

PROPERTY POINTS

2011 Part 1

INDEX

One Church 100 Uses Conference **p2**, Technical information Leaflets **p2**, Asbestos **p2**, Financial Reporting within the Connexion **p3**, Charity Registration **p4**, Gift Aid Claims - Be Aware **p4**, Registered charities in England and Wales - submission of Annual Returns **p4**, Role of a Trustee **p5**, Charity Accounting Records and Trustees' Responsibilities in Scotland **p6**, Grants for Your Property Project **p6**, Methodist Heritage Handbook goes online **p6**, Landfill Communities Fund **p7**, Big Lottery Fund – Reaching Communities buildings - Grants for capital projects from £100,000 to £500,000 **p7**, Registration of Places of Worship (England and Wales) **p8**, Electrical work in manses and other domestic property **p8**, Retention of Records **p8**.

Caring for Places of Worship

Last year, English Heritage sent out an A5 booklet and DVD on the above subject to all superintendent ministers with listed church buildings in their circuits. The intention was that these would be passed on to those churches that needed them most. The practical information contained should be of particular benefit to property stewards, so it is important that they are passed on as appropriate. If you have a copy that you are not using, then please pass it on. Further copies are available from: www.english-heritage.org.uk or telephone 0870 331 1181

Listed Places of Worship Grant Scheme

Although the Listed Places of Worship Grant Scheme was repealed, certain cost-saving measures were introduced. Professional fees are now no longer included, also work to bells, organs, clocks and pews. Further amendments are now being considered which will cap the amount of money available in any one calendar year. At the time of writing this article, a formal consultation is in progress which will not be completed by the time this is published, so it is not yet known in detail what impact will result. It is likely however, that the amount of money returned to claimants will only be a percentage of that for which an application is made. The amount will vary depending on the number of claims made. It is unlikely that it will be a "first come, first served" situation.

It is important in budgeting for repair work to listed buildings that managing trustees are not dependant on receiving the full amount of VAT back. Contingency arrangements should be put in place. Where applications have been made to English Heritage for funding for repairs using the Joint Scheme, it will be difficult to produce accurate budgets in advance. Churches in this position ought, in conjunction with their architects, to discuss this with English Heritage.

"STOP PRESS"

Details on the revised arrangements can now be viewed at: www.lpwscheme.org.uk/

One Church 100 Uses Conference

Bring together three of the livelier members of the House of Lords; a URC moderator; the Methodist Church's heritage officer and a vast edifice that used to be a monastery. Add some Cornish energy, 200 people from across Britain, sponsorship from the United Reformed Church and the Methodist Church, and a passion for God's people to make a difference in their communities, and you can have a stimulating Friday.

All this and more made up a day exploring the possibilities of our church buildings as assets rather than liabilities. It was the chair of English Heritage, Baroness Andrews, who spoke of the theology of space and how buildings need to be used for them to mean anything. Within a framework shaped by the URC's regeneration agency, *One Church 100 Uses*, a packed programme exploded some myths about funding sources and heard how even lawyers could be helpful.

There was frequent encouragement from actual stories of churches which had formed a vision for their building and found a way to transform it to enable mission. A competition to win £5,000 to promote an embryonic vision was won by Bude Methodist Church. Their effervescent Lorna Cox was as overwhelmed as any Oscar winner.

Running through the day was the theme that the key to change was not history or size or money but people of vision; individuals who also had the passion and determination not to give up at the first or the fifty-first hurdle. Amazing stories were possible when hearts were transformed. It sounded like the Gospel.

At their next meetings, the Methodist Council and the URC Mission Council will each discuss further co-operation between the two Churches in the area of using buildings well.

John Ellis
Secretary for Connexional Team Operations
www.onechurch100uses.org/cms/

Technical Information Leaflets

The Connexional Team is currently reviewing all the technical information and guidance leaflets which are available on the Methodist Church website.

