

# Property Points

2007 Part 1

*Dear Colleague*

*This edition provides up to date information on the new Charity Law Reforms in Scotland (already implemented) and in England and Wales (timetable awaited).*

*We also look forward to sharing in celebrations for the various Methodist anniversaries in 2007 with Heritage Open Days in September. The latter is an initiative led by the Civic Trust.*

*New Fire Safety regulations are noted - in fact are already in force, and guidance is available. There is new legislation both in England and Wales and in Scotland.*

*There is also a detailed update about Connexional Schedules for Property and Finance.*

*Once again, we are so grateful to all property officers, treasurers, ministers and those with responsibilities in these areas.*

*Alan Pimlott  
Connexional Property Secretary*

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## Reserves Policy

Guidance has been updated to clarify the reporting process. The amended Report on Reserves Policy is now available on the Methodist website [www.methodist.org.uk](http://www.methodist.org.uk).

Charity Regulators encourage trustees to review their policy each year to ensure they are not in breach of trust by continuing to maintain funds for no particular purpose rather than use them for the charity's purposes.

We would be grateful if treasurers would ensure the annual report is completed and reported as required.

## Connexional Schedules (Property & Finance)

### Annual Property Schedules

This year we are distributing the Annual Property Schedules (A, C, D, E and G) as usual. Copies will be sent to Superintendents for local Churches and the Circuit.

### Financial Reporting

For the first time this year there is no Schedule B (Financial Schedule).

Instead, financial reporting is required via the Standard Form of Accounts. There are Receipts and Payments versions for Churches and Circuits. A Short Form is available where the relevant criteria apply:

- a) where the Church's gross recorded income from all sources is £100,000 or less
- b) where there are no restricted or endowment funds (other than Offerings for Other External Organisations) that need to be shown separately from general funds
- c) where the Church holds no equity based investments
- d) where there are no Internal Organisations maintaining separate funds and reporting to the Church Council (although if a Church wishes to incorporate the receipts and payments of its Internal Organisations into the main Church accounts, it may do so using lines a5 and b6 to record the receipts and payments respectively. A note to the accounts may be added to give further detail).

If the only restricted Fund is the Benevolence Fund it is nevertheless in order to use the Short Form.

There are also Accruals versions for Churches and Circuits where gross income exceeds £100,000 – if you require an Accruals version for the first time please write to Pauline Price at this address or email [pricep@property.methodist.org.uk](mailto:pricep@property.methodist.org.uk).

The Accruals version for Districts will be sent direct to District Treasurers by the 31st May.

The Standard Form combines the purposes of an annual set of accounts and of the old Schedule B in one form. At the same time it fulfills the requirements of the charity regulators.

The Exempting Order continues to apply in England and Wales until the new requirements of the Charities Act 2006 are implemented, probably from 2008.

In Scotland the Exempting Order no longer applies and all Methodist charities are applying for registration with OSCR (Office of the Scottish Charity Regulator) in order to maintain their charitable status under The Charities and Trustee Investment (Scotland) Act 2005.

The Standard Form is now a requirement for all Churches, Circuits and Districts both in England and Wales and in Scotland. It must also be completed by Churches, Circuits and District in the Channel Islands and the Isle of Man to fulfil Standing Order requirements for financial reporting.

The Standard Forms are also available electronically via the Methodist website at [www.methodist.org.uk](http://www.methodist.org.uk). Guidance Notes are also available in Word and will need to be downloaded separately. The Accounts are in the Excel spreadsheet version which has been well received by those who have used it when completing the 2005-06 Accounts.

### Planning for 2008 onwards

#### Annual Property and Financial Schedules

We are planning to move towards a greater reliance on electronic options for all Schedules from 2008 onwards.

These Schedules are already on the website and are in Word. They are of course protected and we recommend that Secretaries and Treasurers keep a copy for their own computer record.

From Spring 2008 very few paper Schedules will be distributed. This is a logical step to take in view of the technology now available and will result in a substantial cost saving to the Connexion.

