



SEC PROPERTY DEVELOPMENT

STRATEGIC FRAMEWORK

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SEC PROPERTY DEVELOPMENT DEPARTMENT STRATEGIC FRAMEWORK

Pastor Steve Mckenzie / Director

*'Except the Lord build the house, they labour in vain that build it'
Psalms 127:1*

A) Vision and Aims

The SEC vision for the quadrennium is for each member and church to be involved in 'evangelism, everyone, everywhere'. A spirit of evangelistic endeavour where innovation and collaboration help people to work together is a key element of moving EEE from 'a visionary slogan to motivated congregations who are making a difference in their local communities' (SEC Communicator 2017')

EEE plans to help churches maximise their impact in four areas by transforming into;

- Spiritually hungry churches
- Nurturing churches
- Relevant churches
- Resourceful churches

The church property development department will focus on the last two EEE areas with the overarching Mission of;

'Assisting churches to be relevant community places of worship where inviting spaces and programmes are excellent available resources'

Through working towards the above aim, members in local churches can become more nurturing to each other and their community as well as being spiritually hungry churches acting on guidance from the holy spirit. As members plan to become more resourceful and relevant churches, guidance from the Holy Spirit must be earnestly sought in leading congregations to the best ways to nurture our communities and each other. It is only then that churches will be

led to establish plans for their buildings and develop their church as a relevant resource.

Our Vision is therefore **'Establishing and maintaining healthy SDA places of worship that supports our members' evangelistic zeal to connect and commit local communities in the SEC to Christ's love'**

'From the beginning God has been working by His Holy Spirit...To the church in the wilderness also, in the time of Moses, God gave His 'good spirit to instruct them'. And in the days of the apostles he wrought mightily for His church through the sustained agency of the Holy Spirit' (The Acts of the Apostles p53)

B) Focus

For the year, ahead our particular SEC focus has moved from *'Revival'* in year one to *'Restoration'* in year two. As an integral part of our mission, the SDA church worldwide has a strong tradition of establishing places of worship based on our call to preach the everlasting gospel. Ellen White encouraged that *'the church of Christ on earth was organised for missionary purposes'* (Testimonies 6 p29) and that *'every church should be a training school for Christian workers'* (Ministry of Healing p149). Most powerfully she says that the complete ministry is when members in our buildings work together for souls *'It is not numerous institutions, large buildings, or great display that God requires, but the harmonious action of a peculiar people, a people chosen by God.... not till then will the work be a complete, symmetrical whole'* (Testimonies 6 p293). *By personal labour reach those around you. Become acquainted with them'* (Testimonies 9 p41).

The rationale for the work of the Property Development department therefore comes from recognition of three key elements;

- Churches are still the place to preach the gospel through our actions and relationships with one-another as well as through sermons.

- Churches need to be updated and maintained to be welcoming places of worship and community training centres
- We need a strategy for sustaining and adapting our churches to promote the gospel according to the needs of diverse geographical communities in the SEC.

The property development department therefore has developed the following Aim;

'Developing Churches with Happy, Healthy, Healing spaces'

Our objectives are:

- To support church buildings to be established and maintained as relevant, welcoming community spaces
- To restore churches as training and resource spaces for members and the community, showing Jesus love and proclaiming the gospel
- To offer church leaders guidance on developing churches that are happy (seeking the holy spirit), healthy (resourceful and relevant spaces), and healing (nurturing communities).

These objectives are underpinned by fulfilling the church property development department focus on acquisition, refurbishment, maintenance and technical requirements of the role whilst ensuring a focus on the ultimate evangelistic goals of this work.

C) Background to Property Development Departmental planning

Property oversight was previously the responsibility of the finance director until the current property development role was established two years ago. By 2016 the need for a fulltime role was established based on the need for more professional oversight along with development of a clear property action plan based on the SEC EEE strategy.

SEC Stock

The SEC property portfolio has developed over a number of years through a mixture of philanthropy, strategic church growth, changing social and economic needs of members to move to different parts of the territory and the changing demographics of members in the SEC.

