

The Governance Board Meeting 017: 19th April 2023 in Edgehill

MINUTES

Present:	Apologies
Mr Tony O'Connor (Chair)	Rev Nigel Mackey
General Secretary: Rev Dr Heather Morris (Convener)	
Mr David Best	
Mr John Clarke	
Rev David Nixon	
Mr Paul Cummings	
Rev David Turtle (in part)	
Ms Laura Griffith	
Mr Tom Wilson	Rev David Campton (in part)
Mr Tom Millar	Ms Gillian Kingston
Rev Dr Sahr Yambasu	
Rev Harold Agnew	

In attendance:

Ms Clodhna Smyth (Secretary to the Board)

In attendance via Teams to present particular items of business:

Ms Nicola Robinson – Finance report – Item 9

1. Welcome and Apologies

All were welcomed to the meeting and apologies were noted. Condolences were expressed to the President on the death of his mother.

2. Opening prayer

The meeting was opened in prayer by the President in Luke 5.

3. Minutes of the last meeting and matters arising

The minutes of the meeting on 20th March were agreed, subject to an error being corrected, that is that the Auditors are EY, and not Deloitte.

4. Declaration of Conflicts of Interest

David Campton declared a conflict of interest with item 8 – BCM & Belfast South Network Company. Tony O'Connor declared a conflict of interest with item 8 – DCM cash handling policy.

5. Past Decisions Review *017_23.04_5 GB Decisions Review April 2023*

- The Past Decisions review will be set up so that the Governance Board can have access to it, it will be made a permanent record of decisions going forward. **Action: TOC**
- Southern Board of Education report to Conference – has not been received. **Action: NM**
- Pensions review – 3 quotes have been received and an interim report is to be made at the Ministerial Session at Conference. **Action: PC**
- Property Board oversight levels, Local to Statutory Trustees, Role of General Secretary and Edgehill House resources – are to be reviewed at this meeting.
- Financial Support plan for societies – part of Conference review.
- Eastwell investment property – in hand through Associated Bodies – as confirmed at Statutory Trustees meeting. **Completed.**
- Items to come in May
 - Risk Management course – to be organised for May
 - Gift Aid – HMRC require submission under a single charity number. New member of finance team required to do this, aim to employ by end May.
 - H&S safety policy - will result in a template by end of May.
 - Reserves Policy – to come end of May

- Associated Bodies – Financial stability report on bi-annual basis. Once risk register organised then bring the Associated Bodies to the Audit committee. Review September 2023.

6. PAC

The PAC has not met or corresponded since the last meeting.

7. General Secretaries Report

Dr. Morris reported that:

- **Church in public square** –tribute was paid to both the Lay leader and the President regarding their representative duties. Resource sent to all Ministers sent out by Churches Together.
- **Safeguarding Officer** is coming back beginning of May, a phased return to work. Tribute was paid to those who covered in the meantime. Safeguarding audit is coming in June, training events in early May with Lindsay Conway.
- **Past case review – A report has been drafted.** The review has been completed. The report will come to the GB in May and will then be presented to Conference. **Action:** Report to be brought to the GB in May.

8. Administrative Items

- **Bangor Societies** – At the request of the societies, a decision has been taken to close Hamilton Rd, Queen’s Parade and Ballyholme – unanimously agreed at the Connexional Team. The societies will meet at Carnalea. Queen’s Parade building is being kept for outreach and Hamilton Rd and Ballyholme are to be sold. There is a new vision and energy around the change, which has been 10 years in the making. The Property Board will be intentional about considering selling the churches to other Christian groups as part of the bidding process. Communication of this decision to the wider Connexion is to be considered. **Action: HM**
- **DCM re income Policy** – Implementation of MCI policies is happening circuit wide. The board of DCM DAC were not able to agree the cash handling policy as laid out for one particular situation and requested approval for the use of their own policy in this instance. **Agreed.**
- **Cyber Security overview** –The major risk is that of not having an overall IT strategy which is being addressed. It is acknowledged that the GB does not have expertise in IT. Has the recovery plan been tested? **Action: HM to ask the IT manager.**
- **Joint C of I and Methodist Chaplaincy (The Hub)** – An associated body, a separate charitable company limited by guarantee, a joint venture between C of I and MCI. Finance will take a few years to become fully consolidated as the 2 old accounts have not yet been fully amalgamated. A new chaplain Danielle McCullagh has been appointed. Gail Mercer is the MCI chaplain to UU and reporting is now to this body. The report was accepted, and it was noted the amount of wonderful work that is going on there.
- **Prisons chaplaincy** – The service level agreement from the Dept of Justice for 2022/23 is £4218 per annum assigned according to the number of Methodist prisoners.
- **Nominations to committees**–It is proposed to keep the strategy of District Superintendents being key to approaching people for nominations to committees/councils etc. **Agreed.**
- **Sandy Row** – Future of the building – Nicky Conway (CEO) happy with the report with 2 caveats
 - In the future BCM would like account to be made of any amounts BCM invest in the building and once sale costs have been deducted that 50% of the value at time of sale be returned to MCI (if a sale takes place within 10 years).
 - BCM/Sandy Row congregation – As it’s now the property of BCM the circuit remains free to negotiate rental of part of the building with the Sandy Row congregation. **Agreed**
- **Belfast South Network Company** The Board is primarily made up of the local church council, and two Trustee nominations are required from the Governance Board. Financial and legal competence are well represented currently. Skills required are a wider connexional understanding, Health and Equality, community development. **Action: GB members to send names to HM by next meeting.**