Superintendents and other ministers will continue to play a key role each year in reminding local trustees to complete the Annual Property Schedule and The Standard Form of Accounts both of which should be submitted to and agreed by Church Councils/Circuit Meetings.

The former provide detailed checklists to enable managing trustees to fulfill their responsibilities as trustees. The latter ensure that trustees comply with the requirements of the charity regulators and of Standing Orders.

We will ensure appropriate reminders are sent to Superintendents in the Spring.

We are most grateful to all those involved in the distribution of the forms and completion and submission of the forms.

The Receipts and Payments versions and Circuit Accruals versions are being distributed with Property Points via Superintendents.

The Accruals versions for Churches will be sent direct to Treasurers who received them last year.

## Charity Law Reform

Most local Churches and Circuits will now be aware of changes in charity law which set out new requirements for trustees of Charities.

There is a new Charities Act for England and Wales and a new Act for Scotland. The new legislation does not affect the Channel Islands or the Isle of Man.

### England and Wales

The Charities Act 2006 received Royal Assent late last year but a definitive timetable for its implementation has not yet been announced.

We will publish details on the website as soon as they are known and will inform Superintendents accordingly.

### Scotland

The Charities and Trustee Investment (Scotland) Act 2005 is now in force and affects all Methodist Charities in the Scotland and Shetland Districts. Main points are:

- All local churches, Circuits and Districts, and all LEPs, must apply for registration with OSCR (Office of the Scottish Charity Regulator) in order to retain their charitable status.
- Churches etc who have failed to register by 31 March 2007 risk losing their Charitable Status and the benefits which that brings.
- Full guidance is available from the Resourcing Mission Office though by the time Property Points is received we expect all Churches and other trusts to be on the register.

### Channel Islands and the Isle of Man

Churches, Circuits and Districts in these jurisdictions are not affected by the new Acts though they are still required to complete their Annual Report and Accounts to fulfil the requirements of Standing Orders.

## Endowment Funds

The Trustees for Methodist Church Purposes have been reviewing their trust holdings in preparation for The Charities Act 2006 coming into force over the course of the next two years.

TMCP are holding 2755 permanent endowments where the capital can be released as income. Under current Charity guidelines 2010 of these can be released without recourse to the Charity Commission as they have annual income of less than £50. This would release an estimated £5,000,000 of tied up capital for our churches.

If your church is in England or Wales and is interested in taking advantage of this scheme please contact Amanda Flynn in the Trustees for Methodist Church Purposes Legal Office . There is currently no similar provision for endowments in Scotland.

## Standard Form of Accounts News

### Frequently asked questions

We have collated the many queries and suggestions arising out of the circulation of last year's Standard Form of Accounts.

A document has been prepared in a Question and Answer format and is available on the Methodist website [www.methodist.org.uk](http://www.methodist.org.uk) or in hard copy by contacting this office.

We would like to thank the Accountancy Support Group for all the help they continue to give and also the many Treasurers and Circuit Stewards who have contacted us with helpful comments.

We are grateful too for the continuing help and advice offered by Treasurers throughout the Connexion in the capacity of consultants.

### Accruals Church and Circuit

Each year the **Accruals** version of the Standard Form of Accounts for Churches is posted separately from the main Spring posting of the annual schedules. We have a list of names and addresses we have collected from requests

If you normally receive these by post and would rather receive them by email could you let us know? If so, please provide us with the following information:-

**Name,  
address,  
Circuit no, Circuit and Church name,  
version of the Accruals Standard Form re-  
quired e.g. Church or Circuit**

The email address for requests is [pricep@property.methodist.org.uk](mailto:pricep@property.methodist.org.uk)

We rely of course on you keeping us up to date and letting us know if there are any changes of treasurer or email address.

All the Standard Forms are on the Methodist website [www.methodist.org.uk](http://www.methodist.org.uk) The Standard Form in Excel and the notes in Word.

If you have never used Excel please visit your local library or a good bookshop where a range of books are usually available on this subject.

