

Property Points

2003 Part 1

Dear Friends

We send greetings to all Methodist trustees as we send you this latest edition of Property Points.

As usual it includes practical guidance about topical property issues and tips on financial matters which we hope you will find helpful.

We are grateful for your continuing donations which support our work and while Connexional funds are reducing we are exploring a wide variety of external funding sources which we will pass on to trustees embarking on a scheme or mission project.

Given the present situation we are currently planning to produce a guidance document for Circuits and local Churches which will focus on the issue of resources including money and buildings. This should be available within the next 6 - 12 months and follows a research project presently being completed.

Please contact us at an early opportunity if you are planning a property scheme so that we can share in the planning process with you.

With best wishes from all the staff

Alan Pimlott
Connexional Property Secretary

Index

Charity Law Reform	6
Church Electronic Organs	8
Data Protection 1998	7
Electrical Services: inspection and testing	3
Entertainment licences and the Licensing Bill	2
Listed Buildings - a reminder	5
Manse Annual Maintenance Cost	6
Members of the public walking through Church grounds.	4
Missing Title Deeds	7
Organ Blowers - electrical checks	8
Our role and responsibilities	2
Publications on the Web	8
Reform of Fire Safety Legislation	4
Releasing Endowments	6
Repointing listed buildings	5
Requests to Trustees for Methodist Church Purposes for payment of monies	7
Risk Assessment	3
Schedule B	6
Stitch in Time, A	5
Terrorism Insurance Cover	2
War Memorials	5

Our condolences...

As we were making our final preparations to publish this edition of property points we learned with great sadness of the death of Ms Mona Morris.

Mona has for many years translated Property Points into the Welsh language in a very dedicated and supportive way often working to very tight deadlines.

We wish to express our sincere sympathy to Mona's family in their loss.

(It has not been possible to carry out our usual translation under the circumstances but we intend to publish the Welsh version on our website as soon as alternative arrangements can be made.)

Terrorism

Methodist Insurance plc have kindly prepared the following information regarding terrorism cover:

In the current political climate acts of terrorism are judged to be a more likely occurrence and this has implications for the insurance industry.

Methodist Insurance has, within the last 12 months, made changes to the cover provided under its Church Shield policy. The two separate changes are:

- **At first renewal date on or after 1st July 2002 cover for third party liability and personal accident following an act of terrorism is withdrawn in common with many insurance policies. It may be considered that the possibility of legal liability falling upon Managing Trustees as a consequence of an act of terrorism is remote. However, in a situation where an official warning or notice to evacuate premises is given by the authorities, Trustees must act prudently and should follow the advice they receive.**
- Prior to January 2003, Methodist Insurance's Church Shield policy provided automatic limited cover for material damage and consequential loss following an act of terrorism. Regrettably, in common with many other insurers' policies, at first renewal date on or after 1st January 2003 this cover is withdrawn. All policyholders do however have the option to buy back All Risks cover based on their full sums insured, by paying an additional premium. The Company will provide quotations on request.

Methodist Insurance has and will continue to notify all policyholders of these changes when issuing renewal papers but you may find this separate confirmation of the position helpful.

Entertainments Licences and the Licensing Bill

The Licensing Bill which as originally drafted meant churches would have to apply for a Entertainment Licence to hold musical entertainments and concerts in the church is to be amended. Entertainments Licences have always been required for concerts in church halls.

There was a great deal of lobbying by individual churches as well as denominations to amend the Bill and this has had an effect. However, it is important to keep Members of Parliament informed of churches views so the final form of the Bill is one which allows churches to use their buildings fully for their own and community use. Fortunately worship never formed part of the proposals and no Licence was ever intended for that!

Our role and responsibilities

It is perhaps from time to time helpful to remind Methodist trustees of our role and just what that entails.

Under Methodist Standing Orders managing trustees must obtain approval from the appropriate bodies before carrying out major work on their buildings or entering into contracts relating to their property.

The Connexional Property Committee is in most cases one of the appropriate bodies and is required to give final approval to your scheme.

Of course, this is a very brief description and the full detail is provided in Standing Orders 930 and 931.

The Connexional Property Committee has oversight of this regulatory function through the Methodist Property Office where day to day decisions are made and approvals given.

We also provide a good deal of information about the processes involved in carrying out a building scheme and information about legal, technical and funding requirements.

However, we always strongly recommend that managing trustees must seek appropriate professional advice locally when they are contemplating embarking on a project or transaction of this kind. That is one of the obligations of any trustee body in ensuring they maintain good stewardship of their building and of their funds.

Such professional advice may be sought in various ways at different times via architects, surveyors, solicitors, investment advisors and many other professionals.

