

# PROPERTY POINTS

2010 Part 1

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**This edition of *Property Points* includes significant information on new processes within the Connexion. In particular, the new IT Property Consents process is now operational in all districts. All our schedules are now accessible electronically. In future the aim is to have a continuous *Property Points* on the website. Please regularly check for updates.**

Alan Pimlott  
Connexional Property Secretary

## BIG LOTTERY FUND

### Introduction of Capital Grants Stream.

The Big Lottery Fund has announced that a dedicated capital stream offering funding within the Reaching Communities application process will be opened to applications in autumn 2010. This will respond to the high, unmet demand for funding for community buildings from the Big Lottery Fund.

The dedicated capital element is likely to fund medium-sized refurbishments, new builds or extensions to community centres, village halls or other community use buildings meeting local community needs and aspirations.

The main aim of Reaching Communities is to help bring real improvements to communities and to the lives of people most in need.

The Big Lottery Fund's website can be found at [www.biglotteryfund.org.uk](http://www.biglotteryfund.org.uk).

Further information will be available from the external funding officer in the Mission Projects and Funding Office as soon as it is announced. (Email [mpfo@property.methodist.org.uk](mailto:mpfo@property.methodist.org.uk))

## Voluntary Land Registration Scheme – England and Wales

The Scheme established by Trustees for Methodist Church Purposes (TMCP) for the registration of the legal title of all property in England and Wales held under the Model Trusts is entering its final stage.

Almost all districts have now been invited by TMCP to submit their deeds to the Land Registry for registration. 12 districts have completed (or have largely completed) the process and 5 are in the process of being registered. The remaining invited districts should be in the process of collating the deeds for the properties in their district for submission to the Land Registry.

There are various benefits to local churches and circuits of registering the title to their property through the Voluntary Scheme particularly with regard to the management of the property. The main financial benefit of the Scheme is that the fee for first registration under the Scheme has been paid by TMCP, so the local managing trustees do not incur that cost. This will, therefore, result in a major cost-saving across the Connexion.

Ordinarily that fee would be based on the full current open market value of the property

to be registered, which for many churches would mean a cost of between £60 and £410 (excluding any professional fees that they would incur). First registration would be 'triggered', and the fee would be payable, if, for example, the church was to be sold, or the church was required to provide a Restriction on its title to secure a loan or grant made for the benefit of the church.

Following TMCP's recent conversations with the Land Registry it has been agreed that provided that deeds are submitted by the districts to the Land Registry by **31 August 2010**, the Land Registry will commit to complete those registrations under the Scheme by 31 December. This is an important date for all districts yet to complete the process, as any deeds submitted after that date will not fall within the Scheme. Managing trustees will, in those instances, be required to pay the full fee for a voluntary registration.

TMCP will be liaising with district property secretaries over the coming weeks to follow up outstanding queries, and to try and ensure that all circuits who wish to take advantage of the Scheme are able to do so before **31 August**.

For enquiries please contact: Mrs Jatinda Kandola, Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ (Tel: 0161 235 6770, Email: [legal@tmcp.methodist.org.uk](mailto:legal@tmcp.methodist.org.uk))

### Resourcing Mission Office – Strategic Review process

The review has been underway during the past year and a report will be submitted to the Methodist Council in April.

### The Role of a Trustee

A series of events took place last summer to explore the role and responsibilities of a charity trustee. A short leaflet *The Role of a Trustee* was prepared following these events and is also on the Methodist website plus a range of questions and answers.

### Resourcing Mission Forum – postponed

This annual event – due to take place in March 2010 – has been postponed pending the outcome of the Strategic Review of the Resourcing Mission Office which reports to the Methodist Council in April.

Districts were notified in January by Nick Moore, head of support services.

A rearranged event will take place once the strategic review of the Resourcing Mission Office has been completed so that future working arrangements can then be discussed.

# CHARITY REGISTRATION



## Registrations completed

The Charities Act 2006 requires all religious charities to register with the Charity Commission if their gross income is over £100,000. The deadline for registration was 31 December 2009.

We are aware that some Methodist charitable bodies, and these may be churches, circuits or districts, had not applied for registration by the deadline date. [These bodies should submit their applications as soon as possible to avoid losing their charity status and non-compliance with the Act, and to comply with the requirements of Conference.](#)

**There is no need to seek any assistance with registration from external solicitors - just contact the Resourcing Mission Office.**

When these registrations have been confirmed the implementation of the first phase of the Act will largely have been completed.

As at 2 March 2010 379 registrations have been confirmed in England and Wales. A further 73 applications had been submitted, giving a total of 452 registrations, namely:

### England and Wales

	Completed	Submitted
Churches	196	27
Circuits	166	37
Districts	17	6
Other		3
	<b>379</b>	<b>73</b>

In addition the earlier registrations under the Charities and Trustee Investment Act (Scotland) 2005 were:

### Scotland and Shetland

	Completed
Churches	59
Circuits	9
Districts	1
	<b>69</b>

This makes the number of registered charities 521.

