

# PROPERTY POINTS

2009 Part 2

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Dear Friend,

2009 is a year of change in a variety of areas of church life. For the Resourcing Mission Office the significant changes this autumn are:-

- o **The introduction of Property Consents in all districts**
- o **The changes in property legislation**
- o **Charity Registration – completing phase one.**

The staff will be glad to help guide you through all or any of these changes. Thank you for all you are doing at the 'coalface' to get things done – we appreciate how much we depend on thousands of volunteers throughout the Connexion.

With our best wishes,

Alan Pimlott  
Connexional Property Secretary

  
The **Methodist Church**

## THEFT OF METAL A MESSAGE FROM METHODIST INSURANCE

Keen to protect insured churches from metal thefts, Methodist Insurance undertook a thorough review of the security measures available and identified SmartWater as one of the best solutions. SmartWater is a clear, colourless liquid which can be painted onto property. Each solution has a unique DNA code, so property can be traced back to its source.

At the end of 2007, the Company sent each insured church a sample pack and strongly recommended SmartWater be applied, particularly to areas of external metalwork.

Methodist Insurance now apply a condition to their Church Shield policy that states external metal must be protected. It also sets a limit of £5,000 for claims for replacement of external metalwork following any theft in any one period of insurance. The cover is subject to protection by SmartWater and its registration with SmartWater Technology Ltd. Without this protection, a 50% contribution from the insured is required to the cost of any loss up to the £5,000 limit.

SmartWater can be purchased from The Churches Purchasing Scheme by phoning 0845 458 4584 or by visiting [www.cpsonline.co.uk](http://www.cpsonline.co.uk).

### Accounting Regulations in Scotland

All churches, circuits and districts in Scotland who prepare Receipts and Payments accounts should please note that from this autumn the accounts must be prepared using The Office of the Scottish Charity Regulator's (OSCR) model (to be found on their website [www.oscr.org.uk](http://www.oscr.org.uk)).

A letter with full details has been sent to the main contact for each Church and via the Superintendents.

### Changes to Property Points

You will know from earlier messages in *Property Points* that we plan to change the way it is distributed from spring 2010.

At present, 17,000 paper copies go to all ministers, treasurers and property officers in local churches, circuits and districts twice a year.

We have asked for comments and most people accept that:-

- it would be more environmentally friendly to distribute electronically, but that
- an IT version may mean some people miss out.

We are therefore talking to the Communications Team about the possibility of including a single paper copy with the Connexional Mailing to each local church.

Assuming that is agreed later this year, we then intend to email a copy to all Superintendents, Chairs, District Property Secretaries and District Treasurers. These can be forwarded by them to other circuit ministers and district officers.

Each dated version of *Property Points* will also go onto the website.

We may consider posting updates during the year between the two main editions (spring and autumn), if a particular matter requires publication.

### Trustees Annual Report and Annual Returns

We intend to produce some guidance on each of these regular reports for registered charities in England and Wales and make it available on the Methodist website during the autumn.

In Scotland trustees will already be familiar with OSCR's requirements.

Guidance for excepted charities can be found in *Managing Trustees and Methodist Money*. Trustees in the Isle of Man and the Channel Islands may also find the guidance useful.

*Managing Trustees and Methodist Money* is now out of print but is still available on the Methodist website. Much of the guidance remains relevant, the main changes being about financial reporting.

### Charity Registration

The Charities Act 2006 requires charities with annual income over £100,000 to register with the Charity Commission by 1 October 2009.

- Around 325 Methodist charities are required to register at the present time.
- As at 24 July 2009 155 local churches, 17 circuits and 8 districts are now registered charities and a further 51 are currently applying to register.
- By 1 October 2009, some 260 registrations will have been completed.
- The Charity Commission has agreed to defer registration for the remaining larger trustee bodies while the Methodist Church seeks an accommodation to ease the bureaucratic process for such bodies, some of which have up to two hundred trustees (or more).

If you are unsure whether to proceed please contact the Resourcing Mission Office for guidance.

## Standard Forms of Accounts

The Standard Forms for 2008-09 are now on the Methodist website.

The only significant amendment this year has been to remove the threshold amounts from the forms because they now differ between the various jurisdictions.

The table below shows the 2008-09 thresholds and the information is also available on the website.

Please note the increase in the Audit and Accruals thresholds in England and Wales (but not in Scotland).

In Scotland (and Shetland) this year's Standard Form for Receipts and Payments is the OSCR Receipts and Payments Model, unadapted. This follows new regulations in Scotland.

