

## **Sheffield District Methodist Ministers' Housing Association – future options**

### **1. Introduction**

The Sheffield District Methodist Ministers' Housing Association [SDMMHA] was founded over 70 years ago with the aim of providing accommodation for retired Methodist Ministers, Deacons, lay Missionaries and their widows or widowers who are of limited means. Over the past 12 months the Association's Committee has been looking to the future and has identified a number of challenges. It is now considering how best to meet these. The Committee welcomes the opportunity to share its thinking with the District Leading Team and invites the Team to consider the possibility of developing a closer relationship between District structures and the Association.

### **2. Background**

SDMMHA currently has 9 properties within the Sheffield District: in Sheffield, Doncaster, Chesterfield and Dronfield. Although the first tenants came from within the Sheffield District, SDMMHA today welcomes applications from around the country. Like their predecessors, many of our tenants make an active and important contribution to the life and mission of the District through their continuing ministry and involvement in their local communities.

SDMMHA has been entirely volunteer-led and volunteer-run since its inception. A Committee, currently consisting of 12 members, has oversight of the Association's activities and is the decision-making body. Day-to-day management of the Association and its properties is carried out by volunteer Officers appointed by, and from, the Committee: a Chair, Vice-Chair, Secretary, Treasurer and three Property Managers. All members, except one, come from the various Circuits in the Sheffield District. Two of our current Committee members are themselves tenants.

### **3. Challenges**

The Association Committee established a small review group last year to consider its future options. The group identified three main challenges for SDMMHA:

- Lack of volunteers
- Declining need for its services
- Organisational and operational capability

#### *3.1 Lack of volunteers*

Like all voluntary organisations, SDMMHA has struggled in recent years to attract new volunteers. The Committee is mature in years, with an average age over 70 years old. Several members have served with dedication for many years. The Chair, the Rev'd Gill

Newton, stepped in on a temporary basis in 2019 and the long-standing Treasurer has indicated that he wishes to step down. Despite advertising in District & Circuit newsletters and personal approaches, no replacements have been found to date. The Secretary has also announced that she wishes to stand down by the end of the year.

### *3.2 Declining need*

The last new tenant moved into an Association property in 2020 and there have been no formal applications for accommodation in the past three years (although there has been one recent expression of interest). One property was sold in 2021 and another is currently let commercially.

The reasons for the drop off in applications are well-understood: an overall decline in the number of presbyters and deacons; people entering ministry later in life when they may already own property; and working spouses able to contribute to the cost of accommodation.

The Association therefore believes that while a need for its accommodation currently still exists, this may not continue at the same level and there is uncertainty around how long the need will exist.

### *3.3 Organisational capability*

As a small, independent, volunteer-led organisation, it is a challenge for the members to keep abreast of new regulations affecting landlords and rental property in what has become an increasingly regulated sector. Although SDMMHA employs professional advisors where necessary (e.g. solicitors, surveyors, agents, auditors etc.) and contractors, it is not a requirement for Committee members themselves to be professionally qualified.

The Committee has not in recent years drawn up a budget or a property management plan, but this is now being looked at (see 'Note on Finance' below). The Committee is also aware that it needs to make changes to its own operational practices, e.g. to switch to on-line banking, in order to continue to operate effectively.

## **4. Options for the way forward**

The review group initially identified four options to meet these challenges:

1. Do nothing [not really an option!]
2. Continue with the existing model, but prioritise recruitment of new volunteers and tenants

3. A managed and gradual winding down of the Association possibly combined with the use of paid staff/agents (i.e. not taking on new tenants when properties became vacant)
4. Explore amalgamation with another organisation

The review group considered that Option 2 had been tried over a period of time with no success. There was discussion around Option 3, but it was considered that this could take many years and did not address the fundamental lack of volunteers to manage the Association, as well as raising questions about meeting our charitable 'objects' over this period. Option 4 therefore seemed the most viable long-term option.

In discussion, another option was suggested to address the declining need: that we explore whether our properties could be made available to lay workers within the Circuits. The idea was discussed at a meeting of Circuit Superintendents at the end of last year but was not considered viable.

## **5. Another way forward?**

As part of its work, the Review Group looked at the defining characteristics of SDMMHA. These included its foundation from within the Sheffield Methodist District, its small size (in number of properties and geographical area) and its local focus. Committee members are keen to retain this uniqueness which would be lost if we were to seek amalgamation with another, inevitably larger, organisation.

The Association Committee is therefore seeking the advice of the District Leading Team.

- *Is there interest in exploring a closer relationship between the District and SDMMHA?*
- *Is there scope to expand the District's Property work to include that of the SDMMHA?*
- *Is there professional expertise within the District which could support SDMMHA's work?*

Judith Calvert (Secretary, SDMMHA)

John Bailey (Committee Member)

Peter Metcalf (Committee Member)

[Members of the SDMMHA Committee review group]

28 April 2023

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## **Note on Governance**

SDMMHA is a Registered Society (no 14074R) under the Co-operative and Community Benefits Act 2014 and is regulated by the Financial Conduct Authority to which it

submits an annual return and accounts. Details can be found here:

<https://mutuals.fca.org.uk/Search/Society/3701> It is an 'exempt' charity, i.e. it is not regulated or registered by the Charity Commission.

n.b. Despite its name, SDMMHA is *not* a Housing Association in the sense that is now commonly understood, i.e. it is not a registered social housing provider.

### **Note on Finances**

SDMMHA's income is derived from the modest rent it charges its tenants; donations and legacies; rental income from one commercially let property (not currently required for a tenant); and bank interest. The main expenditure is on maintenance & repair, insurance, professional fees and administrative expenses. In 2022, it had an operating surplus of £22,826. The Association has balance sheet assets of £1.78 million, the majority of which is made up of the underlying property values. (This figure may be an underestimate of current market values as it represents the value of the properties on acquisition.) Current assets include the cash from the recent sale of a property. [A copy of the 2022 Accounts is available on request; the 2021 Accounts are available to view via the link above.]

It should be noted that SDMMHA currently has no staff, premises, or equipment costs. The Association is mindful of its responsibilities to maintain, repair, and, where appropriate, to upgrade its properties, and particularly to meet goals regarding energy performance. For this reason, it is currently undertaking a budgeting exercise in order to develop more accurate financial projections as well as ensuring it is charging its tenants an appropriate rent within its charitable objects.