Also in England and Wales 71 dispensations have been agreed for churches etc who have exceeded the threshold because of fundraising for one-off building projects or who are in receipt of a large bequest.

### The Methodist Church in Great Britain

Registration for the Methodist Church in Great Britain was completed on 8 October 2009. The Conference are the trustees and its funds are those included in the Methodist Council Consolidated Accounts.

Any Methodist organisation whose accounts are included in the Consolidated Accounts is **not** required to apply for separate registration.

Please note, on the other hand, that each church, circuit and district is a separate charity in its own right and will have its own registration number after applying for registration.

All charities in England and Wales whose income is below £100,000 remain excepted charities for the time being under statutory instrument 2007 no 2655. These charities should quote their HMRC (Her Majesty's Revenue and Customs) number whenever a charity number is required.

### Local Ecumenical Partnerships (LEPs)

Around 50 LEPs are required to register. These are mainly single congregations with gross income over £100,000.

Before applying for registration they are required to adopt a new model constitution which has been approved by the Charity Commission.

Two special seminars were held last autumn to assist with the process of adopting the new constitution and applying for registration.

Applications must be completed as soon as possible.

### United Areas

A small number of united areas will also be required to register. URC and Methodist colleagues are assisting with this process.

### Charity Registration – what happens now?

Registered charities will be expected to submit their Annual Return including Trustees' Annual Report and Accounts to the Charity Commission nine months after the year end.

The Commission will email all charities four months after their financial year end. The email will offer the choice of completing the annual return online or requesting a copy (which is then mailed to them).

The Charity Commission contact centre (Tel: 0845 300 0218) can deal with any individual enquiries that the church/district/circuit contacts may have regarding returns and accounts.

Copies of the Trustees' Annual Report and the Annual Return can be found on the Methodist website with guidance notes:

[www.methodist.org.uk/static/rm/example\\_trustee\\_annualreport.pdf](http://www.methodist.org.uk/static/rm/example_trustee_annualreport.pdf)  
[www.methodist.org.uk/static/rm/trustee\\_annual\\_return\\_2009.pdf](http://www.methodist.org.uk/static/rm/trustee_annual_return_2009.pdf)

### The Isle of Man

Methodist charities in the Isle of Man are exempt charities and are not required to register with the General Registry.

### The Channel Islands

Information will shortly be made available concerning the charity requirements in the Channel Islands.

## District Consent Giving Body and the Managing Trustees

### Respective Roles

Here are some of the key features and principles of consent giving. We thought it would be helpful to share this information again at an early stage following the consents rollout to all of the districts.

- 1) Professional advisers appointed by trustees (eg architects, solicitors) must be paid for their services and maintain professional indemnity insurance.
- 2) Districts will not need to appoint such advisers except when dealing with district property, as managing trustees.
- 3) Public liability covers legal liability to pay damages for accidental injury or accidental damage to property and associated legal costs caused in connection with the church. It does not cover financial loss for, in this instance, the advice and/or acts of the church.
- 4) District property secretaries (DPSs) are not required to give professional advice but to encourage managing trustees to take such advice, for a fee, when it is appropriate.
- 5) District Consent-Giving Bodies are required to guide trustees through the consents process, to assess their mission aims, and be satisfied that the trustees have addressed relevant legal, technical and financial issues satisfactorily. They will not take ultimate responsibility for any aspect of the project.
- 6) DPSs must not act alone, but in conjunction with the Consent Giving-Body. Obviously, each district will work out how to operate the system effectively and DPSs will offer general guidance or point trustees in the right direction when necessary.
- 7) There should not, generally, be a need for districts to appoint paid administrators purely to offer guidance which falls within the remit of DPSs.

## Standard Forms of Accounts 2009/2010

The Standard Forms of Accounts have been revised for 2009/2010 and are expected to be on the Methodist website [www.methodist.org.uk](http://www.methodist.org.uk) during April.

The changes are:

- **guidance**
  - updated information on charity registration
  - revised reporting arrangements
- **accounting format**
  - a significant change in the treatment of capital receipts
  - on circuit forms: introduction of Circuit Model Trust Fund

### Circuit Model Trust Fund

Standing order changes are now reflected on the forms with the former Circuit Advance Fund (CAF) now titled Circuit Model Trust Fund.

The purposes of the fund are now wider and are set out in standing orders. They allow money to be used for any Methodist purpose while CPD reminds trustees of the fund's primary purposes. The Accountancy Support Group has decided to remove the 'restricted fund' description. The fund, however, still has its own separate column to reflect its status as Model Trust money.

### Capital Receipts

Changes to the Charities' SORP (Statement of Recommended Practice 2008 revision) now require capital receipts to be treated as income. The change is likely, mainly, to affect circuits on receipt of proceeds from the sale of a chapel.

