

TRUSTEES OF THE CHURCH OF SCOTLAND HOUSING AND LOAN FUND MAY 2025

Proposed Deliverance

The General Assembly:

1. Receive the Report.
2. Re-appoint Mrs Sharon Anne Ho as a Trustee of the Fund.

Report

1. AIM OF THE FUND

1.1 The Fund exists to support retired Church of Scotland ministers, and widows, widowers, separated or divorced spouses and separated or former civil partners of Church of Scotland ministers, in need of help with housing. The assistance available depends on an individual's circumstances and finances. Details of the help available, and the parameters set, and regularly reviewed, by the Trustees are available in the Guidance Notes on the Church of Scotland website or from the Secretary at the Church offices. The Secretary may also be contacted by potential applicants to discuss their particular situation, and the assistance which the Trustees may be able to provide to them.

1.2 Help from the Fund takes one of two forms. A beneficiary of the Fund is provided with either a house to rent or a loan to assist with a house purchase. The current maximum house purchase price, set in December 2024, is £270,000. Rents are charged at concessionary rates and loans are provided on favourable terms. Loans are granted up to 70 per cent of a house purchase price, subject to an overriding maximum, since December 2024, of £189,000 for Shared Appreciation Loans and £50,000 for Standard Loans.

2. HOUSING TRANSACTIONS: 2024

2.1 Assistance provided during 2024 is detailed in Appendix 1. The property market was affected by national events during the year and remains patchy, with some areas remaining competitive and others being slow. As the Fund both buys and sells properties, these variations can sometimes work in the Fund's favour and other times not.

2.2 The Trustees owned 189 houses at the end of 2024, an increase of 1 over the year. Appendix 2 shows the number of purchases and sales during the year, and the average prices paid or attained. One purchase at only £57,000 lowered the purchase average, which would otherwise have been very similar to the average sale price. At the end of 2024, 17 houses were being marketed or prepared for sale.

3. RENTS AND RENTAL REVIEWS

3.1 At the start of a tenancy the Fund obtains a professional assessment of the Market Rent. Rents are charged at 50% of the Market Rent for Ministers, separated or divorced spouses and separated or former civil partners of ministers, and at 25% for widows, widowers and bereaved civil partners of ministers.

3.2 The Trustees carefully considered the level of annual rent increase. In light of the good financial position of the Fund, and as was the case in 2024, the Trustees have decided that rents should not be increased in 2025.

3.3 Rental income has been sufficient to cover maintenance and repairs. Routine visits to rental properties are carried out and reported maintenance work dealt with as expeditiously as possible.

4. LOAN TRANSACTIONS: 2024

4.1 The Fund provides loans by way of Standard Loans, Shared Appreciation Loans and Short-Term Bridging Loans.

4.2 Standard Loans in 2024 were available up to a normal maximum limit of £50,000 at a rate of interest of 2% for ministers and separated or divorced spouses and separated or former civil partners of ministers and 1% for surviving widows, widowers or bereaved civil partners of ministers.

4.3 Shared Appreciation Loans, which link loan repayment values over their term to the value of the property concerned over the same period, were granted up to the maximum limit of £182,000. Currently, rates of interest for such loans are 1.5% for ministers and separated or divorced spouses and separated or former civil partners of ministers and 0.75% for widows, widowers or bereaved civil partners of ministers. Borrowers with Shared Appreciation Loans receive quinquennial visits from the Secretary and, in 2024, 9 loan visits were carried out.

4.4 Short Term Bridging Loans are granted for a specific period, and in specific circumstances, at the discretion of the Trustees. Interest is charged at a rate equivalent to that permitted by HM Revenue & Customs without liability for benefit-in-kind taxation. At the time of preparation of this Report this was 2.25%.

4.5 Details of each of the three types of loan outstanding as at 31st December 2024 are given in Appendix 3.

5. DONATIONS, BEQUESTS ETC.

5.1 The Trustees gratefully acknowledge donations, bequests and gifts received by the Fund during 2024, including the bequest of a property, amounting in value to £158,091.

