

Minutes of the meeting of the Strategy and Resources Committee of the Methodist Council held at Methodist Church House, on 28 April 2010

Present: Ken Wales, Martyn Atkins, Margaret Best, Jim Booth, Ron Calver, Dudley Coates, Christine Elliott, John Ellis, Rachael Fletcher, Ian Harrison, Margaret Havers, Alison Jackson, Stuart Jordan, Sue Millman, Andrew Moore, Mark Wakelin

In attendance: Adrian Burton, Eden Fletcher, Andrew Gibbs, Nick Moore, Gareth Powell, Pat Parkins (Minutes) Ladun Omideyi (Administration); Carmila Legarda, Christopher Stephens, Ken Howcroft, Doug Swanney and Siôn Rhys Evans (for relevant items only)

Apologies: Gareth Hill

Opening devotions were led by Ken Wales.

Welcomes were extended to those attending for the first time, especially Team members participating.

The Chair thanked the Team for the preparation of substantial papers in a very short time since the Council met earlier in April. He also gave thanks to those for whom this was their final meeting: Ron Calver, Dudley Coates, Sue Millman and Andrew Moore.

The Chair invited comment on the April Council meeting. In response Dudley Coates stated that the discussions at the Council were very thorough and felt it to be the best Methodist Council before the Conference he had experienced. Sue was concerned about the length of time taken on Team Focus and the turnover of Council members meant that there was a lack of understanding about the Team Focus principles amongst some members. Careful consideration needs be given to the consequences if anything like this is done in the future. It was also felt that with fewer members of SRC now involved in the Council there is less opportunity to explain the role of SRC; those not on Council do not get the continuity required to carry things through.

10.2.1 Minutes

The minutes of the meeting held on 17-18 February were agreed and signed as a correct record.

10.2.2 Matters arising [SRC/10/14]

SRC/10/14 was received and the three matters outstanding were noted.

(a) Update on legal advice work

Gareth Powell reported that work on this is continuing and gave an update. He sought to reassure the Committee that there were legal scrutiny processes in place already. Timetables permitting, representatives of TMCP see all papers which have a legal status and a member of Law & Polity committee is consulted. However, the Law & Polity Committee has ongoing work on the roles and work of TMCP staff.

Legal advice on Personnel matters are dealt with directly by Development & Personnel staff and specialist employment lawyers. Advice is also obtained by a 'connexional solicitor' from a firm of solicitors, Potheary Witham Wells, a body advising the Methodist Church prior to the 1976 Act, who have a clear understanding of Methodism.

In addition two Counsels are used, David Ritchie and Pump Court Chambers who also have a good knowledge of Methodism. They are advising the General Secretary/ Secretary of the Conference or his nominee.

Andrew Gibbs was concerned that there were no members of SRC with any formal legal advice role. Rachael Fletcher, who is a solicitor, but is not holding a practising certificate at the current time, questioned her position in this respect. It was noted that those with specialist skills can offer experience and advice to trustee bodies but cannot give formal legal advice. Gareth confirmed that it was generally agreed that professional legal advice is required on certain matters and that further work on how it was best provided would be brought to SRC as soon as possible.

(b) Update on RMO Review implementation

Nick Moore gave an update on RMO Review implementation. Both he and John Ellis had met with staff the previous week and gave a full and thorough update on the Council discussion and its consequences. There were obvious difficulties in understanding the decisions but the continued professional commitment of RMO colleagues was noted with gratitude. The TMCP Board have not yet been able to discuss this but will do so at their next meeting. Work on taking this forward has now started, including setting up an implementation management group. Anne Hughes Holmes (TMCP General Manager) has been asked to be a part of this group, for clear exchange between the two functions.

John Ellis explained that the formal consultation process for redundancy is now starting and will be deliberately longer than the minimum statutory requirements to allow for the possibility of the Conference changing the decision.

There was general concern about improving the process by learning from previous Team Focus experience especially in relation to the length of time taken. John Ellis said that it was the explicit view of the current management team that staff should be involved in the review of work they currently do, and this had happened for the RMO, and also have the opportunity to make representation to the Council, as they did.