### Audit Threshold

In Scotland an Audit is now required when gross income exceeds £500,000 or where gross income exceeds £100,000 and the aggregate value of assets exceeds £2.8 million.

## Fire Safety Legislation

### The Regulatory Reform (Fire Safety) Order 2005

The reform of Fire Safety Legislation came into force on October 1<sup>st</sup> 2006 and applies to all premises where the public have access including outdoor venues.

The Fire Safety Order only applies in England and Wales with Scotland having its similar type of Fire Safety under the Fire (Scotland) Act 2005 which also commenced on October 1<sup>st</sup> 2006.

The Government have produced various Guides for different premises in England and Wales but not a specific guide for Church premises although guides nos. 6,7 and 9 can be applicable to church premises. They can be found on the Government website [www.firesafetyguides.communities.gov.uk](http://www.firesafetyguides.communities.gov.uk).

In Scotland, full details have not yet been published. Some Information can be found on [www.infoscotland.com/firelaw](http://www.infoscotland.com/firelaw) and as noted in our technical leaflet under 'further advice and information'.

The Technical Leaflet "Fire Risk Assessment Principles for Church Premises" has been revised in line with the new Fire Safety Order and can be found on the Methodist Church web site [www.methodist.org.uk](http://www.methodist.org.uk).

It consists of 29 pages and can be downloaded to provide a wealth of information to carry out a risk assessment without downloading the lengthy (140 pages) government guides by following the links, *Information, Resourcing Mission, Technical, and Technical Leaflets* to find the leaflet..

If Churches have any concerns or require additional information they should contact our Fire Precautions Adviser Colin Domville. Contact him on 01704 875 597.

## Building Work - Health & Safety

The current regulations relating to health & safety issues concerning building work (generally known as the CDM Regs) are being revised. The new regulations are due to come into force in April 2007, but unfortunately the government has still not published the necessary guidance. Trustees need to ensure that they are aware of the new regulations before starting any building work, if necessary by obtaining advice from an architect or surveyor. An information leaflet will be published on our website as soon as full information is available.

## Home Information Packs

These come into effect for the sale of houses from June 2007 and Managing Trustees selling houses and Manses will need to ensure the Pack is available for when the Permission to Advertise for Sale is given.

The HIP should be available via your estate agent, surveyor or solicitor. Useful web-sites are [www.homeinformationpacks.gov.uk](http://www.homeinformationpacks.gov.uk) and [www.hipassociation.co.uk](http://www.hipassociation.co.uk)

## New Lightning Protection Standard

In September 2006 a new lightning protection standard was published, *BS EN 62305 Lightning protection*. This is essentially the new International Standard IEC 62305, published at the beginning of the year but with some adaptation to the UK environment in part 2 - Risk assessment. BS 6651:1999 Code of Practice for lightning protection of structures continues as a valid (alternative) standard until 31<sup>st</sup> August 2008.

For churches and historic buildings, lightning protection often gets overlooked in schemes of repair. BSI now has a free leaflet introducing the new Standard, including a comparison with the old Standard, available from Customer Services tel 020 8996 9001 or by e mail to [orders@bsi-global.com](mailto:orders@bsi-global.com)

## Schemes for Minor Works

We reported in the last Property Points how well this scheme had been introduced, largely as a result of the help and co-operation of District Property Secretaries and other colleagues in the Districts.

There is a brief report on the website which includes a summary of the numbers of schemes dealt with by each District.

For the first (14 months) year (1 July 2005 – 31 August 2006) a total of 470 Minor Works schemes were approved in 29 Districts at a total value of almost £3.8m with an average scheme cost of approximately £8,000.

Our thanks again to all those who have helped to introduce and administer the new arrangements so smoothly.