6. FUNDS

6.1 The amount realised from sales of houses, less the expenditure on house purchases, during 2024 was £187,379. The net increase in long-term loans during 2024 was £100,300.

6.2 Investments at market value and cash deposits at 31st December 2024 amounted to £21,178,531. This is considerably less than the equivalent figure at the end of 2023. That is because, as was reported to the General Assembly last year, the Trustees had identified surplus assets of £9 million which were to be transferred to the Assembly Trustees, and this transfer was made in June 2024.

6.3 In addition, a transfer of £650,000 was made in January 2025, to the Faith Action Programme Leadership Team. Of that amount, £500,000 is earmarked to provide help with housing costs for those training for the Full Time Ministry of Word and Sacrament, with the remaining £150,000 to be applied to the removals costs for retiring ministers.

6.4 The Trustees continue to monitor the Fund's assets, taking account of future commitments and expected calls on the Fund, but being ready to transfer further surpluses, should they arise, to help with the wider work of the Church.

7. THE FUTURE

7.1 Ministers who are within five years of retirement are encouraged to contact the Fund if they feel they may need the Fund's assistance. Similarly, the Trustees welcome an initial approach from those who are within five to ten years of retirement. Such approaches not only assist the Trustees with financial forecasting, but can help to alleviate some of the anxieties which ministers and their spouses or partners may experience in respect of housing as they contemplate their future after retirement. The Secretary had 59 enquiries about assistance in 2024, with 20 new and 6 updated applications approved. Details of commitments for the next five years, and approved at 31st December 2024, can be found at Appendix 4. The number of ministers planning to retire with assistance from the Fund within a five to ten year period from 31st December 2024 and the number on the Preliminary Applications List for assistance can also be found there.

7.1.1 The Fund can be of assistance beyond the point of retiral. Potential and existing beneficiaries are welcome to speak to the Secretary at any point.

7.2 In December 2024, the Trustees carefully considered the Fund's parameters for granting assistance with housing to rent, and assistance by way of housing loans. Taking into account the current housing market, the numbers of ministers due to retire, and the proper and appropriate stewardship of its resources, the Trustees agreed that the house purchase price limits for 2025 be increased. Thus, the maximum price for a house to rent increased by £10,000 to £270,000 and the maximum price, or value, of a house in respect of which a loan would be given increased to £270,000. The Trustees are satisfied that such parameters will enable appropriate housing to be purchased in the current housing market for those who are eligible for assistance from the Fund.

8. DILIGENCE

8.1 The Trustees confirm that the Staff have monitored their stock of rental housing and housing over which loans have been secured, and have continued to support their tenants and borrowers. Maintenance and repair work is carried out as expeditiously as possible, though finding reliable contractors and trades people is a constant challenge.

8.2 Work to increase the energy efficiency of the Fund properties continues. In 2024, solar panels were installed in 9 properties and new boilers in 16, with further such work being planned for 2025. In addition, at the end of 2024, 60 of the Fund properties had an Energy Performance Certificate rating of C and work continues to get as many properties to this level as possible.

8.3 Any empty property held by the Fund presents challenges, as the Fund is obliged to make regular checks on these properties and keep them heated during cold weather, as well as maintaining gardens and paying Council Tax. Efforts are made to re-let a vacated property to new tenants, but where this is not practicable, it will be marketed for sale as soon as possible.

8.4 The Trustees seek to maintain the properties owned by the Fund at a high standard and to comply with all legal requirements.

9. STAFF

9.1 The Trustees wish to place on record their indebtedness to the work of the staff of the Fund, and in particular the care and support afforded by staff to all those who apply to, or have been assisted by, the Fund.

10. MEMBERSHIP

10.1 Mrs Sharon Ho has served an initial four-year term as a Trustee. Under the terms of the Fund's Constitution, she is eligible to serve a further four-year term and is willing to do so. The Trustees would be pleased if the General Assembly would agree to her re-appointment.

10.2 The Rev I Scott McCarthy resigned as a Trustee in October 2024. The Trustees wish to place on record their appreciation of his involvement with the Fund, and their thanks for the valuable contributions he made to their discussions and decisions.