Electrical Services: inspection and testing

Electrical installations need to be checked from time to time to ensure that they are safe. We have prepared an information sheet (available on our web site, or it can be posted to you). The following note is a very brief summary, and the information leaflet should be consulted for further details.

Managing trustees should always be prepared to obtain independent professional advice if they are unsure of the position. Remember that it is normally a requirement of your insurance policy and health & safety risk assessments that these checks and tests are carried out.

1. The Electrical Installation:

All property (including housing and church halls etc) should have an annual 'routine check', and an 'inspection and test' at a maximum of 5-yearly intervals, or 3-yearly if there is a public entertainments licence, and 10-yearly for housing. Fire alarms and emergency lighting etc need to be checked more frequently.

The '**routine check**' should be carried out by someone who is competent to understand the electrical system, but need not be electrically skilled. The check should look for any wear and deterioration, missing parts, correct labelling, and operation of test buttons etc.

The '**inspection and test**' is more comprehensive and should normally be carried out by an NICEIC registered electrical contractor.

Results of the checks and all certificates etc should be kept with the log-book

2. Portable Electrical Appliances

Maintenance is often known by the acronym **PAT** – portable appliance testing

The maintenance and safety of electrical appliances which can be unplugged (ie, are portable) are covered by the Electricity at Work Regulations 1989; although these are legal requirements, detailed information is not set out – the inspection "should be sufficient to prevent danger so far as is reasonably practicable". The instructions provided with the equipment will probably give guidance on maintenance, and would be similar to that noted above under the 'routine check' of the installation. A list of portable equipment should be kept with the log book.

The person carrying out the inspection "must have sufficient technical knowledge or experience so as to prevent danger...", and should be trained and instructed as necessary. In the case of doubt an NICEIC registered electrical contractor should be consulted.

Schedule A

Managing trustees will be aware that the need for such inspections and testing etc is already included as an item in the supplement to Schedule A.

Risk Assessments

Each Methodist trustee body being a separate charity is encouraged to assess the risks it faces and take steps to monitor and mitigate such risks.

The Charity Statement of Recommended Practice (SORP) requires charities to produce an Annual Report if their income exceeds £250,000. Income will be less than that for most Methodist Churches, Circuits and other charities. For those bodies it is Methodist policy to recommend that an Annual Report be prepared as best practice and a statement of risks identified should be included in the Report.

An information leaflet "**Risk Assessment for local Churches and other Methodist trustee bodies**" has been produced by the Resourcing Mission Office and is available in paper form or on our website. There are further leaflets covering "**Property Risks Assessments**" and "**Risk Assessment – the Nature and Prioritisation of Risk**" the latter is taken from guidance produced by the Association of Church Treasurers and Accountants (ACAT) and is repro-

duced with their permission and with our thanks. The latter includes seven steps to risk assessment by way of guidance and sets out a grid enabling the various risks to be prioritised in terms of their likelihood and impact. The latter two leaflets can be obtained individually or as an integrated document

The Risk Assessment guidance includes reference to other documents which also contain information on this subject. These include:-

- Methodist Insurance Company Church Shield Policy
- Methodist Insurance Company Guidance notes on
 - Fire Precautions
 - Health and Safety
 - Security
 - Personal Safety
 - First Aid
 - Disability Discrimination Act
- Schedule A
- Managing Trustees and Methodist Money

Reform of Fire Safety Legislation

The Government has issued a consultative document setting out its proposals to reform the existing Fire Safety Legislation.

Summary of the key proposals;

So far as possible, general fire safety legislation should be reformed to create one simple fire safety regime applying to all workplaces and other non-domestic premises.

The regime should be risk assessment-based with responsibility for fire safety resting with the person responsible for the premises.

Protection should be provided to persons inside a building and those who might be affected by a fire.

There should be no separate formal validation mechanism for higher risk premises. Fire Authorities would base their inspection programmes on their assessment of the premises they considered to present the highest risk.

There should be a duty to maintain those fire precautions required under the Building Regulations, which are for the use and protection of the fire brigade.

There will be a new statutory duty on fire authorities to promote community fire safety, for powers of entry for the investigation of fires, and for a power to take away samples for testing.

It is intended that the proposed changes to legislation are made through a Regulatory Reform Order under the Regulatory Reform Act 2001. Subject to consultation and Parliamentary scrutiny of the proposals, the changes could be implemented by Spring 2004.

What this means for Church premises is that every building where the public have access, will

come under the Reform Order, including some premises occupied by self-employed persons, where the public are able to access them, even if there are no employees who work in the premises.

The Risk Assessment regime will be based on the existing Fire Precautions (Workplace) Regulations, and it is not envisaged at this stage adding to the requirements of these existing Regulations with regards to the standards currently being applied.