Minor Works Schedule 1 (MW) and accompanying Guidance Notes can be obtained from your District Property Secretary or can be downloaded from the website [www.methodist.org.uk](http://www.methodist.org.uk)

## Insurance during building works

Trustees should bear in mind that whenever building work is undertaken on Methodist property (including manses), your insurance company must be notified. This is a standard clause of all insurance policies, and if you do not notify, there is a risk that the policy could be voided (ie, a claim would not be paid).

Building works insurance is a complicated area and professional advice may be needed – standard forms of building contract include clauses relating to insurance, but if such a contract is not being used (eg, an exchange of letters to accept a builder's quotation) then some advice from an architect or surveyor is strongly recommended. Your insurance company will of course also be happy to advise.



## Historic Churches Preservation Trust

The **Historic Churches Preservation Trust** (HCPT) was established in 1953 with the sole aim of helping to preserve historic churches and chapels in England and Wales. Each year the HCPT gives around 300 grants and loans with a total value of around £1.5m. The HCPT receives no government funding, its sources of income being from legacies, donations and investment income.

Two common misconceptions about the HCPT are that it exists to benefit Anglican churches only and that it is only concerned with restoration and repair. They have asked that we help to dispel these myths and actively encourage the submission of applications from Methodist chapels, not just for repairs but also the provision of new facilities such as kitchens and toilets.

The HCPT's main purpose is to help churches that are at least one hundred years old and in need of structural repair. If your building is listed Grade I, II\* or II you should apply to **English Heritage** (churches in England) or to **Cadw**: the Welsh Historic Monuments Executive Agency (churches in Wales) under the Joint Grants Scheme before approaching HCPT.

In addition to the HCPT there are many County Trusts which are set up for the same purposes. These are independent charities with no financial link with the HCPT.

If you would like more information please contact HCPT, either via their website [www.historicchurches.org.uk](http://www.historicchurches.org.uk) or writing to them at 31Newbury Street, London EC1A 7HU (telephone – 020 7600 6090).

## Celebrating Methodist Anniversaries 2007 with Heritage Open Days 6<sup>th</sup> to 9<sup>th</sup> September 2007

For this year only, to celebrate the Methodist Anniversaries in 2007, the Civic Trust has offered 300 places to the Methodist Church as part of their annual Heritage Open Days weekend.

Your chapel, or site of Methodist interest, could be one of three hundred Methodist chapels opening their doors to the general public and telling their story. This is an ideal opportunity to tell others of our Methodist heritage, the story of your local church, and how your church plays a part in the mission and outreach in your community today.

The 'Every Building Tells a Story' leaflet, in the September 2006 link mailing describes the scheme and suggests ideas of what to do for an open day. This can be viewed at: [www.methodist.org.uk/downloads/lk\\_heritageopendays\\_0906.pdf](http://www.methodist.org.uk/downloads/lk_heritageopendays_0906.pdf)

Further details of Methodist Anniversaries and the application forms to take part, can be obtained from: Adam Dyjasek, Methodist Church House, 25 Marylebone Road, London, NW1 5JR Telephone: 0207 467 5125. Website: [www.methodistanniversaries2007.org.uk](http://www.methodistanniversaries2007.org.uk)

## Faith in Maintenance

In 2005 we asked for co-operation with a survey being carried out by the Society for the Protection of Ancient Buildings (SPAB) to see if there was demand for a training course for volunteers responsible for historic chapels. The overwhelming response was "YES"!

Following a successful bid to the Lottery, such a scheme has now been launched, entitled **Faith in Maintenance**. It is a unique project that will offer training and support to the thousands of volunteers from all faith groups who help to care for these historic buildings. It aims to give these volunteers training in recognising potential problems, understanding the use of traditional materials and construction and tackling common maintenance problems. At the same time the project will encourage more people to become actively involved in their local community's heritage and to appreciate the importance of historic places of worship.

The courses will offer a full day of training including practical sessions and professional speakers and access to a dedicated telephone advice service. Courses will start in different locations in England and Wales from May 2007.