- **Israel/Palestine resource** – One of the writers was sanctioned by the C of E-he referred to an article that was anti-Semitic. HM spoke to the Archbishop and the likely outcome will be to remove an interview with him and references to him from the resource.
- **Local Trusteeships - Status report from the Estates Manager** – report has been produced. It is the clear mind and instruction of Conference that properties should move to statutory trusteeship. Some Circuits are resisting this, but it is happening as properties come to the Property Board, and in order for the process to be more proactive, the District Superintendents/Estates Manager are working to this end with local circuits. Communications are being developed to which will make very clear the longstanding position of MCI, i.e. a) the legal responsibility of being a local trustee and b) the clear will of Conference, and c) the number of Circuits who have already transferred. **Action: HM to bring to June meeting.**

9. Finance Report *017_23.04_09 Financial Report folder*

Charity commission reporting – Finance Dept. is aiming for 30 September signoff for approval of the accounts to year end December 2022, to be submitted to the CCNI by end October.

2022 accounts: Connexional funds are almost finished, Circuits and Socs are 96% done, the last few bank accounts are due in by the end of this week.

Audits: Audits for Circuits Societies and Connexion have all started.

Missions: EBM/NWMM – draft audit files received and being worked through, DCM due w/e 28th April, BCM audit file agreed ready for 30 June for audit in July. BCM is aiming for a May time of report in the future.

Report to Conference

MCI is aiming to have audited accounts available for Conference next year. The risk of bringing figures to Conference in June is that audits may subsequently change them, so a set of draft accounts will be prepared. It is anticipated to have information on circuits/connexion and 3 out of the 4 missions ready for conference reports in a format that is easy to understand

The report for Conference is to include Societies, Missions and Connexional Income, expenditure and reserves. Management reports to Governance Board going forward are to compare the above against budget.

Finance will have a draft of 2 reports 1) Outline for Conference and 2) more detail for GB to be ready in time for the May GB meeting. **Action: NR**

10. Auditors management Report 2022

Audit committee and process of Comprehensive Assessment – the process needs to be looked at it. It was confirmed that a tender has been put out for the appointment of MCI auditors.

11. Gen Assurance Committee Report

A report on Associated Bodies was supplied to the Governance Board. It has been established that there are 17 Associated Bodies in NI and 7 in ROI, 10 of whom are consolidated. MCI has engaged Charity lawyers for expertise – Edwards & Co. in Belfast, and Mason Hayes Curran in Dublin as there are significant differences in Charity Law between the 2 jurisdictions.

Because of the complexity of these bodies and the reporting issues this is a project which will take significant time, and legal input. In future whenever an associated body is being set up it is strongly advised to get legal expertise involved at the beginning.

12. Property Decision Oversight

There had been no consensus at previous meetings of the GB of the level at which Property decisions were to come to the Governance Board. The Charity regulations did not specify a level of oversight for a Governance Board. Disposals and transfers were reviewed.

Legal opinion was that there were no hard and fast rules, but that outright disposal should be reviewed at a high level of value (£1m). The Manual of Laws has many good and robust processes relating to the disposal of property with which the Charity regulators are satisfied. Therefore a proposal was made that if there is a significant amount of money involved this should be looked at, property or otherwise.

For example, selling an investment property is unusual so that should automatically come to the Governance Board. It was proposed that the following guidelines should put in place for seeking final approval by the GB.

- Manse sales/Purchase with a net expenditure greater than £400k **Agreed.**
- All other one-off sales or purchases, especially in relation to investment properties. **Agreed.**

13. Committee Reports

13a) Faith and Order There were a series of encounters sessions recently: 3 in person, one online. A series of Bible studies on Human Sexuality are to come out in the autumn.

3 key issues are being dealt with currently:

1. Home Communion – especially for those in Homes or housebound.
2. Use of church premises by other bodies – especially other Faith bodies
3. Human Sexuality – It should be noted that same-sex marriages and Trans-gender issues are not on the F&O committees terms of reference.