It is therefore apparent that in future ALL Church premises will need to carry out Risk Assessments and act on the results of such an inspection.

As part of the proposed changes, all existing legislation that contains any reference to Fire, will be repealed, to be replaced by the new Order. Fire Authorities will have to consult with various other departments when premises apply for such things as an Entertainment Licence.

Colin Domville, our Fire Precautions Adviser, who has responded on behalf of the Churches Main Committee to numerous questions in the consultation document, has studied the proposals.

Further information will be made available when more details are received. For the moment it is recommended that Churches do not panic, but if any proposals for Church fire policies are envisaged, then contact should be made with Colin Domville on 01704 875 597 for more information.

A 15 page booklet giving information and guidance on Fire Risk Assessment Principles for Church Premises is available from Methodist Publishing House (price £3.00) or on the Resourcing Mission Website.

Members of the public walking through Church grounds.

A number of Churches have recently asked if we have any suggestions as to how members of the public can be prevented from using Church grounds. The queries have usually arisen when someone has been injured due to slippery footpaths etc. The Methodist Property Office have suggested various things which might be done and confirm that where the public are using Church grounds as a short cut it should be made clear by a notice that there is no public right of way. The question of blocking off access however is more vexed due to the frequency of use of many Church premises. Any suggestions would be welcomed.

Repointing listed buildings

Many building schemes include an element of repair work. When checking specifications we often find that cement mortar is proposed for repointing. Many of our chapels are Victorian, in some cases even older, and are of traditional brick or stone construction. It is most likely that they will have been built using lime mortar. When repairs are carried out it is essential that the correct mortar is used otherwise, within twenty years or less, you could have something looking like this:



Hard cement mortar forms an impervious plug which does not let moisture evaporate. It must therefore find its way out of the structure via the stones or bricks. The face of the masonry is, literally, blown off, leaving the mortar joints standing out. Remedial work can be very expensive.

Many buildings have been ruined by well-meaning DIY repairs and, worst still, by inadequately experienced tradesmen. Contrary to popular opinion, it may not be necessary to have any cement in the mortar mix. If you have any doubts about what is appropriate please get expert advice.

A Stitch in Time

The above grant scheme was announced in Property Points 2002 Part 1. Its purpose is to help Managing Trustees with responsibility for maintaining a listed building by giving grant aid towards the cost of repair and maintenance.

Although we sent application forms out to all the chapels we identified as being eligible, the response has been disappointingly small. Maintenance and repair are unexciting subjects at any time but they are vital, especially at this time of year. If you think you are eligible for a grant or would like more information please get in touch with Ian Serjeant.

Listed Buildings - a reminder

There is still much confusion about what a listed building is and the implications that follow from this. If your building - chapel or Sunday school - is listed it means that all of the building is listed, both inside and outside. Equally, any fixed items are also listed, such as pews, pulpit, font and organ. The listing also extends to any items attached to the building or which come within the curtilage. So if the chapel is listed and if there is an adjoining hall or other building within the site, it too is listed, as are such other items as the boundary walls or railings.

The consequence of listing is that, under Methodist Standing Orders, approval is required for the alteration or removal of any item. Where a listed building is in use for worship we have special powers, known as Ecclesiastical Exemption, to grant **consent** for alterations. Once worship ceases, the responsibility for permission reverts to the Local Planning Authority. We currently have one unfortunate case where the pews and pulpit were removed from a chapel and sold after the building closed for worship. No consent was sought or given for the removal of these items, either under Methodist or secular procedures, and the Local Planning Authority is now taking legal action to secure the return of the missing items.

Please note that this is intended as a simple guide only to what is a complex subject. If you are in any doubt, or have any questions on this topic, please get in touch with Ian Serjeant.

War Memorials

Last Year the Home Office published a document entitled War Memorials; A Code of Practice for Custodians. The document covers war memorials of all types, including war memorials within or attached to buildings. It also contains useful information on definition, identification and recording, condition, monitoring, removal and disposal, funding, and access.

It is hoped that a guidance note dealing with the subject from a Methodist perspective may be available from this office in due course. In the meantime copies of the Home Office publication are available from either:

Friends of War Memorials, 4 Lower Belgrave Street,
London SW1W 0LA

or

Home Office, Coroners Section, 5th Floor, Allington
Towers, 19 Allington Street, London SW1E 5EB

Or it may be downloaded from www.homeoffice.gov.uk

Treasurers Tips

Charity Law Reform

The Methodist Church has responded to the Government's consultation document on Charity Law Reform and submitted a detailed document to the Strategy Unit.

In the main the Methodist response is a positive one and welcomes many of the consultation document's recommendations. The response does however seek to underline concern that the Strategy Unit take into account the vital need not to place too great a burden on charities generally and religious denominations in particular.