The SRC noted that one Memorial had already been received which means that this issue will be discussed at Conference.

10.2.3 Revised Development and Personnel Sub Committee Terms of Reference [SRC/10/15]

Carmila Legarda presented an updated version of SRC/10/15 which was tabled at the meeting. These terms of reference address the gaps in the previous version submitted to ensure some existing authorities remain with the broader SRC remit.

In response to a concern about possible overlap with the Stationing Committee, Gareth explained that what is proposed here gives sufficient latitude with the overlaps and therefore there are no insurmountable problems. A composite paper is required to explain what we are doing here.

A few issues of concern were raised and noted and will be dealt with by Ken Wales and the General Secretary. It was agreed that all members of SRC should see the final version of the paper and that it could not come into effect until the Council in October at the earliest.

The Chair thanked Carmila on behalf of the SRC for the work undertaken on this.

10.2.4 Report on Investigation into MMS Annual Report figures [SRC/10/16]

John Ellis introduced SRC/10/16, the independent report prepared by Sue Haworth into the budgeting, records and accounting processes affecting the World Mission Fund, which was agreed to be necessary at last year's Conference. John felt certain that the current staff in the finance office understand these things and budget holders now have a clear understanding of their responsibilities for understanding and monitoring their budgets. There can be no guarantee that further issues will not arise regarding accounting records but the specific investigation is complete. Peter Fei, the Interim Director of Financial Operations, will remain for about five months to ensure an overlap period with his permanent successor and also give extra capacity to continue to make progress on process questions.

Andrew Gibbs and Ron Calver were grateful to John and to Sue Haworth for undertaking this work but felt that not all the issues had been addressed. There were still unanswered questions about earlier years and whether all dispositions of funds were justified and whether appropriate expenses were charged to FWM. Therefore officers should carry out a thorough review, in retrospect, to cover the situation passed on to him as treasurer of MMS.

John pointed out that the allocation formula for certain sorts of expenditure had previously been discussed by SRC and we do not have the data about detailed costs of different offices 1996-2008 to do any objective analysis. The Committee were assured that there is absolutely no evidence of anything deliberately dishonest in this but there was a recurring failure to undertake adequate reconciliations of different accounts.

Andrew was concerned about the lack of trustee responsibility and whether the SRC and the Council have fully understood their responsibility. It is essential to be fair to the original purpose to which this money has been given.

Christine Elliott outlined the percentage allocations made in 1996 on a basis that was agreed at the time to be reasonable but was never properly reviewed thereafter. She would rather move forward in what we as a Church should be involved in than spend more resources on the past.

The SRC agreed the following Resolution:

The SRC:

- (i) thanks Sue Haworth for her report and notes its contents;*
- (ii) requests that the Conference be informed that the promised investigation was conducted; that the report has been sent to the officers of the MMS; and that the SRC is content that the issues raised have been resolved for the future;*
- (iii) will seek further legal advice about the previous years' allocations.*

The SRC also agreed that the report itself should not be included in budget papers being prepared for the Conference.

10.2.5 Evolution of Governance Patterns and Processes [SRC/10/17]

John Ellis provided SRC/10/17 as a guided tour of the group of issues collected under this heading.

(a) Review of Team Focus Process [SRC/10/18]

John introduced SRC/10/18, the final report of the external consultants, MacWilliam Consulting. He also circulated an informal response from the Revd Dr David Deeks, the General Secretary during the time of the Team Focus process, which the SRC Chair had requested. The SRC were asked to consider to whom this report should be circulated and what further work should be done on the basis of it.

It was generally agreed that this was an excellent report but how it was circulated could be problematic. There were questions about why not all of the former members of the Joint Secretaries Group (JSG) were consulted. In line with the brief agreed by SRC, the Team had given the consultants freedom to choose their sample of relevant people to interview and had only asked them to ensure some members of JSG were included. It was suggested that the SRC had asked specifically that they should all be involved and it was agreed the minutes of the December SRC would be checked. [The check confirmed that no such instruction was given.].

