by our geographical spread. We added a 'people' section to the survey, addressing mobility and access issues on the part of our ministerial residents. This survey will inform our strategic planning for many years to come and will equip us to deliver our mission even more effectively.

We are embracing technological change to drive digital transformation. We know digital transformation will benefit MMHS immensely. As a digital enterprise – our aspiration – we know our mission will be delivered better and we expect the experience of our beneficiaries to improve.

Despite all our efforts to widen and deepen our present mission, we are acutely aware of the impact of the declining number of Methodist Ministers in active service. We expect the need for our services to decline markedly from the late 2020s onwards. Mindful of our stewardship responsibilities, we are pushing ahead with our plans to establish a new mission for MMHS, to run in parallel with our present mission. We will be able to share details in due course.

9. Conclusion

Thankfulness is the word that springs to mind when thinking of a conclusion to this report – for what has been and for what is to come. We have been greatly blessed as an organisation and our expectation is that blessings will continue to flow.

*****RESOLUTION**

36/1. The Conference received the Report.