

## 43. Relief and Extension Fund for Methodism in Scotland

<b>Contact Name and Details</b>	E A L Wallace General Secretary and Trustee ted.wallace@blueyonder.co.uk
<b>Resolutions</b>	43/1. The Conference receives the Report.  43/2. The Conference approves the actions proposed in the Report.  43/3. The Conference approves the Regulations and Directions for the Administration of the Fund as set out in section 7 of the report.

### Summary of Content

<b>Subject and Aims</b>	This Report offers an update on the activities of the Relief and Extension Fund for Methodism in Scotland for the year ended 31 December 2014.
<b>Background Context and Relevant Documents (with function)</b>	Deed of Trust Relief and Extension Fund for Methodism in Scotland (Report 38 to the 2014 Conference)

#### 1. Legal

- 1.1 The fund is governed by a Deed of Trust registered in the books of the Lords and Council and Session at Edinburgh on 4 November 1869. The Deed narrates resolutions of the Conference of 1869 as to the raising, administration and purposes of the Fund. (See Standing Order 476 for further information.)

**The purposes of the said Relief and Extension Fund for Methodism in Scotland should be as follows:**

- (1) The liquidation of debts yet remaining on Methodist Churches, Chapels or Manses in Scotland or debts that may yet be contracted with the sanction of the connexional property committee,
- (2) The purchase or erection of new or additional places of worship and of sites for such objects, and
- (3) The acquisition of Manses or investment of money to meet house rents thus making provision for the residences of ordained ministers where at present only Probationers are stationed and from time to time in other places as occasion may arise.

#### 2. Administration

- 2.1 The means of Aid is by way of Grants and/or interest free loans but no funds can be allocated unless the Project requires approval under the Methodist Church Property Consents Procedure, sanctioned and approved by the District Consents Panel and, where appropriate, the Connexional Conservation Officer. Where a grant has been made it remains refundable if the property is subsequently sold. There appear to be a number of such refunds outstanding at the present time and research into this was carried out.

2.2 The present Trustees are:

The Revd Dr David P Easton – Synod Chair; the Revd T Alan Anderson – Presbyteral Synod Secretary; the Revd Allan Y Loudon – District Ministerial Property Secretary and the Revd John A Butterfield – District Home Mission.

Dr Alan J Hayes; Mr David A Easson; Mr Edward A L Wallace (General Secretary): and Miss Maureen G Anderson.

The General Committee consists of the Trustees, General Treasurer, the District Lay Property Secretary – Mr Phillip A Haggis, the Superintendent Ministers of every Circuit and Mrs Margaret Brown, Mrs Jenny Easson and Mr Sandy Laurie as Synod nominated lay members.

The General Treasurer of the Fund for 2014 was Mrs Ann Bradley.

### 3. Financial

3.1 The incoming resources of the Fund for the year ended 31 December 2014 was £17,939 (2013 £15,024). The increase over the previous year was due to higher interest free loan repayments.

The net of incoming resources for the year after deducting grants paid and expenses was a decrease of £46,237 (2013 decrease £7,953). The decrease over the previous year was mainly due to the completion of projects approved and delayed from the previous years.

3.2 During the year Aid totalling £9,000 was considered by the General Committee.

3.3 Grants previously approved paid out totalling £27,500 (2013 £5,325).

3.4 Loans previously approved paid out totalling £10,500 (2013 £1,775).

3.5 The General Fund balance at 31 December 2013 (£10,743.88) was allocated to the Capital Fund by the purchase of further TMCP Mixed Managed Units as agreed by Synod and consented to by the 2014 Conference.

3.6 Investments in the CFB Mixed Managed Fund have been stated in the accounts under review at 31 December 2014 market value £189,773 (2013 £174,662). Despite the increased number of units held by the 2014 year end there was an unrealised gain of £4373 (2013 gain of £19,267). The accumulated unrealised gain at 31 December 2014 was £132,465 (2013 £128,092).

3.7 Balances at 31 December 2014 were General Fund £10,545 (2013 £10,744), Grant Fund £36,938 (2013 £65,945) and Loan Account £27,395 (2013 £32,980), outstanding loans at 31 December 2014 amounted to £13,365 (2013 £10,470). The overall Fund balance at 31 December 2014 was £264,652 (2013 £284,303).