THE FOLLOWING ARE NOW AVAILABLE

T4	(updated)	New to property – a brief introduction for property stewards
T5	(updated)	Log book
T6	(updated)	Climate change levy
T7	(new)	Gas services: inspection and testing
T8	(updated)	Electrical services: inspection and testing
T8A	(new)	Manses electrical safety: inspection and testing <i>Also relates to all property where the Church Council act as "landlords"</i>
T9	(updated)	Property risk assessments
T10	(updated)	Reducing the risk of building contract disputes
T12	(updated)	Asbestos

Please note that the earlier "T7 Energy Management and Savings" has been withdrawn pending a major issue of all eco and carbon reduction information

Asbestos

There has been some misunderstanding about the requirement for the initial survey and subsequent inspections of asbestos. The initial survey should be undertaken by a specialist who will prepare a formal report which should be kept in the Church log book. It is then the Church Council as managing trustees who have the responsibility as 'duty holders' under the Control of Asbestos Regulations 2006 to 'manage' the ongoing risk. This management is explained in the downloadable file "A short guide to managing asbestos" www.hse.gov.uk/pubns/indg223.pdf. The issue is addressed in much more detail in Information Leaflet T12, which we hope will be of assistance to managing trustees.

Financial Reporting within the Connexion

This is a reminder to local churches, circuits and districts that the Conference 2010 authorised various changes to the way in which their annual accounts must be reported within the Connexion.

Distinction between Registered Charities and Excepted Charities

Around 600 Methodist charities are now registered (about 100 in Scotland and 500 in England and Wales) and as such must report their audited/independently examined accounts annually to the charity regulator (OSCR in Scotland, the Charity Commission in England and Wales).

Internal Reporting within the Connexion

All Methodist churches, circuits and districts must continue to report their accounts for connexional purposes but the former, more lengthy and bureaucratic process has now been revised and made simpler, as follows:-

	EXCEPTED CHARITIES	REGISTERED CHARITIES
Each local church	Send Annual Report and Accounts and Reserves Policy to circuit treasurer	Send Annual Report and Accounts and Reserves Policy to Charity Commission and to circuit treasurer
Each circuit	Send Annual Report and Accounts and Reserves Policy to district treasurer	Send Annual Report and Accounts and Reserves Policy to Charity Commission and to district treasurer
Each district	Send Annual Report and Accounts plus Reserves Policy to Finance Office, Methodist Church House	Send Annual Report and Accounts and Reserves Policy to Charity Commission and to Finance Office, Methodist Church House

(Please note that accounts are now to be submitted via treasurers rather than property officers)

So, registered charities will report both to the [charity regulator](#) and [connexionally](#). However, the deadline date for the connexional submission is now **31 March** following the year end (formerly 31 January).

Those local churches, circuits and districts not registered (in England and Wales) remain excepted charities under Statutory Instrument 2655 which runs until 2012. The term 'excepted charity' applies now only in England and Wales. In Scotland there are only registered charities, and different regulations apply in the Isle of Man and in the Channel Islands, none of which have registered status or excepted status.

Thus, some 6,000 Methodist charities in England and Wales will remain excepted charities until the Charity Commission effects a reduction in the threshold for registration which is currently £100,000 (annual income).

For many years there has been a form which the district officer used to report to the Synod any churches and circuits which had not submitted their *Standard Form of Accounts*. This form has now been amended to take account of the district's current responsibilities for circuits only. A further form has been created for all circuits to use to report to the circuit meeting any churches which have not submitted their *Standard Form of Accounts*. The Finance Office in London will in turn keep a record of all district returns. (The old Confirmation forms, where these were still being used are now obsolete). It is important that District and Circuit Treasurers use these forms and report non-conforming churches or circuits to their Synod/Circuit meeting.

Charity Registration

Methodist churches, circuits and districts have responded well to the requirements of The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Act 2006 for England & Wales.

Registered Charities

Around 600 Methodist charities are now registered charities; about 100 in Scotland, where all religious charities must register with the Office of the Scottish Charity Regulator (OSCR), and some 500 in England and Wales where the current threshold for registration is where annual income is over £100,000.

Excepted Charities

In Scotland and Shetland, all Methodist charities are now registered charities but in England and Wales, there are still about 5500 charities excepted from registration under Statutory Instrument 2007 No 2655.

This means that around 90% of Methodist charities have still to register in due course when the threshold for registration is lowered. Such a process may be phased over 10-20 years. The first review of the 2006 Act was due in 2011 but has now been postponed until 2012. We will continue to keep you updated with future developments.

