

LEEDS METHODIST MISSION – Council meeting June 2016

Financial Summary

The long term viability of the Oxford Place Centre is dependent on the following 3 factors

- Support by the District towards the cost of a Presbyterian or Diaconal appointment.
- Commercial letting of the Gallery and Basement areas of the church building together with the full letting of the Chambers.
- Provision of meeting rooms for small organisations and in more recent years as a conferencing centre.

DISTRICT ADVANCE FUND SUPPORT

From our previous application we already have confirmation of grants for the years 2016/2017- £15,000 and 2017/2018 £20,000. Application for grants from September 2018 were recently submitted to and agreed by the DAF. Further information, and any restrictions placed by the DAF on these grants will be reported on separately from this report.

COMMERCIAL LETTING OF PREMISES

By far the most important area of our income comes from the commercial lettings, mainly within the charitable sector. Maintaining 100% occupancy is important. Regrettably, for different reasons 2 tenants have recently terminated their agreements. The current vacant spaces are the majority of the Church Basement, one room in the Gallery together with one suite of rooms on the 1st floor in the Chambers. We have approached Tapp Chartered Surveyors, who we have previously employed to look at marketing the vacant spaces. Their initial report has been now been received. It has been our policy in the past to offer prospective tenants leases up to 6 years with options to break on an annual basis.

LETTING OF ANCILLARY ROOMS

Most of the rooms on the ground floor of the Church are used on a daily basis both during the day and also in the evenings by various organisations. The provision as a conference centre has increased over the last few years.

BATCLIFFE DRIVE MANSE

The tenancy agreement of the Manse expires on the 14th June 2016. We were notified by our agents that the existing tenants were looking to purchase a property and in the meantime requested a rolling tenancy subject to terminating on giving 2 months notice. Bearing in mind we may require the property within 12 months I agreed to this proposal in principle, and sought TMCP approval. This was given subject to the usual requirements. Since then, TMCP have questioned the legal ownership of the premises between the District and the Mission and who the agreement should legally be with and signed by. This matter is still ongoing and I am working closely with David Quick to resolve the matter with TMCP. The current tenants are

now in the process of purchasing a property and will give formal notice on exchange of contracts. The agents have asked if we require the property re-letting??

GENERAL

Since I agreed to become treasurer for Oxford Place Methodist Church, many years ago my involvement in the week by week work has changed considerably. I now look at the appointment not as a treasurer but more as an accountant and this can be shown by some of the following changes. During the last 12 months we have taken back the running of the Tea Room Café, we continue with the outsourcing of the lay employee salaries with central payroll bureau, and seen some major financial changes including the forthcoming implementation of Auto Enrolment Pensions, and more recently the new accounting requirement for charities under the FRS102 rules. The Mission here again falls into an unknown area, does it report using a Circuit or a District format or something in between. I continue to have concerns that there is no support to me for maintaining these important aspects of running Leeds Mission.

AGREEMENTS

I seek Mission Council approval to the following:

1. To increase the inclusive rent/service charge of tenants by 2% with effect from 1st September 2016
2. To appoint Tapp Chartered Surveyors to market the vacant areas of the building.
3. To agree to let, if appropriate, Batcliffe Drive on a short term letting until 31st May 2017.

Bernard Neville