10.3 Mr Sandy Mowat resigned as a Trustee in March 2025 having served the Fund as a Baird Trust appointee for 16 years. The Trustees wish to put on record their grateful appreciation of his long and faithful service, his pastoral concern for those who apply to the Fund for help and his particular insight and guidance relating to financial matters.

10.4 The Baird Trust have appointed The Rev Ian Murray, as Mr Mowat's successor as a Trustee of the Fund from March 2025.

10.5 The Trustees and Secretary would be delighted to hear from anyone interested in becoming a future Trustee of the Fund.

In the name of the Trustees

DOROTHY U ANDERSON, *Chair*
BRUCE H SINCLAIR, *Deputy Chair*
HAZEL BETT, *Secretary*

Appendix 1

Assistance provided	2024	2023	2022
Number of Ministers retiring *	36	48	38
Percentage assisted with a house to rent	6%	17%	3%
Percentage assisted with a house purchase loan	8%	6%	8%
Total percentage assisted	14%	23%	11%
Instances of assistance provided*	2024	2023	2022
Retiring Ministers	5	14	4
Ministers already retired	3	2	1
Widow(er)s & Civil Partners	4	1	0
Spouses	0	0	3
Total	12	17	8

* Assistance may be provided in a different calendar year to that in which the Minister actually retires

Tenants as at 31st December	2024	2023	2022
Ministers	104	115	111
Widow(er)s & Civil Partners	53	51	54
Spouses	12	12	11
Commercial rental	2	2	2
Vacant	18	8	7
Borrowers as at 31st December	2024	2023	2022
Ministers**	61	62	65
Widow(er)s & Civil Partners	37	36	34
Spouses	0	0	0

**2 Borrowers have dual loans

Appendix 2

Rental Housing			
	2024	2023	2022
Total number of houses owned at 1st January	188	185	189
Houses purchased during year	8	12	4
Total cost of purchases	£1,541,121	£2,703,418	£704,521
Average house price	£192,640	£225,285	£176,130
Houses sold during year	8	59	8
Total amount realised	£1,728,500	£1,960,310	£1,598,609
Average proceeds	£216,062	£217,812	£199,826
Houses bequeathed/gifted during year	1	1	1
Houses relet during year	0	1	0
Total number of houses owned at 31st December	189	188	185
Average market rent of property purchased during year	£11,212	£10,520	£8,700
Average rent of new tenancies - Ministers/Spouses	£5,606	£5,260	£4,350
Average rent of new tenancies - Widow(er)s	£2,803	£2,630	£2,175

Appendix 3

Housing Loans			
	2024	2023	2022
<i>Long term loans outstanding at 1st January</i>	100	101	101
Value of loans outstanding	£6,232,750	£6,191,250	£6,000,250
New loans granted during year	4	2	3
Value of loans granted	£328,300	£195,000	£302,000
Loans fully repaid during year	4	3	3
Loans partially repaid during year	0	0	2
Value of loans repaid	£228,000	£153,500	£111,000
Long term loans outstanding at 31st December	100	100	101
Value of long-term loans outstanding	£6,333,050	£6,232,750	£6,191,250
<i>Short term Bridging Loans outstanding at 1st January</i>	0	0	0
Value of Bridging Loans outstanding	£0	£0	£0
Bridging loans granted during year	1	3	2
Value of Bridging Loans granted	£49,575	£175,280	£117,000
Bridging loans repaid during year	1	3	2
Value of Bridging Loans repaid	£49,575	£175,280	£117,000
Short term Bridging Loans outstanding at 31st December	0	0	0
Value of Bridging Loans outstanding at 31st December	£0	£0	£0

Appendix 4

Outstanding Commitments at year end	2024	2023	2022
For next 5 years			
Houses to rent	20	15	20
Housing Loans	6	5	7
Value of outstanding commitments	£6,219,296	£4,581,150	£5,485,030
Preliminary Applications	2024	2023	2022
For those retiring between 5 - 10 years	2	2	4