### 4. Grants

4.1 The following grants, approved in previous years, have been paid:  
Paisley Central Hall £7,500 Kirkcaldy Methodist Church £20,000

4.2 No Grants were paid during the year.

4.3 The following grants have been considered by the General Committee and approved in principle but not paid during the year:  
Inverness Manse £6,750

## **5. Loans**

- 5.1 The following loans approved in previous years, have been paid:  
Paisley Central Hall £2,500 Kirkcaldy Methodist Church £8,000
- 5.2 No loans were paid during the year.
- 5.3 The following loan has been considered by the General Committee, approved in principle but not paid during the year:  
Inverness Manse £2,250

## **6. General**

- 6.1 After due consideration of the General Committee, Notice of Subscriptions for the connexional year 2014/15 were despatched to Circuit Treasurers on 29 March 2014.
- 6.2 Loan instalments are collected half-yearly in May and November.
- 6.3 Although in the event it did not materialise this year the General Committee propose, that if there are insufficient immediate funds to satisfy approved applications for Aid, then up to £10,000 be transferred from the capital fund to meet that need from the sale of Units in the Investment Trust held on behalf of the Fund by TMCP.
- 6.4 After some consideration of new situations in respect of property development not envisaged by the original trust deed and original "Regulations and Directions for the Administration of the Fund" of 1881, the General Committee agreed that a new updated set of "Regulations and Directions" be put to the Conference for their consent to introduce them with effect from 1 September 2015. A copy of these proposed new Regulations is set out in section 7 below.
- 6.5 The trustees had received a letter from the Circuit Treasurer of the Edinburgh and Forth Circuit relating to historical contingent liabilities, ie requests for repayment of grants on properties disposed of over six years ago. The letter went on to say that the matter had been put to the recent Circuit Treasurers meeting and the Circuit Treasurers present had agreed that there should be no such liability on the old properties listed on the sheets supplied by the General Secretary to each Superintendent. Having considered this matter the Trustees considered that there was no time bar in place relating to these historical contingent liabilities but conceded that there was no evidence of an approach having been made at the time seeking repayment. However the Trustees put to the General Committee that, bearing in mind the present financial strains being placed on Circuits, a pragmatic solution would be to waive such historical contingent liabilities. After some discussion the General Committee agreed that such historical contingent liabilities be waived subject to consent by Conference. The General Secretary was instructed to send out lists of liabilities every 5 years.
- 6.6 After consideration by the Trustees a proposal in respect of the allocation of the General Fund balance (£10,545.04) as at 31 December 2014 was put to the General Committee. They agreed that the balance should be wholly allocated to the Grants Fund. This proposal was put to the Synod and accepted but now requires the consent of the Conference.
- 6.7 A copy of the Final Annual Report and Accounts for 2014 will be available during the Conference.

## **7. Regulations and Directions for the Administration of the Fund**

### **Preamble**

The Purposes, Constitution, and Administration of the Fund are already determined by the Conference of 1869, and contained in the Deed of Trust of the Fund registered in the Books of the Lords of Council and Session at Edinburgh on 4 November, 1869. These regulations and directions for the administration of the Fund do not change the conditions of the original Trust Deed but are updated to take note of the many changes in Methodist practice since the original such regulations and directions were first agreed by Conference in 1881. Approved by the 2015 Conference.

### **PURPOSES**

1. The liquidation of debts yet remaining on Methodist Churches, Chapels, or Manses in Scotland, or debts that may yet be contracted with the consent of the Appropriate District Authority (and the Connexional Conservation Officer where appropriate).
2. The purchase or erection of new or additional Places of Worship, and sites for such objects.
3. The acquisition of Manses, or investment of money to meet house rents, thus making provision for the residence of ordained Ministers where at present only Probationers are stationed, and, from time to time, in other places as occasion may arise.