The basic position is as follows:

- If the asset sold was already reflected at a carrying value in the trustees' accounts, the income figure arising from the sale is the gain (ie net proceeds of sale less carrying value (or historical cost, if applicable)).
- Circuits in receipt of proceeds of sale of a chapel will need to include the whole of the net proceeds as income because there would have been no carrying value in the circuit accounts prior to the sale.
- This change is likely to result in some trustees having to carry out an audit for the first time and/or to prepare accruals accounts.

## HOPE IN GOD'S FUTURE

Work has begun in identifying appropriate and realistic approaches to assess the carbon output of the Methodist Church: this is to determine how to bring about a reduction in carbon emissions and to make recommendations in relation to energy audits. Energy audits on a sample of churches and manses are now under way and these will be made available to demonstrate how churches and circuits can take simple and effective measures to reduce their carbon footprint.

The Connexional Team will soon be producing guidance and tools to help your church reduce its energy use and carbon emissions within the context of tackling climate change. There is advice at [www.ecocongregation.org](http://www.ecocongregation.org) and [www.creationchallenge.org.uk](http://www.creationchallenge.org.uk) – keep your eye on these and the Methodist website for updates.

### Now on the website and other updates

Use of Methodist Funds – A new guidance note  
Managing Trustees and Methodist Money – being revised  
Annual Schedules and Standard Forms of Accounts 2010  
Charities and Public Benefit [www.charitycommission.gsi.gov.uk](http://www.charitycommission.gsi.gov.uk)  
Circuit Amalgamations – be aware of CPD requirements

### Methodist Insurance - Insurance Cover for External Users of Church Premises

Methodist Churches accommodate a broad range of community activities for which a lease or licence is required. It is very important that churches check that hirers using the facilities have insurance against liabilities which can arise from accidents.

To help, Methodist Insurance has developed the Community Shield Insurance Policy. This offers low cost public liability insurance for regular hirers of church premises.

Where an occasional user agrees hire for a private social event, public liability insurance cover automatically applies under Methodist Insurance's Church Shield Insurance Policy and will indemnify the user. This applies provided the use occurs on no more than three occasions during the current period of insurance and that you are happy to make the claim under your policy.

For more information go to [www.methodistinsurance.co.uk](http://www.methodistinsurance.co.uk) or call 0845 60 61 331.

# Property Consents Comes To Us All!

For the first time since John Wesley set up the Building Committee in 1790, churches and circuits no longer have to apply to the Connexion for approval for property projects. The infamous Schedule 1, amongst others, is no more. Rather you will log on to the Property Consent website and apply for consent from the relevant Consent Giving Body – this will be your district.

Districts initiating their own projects as managing trustees must obtain consent from the Strategy and Resources Committee of the Methodist Council.

As reported in previous editions of *Property Points*, the Nottingham & Derby and London Districts agreed to be pilots and we have been working with them to make improvements and changes to the website over the last two years. The Resourcing Mission Office (RMO) has also been working hard to support website users through the transition between the approval and consent processes.

At the end of last year the RMO Consent Support Team went on the road to run training sessions for District Consent Giving Bodies in Manchester, Newcastle and London. We met representatives from all 31 districts and gave them some intensive training on how to use the Property Consent website. What your district property secretary doesn't know about the consent process simply isn't worth knowing!

## **So, what does the Property Consents process mean?**

If the church wants to alter or improve, buy, sell, lease or share its property, the Church Council will need to nominate someone to register as a user on the website to create and progress the project though the website to gain final consent from the district.

The only time the Connexional Team has to be involved in the consent process is if your property is listed or in a conservation area. (The Trustees for Methodist Church Purposes (TMCP) will of course continue to be involved with sales, leases, purchases and sharing agreements.) However, you can choose to request guidance from the Connexional Team in relation to technical aspects or external funding and the website also allows you to apply for connexional property grants.

## **Want to find out more about the consents process? Need help using the website?**

Your first point of contact should really be your superintendent or district property secretary. If they can't help, your second line of support is the Consents Support Team (Tel: 0161 236 5194 Email: [support@property.methodist.org.uk](mailto:support@property.methodist.org.uk)).

## **Getting Started**

Every district has been sent copies of the *Getting Started* booklet which gives an introduction to the Consents Process. These are available from your district property secretary or the Resourcing Mission Office.

The website's help and guidance section also has useful information which may help you prior to using the website. You do not need to log into the website to access it; the link is on the top right of the home page at [www.propertyconsent.methodist.org.uk](http://www.propertyconsent.methodist.org.uk).

## **Security on Church Premises – Guidance from the Churches Legislation Advisory Service (CLAS)**

CLAS (formerly the Churches Main Committee) has distributed government guidance on the security of premises in the context of counter terrorism. While many churches may not feel this is relevant to them, the information can be accessed at [www.churcheslegislation.org.uk/about/review](http://www.churcheslegislation.org.uk/about/review). We recommend you look at it.

### **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 – Support Services Cluster, Resourcing Mission, Central Buildings, Oldham Street, Manchester M1 1JQ. Tel: 0161 236 5194

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