Other Jurisdictions

We have no knowledge of pending legislation in other jurisdictions. In the Isle of Man religious charities are currently exempt from registration.

We understand a Charities Act may at some date be introduced in Jersey but there are no indications of similar legislation in Guernsey.

The Methodist Church in Great Britain

While it is recognised that the Connexion is comprised of over 6000 separate charities and is not a single entity, a separate registration was completed in the name of the Methodist Church in Great Britain with the Conference as the trustee body.

The registration number for the Methodist Church in Great Britain **applies only** to the connexional charity and the main connexionally-held funds - local churches, circuits and districts **must not** use this number. If they are registered charities each will have its own registration number. If excepted charities they can use their HMRC number or if none available the Statutory Instrument number.

Gift Aid Claims - Be Aware

Are you a church whose **normal** annual income is over £100,000, but have not yet registered with the Charity Commission and are claiming Gift Aid? You could be in breach of HMRC regulations as you no longer come under the Exempting Regulations and are therefore not technically a charity. The liability for any such breach rests with the local managing trustees.

The Exempting Regulations only apply to Methodist churches and circuits whose **normal** income is below £100,000.

Therefore, if yours is above that level you must apply for registration immediately. This may particularly affect newly merged circuits whose combined annual income is now above £100,000.

Registered charities in England and Wales - submission of Annual Returns

This is a reminder to all newly registered charities that the first Annual Returns for registered churches, circuits and districts will be due to be received by the Charities' Commission before 30 June (ie 10 months following the year's end). The return can be submitted electronically.

The **Trustees Annual Report** (TAR) should be submitted with your accounts.

Downloadable TAR forms can be found here : www.charitycommission.gov.uk/Publications/cc17.aspx

An example of an annual return can be found at this link: www.charitycommission.gov.uk/Charity_requirements_guidance/Accounting_and_reporting/Preparing_annual_reports/Demonstrating_public_benefit_index.aspx

ROLE OF A TRUSTEE

For those of you who are managing trustees and want more information on your responsibilities we have collated the following web addresses giving further information. Please note the Charity Commission for England and Wales publications are [The Essential Trustee: An Introduction CC3a](#) (7 pages) and [Being a trustee](#) (18 pages). These are now available in an easy read format giving specific points. [The Essential Trustee](#) (40 pages) gives more detail on trustee responsibilities.

The Office of the Scottish Charity Regulator (OSCR) has produced [Guidance for Charity Trustees](#) (16 Pages) for churches in Scotland and Shetland.

The Connexional Team has produced [Role of a Trustee](#) (both in colour (16 pages) and in a printer friendly version (6 pages)). The Resourcing Mission web page: Responsibilities of Managing Trustees gives further information eg frequently asked questions on trusteeship.

We hope these will prove helpful and take away some of the mystery behind trusteeship.

LIST OF WEB ADDRESSES FOR TRUSTEE INFORMATION

Resourcing Mission Office

Technical Information Leaflets

www.methodist.org.uk/index.cfm?fuseaction=churchlife.content&cmid=1389

Responsibilities of Managing Trustees

www.methodist.org.uk/index.cfm?fuseaction=churchlife.content&cmid=2863

Office of the Scottish Charity Regulator (OSCR)

Guidance for Charity Trustees

www.oscr.org.uk/PublicationItem.aspx?ID=8ed8c23b-9dde-40f1-a4c9-9ec52077771a

Churches Legislation Advisory Committee

Various information guidelines

www.churcheslegislation.org.uk/issues/issues

The Trustee Network

www.trusteenet.org.uk/

Methodist Insurance

Resources

www.methodistinsurance.co.uk/MI_resources.htm

Charity Commission for England and Wales

The Essential Trustee

www.charitycommission.gov.uk/Charity_requirements_guidance/Charity_essentials/The_essential_trustee.aspx

The Essential Trustee: An Introduction CC3a

www.charity-commission.gov.uk/publications/cc3a.aspx?