### **CONSTITUTION**

1. The Scotland Synod shall nominate a Committee of Ministers and Laity, to be annually submitted to the Conference for appointment, and to act in harmony with the Connexional Property Consents procedure.
2. The arrangements for raising this Fund shall not interfere with the existing Rules of the Connexion with reference to the Property Fund, the collections and subscriptions for which shall be gathered and forwarded as heretofore, and as though no separate fund for Scotland existed.
3. The money distributed from this Fund shall be granted only to schemes which shall receive the consent of the Appropriate District Authority (and the Connexional Conservation Officer where appropriate).
4. The General Committee for the Relief and Extension Fund to be annually submitted to the Conference for appointment, shall consist of the Superintendent of each Circuit, one lay person from each such Circuit, and of such other person or persons from any Circuit in Scotland as the Scotland Synod may from time to time determine; reserving, however, to the Scotland Synod full power, with the consent of Conference, to alter or modify the constitution of such General Committee from time to time as circumstances may, in their opinion, render desirable.
5. The meetings of this Committee shall be held prior to any Scotland Synod, and at such other times as the Chair of the Scotland Synod may deem necessary.
6. The funds for the Relief and Extension Fund shall be raised by donations, legacies and annual subscriptions from each Circuit, as determined by the General Committee, to be paid weekly, monthly, quarterly, or annually. Each Methodist Trust in Scotland shall also be respectfully requested to contribute an annual subscription.

7. The members of the General Committee shall be responsible for the interests of the Fund in their own Circuit and localities, and may form a Local Committee to aid them if they find it desirable to do so.
8. The General Committee shall annually, at their autumn meeting appoint, either from their own number or otherwise, one or more suitable persons to be General Secretary or General Secretaries of said Fund, and one or more suitable persons to be General Treasurer or General Treasurers of said Fund.
9. All moneys received for the Fund shall be forwarded monthly to the General Treasurers.
10. A financial Report of the Fund shall be sent through the Scotland Synod to the Conference every year.

#### ADMINISTRATION

1. All donations, collections, and subscriptions shall be invested until the Fund shall amount to £5,000. To this shall be added income arising from legacies, *special* donations, and from all *extraordinary* sources, until the Capital Fund shall reach at least £10,000.
2. The interest of the first £5,000 of invested capital shall be carried yearly to a separate account, and shall be used for a *Loan* Fund. The interest of any additions which may be made to the Capital Fund beyond the first £5,000 and up to £10,000 shall be applied in free *grants* either for relief or extension.
3. All *annual* collections, subscriptions, or other sources of *ordinary* income (after the first £5,000 shall have been raised), shall be applied, year by year, in payment of all working expenses, and in free *grants* either for relief or extension.
4. When the capital shall amount to £10,000, all moneys received thereafter may be capitalised or disposed of in Loans or Grants, as the Committee of the Fund may think proper.
5. If any contribution or bequest be made to the Fund on condition that it is appropriated to either Capital Fund, Loan Account, or Grants Fund, it shall be so appropriated, the foregoing arrangements notwithstanding.

The following additional Regulations, framed in harmony with the forgoing Purposes, Constitution, and Administration, are sanctioned by the Conference upon the recommendation of the Committee appointed to consider the same:-

#### I- APPLICATIONS FOR AID

1. Applications for Aid, whether by Grant or Loan, must be made on the proper Schedules, copies of which may be had from the Secretaries of the Fund, as follows:-
  - (I.) Aid towards cost of New Chapels.
  - (II.) Aid towards removal of Debt on Existing Chapels.
  - (III.) Aid towards cost of New Manses, or investment of money to meet House Rents.
  - (IV.) Aid towards removal of debt on existing Manses.For Alterations or Enlargements, Schedules I. and III. may be adapted.
2. All applications should be lodged with the Secretaries on or before the 28<sup>th</sup> February in each year.

3. The Committee shall decide upon Applications for Grants and Loans at its spring meeting, but notice of intended Application for assistance should be given, if possible, at the autumn meeting of the Committee.
4. A Sub-Committee, to include the Officers and Trustees of the Fund, may be appointed at the Autumn Meeting each year, to consider prior to the spring Meeting the Applications then to be presented, and to make such recommendations to the Committee as may seem desirable.
5. To facilitate the work of the Sub-Committee, and also of the Spring Committee, the Secretaries shall prepare and forward to each member of the Committee fourteen days before the Meeting an Estimate of the sums available for Grants and Loans respectively, and an abstract of the Applications for Aid to be considered.

## II-METHODIST PROPERTY CONSENTS PROCEDURE

1. *Removal of Debts.*

The Committee of the Relief and Extension Fund shall only entertain Applications for Aid towards the removal of debts that have been contracted with the consent of the Appropriate District Authority (and the Connexional Conservation Officer where appropriate), except in cases where debts have been in existence, and returned in the Annual Circuit Schedules, prior to the completion of the Fund at the Conference of 1880. Before presenting an application for Grant or Loan towards the liquidation of debt, the Secretaries must ascertain whether the liability to be dealt with is eligible in accordance with this regulation.

