

Property Points

2006 Part 1

Dear Friends

At the recent Resourcing Mission Forum at Swanwick we launched our new CD Rom "Building Confidence" which will assist local trustees to review all of their mission resources and to ask hard questions about the future.

This resource is also closely linked with encouragement from the Methodist Council to local Churches and Circuits who have not already done so to carry out a Church or Circuit Review.

This edition of Property Points also gives detailed guidance on the new accounting requirements for Methodist trustees and an update on the progress of Charity Law Reform.

A crucial aspect will be the need for all trusts to develop their policy on reserves from this autumn.

There is also information on the introduction of trustee indemnity insurance and of changes in our grants policy.

Please visit our website or contact the office for further information.

Best wishes

Alan Pimlott

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Memorials Grant Scheme for Listed Buildings

The Department for Culture Media and Sport has introduced a scheme under the above title. It returns in grant aid the VAT incurred in the construction, renovation and maintenance of memorials. Works carried out after 16th March 2005 are eligible.

The purpose of the scheme is to recognise the social value of memorials and it therefore applies to memorial structures in the form of statues, monuments and similar constructions which:

- are solely for the purposes of commemorating people, animals or events;
- bear a commemorative inscription, and;
- meet a public access test of a minimum of 30 hours a week

Private expressions of remembrance, such as headstones, are not covered by the scheme.

Full details may be obtained from:

Memorials Grant Scheme
PO Box 609
Newport
NP10 8QD

Tel 0845 600 6430

Or found at: www.memorialgrant.org.uk

Accounting Procedures for Methodist

as soon as possible thereafter

Trustees

A Progress Report

This update sets out the requirements for financial reporting which take into account:

- (1) Proposals to move to the new Standard Form of Accounts
- (2) Phasing out of Schedule B
- (3) Implications of the new Charities Bill and the new Charities Act in Scotland

Next Year (Autumn 2007)

The intention is for all Methodist trustees in local Churches, Circuits and Districts to use the Standard Form of Accounts for the financial year 2006-07.

Schedule B will no longer be required and the necessary declarations to the Charity Commission for England and Wales will be incorporated into the Standard Form.

This Year (Autumn 2006)

The new Standard Form of Accounts will be available for Churches, Circuits and Districts.

Separate versions will be available for Receipts and Payments and Accruals Accounting.

Completion of the Standard Form is not mandatory this year and if treasurers are not ready to use these new forms because of insufficient time to adapt their accounting systems then their usual form of accounts can be used, and Schedule B must still be completed.

The Standard Forms will also be available electronically. Those treasurers who use Word will be able to both read and download the forms for manual completion. If you have Excel the forms can be completed electronically.

Standard Form of Accounts - availability dates

Local Church Accounts

Receipts & Payments	available now in paper and electronic versions
Accruals	due to be published May 2006 or as soon as possible thereafter

Circuit Accounts

Receipts & Payments	available now in paper and electronic versions
Accruals	due to be published May 2006 or as soon as possible thereafter

District Accounts

Receipts & Payments	due to be published May 2006 or as soon as possible thereafter
Accruals	due to be published May 2006 or

Distribution of forms (Spring 2006)

The new Standard Form of Accounts for Churches and Circuits will be distributed by Methodist Publishing House to Superintendent Ministers by the end of April.

A set of Receipts and Payments forms will be provided for each Church and for the Circuit itself.

At present it is not clear how many Accruals versions will be required in each Circuit (though we have an indication from last year) nor how many treasurers will use the electronic versions. From 2007 we intend to create a database that will enable us to minimise the number of paper forms distributed.

However, for this year it is felt that the process will be most effective if we send all Churches and Circuits the Receipts and Payments version.

Any Churches or Circuits who have requested the Accruals version in the past will be sent copies directly by the end of May.

It is hoped that this will cover most eventualities so that treasurers select the correct form for their own trust body and decide whether to complete the paper version or use the electronic option.

Additional forms can still be obtained upon request from the Methodist Publishing House

Standard Forms (District)

The two District versions will be mailed to District Treasurers as soon as they become available.

Charities Bill - Progress Report

The Bill has passed through the House of Lords but its passage through the Commons was delayed by the General Election in May 2005.

The Charity Commission say that the present expectation is that it will become law before the summer recess. However, that will depend on whether other events cause a further delay.

While the legislation is still pending conversations are continuing with the Charity Commission (for England and Wales) and full details will be published as soon as that process is completed.