The SEC occupies over 240 places of worship (SEC church directory source). Approximately 55% of these properties are leased, 40% are owned and another 5% are start-ups with various occupation agreements. Properties are in various states of condition ranging from major upgrades initiated by established churches to small companies occupying leased and gifted properties.

Church Development and the wider Community

Along with the rest of Europe, Britain has gradually become a secular society, where recent statistics confirm a maximum of 10% of people in Britain who would say they are practising Christians (Tearfund 1 in 10, Wikipedia 1 in 7). Additionally 'Nearly half - 48.6 per cent - of UK adults say they are not religious, compared to just 43 per cent who are Christian' (Independent May 2017) In essence, more people are non-religious than Christian. It is also observed that the need for places of Christian worship is receding with churches (and other places of worship such a synagogues) actively being sourced for commercial property development.

Together with the changing needs of society such as more people living longer, in varying familial arrangements and living alone, The UK is a more leisure based society where communities are diverse and have differing needs, not least the need for more community based activity where relationships are formed and maintained. Our churches need to respond to examples of such change in order to reach people with the love of Christ. As well as integral SDA church worship services facilitated in our churches, there is great opportunity to open our buildings to communities to communicate our spiritual and health messages so that we can help enhance people's lives.

The church property development department aims to ensure our

churches are inviting places of worship assisting communities. As a new department, the heavily administrative and regulatory context for this work will require a part time assistant ensuring statutory compliance and records management as well as responsiveness to an increasingly diverse membership who demonstrate a range of different experiences and expectations about church property.

D) SWOT and Action Plan

The following SWOT analysis and action plan responds to the above issues, targeting areas for strategic action over the next two years.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • High property ownership • High property value • Visible location placement of many properties • Member financial support for churches • SDA professional and administrative network • Church growth and diverse membership • Gospel commission personalised through the SEC EEE strategy • SDA Gospel and Health message • Mature community links 	<ul style="list-style-type: none"> • No clear strategy to maximise property owned • No clear guide and policies for churches wishing to buy, lease or develop church buildings • Unclear health and safety audit for all places of worship • Inadequate SEC resources to be fully up to date with church stock and conditions • Churches working in isolation to develop resources that may duplicate • Churches not reaching out to local communities • Churches internally focused
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Messaging a clear SEC vision for properties • Acquiring churches and converting leaseholds to freeholds where possible and appropriate • Developing more professional property support for churches • Supporting churches to develop churches as outreach centres • Developing community links particularly with new and emerging communities • Harnessing professional member support 	<ul style="list-style-type: none"> • financial and reputational damage for churches not adhering to statutory regulatory rules and processes • churches acting outside of their bounds and conflicting with SEC policies • Falling membership in churches that require redevelopment • Churches working in traditional ways that bare no resemblance to local communities • Church growth suffers and new members disenfranchised

7 Point Action Plan

SEC Property Development Department 2017 - 2019

The key areas of the action plan are listed with completion dates and responsibility. This is a living document and will be revised accordingly in line with SEC priorities.

ACTION		BY	WHO	NOTES
1	Stock and condition report of every church to be developed with accessible information storage and retrieval for additional statutory technical requirements (such as H&S)	April 2019 -Review March 2018	SM	Budget requirement for p/t staff member Develop and maintain admin systems
2	Computer programme purchased to ensure annual updating of stock information for each church	October 2017	SM/Office	Budget requirement for purchase of programme
3	All churches to have an identified officer looking after church properties who is sent the SEC vision and objectives for church properties. Property policies and guidelines to be available to allocated officer in every church	Dec 2017	SM/SEC	ID church contacts 2 Communicator articles published pa. also to reinforce messaging
4	All churches to have an overview of a church building development and outreach plan with 2 key objectives for their property so they become inviting places of worship assisting their community	April 2019 – review June 2018	SM/Office	Liaise with church contacts Diary management responsive to/ logging member queries
5	Audit that all churches are Health and safety compliant offering the relevant advice to ensure this	Sept 2018	SM/Office	Ensure compliance and updating
6	Create a resource of church buildings policies working with the BUC to do so	Dec 2017	SM/Office SEC/BUC	Align policies where required
7	Create a list of highly rated contractors and member advisors utilised by SDA churches & who may have worked with SEC/BUC	June 2018	SM/Office SEC/BUC	
Budget requirements for property services office (Separate from allocated department funds for SEC property costs)				Cost
Computer programme & training				25k
P/t Staff member				16k
Property network events/resources				15k
Total				56k