2. *New Erections.*

(1.) The existing Regulations of the Conference, requiring consent to be obtained from the Appropriate District Authority (and the Connexional Conservation Officer where appropriate), extends, as heretofore, to all cases of Erections, Purchase, or Enlargement, in Scotland, and such consent must be obtained whether aid be requested from the Relief and Extension Fund or otherwise.

(2.) Grants made from this Fund to new Erections may be regarded as local contributions, and applied towards fulfilling the conditions of the connexional rules as to remaining debt; but Loans to new Erections must be regarded as part of the debt that may be consented by the Appropriate District Authority.

(3.) Before definitely promising aid to any proposed new Erection, the Committee must be certified that such Erection has received the consent of the Appropriate District Authority (and the Connexional Conservation Officer where appropriate); but, in order to prevent disappointment, before such consent has been obtained, the Committee of the Relief and Extension Fund may consider a preliminary enquiry, and indicate the kind and amount of help likely to be given if the project be approved by the Appropriate District Authority.

## III-PROMISES OF AID

1. Grants shall be promised only on condition that repayment be made out of the proceeds of sale should the property be subsequently sold, however:-
  - a) if the property is disposed of without income due to an arrangement to supply a new property as part of a redevelopment project, any previous liability shall be transferred to the new property; or
  - b) should a property previously benefitting from grant aid be disposed of to fund the immediate purchase of a replacement property of equal or more value, any previous

liability for repayment can be transferred to the new property at the request of the local managing trustees.

2. Loans without interest shall be promised only on condition that repayment is made by equal half-yearly instalments, extending over a period to be agreed upon, but never exceeding ten years. Satisfactory security, by promissory note, to be signed by local managing trustees approved to sign legal documents, shall be given for the punctual repayment of any Loan advanced; and the whole amount remaining unpaid shall be immediately recoverable in default of the due payment of any instalment.
3. A form of consent, describing the kind and amount of aid promised, and the conditions on which same will be paid, shall be sent by the Secretaries of the Fund to the Superintendent for attachment to the relevant property deeds and a copy to the local managing trustees for insertion in their Minute Book; and a copy of the said document shall in each case be retained for the use of the Committee.
4. Aid shall only be promised to Trustees who engage to contribute an annual Subscription from their Trust Estate through their Circuit to the Relief and Extension Fund-the amount to be agreed upon with the Committee.

#### IV.-SETTLEMENT OF AID.

1. No case of Grant and Loan shall be settled until appropriate legal advice has been obtained that the property is legally secured in trust for the Connexion.
2. Upon payment of Grants and Loans, the Secretaries of this Fund shall take a Memorandum and Engagement, signed by the Superintendent, and such local managing trustees as approved to sign legal documents, stating the amount of aid given, the cost of buildings, or amount of debt defrayed, the remaining debt, and the amount of Insurance against loss by fire; to keep the premises in good repair, sufficiently insured against loss by fire, and free from debt except as agreed to, or to be agreed to, by the Committee, to contribute to their Surplus Trust income in the Support and Extension of the Work of God in their own Circuit and neighbourhood, and in aid of Methodist Connexional Institutions. A copy of such document is to be entered in the local managing trustee's minutes in each case, together with a full statement of the accounts.

#### V.-MISCELLANEOUS.

1. The Annual Collections and Subscriptions for the Fund are to be remitted to the Treasurer of the Fund, and full particulars for the Report are to be sent at the same time to the Secretaries.
2. All Loan Instalments, as they become due, are for the present to be remitted to the Treasurer, per the General Secretary, of the Fund, who shall keep suitable books showing the Account of each Trust with the Treasurers of the Fund.
3. Promissory Notes shall be made payable to the order of the General Treasurers, shall be preserved in a depository to be determined from time to time by the Committee, and returned to Trustees on the repayment of the entire amount of the sum advanced in each case. The promissory Notes, with all other Securities belonging to the Fund, shall be annually presented to the Auditors of the Fund, together with an exact statement of the accounts with each indebted Trust.

4. A statement of receipts and payments shall be published annually, such Statement to include Subscriptions and Collections received, Loan instalments repaid, and aid paid to Trustees.

**\*\*\*RESOLUTIONS**

- 43/1. The Conference received the Report.**
- 43/2. The Conference approved the actions proposed in the Report.**
- 43/3. The Conference approved the Regulations and Directions for the Administration of the Fund as set out in section 7 of the report.**