Being a trustee

www.charity-commission.gov.uk/library/guidance/cc3_easy.pdf

Trusteeship

www.charitycommission.gov.uk/About_us/About_charities/Trusteeship_index.aspx

Information on appointing new trustees.

www.charitycommission.gov.uk/publications/cc30.aspx

(But Methodist bodies need to remember that to be a managing trustee in the Methodist Church, you must be a member of the Methodist Church)

Charity Accounting Records and Trustees' Responsibilities in Scotland

The latest OSCR Reporter provides a succinct overview of trustees' duties in relation to accounting records – see below. Though not new, the update may be helpful – presumably OSCR had good reasons for highlighting its guidance.

www.oscr.org.uk/scottishcharityaccounting.stm#Guidance

It is part of charity trustees' duties to ensure that their charity complies with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act). Section 44 of the 2005 Act requires charities to keep proper accounting records. Regulation 4 of the Charities Accounts (Scotland) Regulations 2006 (the Regulations) specifies that the accounting records must be sufficiently detailed to show and explain the transactions of the charity. In particular they must be able to:

- show, day by day, the money received and spent by the charity;
- record the assets and liabilities of the charity;
- disclose the financial position of the charity at any time; and
- produce a statement of account in line with the Regulations.

Section 44 of the 2005 Act also specifies that charities must keep accounting records for at least 6 years from the end of the financial year in which they are made. Other bodies may require records are kept longer.

Charity trustees should ensure that proper handover procedures are in place when responsibility for financial record keeping passes to new trustees. They must also ensure that, in the event the charity winds up, arrangements are in place for the charity's financial records to be retained for six years as required by Section 44.

[Source: OSCR Reporter – September 2010]

Grants Towards Your Property Project

Are you finding it difficult to get funding for your property project? In the present climate grants are becoming harder to find. That's why it is important for you to contact the Resourcing Mission Office in Manchester to see if you are eligible to apply for connexional funding towards your project. Grants are available from both the Fund for Property and the Connexional Priority Fund as well as some smaller trust funds.

Grants are made by assessing the project and understanding the way in which the work you are doing is helping both the church family and the wider community. Whilst your project may only be concerned with the fabric of the building, the implications of the work may be much wider, since many of our churches offer the only community space within the local town, village or urban area.

Please do not be shy. If your building is a valuable community resource as well as being your place of worship and you are looking for funding towards your property project, we would be happy to hear about your ideas, and discuss with you the best funding options available.

RMO/Property Points April 2011

Methodist Heritage Handbook goes online

With photo slideshows, interactive maps and the potential for adding events to the calendar, the web version of the Handbook offers lots of new and exciting features the printed booklet had no room for. Created by the Connexional Team's internet communications coordinator David Webster, the new website uses the Methodist Heritage brand to provide a vibrant new platform for promoting the heritage sites of the Methodist Church. Visit it at www.methodistheritage.org.uk

But that's not all. It is the Methodist Heritage Committee's aim that this new site will be a portal to information for visitors, researchers and heritage professionals about the Methodist Church's whole heritage. Over time, content from the existing 'History' web pages of the Methodist Church's main website will be updated and moved over – as well as a wealth of new content about making group visits, artefact collections, accessing archived records and the historical research going on into Methodism. This new site has been designed to be intuitive to navigate and easily searchable. Is it? Let the Heritage Officer know!

Email: hibbardj@methodistchurch.org.uk

LANDFILL COMMUNITIES FUND

Since the inception of the Landfill Communities Fund in 1997 it has provided over £10 million worth of funding to Methodist Church property projects. These have ranged from small improvements projects to new builds, attracting grants as small as £1,000, but reaching over £100,000.

To be eligible to apply for a grant, the government criteria is that the project has to be less than ten miles from an active landfill site, although some funders do insist that the project is closer. Details of the location of landfill sites can be found on the Environment Agency website www.environment-agency.gov.uk

The Resourcing Mission Office can offer initial guidance, carry out a search to see if you are eligible to apply, read through application forms and provide a comprehensive administration service for Landfill Communities Fund applications. Please call us as soon as possible to discuss any exciting ideas you may have in mind, which you think may attract a landfill grant.

A leaflet explaining how the scheme works can be found on the Methodist Church website www.methodist.org.uk/static/rm/active-faith-pack-landfill.pdf

As with most grant making bodies, landfill operators will not make grants to support work which has already started. It is important to begin the application process as early as possible.

