

## 33. Managing Trustees of the Methodist Central Hall Westminster

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### Introduction

This report from the Managing Trustees gives an overview of the varied activities and events that have been part of the life of Methodist Central Hall Westminster (MCHW) during 2023-24. The trustees oversee the building on behalf of Conference. Letting and related income generated through our wholly owned trading company is used for the upkeep of the Grade 2\* listed building, to support the worshipping community based there and the mission of the church.

The year continued to be financially challenging for Central Hall Westminster Ltd (CHW). The corporate market is slowly returning to pre Covid levels. Whilst revenues have improved, CHW was unable to return to an operating profit due to a high cost base driven by exceptional increases in utility prices. CHW is taking a number of actions to maximise revenue and reduce cost and expect to break even next year. The building has benefited from significant essential work, it remains fully compliant with all regulations and the trustees through the work of CHW are committed to working towards achieving Net Zero within our guidelines.

The trustees have received a grant from The Methodist Church which has enabled the trustees to cover the debts and losses caused, inter alia, by its long closure during the Covid emergency. The trustees are most grateful for this grant, give thanks to the Lord and look to the future with confidence.

### Ministry of the Church

The MCHW is a vibrant and diverse church at the heart of the building and is a 'Global Christian family following Jesus at the heart of London'. We work in partnership with others where we can, including Westminster Abbey, Westminster Cathedral, other members of Churches Together in Westminster, St Vincent's Family Project, Westminster Foodbank, The Passage, and Premier Media Group. The worship, mission, and witness of MCHW is healthy and our work is focussed upon 'nurture' and 'outreach', maintaining and growing our existing work but also adding new initiatives during the year.

In October 2023, MCHW celebrated our 111th Church Anniversary. The Revd Lesinga Vunipola was our guest preacher, visiting with members of the UK Tongan Community, many of whom joined a total of 290 guests for our Church Anniversary lunch. The

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MCHW congregation bucks the trend of numerical decline. Our Easter Day service had an attendance of about 370. The church community has maintained a vibrant multi-cultural congregation, representing c.30 different countries. Attendances are nearly back to pre-pandemic levels and our church membership stands at c.416, including 16 new members welcomed into the life of the church. Our additional weekly online services regularly reach between 750 and 1,000 viewers, of whom some 200 watch live at 9.30am. Our online services serve our housebound members, and both Methodists around the Connexion and globally. New initiatives include online Lent, Advent, Alpha, and Bible study courses online.

Our work with children, teenagers, and young adults is healthy, though finding leaders is a challenge. In addition to our weekly Sanctuary (young adults) congregation, we have also launched Interim - aimed at ex-YPF members and those in their 20s – 30s.

MCHW seeks to engage with local issues and supports local charities, including St Vincent's Family Project (which we host on site), the Westminster Food Bank, the Westminster SWEP Night shelter, The Passage (helping homeless people), the London Prison's Mission, and we are working at reviving the Methodist Parliamentary Fellowship. The Methodist Parliamentary Covenant Service was well-attended this year, with an encouraging engagement from both MPs and Lords. We seek to engage with social justice issues, including becoming an Eco Church. We are also setting up a Neighbourhood Evangelism Team, and we launched three new house groups.

MCHW's many special events include Daffodil Day, our Healing Conference, a Traditional Carol service, Jazz Carols, Jazz Vespers, organ Matinee concerts. We endeavour, where possible, to partner with other organisations, like Premier Radio and the BBC, and are able to feature our renowned versatile choir, which embraces music from classical, to Methodist hymns, to world music, and contemporary songs. We also help to facilitate other Christian and charity events.

Regrettably, the Trust's grant to the Church has now been suspended for the foreseeable future due to the lack of funds. This will hugely diminish our resources in both the Church and Circuit. We rejoice that the congregation raised over £72K through a 'Mission Investment 60' appeal and continues to be encouraged to increase its giving to help meet the financial challenges. The congregation remains in good heart, and we are seeking grant funding to help maintain and extend our local church ministry and our wider work and witness.

### **Our Business Centre**

The year to 31 August 2023 saw many successes in creating a new team and event delivery; however, it continued to be financially challenging for Central Hall Westminster

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Ltd (CHW). Whilst revenues returned to close to pre Covid levels (c.£8.2m), our cost base was exceptionally high – particularly impacted by increases in utility prices, and we were unable to return an operating profit.

Our sales mix has changed since pre Covid and now includes many more social and celebratory events such as concerts and graduations. The corporate market is slowly returning but we still have availability mid-week for our larger and more profitable spaces. It should be noted that revenues for this financial year included the hire of roof spaces for both the Queen's Funeral and the King's Coronation. The former displaced revenues of a similar value but with a lower cost base, the latter generated additional revenues which we would not typically expect to see in the month of May.