CHURCH PROPERTY DEVELOPMENT POLICY AND PRACTICE FRAMEWORK

1. Strategic Framework

The role of the property department is to help facilitate the strategy of the SEC within an evangelistic framework. The work of the department will keep this ultimate and important goal in mind which is incorporated within the attached church property development strategic approach and action plan.

It is the day to day responsibility of the church property development department to counsel SEC churches about the acquisition, construction, maintenance and disposal of property. To assure that all legal requirements are met, all practical considerations are dealt with in a reasonable manner, and that adequate financing is available before commitments are made.

2. Practical Working Framework for Decision-making

The practical departmental working framework for decisions regarding building projects is as follows;

Step 1.

All building projects must be presented to the Property Development Director. The Property Director must ascertain if the project is feasible and compliant with the BUC working policy. The BUC Building Acquisitions and Loan Policy (attached) is an integral part of the SEC property development framework.

Step 2.

Once the building project has been assessed, the Property Director would then take a recommendation to OFFCOM for approval before a proposal is brought to EXCOM.

Step 3.

EXCOM will discuss the proposal before voting it up or down.

Step 4.

Once the proposal is approved by EXCOM, it will then be ratified by Seventh Day Adventist Association Building Committee, who will then sign ALL contracts on behalf of the Local church/SEC, and with all other parties involved in the project.

3. Practical working framework for conception and completion of property and buildings projects.

A. Project management

Once a building project is approved, a project manager will be appointed. The appointment of the Project Manager will be dependent on the size and location of the project.

- i. Projects £1 – £20,000.00 Project managed by local church/Property Director
- ii. Projects £20,000.00 - £150,000.00 Project managed by Property Director/Project Manager
- iii. Projects £150,000.00 and above Project Manager to be appointed.

The Project Manager is the direct link between the contractor and SDAA/SEC, as all completed projects are to be signed off by SDAA.

B. Process for dealing with ad hoc and unplanned requests from churches

If all the steps in section A. are adhered to, then all ad hoc requests will be eliminated. Should steps not be adhered to then each request will be dealt with on a case by case basis with the decision-making steps outlined above being used as a guide to determine next steps along with risk based and financial considerations.

C. Frequency & forum for formal status reporting (risk register)

The Property Development Director meets on a weekly basis with OFFCOM and gives full status report on all ongoing projects.

The Property Development Director is also required to give a full status report at EXCOM meetings.

D. Buildings committee and list of preferred suppliers and volunteers

Four members of the buildings committee meet on a weekly basis at OFFCOM as well as the secretary of the SDAA building committee also meeting with the Property Development Director on a weekly basis.

The buildings committee will meet twice a year to advise on the departmental strategy and advise on risk.

Lay members of the Building committee will also from time to time be consulted in their area of expertise as they have previously been instrumental in helping to save the SEC thousands of pounds.

A list of contractors, and member volunteers will be developed as part of the departmental strategy.

Building Committee
Treasurer (chair)
Executive Secretary (secretary)
President
Steve Okelo
Property Development Director
Oliver Terrelonge
Hewitt Grant
Alexander Smith
Roy Christy

4. Departmental Office

Due to the integral need for efficient record keeping and responsiveness to leaders and members, the departmental office will be strengthened to ensure processes are developed in line with statutory and member requirements. Additionally, in order to minimize risk, it is important that church contact information is recorded daily and buildings Health and safety aspects logged and annually updated.

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Property Development Director

July 2017



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BUILDING ACQUISITION AND LOAN POLICY

The acquisition of property is among the larger of financial decisions made by local churches, Conference/Mission and Union Committees. Each committee has a specific role. The purpose of this policy is to define the objectives and boundaries of each. The committee with whom beneficial ownership resides (usually the Conference/Mission) has the greatest duty of care. Prior to an offer being made, respective officers will have had a valuation survey by a qualified surveyor of the property to support their bid. Such documentation will be presented to respective committees prior to an offer being supported.