When the Bill becomes law all Methodist charities with annual income exceeding £100,000 will be required to register with the Charity Commission. Thus, registration will affect up to ten per cent of Methodist Charities.

All remaining unregistered charities will continue to be covered by the present excepting regulations until 2007.

In 2007 the Government is likely to issue a new Statutory Instrument or similar order to deal with the position obtaining once the excepting regulations end.

The effects of these changes are likely to be minimal on Methodist Churches, Circuits and Districts.

For those Methodist trustees required to register a Connexional process will be agreed with the Charity Commission and full details will be announced as soon as the details have been agreed.

The Charities and Trustee Investment Act (Scotland) 2005. *The separate bill for Scotland became law in 9 June 2005.*

All Methodist Charities in Scotland and Shetland will be required to register with the Office of the Scottish Charity Regulator (OSCR)

However, the Methodist Church has made special arrangements with OSCR to defer the registration process while Connexional policy and procedure is developed. A commitment has been made that all Methodist Charities in Scotland will be registered under an agreed process during the year of transitional arrangements commencing 1 April 2006.

This means that all local Churches, Circuits and the Scotland and Shetland Districts will become registered charities by 31st March 2007. The same will apply to other Methodist charities.

Full details about how the registration process will be effected will be publicised later in the year. OSCR have agreed to meet Methodist representatives to make appropriate arrangements but have asked for that meeting to be deferred until after 1 April 2006.

Charities Bill implications

Although it is accepted that this is a transitional period while the Bill awaits enactment it does not affect the development through the Connexion of the new Standard Form of Accounts, already completed, which have been submitted to the Charity Commission and do fulfill the requirements of the Charities SORP (Statement of Recommended Practice). The same process of consultation will take place in relation to the remaining forms now being finalised.

Jurisdictions outside England, Wales and Scotland.

The Charity Commission covers England and Wales only.

However, Methodist charities in other jurisdictions are required by Standing Orders to complete Annual Accounts and an audit or independent examination in the same way.

These charities are required to follow a similar reporting

RESERVES POLICIES

Introduction

The Conference 2004 Report "Review of Circuit and Other Advance Funds" included a requirement for all Methodist trustees to adopt a Reserves Policy once appropriate guidance had been made available.

Project Aim

To deliver relevant guidance to managing trustees about:-

- (a) How to establish a reserves policy
- (b) What to include in the annual report

Progress Report

- (1) Guidance for Churches and Circuits was completed in Autumn 2005 and published on the Methodist website.
- (2) Guidance for Districts is currently being completed.

Implementation Date

A letter was sent to all Superintendents and District Chairs in Autumn 2005 to communicate the Connexional requirements along the following lines but final proposals will be confirmed in due course:-

- (1) Guidance will be available for all Churches, Circuits and Districts by Spring 2006. Other trust bodies must also prepare their Reserves Policies.
- (2) Trustees are required to familiarise themselves with what is required and work towards creating a Reserves Policy.
- (3) A Reserves Policy will be required from all Methodist trust bodies in Autumn 2006.
- (4) A brief note in the Annual Report & Accounts should record the existence of a Reserves Policy.
- (5) The policy itself must be reported as follows:-
 - (i) Churches submit a report to the Circuit Treasurer
 - (ii) Circuits submit a report to the District Treasurer
 - (iii) Districts submit a report to the Connexional Team. (Details to be decided)
- (6) Additional guidance will be provided for Circuits, Districts and Connexion setting out the new procedures

These in essence, will require the above reports to be submitted with the annual accounts to the Circuit Officer etc.

The receiving body will be asked to hold the reporting body to account where as Charity trustees they have not made appropriate plans for the funds within their care.

Reserves – not immediately required – and available for investment

As Charity trustees, managing trustees of local Churches, Circuits and Districts are required by the Charities SORP (Statement of Recommended Practice) to have a Reserves Policy. Guidance on this is provided elsewhere in Property Points.

When the trustees have established their mission aims and set their Reserves Policy they may be in a position where some of their funds need to be invested until they are required to fund projects or other work in several year's time.

At such times investment advice should be sought from a suitable professional advisor.

The Central Finance Board (CFB) can provide this service, Trustees for Methodist Church Purposes (TMCP) cannot. Any funds required to be invested through TMCP such as Model Trust Bequests, Circuit or District Advance Funds, Endowments, Development Funds are automatically held in the Trustees Investment Fund (TIF) with the CFB

Trustees can instruct TMCP to invest part or all of any trust in other investment fund(s) whether via CFB or elsewhere.