Material on relevant passages of Scripture have been requested and a small Working Party has been set up to look at this. It was suggested that the specific issues to be discussed at Conference next year should be outlined at this year's Conference. **Action: GK.**

13b) Connexional Team – A comment was made that the report was too short and could have more detail, however it was agreed that what was there was excellent. In the interim it was agreed to make minutes of the CT available to GB members. **Action: HM**

13c) Inter-Church relations – new members are being looked for ref group.

13d) Statutory Trustees report to Conference – A summary to be included in the GB report to Conference.

13e) Ministries Team and Committee details return – excellent report, very detailed.

13f) BCM - very detailed report and 13g) BCM Committee return

13h) Newtownabbey Methodist Mission and 13i) Newtownabbey committee details return.

13j) Property Board

13k) Methodist College – excellent report and 13k) MCB Committee details return

13l) Safeguarding report – this was a draft report, still to be finalised. **Action: HM**

13m) MPPC Committee details return

All the committee reports were received and accepted.

14. Policies Review

14a) N.I. Employee handbook - Version 3

14b) R.O.I Employee Handbook – very good and detailed excellent documents both, the HR manager is to be commended. **Action: HM**

14c) Edgehill House Health & Safety – the correct update will come to the next GB meeting.

14d) Anti Money-Laundering & Counter Terrorist Financing

All policies accepted, except the H&S is to be updated for the next meeting.

All policies are regularly being circulated to all local treasurers with a list of where to find them on Teams.

15. Church administration and Financing

The role of the General Secretary – an analysis was done, and the conclusions are that there is no scope for anything in the current job description to be discarded, that the job description is too much for any person. This represents a strategic risk to the Church and there is a risk regarding the duty of care to the General Secretary. The General Secretary currently works in excess of 60 hours a week (not including preaching duties) and this is not sustainable.

Initial suggestion is that the role should be split in two and that a permanent Deputy General Secretary should be installed who would be a professional to deal with finance, legal etc. while the

General Secretary would continue have overall responsibility and to do all of the strategic, missional, representational and ministerial work etc. However, such a change would need Conference approval.

Central Administration and Services. There is a lack of understanding at a local level as to what is required at the centre in terms of volume of work and the costs involved. This area needs to be explored and benchmarked against other churches.

Comprehensive Assessment

The purpose of Comprehensive Assessment and why it is funded the way it is, has become unclear over the years. It is not sufficient for the running of MCI centre and the way it is assessed needs review.

It is the Governance Board's opinion that the above three elements are interrelated and there is a clear need for updating. A working party is to be set up to report back to Conference in 2024. The GB report to Conference 2023 will set out the problem areas, issues and challenges. **Agreed - Action TOC**

The decision was taken to set the Comprehensive Assessment for 2024 at 3% in the knowledge that this is not enough to cover costs, the deficit to be covered from reserves. This also will be communicated to Conference. **Agreed.**

AOB

Working paper on Stipend review

The Pensions Review needs to take place before the Stipends review can be completed. 3 tenders have been received to review how the Pensions schemes. A discussion regarding the covenantal relationship between salary vs. stipend needs to be had, as this is an issue. Benchmarking demonstrated that when all the allowances are put together the total package sits well with other professions in NI. This work has not yet been done for the ROI. There is a discrepancy between the tax arrangements in ROI and NI.

The implications of adding allowances into salary and making them pensionable are being considered, the overall objective being that Ministers in both ROI and NI would be at a similar standard of living. This complex work is ongoing, and the GB will address it as part of the GB Conference report.

- There will be a discussion regarding the implications of this with the Ministers.
- The paper is to be revisited in light of comments made.
- An information session is to happen at the Ministerial session and progress on the review is to be outlined in the GB report to Conference. **Action: PC.**

Skainos

A loan facility was made available to Skainos to cover short term cash flow deficits. It is expected that this is a temporary situation and that the loan will be repaid within months. The chair to continue to liaise with the board of Skainos and the board of EBM in regard to on-going financial planning. **Action TOC**

DCM DAC

The Chairman of DCM has indicated that it now appears that, in order to qualify for Approved Housing Body status in the R.O.I. DCM DAC will have to be set up as a company limited by guarantee rather than the original intention of a company limited by Shares. The GB has requested more information regarding the implications for MCI governance of DCM. **Action: HM**

The Risk Register was discussed and it was decided that its publication on the website was unnecessary. **Agreed.**

The Governance Board report to Conference is being prepared for end April. It is to be circulated to the board members for their approval. This will be done by email. **Action: TOC**



Any Other Business

Next Meeting: 25th May Belfast – this will be changed and a revised date set.

There being no other business, the meeting closed with the President leading prayer.

Tony O'Connor, Chair

19th April 2023