Need Assessment

The purchasing body shall assess the need of a new property with regard to the growth and capacity of the church represented. Such churches will demonstrate harmony, growth and a preparedness to maximise the use of the building in services including but beyond regular worship services. The return on capital employed is to be viewed with reference to the total spiritual and charitable use of the properties.

Prioritisation of Need

Where several churches are simultaneously attempting to acquire buildings priority will be given to those churches with a strong track record of stewardship with regard to their building fund.

Proximal Position of the church

Church buildings lie at the heart of church communities. Every effort shall be made to purchase buildings or land central to the witness of constituent members. Where a church group decides to purchase property in the vicinity of another church group, consultation between church groups and the Conference/Mission shall be made prior to an offer to purchase.

Church buildings represent the whole of the Seventh-day Adventist Church; as such they should be positioned and maintained so as to represent our key values.

Availability of the Church to the Public

Churches should express willingness for their church to be available for community use, in accordance with the values and ethos of the Seventh-day Adventist church, while at the same time having due regard to the church's own nurture and evangelistic programmes.

Maintenance & Condition of the Building

A building survey prior to a tender being made shall assess the total cost of purchase, maintenance and repairs, such that the building can be used for its intended purpose.

Covenants, Insurability and Restrictions

Care and consideration shall be given to identify such covenants, insurance risks and restrictions that would contribute additional operating costs during the life time usage of the property. The following are some examples of such matters:

- Restrictive covenants from previous owners
- Listed building status
- Tree preservation orders
- Stained glass windows

Restrictive covenants, listed building status, tree preservation orders and the presence of stained glass windows etc shall be disclosed to the authorising committees. Special features including stained glass windows shall be disclosed with plans to protect and insure such features.

Affordability

All buildings purchased shall represent good value for money with reference to prices in the region of purchase. Purchase at premium prices in competitive markets should be resisted.

Financial plans will be assessed with regard to the ability of a church to provide resources not just for the purchase but its ability to sustain the operation of a comprehensive ongoing church programme. In making this assessment, regard will be given to giving patterns over the last three years in terms of tithe, non-tithe and Gift Aid returns.

The financial plan will disclose all resources of the church: reserves dedicated to the purchase of buildings, the current annual budget and a feasible operating budget contingent on purchase.

Regard will be given to anticipated cost of borrowing over the life of any loans taken with a commercial view to the volatility of interest rates.

Pledges from members are regarded as an indication of both willingness and capacity to fund. They are understood to have no legal basis and are thus to be discounted in terms of materiality when included in financial plans.

External funding from either the Conference/Mission/beneficial owner or public authorities should be assessed and approved by appropriate committees prior to Contracts being signed by the Seventh-day Adventist Association Ltd.

Limits on Borrowing

Reference shall be made to TED Policy S15.

This requires that TED executive committee approval be given where borrowing exceeds 15x the Local Wage Factor (LWF = BUC Pensionable portion of Salary), and the project cost is 30x LWF and where the total loan is greater than 50% of the project.

BUC approval shall be required when any of the following criteria are encountered.

- (i) Borrowing on a project is between 25% and 50% of the total projected budget
- (ii) The total loan profile of the Conference/Mission exceeds 20% of the Conference/Mission's unallocated funds.
- (iii) The working capital of the Conference/Mission is less than 100%
- (iv) The Conference/Mission total loan liability exceeds twice the non-tithe annual income.

Ownership and Title

All properties are registered in the name of the Seventh-day Adventist Association Ltd (for UK properties) and World Wide Missions Ireland (for properties in the Republic of Ireland), the titular owner, that holds all properties in trust for the beneficial owner, usually the Conference/Mission in whose territory the local church resides. Churches have the responsibility of maintaining buildings in their use and insuring them with the support of the beneficial owner.

Communication

In order to avoid confusion and to expedite matters during the sale or purchase process the secretary of the Seventh-day Adventist Association Ltd or World Wide Missions Ireland should be the single point of contact with the solicitors handling the conveyance.