Trustee Indemnity Insurance

Following a long period of consultation and the decision of Conference to amend the Model Trusts it is now permissible for Managing Trustees to take out Indemnity Insurance cover.

From the 1st July 2006 Methodist Insurance PLC will be providing, without additional charge, basic cover as an integral part of their Standard Church Shield Policy.

Additional cover may also be purchased in appropriate circumstances and more detailed information and guidance is available on the Methodist Church [website www.methodist.org.uk](http://www.methodist.org.uk) or in a leaflet on request from the Methodist Property Office. This sets out the matters which Managing Trustees are required to consider and additional questions are also included under the Insurance section of the Annual Property Schedules A and C.

The Fire Extinguisher Service

The Fire Extinguisher Service Contract for Churches operated by Chubb Fire Limited, Major Accounts Division, Manchester, has been extended for a further three years from the 1st April 2006 until March 31st 2009 with the same current service unit price of £6.00 per unit.

This will mean that the prices for servicing and supply of new extinguishers will have remained the same since 1994. Churches should ensure that when dealing with a Chubb service engineer that they are on a **Major Accounts** contract as other Chubb branches contracts can be more expensive.

Further information can be obtained from our Fire Precautions Fire Adviser, Colin Domville, by contacting him on **01704 875 597** who will be able to explain and answer any queries.

Reform of Fire Safety Legislation

The Reform of Fire Safety Legislation proposals as outlined in Property Points 2003 Pt 1, originally intended to come into effect in Spring 2006, has now been postponed by the government; no revised date has yet been announced. The new legislation is entitled **“The Regulatory Reform (Fire Safety) Order 2005”** and will apply to all buildings where the public have access, and also includes outdoor areas where public events can take place. It applies even if there are no employees as it is intended to protect all persons from fire.

All existing legislation with a reference to Fire will be repealed on the commencement of the new Fire Safety Order including **“The Fire Precautions Act 1971”** and **“The Fire Precautions (Workplace) Regulations 1997”**. This will mean that where an existing Fire Certificate under **“The Fire Precautions Act 1971”** applies it will be cancelled and premises will have to conform to the new Fire Safety Order.

The Government is producing 11 guides for various types of premises but there will not be a specific guide for Church premises. The guides that include information for Churches and Cathedrals will be called:

“Fire safety in small and medium places of assembly”,

for premises accommodating up to 300 people;

“Fire safety in large places of assembly”,

where more than 300 people gather”;

“Fire safety at outdoor events”.

We will publish further information in Property Points as soon as possible. In the meantime we would like to remind all managing trustees that their risk assessment needs to be kept up to date, and this should include a regular review of fire safety.

Colin Domville, our Fire Precautions Adviser, has been part of the stakeholder group, on behalf of the Churches Main Committee, considering the contents of the various guides. If Churches have any immediate queries or concerns then they should contact him on **01704 875 597**

Grants Policy - New & Improved

As this edition of Property Points goes to press a revised grants policy has been approved by the Connexional Property Committee. The key to the changes has been to introduce greater flexibility between smaller and larger schemes and to take more account of the effort which local churches make in raising funds for their projects. In addition the approval period will be changed from **5 years to 3 years**, to bring the Methodist Church more into line with the criteria of external funders. In reality, the majority of schemes are already completed well within the 3 year period. Full details of all these changes, together with guidelines, will be published shortly on the website.

Landfill Tax Credit Scheme Update

Have you been lucky enough to receive a grant through the Landfill Tax Credit Scheme for a building project recently? Have you used TMCP's Environmental Body status to make your application? If so, **Peter Jarvis** from the Mission Projects & Funding Office will be visiting your Church.

Peter is the Grants and Administrative Officer who is responsible for liaising with Entrust regarding Landfill Tax Credit Scheme compliance matters which also involves site visits to monitor the use of grants.

Peter is also responsible for giving initial guidance to churches in respect of the availability of Landfill grants.

Stephanie Greenhalgh continues to liaise with the Landfill Operators on your behalf throughout the application process.

For further information on funding opportunities through the Landfill Tax Credit Scheme email **Peter** at mpfo@property.methodist.org.uk or telephone 0161 236 5194.