Our budget for the current year to 31 August 2024 is for revenue across our three sites of c.£8m in event revenues, this is a little under pre-pandemic levels and reflects a building closure at Westminster for seven weeks over the winter to undertake essential refurbishment of the goods lift and install a new sound system in the Great Hall. Our business continues to see a significant number of concerts and other similar public events in the mix, we are also seeing signs of a return to higher numbers attending some corporate events – with a positive impact on catering revenues.

We anticipate reaching our revenue targets for the current year but, like many Methodist churches throughout the country, are faced with the enormous cost of heating, lighting, and maintaining our beautiful building. Our cost base has shown little sign of slow down since return to operations following covid, the labour market has demanded significantly higher base salary and benefits, and the impact of the Ukraine/Russia war has of course seen utility bills soar.

Our ambitions for the future are driven by the introduction of four new focus groups for the business. Key outcomes include growing our revenue base to £10m through a variety of new activities including our intention to host our own ticketed events and become known as a venue of choice for public events. Other priorities for the business include refining our culture and values and ensuring these are embedded across our relatively new team. Sustainability remains high on our agenda, and we have an active agenda item to work towards net zero. Finally, we will be working towards ensuring that our use of technology is efficient and underpins all our operations.

### **The Building**

The Hall Fabric Committee oversees the maintenance and upkeep of the building. We continue a programme of proactive maintenance designed to keep reactive maintenance to a minimum and in recent years have operated a small capital expenditure programme.

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There have been two significant works over the last year. Firstly the goods lift, which was frequently breaking down, has been completely refurbished. Secondly our in-house production partner, White Light, has paid for a major enhancement to the acoustics in the Great Hall, using state of the art technology and using a customised approach to avoid damaging the fabric of the building.

Methodist Central Hall Westminster remains fully compliant with all health and safety, building, and environmental regulations. We remain on track to comply with the recommendations of the Quinquennial Inspection in 2022. We recognise that our operations have a local and global environmental impact, and so we are committed to reducing this as much as possible by following sustainability best practices. We are committed to innovative ideas in assisting the building to reach Net Zero within government and Methodist guidelines.

### **Financial Situation**

The Trust and its trading subsidiary CHW were severely impacted by Covid which caused the closure of Central Hall from March 2020 to August 2021. During this period there was no income but substantial costs were still being incurred. To cover the losses recorded during Covid, we took out borrowing facilities of £3.5 million with HSBC. Based on our financial performance prior to Covid, it was thought that, once the business had recovered from the pandemic, the borrowings could be repaid over a period of perhaps five years.

Since the autumn of 2022, the business struggled under exceptional increases in energy prices and at the same time our borrowing costs increased as base rates were raised by 5%. Revenues have not yet recovered to pre Covid levels and all of these effects meant that we were still making losses. Although we continued to repay on time every instalment due on our bank loans, this was only possible by asking HSBC for an increase of £0.5 million to our overdraft limit.

In January, the Trustees approached the senior leaders of the Connexion to ask for financial support. An application for a connexional grant of £4 million was made by the Trustees to cover historic losses and repay the ensuing bank debt. The grant was approved by the Methodist Council on 15 April and the money was transferred to the Trustees shortly afterwards.

The priority for the Trustees is to underpin the commercial future of CHW as this is essential to generating funds to meet our goals of maintaining the building and supporting Methodist mission. As CHW generates profits they will be gift aided to the Trust. We aim to build a cash reserve of £1 million in the Trust to cover periods when the

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business does not generate a profit. Since January, we have stopped paying our monthly grant to the Westminster church to preserve cash; the grant will not recommence until our cash reserve reaches its target level. In the meantime, the church will look to receive support through grants from the Connexion.

### **The Trustees**

The role of Chair of the Trustees is currently held by Revd Nigel Cowgill as one of the Chairs of the London District; he will stand down as a Trustee on 31 August 2024. An independent Chair of Trustees is being recruited in line with a new role description to reflect the particular skills and expertise required. As an appointment of the Conference, the recruitment will follow the connexional Nomination Committee process.

The first task of the new Chair will be to assess the current Trustee body to ensure it has the skills and expertise required and to make recommendations to the Connexional Council on the appropriate composition of the Trustee body. The appointment of Trustees will be in accordance with the arrangements for all other Connexional committees.

See the Committee Appointments section of the Agenda for the trustee appointments.

We appreciate the work done by the trustees and record our thanks for their work.

### **\*\*\*RESOLUTION**

**33/1. The Conference adopts the Report.**