Some SRC members felt that the skills of SRC at the time were underused. Whilst there was a recognized distinction between governance and management, the experiences of some SRC members in change management could have assisted the process if carefully harnessed. The issue of the involvement of the Conference in personnel matters was a sensitive one. Christine Elliott referred to the role of the Team as being both servant and leader. Conference needs to know what we are reshaping, what we want for the Methodist Church in the 21st Century and what we need to do to deliver that. Therefore SRC had a proper role in preparing and shaping this.

Mark Wakelin referred to his observations of coming into the Team from outside. He felt that it would be more helpful to have a more kindly interpretation of the JSG leadership as well as learning for the future from their feelings of loss and anger.

Alison Jackson felt that the full report should be circulated to the wider Church with immediate effect. This would be a clear sign of the desire for a more open culture being honoured. There was opposition to doing this at the present stage since that might be problematic to those who had not yet had the opportunity to comment upon matters of concern to them. For the moment we could publish the recommendations so that they could contribute to the ongoing learning of the Church but check out the draft of the full report more widely before that is put into the public domain. John Ellis pointed out that the recommendations from the consultants do not include any personal comments and could be shown to the staff and others involved in the exercise.

The SRC agreed the following Resolutions:

- (i) A letter of thanks to be sent to the Consultants and all those involved in giving advice.*
- (ii) The full report to given to the Presidents and Vice-Presidents 2005-8, the chair of the Methodist Council at that time and all members of JSG. They should be invited to make any comments to the Chair of the SRC and the General Secretary before anyone else sees it.*
- (iii) The Chair of the SRC and the General Secretary to prepare a report that is presented to Methodist Council in the next Connexional year which takes account of the consultants' recommendations and the responses from those circulated in ii) above.*

- (iv) *With immediate effect Section 5 Recommendations (pages 19 & 20), to be made available to those who request them, as the clear recommendations made by the consultants but not at his stage as necessarily endorsed by the SRC.*

Alison proposed a further amendment dealing with dissemination in the light of comments, but this was not agreed after a vote requiring a casting vote of the Chair.

The SRC agreed that some of the recommendations proposed by the consultants should be taken up immediately.

(b) Annual Governance Timetable [SRC/10/19]

This item and paper SRC/10/19 was deferred to the next meeting.

(c) Council comments re trusteeship, workloads and papers [SRC/10/20]

This item and paper SRC/10/20 was deferred to the next meeting. There was insufficient time to discuss it and fully reflect on the issues of what this might mean.

(d) Report from new SRC members' induction day

Rachael Fletcher summarised the key points of the day. They were conscious of the fast way in which decisions were taken and the volume of work being attempted. They also felt that the Church was trying to address 21st century challenges with 19th century structures. Eden Fletcher was pleased that their request to meet with some of the staff had been taken seriously and that today's lunch would be taking place on the 6th floor to engage with Discipleship & Ministries staff. Adrian Burton felt that the staff they met were diverse in their background with helpful potential for the challenge of conventional ways. They wondered if one day a quarter SRC members could be attached to each cluster. They all found it difficult to grasp what the SRC is as a governance structure.

The Chair acknowledged that we need to deal with the SRC's way of working and requested that a list of acronyms be provided for all. [This was distributed.] It was proposed that an observer attendance at one Council at the least should be encouraged for new SRC members.

(e) Longer term budget planning process

John Ellis pointed out that if a process was to be put in place for the work on the 2011-12 budget, which will start in October this year, the Team would need to know now. An ad hoc group would need to be formed to do this, to include representatives of the Chairs and the District Treasurers. A three-year plan would be the eventual goal but this was unlikely to be achieved in a full form in the first year.

The SRC requested the General Secretary to set up a stakeholders' forum to bring advice to SRC.

(f) SRC meeting pattern in 2010-11

The suggested dates as outlined in SRC/10/17 for September and December 2010 were not agreed, as it was thought that Monday was not a suitable day for these meetings to be held. Pat Parkins to look for further dates, in consultation with the Chair, and notify all members of SRC as soon as possible.