The good news is that it is **free!**

We will be working with SPAB to agree locations for training days. We will also be in touch with District Property Secretaries to help with co-ordination and distribution of information to interested people. You can find out more by going to the dedicated website: [www.spabfim.org.uk](http://www.spabfim.org.uk) and you can email them on [info@spabfim.org.uk](mailto:info@spabfim.org.uk)

## Listed Buildings - list descriptions

Every listed chapel should have a copy of the list description in the building logbook, preferably fixed to the inside cover where it cannot be overlooked! If you do not have a copy or would like an additional copy, we can post or email one to you.

Write to : the Resourcing Mission Office Technical/ Conservation Section or email us at [tech-cons@property.methodist.org.uk](mailto:tech-cons@property.methodist.org.uk)

## Performing Right Society Licences

We constantly receive requests for information about Performing Right Society Licences. We published an information note in a previous edition of Property Points but thought it worthwhile to remind Churches that this information is available on the Methodist website. [www.methodist.org.uk](http://www.methodist.org.uk)

## E mails V Snail Mail

Any correspondence which is received by the Resourcing Mission Office and Trustees for Methodist Church Purposes is answered in date received order, unless of course it is extremely urgent.

In the Legal Office alone an average 23 letters,(with contracts, conveyances etc attached) 2 faxes and 11 emails are received each day.

We cannot therefore give preference to somebody who is able to send us emails. We are increasingly receiving an email in the morning and, if not answered straight-away, receiving a telephone call in the afternoon to ask why it has not been answered. Please be patient as we do try to respond to everyone as soon as possible.

## E mail headings

You all will know many email addresses are very impersonal and we often receive emails which give no clue which Church they refer to.

Could you help us by treating emails the same as you would a letter by putting the Church and Circuit as a heading.

It also saves time if you include your name and address in case we need to send paper information to you.

## Smoking ban

We expect that most people will be aware that there will be a smoking ban from 1 July 2007, in all 'enclosed public places' and workplaces. We expect that many churches already have a non-smoking policy, but it is worth remembering that the ban also includes 'substantially enclosed areas' (that is, an area with a ceiling or roof). All non-smoking buildings will be required to display a no-smoking sign in a prominent position at each entrance, A5 in size, with the standard 'no-smoking' symbol and wording 'No smoking. It is against the law to smoke in these premises'.

Everyone using the premises should be made aware of the smoking ban. The government is about to launch a publicity campaign to raise awareness of the issues. See [www.smokefreeengland.co.uk](http://www.smokefreeengland.co.uk) for further information.

### 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](http://www.methodist.org.uk)

This newsletter is available on the Methodist website.  
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## Landfill Communities Fund - Helpful Tips

Competition for landfill grants is growing rapidly at the moment. Make sure your application is as strong as it can be by following these tips:-

- Make sure you have identified the need for the project – who will benefit and what difference the project will make?
- In order to do this you should consult both church members and the outside community, together with existing and future user groups including other agencies and charities. Evidence of such consultations may be required.
- Make sure you provide a good quality application with supporting information.
- Finally – timing is often crucial. Be aware that some landfill companies will want to see that most of the funding is already in place.

## Look at the Money We've Raised Together

As lots of you will already know, our external funding searches have proved extremely popular. This has in turn helped many churches tap into a wide variety of funding, with extraordinary results. In the year 2005/6 the following external monies were granted towards Methodist property schemes:-

• Various Charitable Trusts	£5.1 m
• Public Sector	£4.2 m
• Landfill	£1.4 m
• Lottery	£0.8 m

As you can see, together our efforts have been remarkable, resulting in a grant total of almost **£12 million** of external grants helping to improve our buildings to further our mission.

## Renewable Energy

There is an information sheet on our web site which gives some general information about renewable energy possibilities for your Church. [www.methodist.org.uk](http://www.methodist.org.uk)

### Property Points has been sent to:-

- Superintendents
- Ministers
- Local Property Officers
- Church Treasurers
- Circuit Property Officers
- Circuit Treasurers
- Circuit Stewards
- District Chairs
- District Treasurers
- District Property Secretaries