For further information regarding either connexional property grants or the Landfill Communities Fund you can click 'yes' in the Funding Advice Section of the Consents Website or contact the Mission Projects & Funding Office (Resourcing Mission) for more information. Tel: 0161 236 5194
Email: mpfo@property.methodist.org.uk

Big Lottery Fund – Reaching Communities buildings

Grants for capital projects from £100,000 to £500,000

In *Property Points Part 1 2010*, we communicated information about the new capital grants stream which the Big Lottery Fund were due to announce in the autumn. The new stream was rolled out in November under the existing Reaching Communities programme and will run until March 2013.

The Big Lottery Fund wants to fund buildings that are well used by their communities and have an impact long after the building work has been completed.

As the Lottery has limited funds available for Reaching Communities buildings, they have decided to target projects based in the most deprived 'lower super output areas' in England, while also taking into account rural areas. The Big Lottery Fund has also chosen to exclude areas that received funding from their previous Community Buildings programme.

Churches can check their eligibility by entering their full postcode into the eligibility checker on the Reaching Communities web page at www.biglotteryfund.org.uk/prog_reaching_communities.

Reaching Communities buildings has a three stage application process starting with an outline proposal form. An excellent set of guidance notes have been produced and are available to read and download from www.biglotteryfund.org.uk/prog_reach_comms_building_gn.pdf.

If you have any questions about the programme, wish to check whether the project is suitable to apply for funding or need help filling in application forms you can email the Big Lottery Fund at general.enquiries@biglotteryfund.org.uk or call 0845 410 2030.

If you request guidance on external funding from the Mission Projects & Funding Office (MPFO) we will always check whether your project will be eligible to apply for a Reaching Communities buildings grant. If you are starting to consider a major project, do feel free to contact the MPFO at mpfo@property.methodist.org.uk or call 0161 236 5194 for an initial conversation.

REGISTRATION OF PLACES OF WORSHIP (England and Wales)

For action: check that all your church buildings are registered* – otherwise you lose your exemption.

Places of public religious worship in England and Wales registered under the Places of Worship Registration Act 1855 are wholly exempt from the payment non-domestic rates. (Churches belonging to the Church of England and the Church in Wales are automatically exempt and are not required to register under the Act: English and Welsh Anglicans can ignore what follows.)

The Valuation Agency has reminded us that the exemption is not automatic – in order to benefit from the exemption you must register your buildings. Please check your registrations; there is always a possibility that when you built a new church ten years ago no-one thought to register it.

(CLAS Circular 2011-05) [Source: Valuation Agency e-mail - 18 March 2011]

*Each area has its own office for registration and as we cannot list each local authority you will need to put **Registration of Places of Worship** or **Superintendent Registrar** in your internet search engine.

Retention of records

The Connexional Team has produced a guide to retention of records. This tells you what records must be kept, how long to keep them and what to do with old records. We trust this will prove useful as a guide.

It is available on the Methodist website: www.methodist.org.uk/static/rm/document_retention.pdf

Electrical work in manses and other domestic property

Part P of the building regulations (introduced in 2005) requires that re-wiring and other 'major' alterations to the systems (including fire alarm and smoke alarm systems) need to be carried out by contractors approved by the National Inspection Council for Electrical Installation Contracting (NICEIC) or the Electrical Contractors Association (ECA).

Minor work (such as adding or replacing lighting points or socket outlets to existing circuits, or replacing a single circuit if it has been damaged) can be carried out by a 'competent' person, but it needs to be tested on completion by a suitably qualified person or firm (normally a contractor registered with the NICEIC), and the certificate should be kept with the property log book. Managing trustees should know that the background to this requirement is the increasing number of fires and fatalities caused by electrical faults in dwellings.

Further details can be found in our Technical Information Leaflets T8A *Manses Electrical safety: inspection and testing*; and T8 *Electrical Services: inspection and testing*.

This newsletter 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 Resourcing Mission Office, Central Buildings, Oldham Street, Manchester M1 1JQ. Tel: 0161 236 5194
Email: enquiries@property.methodist.org.uk

This newsletter is available on the Methodist website: www.methodistchurch.org.uk/propertypoints