[The following dates in 2010 have since been circulated: Thursday 9 September and Tuesday 7 December, both meetings to take place at MCH.]

The following dates in 2011 were agreed: Wednesday 23 - Thursday 24 February, venue to be confirmed [Kings Park Centre, Northampton has since been booked]; and Thursday 5 May at MCH.

(g) Review of SRC SOs

This item was deferred to the next meeting.

(h) New SRC Chair process

Ken Wales outlined the details given to the April Council reminding them that his appointment as Chair of SRC is due to end in August 2012. He felt it would be helpful if his successor undertook a shadow role, as he had done, in the year prior to this appointment. Consideration needs to be given now as to what needs to be put in place for the 2011 Conference to achieve this.

Working with Ken Howcroft over the next few months he will look again at the Terms of Reference and Standing Orders of this Committee and the way it fits into Methodist structures.

10.2.6 Governance Scrutiny Processes

(a) North Bank Trustees

(i) Guy Chester Centre Report [SRC/10/22]

Ian Harrison presented SRC/10/22. The Governance Scrutiny Group had not identified any fundamental problems but recommendations were made to the Trustee Board, including with regard to: the need for professional expertise on the Board; GCC's role within the Connexion; and forging stronger links with other Methodist training activities from governance questions. The Chair proposed that further discussions should take place outside the meeting and asked that it be made clear to the Trustees that the material they had already received only had the status of a draft report which should therefore remain confidential.

(ii) Selection Processes SRC/10/23]

Martyn Atkins presented SRC/10/23. It was noted that this report and SRC/10/22 needed to be looked at alongside each other.

After discussion, the SRC agreed that the shortlisting and interviewing processes should begin again and the General Secretary should direct the process.

The Committee also agreed that the issues raised in paragraphs 18-21 needed further thought and the Team were asked to bring a paper to a subsequent meeting to address them.

(b) MIC Business Plan and legal advice [SRC/10/24]

Stuart Burgess (Chairman of Trustees) and James Barr (Commercial Director) attended for this item. Stuart referred to the Spirituality and Hospitality paper submitted to the Council (MC/10/53). SRC/10/24 has been provided to allow the SRC to carry out its remit from the Council to review the MIC Business Plan.

Further legal advice has been received from Boycehatton Solicitors and shown to the Chair of the Council, David Walton, who has stated that he is happy with what has been said. Stuart explained one of the provisos, which would be to use any profits realised from the commercial activity and redevelopment of the premises for furthering the charitable work of the Methodist Church among overseas students in the United Kingdom and especially in London. This was noted by SRC as a change from the proposal before the April Council; it was now clear that to provide bursaries abroad would require MIC to consult further with the Charity Commission. Some of the bursary money could be directed to overseas students in the four Methodist International Houses in Birmingham, Bristol, Hull and Manchester.

There was a suggestion of MIC making links to the Connexional Grants Committee (CGC) as the central committee responsible for receiving grant applications. Stuart agreed to have conversations with the Chair of CGC in this respect. There were concerns about the apparent conflict between the oral report that MIC intended to have some students in MIC and the lack of any reflection of this in the Business Plan. It was suggested student accommodation planning should take place with the Guy Chester Centre which had surplus capacity in this respect. Stuart welcomed more joined up thinking on working together which could also help with compliance with the charitable status. It was agreed that it must be made clear where and how the bursary fund could be used and what might happen in the future. Stuart agreed to pursue this.

The SRC agreed that from the Charity Law perspective they are happy with the proposals subject to these clarifications.

James Barr outlined the Business Plan, designed to ensure MIC was a viable business into the long term. The hotel business in London has held up well even through the recession. He outlined the rooms available at present which are included in figures provided, including the annex and post-grad rooms. Converting student rooms to similar accommodation is required to be able to serve larger conferences. Some of the figures will need to be verified by the bank, HSBC, but the initial response is good.