Stephanie & Peter

Grants Support Application Form

This application form has now been in use for over 12 months, and many churches have responded very positively to the help that this gives them in establishing the priorities and aims of their scheme. We would like to emphasize the importance of completing this form at the earliest possible stage (prior to Schedule 1), in order that full guidance can be given by the Funding Office in terms of possible funding sources, but also in relation to meeting both the requirements of the church's mission, and also those of external funders.

Coming Soon.....New Grants Programme from the Big Lottery Fund

June 2006 will see the launch of the new '**COMMUNITY BUILDINGS**' grant programme from The Big Lottery Fund.

The programme will fund capital support for community buildings which provide genuine facilities for the whole community.

The Big Lottery Fund will make **£50 million** available over three years through the Community Buildings programme to projects across England.

More details about the scheme, including information about those who can apply and how grants will be released, will be published on the Big Lottery Fund website (www.biglotteryfund.org.uk) in June. Further information will also be available in the next edition for Property Points – so WATCH THIS SPACE!

For further information on Lottery and other external funding opportunities email **Helen Pollitt** (External Funding Officer) at mpfo@property.methodist.org.uk or telephone 0161 236 5194.

Review of Buildings

The Methodist Council at its February meeting passed the following resolutions:-

- (1) The Council encourages all Circuits that have not done so in the last two years to undertake a review of their life, work and mission in the light of Our Calling and the Priorities of the Methodist Church. This review should include strategic consideration of the availability and use of personnel, finance and buildings, with the help of connexional resources such as "Shaping the Future" and the "Building Confidence" CD ROM.
- (2) The Council requests all Districts to support Circuits in undertaking such a review, providing encouragement, training and advice as appropriate.

- (3) The Council requests all Circuits to report the outcomes of any reviews that they now undertake or have undertaken in the last two years to the appropriate body designated for this purpose in each District. The District shall consider these outcomes alongside its responsibility to review Circuit resources in Circuit Advance Funds at least once every three years (Standing Order 955(7)), and shall report accordingly to the Methodist Council on this and any other issues raised.

Further details about relevant resources are included overleaf

Resourcing Mission Forum – Building Confidence

Around eighty representatives of Districts and others involved in mission met at Swanwick recently.

Key speakers included the Present of the Conference Revd Tom Stuckey, who gave an inspiring address on future models of Church and Dr Helen Cameron, a Social Scientist who has worked closely with the Resourcing Mission Office over recent years reviewing grant making processes and helping produce new technical resources to assist local Churches and Circuits to review their mission aims and to ask hard questions.

The opportunities to engage in a series of workshops and to network with others involved in local mission were enthusiastically grasped.

The theme was “Building Confidence” and that is also the title of our new CD Rom which offers a whole range of information about how to develop mission projects – either around buildings or focusing on specific ministries.

Connexional Property Committee meets for the last time.

Just prior to the opening of the Forum the Connexional Property Committee met for its final meeting. From September new arrangements will be in place following the Methodist Council Review.

Among these will be an annual Forum where Districts provide feedback on Connexional matters and new initiatives can be developed.

As we recognise a move away from Committees we will enhance opportunities to network with District Property Secretaries, Grants Officers, Treasurers and other post holders such as District Training officers, Mission Enablers and Church Review Co-ordinators.

Church and Circuit Reviews
Via the Resourcing Mission Office

Review Buildings and Mission
with
Pilgrims Way
A full, accompanied review to guide your Church over several years

Shaping the Future
Setting a Circuit Mission Policy focusing on
• People • Models of Mission • Buildings • Finance

CD - ROM
Building Confidence
• Mission Resources • Evaluation Models of Mission
• Hard Questions • Developing mission/business plans
Assists all aspects of planning for Churches and Circuits

Other Publications promoted by the Resourcing Mission Office

Know and Grow
A one - off church review tool based on "Our Calling"

beyond the wood and stone
Creative Arts & Buildings

Presence
A workbook to help promote and sustain an effective Christian presence in villoges

The Resourcing Mission Office supports District Church Review Co-ordinators by keeping them up to date with resources and the latest mission accompaniment practice

Further information

Please contact the Methodist Property Office - Resourcing Mission , Central Buildings, Oldham Street, Manchester M1 1JQ 0161 236 5194
website www.methodist.org.uk
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Who has been sent copies

Superintendents	/	Circuit Stewards	/
Ministers	/	Circuit Property Officers	/
Church Treasurers	/	Local Property Officers	/
Circuit Treasurers	/	District Officers	/
District Treasurers	/		