

RBMHS Involvement in the Baptist Pension Scheme Family Solution

Following a request from the Trustees of the Baptist Union of Great Britain, The Management Committee of the Retired Baptist Ministers Housing Society (RBMHS) has agreed to support the Family Solution.

Under the Family Solution, RBMHS has agreed that it will provide a loan of £20m to Baptist Union of Great Britain to enable the Union to make a substantial contribution of £30m to the Baptist Pension Scheme, in 2018, to address the scheme deficit and help to relieve Baptist Churches of the considerable burden of the deficit in the pension scheme. The Society will in turn take a loan of £20m from the Baptist Union Corporation (BUC) which will be secured against its property assets in order to provide the funds for the loan to the Union.

Change of Legal Structure for RBMHS

As part of the work towards implementing the Family Solution, RBMHS is in the process of changing its legal structure to a Charitable Incorporated Organisation (CIO) to be called the Retired Baptist Ministers Housing Organisation Ltd (RBMHO). This change would move the society under the supervision of the Charity Commission which RBMHS believe is a much more suitable regulator for our activities. Currently they are regulated by the Financial Conduct Authority (FCA) who have generally struggled to understand what the Society does. This change has been in the strategic plan of the society for a number of years.

At its AGM in March the membership of RBMHS approved the Management Committee's plan to convert to a Charitable Incorporated Organisation (CIO) with an associated Trust Company to hold its property assets.

RBMHO has now been registered with the Charity Commission and the process of establishing the associated Trust Company, which will hold the property assets, is underway. Once these new entities are in place the operations, assets and liabilities of RBMHS will transfer into them. This change in the legal structure will put the society on a firm, secure, footing for the future.

Will these changes impact upon RBMHS finances?

From the Society's perspective all the interest cost of the loan from the BUC will be covered by interest on the loan from the Union, so there will not be a cost of the scheme to the day to day finances or operation of the society.

During 2017, in preparation for the Family Solution, the Society had a professional valuation of its property assets carried out, which estimated that they are worth around £60m. Even with the loan from BUC the Society will remain financially secure with a strong balance sheet and healthy day-to-day finances.

Will this impact upon the ability of RBMHS to house retired ministers?

Firstly, the proposed scheme has no impact upon existing tenants of RBMHS. The terms of their tenancy will be unaffected and there is no threat to their continued occupation of their property.

Secondly, considering the needs of future tenants, the Management Committee have also undertaken a survey of serving Baptist ministers aged over 50, to ascertain the likely demand for properties from retiring ministers for the foreseeable future. The results of this survey, alongside the Society's business plan, give the Management Committee full confidence that we will continue to be able to provide housing to all qualifying applicants.