Although the separate paper had been put to the Council on strategy, some members of SRC felt that the business plan should start with why this should be done and what MIC are looking to deliver out of this, with a potential risk assessment, including clarity about who bears the ultimate financial risk. A rationale is required on why the property should be developed in this way as a hotel was not self-evidently a priority use for Methodist assets. The capacity to fund further rounds of refurbishment in later years also needed to be considered.

James pointed out that the bank and others had welcomed the projections and some independent assessors are now being appointed to look further. Occupancy of only 43% is required to pay off the loan and currently the hotel accommodation usage is higher than this. Stuart referred to risk assessment, constant rethinking and refurbishment as part of the ongoing compassionate commitment for MIC to create the best possible accommodation.

There were questions about what MIC meant by being an ethical hotel and whether there were ethical statements that could be published. James explained that this would

be done by developing their own brand of ethical hospitality. Stuart stated that the beginnings of this are already on paper and are being developed.

The SRC agreed that further information was required on the business plan. It was therefore proposed that three people should enter into a working partnership with MIC to look into the financial aspects and report back to the next SRC in September. Adrian Burton, Andrew Gibbs and Andrew Moore were appointed to take on this task and would report to the Chair of SRC in the interim if any one had concerns about what is happening.

Stuart stated that it would help to hold these meetings over the next few weeks as notice to the students needed to be given reasonably soon. The three people taking on this task agreed to look at dates immediately to see if this was possible.

Stuart thanked the SRC for the opportunity of being present for discussions on this item and for the comments received.

10.2.7 Wesley College Bristol contingency action [SRC/10/21]

Doug Swanney and Siôn Rhys Evans were in attendance for this item.

Siôn Rhys Evans presented SRC/10/21 for contingency plans to implement the closure of Wesley College, Bristol, should that be the decision of the Conference. We are not seeking to provide contingency plans if Conference does not accept the decision of Council.

The document was discussed in detail and at length. There were concerns about the allocation of new presbyteral students to WCB. Doug pointed out that the student's preference would be taken but with contingency plans. WCB are continuing to recruit and SRC were concerned that the Church should not find itself with any further contractual liability as a result. Since SRC has been instructed by the Council to prepare contingency plans it was agreed that the Chair and the General Secretary would raise this matter with the Chair of the College Council and the Principal. The members of the Connexional Team who serve on the College Council were also asked to bear this in mind.

The SRC agreed to the actions as at 2.5 a – f, with the addition of the concern raised in the paragraph above. It was agreed that all actions in this paper be communicated to WCB Council in the General Secretary's name. The SRC also asked the General Secretary to prepare the contingency plans which are set out in this report.

The Chair of the Methodist Council, David Walton, has written a response to the letters in the Methodist Recorder outlining the correct procedures that have been followed. Careful parameters of good practice have been put round this.

10.2.8 Outstanding Council Business for Conference

This item was deferred to the next meeting.

10.2.9 Funding for the Olympics Project [SRC/10/25]

The SRC agreed to the resolution as proposed in SRC/10 25.

10.2.10 Availability of SRC papers to Council members

This item was deferred to the next meeting.

10.2.11 Reconfiguration of GSC from September 2010 [SRC/10/26]

SRC/10/26 was noted as a follow up to SRC/09/75 [SRC minute 09.5.12].

10.2.12 Accommodation for the General Secretary [update on SRC Minute 10.1.14]

Dudley Coates gave an update on the further proposals considered in relation to more permanent accommodation for the General Secretary whilst in London. He reported the MIC has formally made an offer for Martyn Atkins to use the room free of charge; this does not include meals but he will be able to leave things there overnight. The SRC welcomed this generous offer but felt that a payment should be made which met basic costs and which the Management Committee may wish to place in the Hilda Porter Bursary Fund. Dudley agreed to pursue this further and continue with this work.

On behalf of the SRC the Chair gave thanks again to those for whom this was their final meeting, especially to Ron Calver who has served for eight years. The SRC was grateful for their professional and spiritual contributions and for their personal responsibilities in working together.