Otherwise, the Standard Forms on the web apply to England and Wales, the Channel Islands and the Isle of Man, and Scotland (for Accruals only).

## Table of Financial Thresholds for 2008-2009

Method of Accounting	England and Wales	Scotland and Shetland	Isle of Man	Channel Islands
<b>Receipts &amp; Payments</b>	Gross income below £250,000	Gross income below £100,000	Income over £100,000	Follow guidance for England and Wales
<b>Accruals</b>	Gross income over £250,000	Gross income over £100,000	Income below £100,000	Follow guidance for England and Wales
External Scrutiny	England and Wales	Scotland and Shetland	Isle of Man	Channel Islands
<b>Audit by Registered Auditor</b>	Gross income over £500,000 <b>or</b> Gross income over £250,000 and Gross Assets over £3.26m	Gross income over £500,000 <b>or</b> Gross income over £100,000 and Gross Assets over £2.8m. Audit required in following two years.	Income over £100,000	Follow guidance for England and Wales
<b>Independent Examination</b>	Where income or income/gross assets do not exceed the Audit thresholds.  If income exceeds £250,000, independent examination by a qualified examiner of a body specified under the 2006 Act (see CC63a).	Where income or income/gross do not exceed the Audit thresholds.  Independent examination by a member of a professional accounting body.	Income below £100,000	Follow guidance for England and Wales

Threshold is linked to gross income or gross income and gross assets alone, and not to expenditure.

New thresholds in England and Wales for 2008-2009 relate to Annual Accounts whose year end is 1 April 2009 or later.

This, of course, includes all local churches, circuits and districts.

## Changes to Property Legislation

### Review of Part 9 (CPD)

The Conference has approved changes to Part 9 of CPD which will affect the way we deal with property and finance. This is a summary of the main changes.

- Property Consents – from this autumn the districts will become the consent-giving body for all property projects.
- All such projects will be required to obtain consent via the IT web-based process rather than use a paper schedule.
- Certain types of work will still require Connexional agreement eg Listed Buildings and Conservation Areas; Sharing Agreements.
- Agreement about whether a project qualifies as 'replacement' will also still remain a Connexional decision although the project itself should be processed via the IT web-based system.
- The restrictions for the release of money from circuit and district funds have been relaxed.
- While capital money and income continue to be separate categories for legal and accounting reasons, from 1 September 2009 both categories can be used for any Methodist purpose.
- The first £20,000 of any model trust bequest may now be held in a local bank account for the trustees.
- The CAF (Circuit Advance Fund) will become Circuit Model Trust Money.
- The levy for the Connexional Priority Fund will increase to 20%/40% instead of 15%/25%.

### Property Consents

The Methodist Conference has now agreed a timetable for rolling out responsibility for Consents to the districts.

Prior to 31 August, just Nottingham & Derby and London Districts have tested the new process as Pilots 1 & 2.

All remaining districts will now go live at some point between 1 September and 1 January 2010. Each district can opt for its own best time but we hope there will be close liaison with the Resourcing Mission Office so that the roll-out can be phased.

Training and support will be provided by the Connexional Team and the Trustees for Methodist Church Purposes (TMCP).

Once your district goes live, the old approvals system will cease and all property projects will be required to seek the consent of the district using the new IT process.

There are some exceptions to this rule eg district and Connexional property where consent will need to be given by the Strategy & Resources Committee on behalf of the Methodist Council.

There will also be mandatory referrals for certain permissions from the Connexion (or TMCP) before the district gives consent in a particular project. Examples include:-

**TMCP:** Sales, purchases, leases and mortgages (except from Chapel Aid)

**Connexional Team:** Listed Buildings, Conservation Areas, Sharing Agreements

Connexional Priority Fund levy refund decisions will still be administered from the Resourcing Mission Office.

### Water charges

Information has now been received from the Churches Legislation Advisory Service (CLAS) reporting the latest developments.

The House of Commons Environment, Food and Rural Affairs has published its report on the Ofwat price review 2009. The indication is that Ofwat must now develop a clear protocol to guide all water companies to ensure that a fair and affordable charging regime can be introduced throughout England which properly reflects community based organisations' ability to pay for water services.

We will put more detailed information on the Methodist website as soon as it becomes available.

### The Joseph Rank Trust (JRBT)

With effect 1st January 2010, grant funding by the Joseph Rank Trust will be expended on 'Methodism' and not just on property schemes and MAYC projects as has been the case in the recent past. The aim of the JRT Trustees is to embrace most areas of home mission. All appeals would be linked to the development of the mission, as determined by the Trust. Details of how to apply can be obtained from your District Secretaries in December. [www.ranktrust.org](http://www.ranktrust.org)

### Resourcing Mission Forum 2010

Please note we have booked The Hayes Conference Centre at Swanwick for 23-24 March 2010.

### Pre-School Groups

Many churches allow pre-school groups to use their premises during the week and these groups provide a valuable link to families who do not have any other contact with the church. Pre-school groups can often get funding from their local authority to 'upgrade' their facilities, eg to install an extra toilet or to build an outside play area. Church Councils do need to be mindful of the issues that arise here:-

- Who would 'own' the new facilities for which the pre-school obtained the funding?
- What happens if the pre-school ceases to operate?
- Would the money need to be repaid to the local authority?
- Who will be responsible for ensuring the pre-school's works are completed properly?
- What happens if any defects come to light?
- Will the contractors be properly insured and whose responsibility is it to check?

Provided the relevant issues are identified and addressed at the start, difficulties at a later stage should be easily avoided. Managing Trustees should ask their local solicitors for advice and refer to TMCP for guidance.

### Granting Leases – rents must be at market rate

Just a quick reminder of the general rule that all rents charged under leases of Methodist premises should be at full market rate. Before granting or renewing any leases or agreeing any rent reviews, Managing Trustees should seek professional advice as to what rent to charge the tenant. TMCP also need to approve all lease documents (including renewal leases) and rent review memoranda before they are completed.

For further information or guidance please contact TMCP's Legal Office at tel: 0161 235 6770; email: [legal@tmcp.methodist.org.uk](mailto:legal@tmcp.methodist.org.uk)

### Fire Precautions Advisor

The Fire Precautions Advisor Colin Domville will continue to offer guidance to local churches.

Contact Colin at 64 Monks Drive, Formby, Lancs L37 6DW tel: 017048 75597 email: [cbdomville@blueyonder.co.uk](mailto:cbdomville@blueyonder.co.uk)

## Trustee Roadshows

A series of four roadshow events were held during June 2009 in Daventry, Winchester, Worcester and Doncaster. We are most grateful to those who hosted and helped organise these events.

Staff of the Resourcing Mission Office and the Trustees for Methodist Church Purposes led the event in conjunction with the Revd David Gamble in his legal and constitutional role. Colleagues from Methodist Insurance were also involved.

The aim was to explore the role of a Trustee and the half day events included presentations and group and plenary discussions. Around 150 people attended.

All of the main issues raised as being of particular interest were noted and we intend to publish a collated version on the website as well as sending a copy to attendees.

Ultimately, we hope to produce a short publication which can be made available for distribution, perhaps during the autumn.

## Community Projects

Here is a typical scenario: The local 'community group' approaches you and suggests that in return for the use of your church building, the group will have access to funding that would not ordinarily be available to the church. The group will use the money to refurbish the church premises and provide community services that your church council doesn't have the resources to do itself.

This is an outreach opportunity that any church would want to explore. But before making any promises to the community group, the church council needs to ensure the project sits within the Model Trusts and general Methodist charitable purposes. There are ways in which these projects can work, but they do need careful consideration at the outset to avoid frustration at a later date. If your church is thinking of entering into any sort of venture which involves using Methodist premises for mainly 'community use', please seek guidance from TMCP at an early stage.

## Land Registration Project – Progress Report

Trustees for Methodist Church Purposes (TMCP) arrangements are going well for the voluntary registration at Peterborough District Land Registry of all Model Trust property in English and Wales and we have received lots of positive feedback from circuits and districts who have already been through the registration process. 14 districts are now involved in the project; the others will be invited to join in the next three to six months.

Managing Trustees should check the registered titles when they receive them back from Land Registry, in particular the registered boundaries, and ask TMCP for guidance if they think a mistake has been made.

The pre-registration title deeds are historic records and therefore should not be destroyed. Land Registry will return them to the Managing Trustees once the registrations have been completed, for lodging with the district archivist or retention in the circuit safe.

## This document is aimed at

- Local property officers
- Church treasurers
- Superintendents
- Ministers
- Circuit stewards
- Circuit property officers
- Circuit treasurers
- District property secretaries
- District treasurers
- District chairs

## Further information

Please contact The Methodist Property Office – Resourcing Mission, Central Buildings, Oldham Street, Manchester M1 1JQ.  
Tel: 0161 236 5194

This newsletter is available on the Methodist website: [www.methodistchurch.org.uk/propertypoints](http://www.methodistchurch.org.uk/propertypoints)