This can best be achieved by allowing some form of group registration on behalf of Methodist charities as opposed to separate registration by each local Church, Circuit or other charity. The consultation process comes to an end in the Spring of 2003 and it is anticipated that this will lead to legislation in the next session of Parliament. However any fundamental changes would need to be approved by the Methodist Conference as the governing body of the Church and so our response has included a request

to ensure that the timetable will allow sufficient lead in time for matters to be processed in the appropriate matter.

In view of the continuing Charity Law Reform process which is ongoing the Exempting Regulations have been extended to 1st October 2007 under Statutory Instrument The Charities (Exception from Registration) Regulations 2002 no 1598)

The lengthy extension period does not mean that the present arrangements will remain in place until 2007. Legislation is likely to be enacted well within that period and changes to present procedures are possible.

Schedule B

Schedule B has been reviewed by the Connexional Property Committee's Accountancy Support Group. This is an annual process prior to the forms being sent out to the Spring Synods for use at the end of the current Connexional year.

The Receipts and Payments version remains largely unaltered but some fairly modest changes have been made to the Accruals Schedules. This relates in the main to Sections 5 and 6 and links tangible assets and investments with Section 1 in terms of

Manse Annual Maintenance Cost

In response to a number of enquiries for information and guidance on manses the figure has been reviewed.

	Replacement cost	Replacement Frequency	Discounted Replacement cost for 2002
	£	years	£
Decorations (internal)	3,530	5	705
Decorations (external)	1,400	5	280
Floor coverings	3,990	8	500
Curtains	1,705	8	215
Kitchen fittings	2,735	15	180
Cooker	875	12	75
Utility fittings	1,095	15	75
Study furniture	975	10	95
Central heating boiler	1,460	15	95
Central heating installa-	2,890	25	115
Rewiring	2,555	30	85
Mower	245	10	25
Shed	455	15	30
Roof covering	2,535	60	40
General repairs			1,130
Manse maintenance Costs (at Autumn 2002)			3,645

It is suggested that 2% compound be added annually for inflation (all figures are rounded)

closing fund balances.

Will those responsible for completion and return of the schedule via the usual channels please be diligent in this process as the present review of the way the Methodist Church operates in reporting its finances requires careful and accurate monitoring.

We are most grateful to all those officers who make this happen each year.

Releasing Endowments

Where endowments are yielding small sums of money application can be made to the Charity Commissioners for release of the capital so that the money may be spent on the original purpose of the gift. Applications are processed through The **Trustees for Methodist Church Purposes** and if Churches wish to consider releasing their capital The Trustees for Methodist Church Purposes would be happy to provide the necessary information and forms setting out the requirements and the resolution that needs to be passed.

Missing Title Deeds

Standing Orders provide that title deeds to Methodist properties should be held in either a fire proof safe maintained by the Circuit for the purpose or in a clearing bank.

Recently a number of managing trustees have informed us that they cannot trace their title deeds. In such circumstances once an exhaustive search has been made of the Circuit safe managing trustees should consider whether or not the deeds may have been placed in a clearing bank or where in the past part of the land has been sold off they were left with the solicitors acting for the managing trustees on that occasion. If it proves impossible to trace the title deeds then it is now possible to register title at the Land Registry. The cost charged by solicitors will vary depending on the difficulty in recreating a title. In a straight forward case it will be around £200. The Land Registry normally wish to see any evidence of ownership the trustees may have from their records and it is possible that the Methodist Property Office in Manchester may have copies of declarations onto the Model Deed and Memorandums of Choice and Appointment of trustees prior to 1976 which are documents of title.

This evidence is supported by a declaration or declarations by church members who have been attending for as long a period as possible and can state that the managing trustees enjoyment of the property has not been disturbed by any other owner or would be owner.

It is usually not worth applying to register the title if either there are no deeds missing or there is not a query over Church boundaries.

Recorded Music and Performance Licences

Leeds South Circuit have informed us that where a club exists to provide a benefit to those in the community who are disadvantaged, makes no profit, has a list of members, a constitution and an elected management committee the licence required from Phonographic Performance Limited for playing recorded music should be provided free of charge.

Requests to Trustees for Methodist Church Purposes for payment of monies

In order to prevent delays please be aware of the following

1 E mail requests for payment is not acceptable. All requests must have the signature of the Treasurer or other authorised official whose name appears in our database.

2 In the interest of confidentiality , all requests for trust statements and trust balances etc will be provided **only** to the named individuals who are listed in our database and/or the Church/Circuit Treasurer.

3 It is essential that the Trustees for Methodist Church Purposes (TMCP) is notified of any changes to the local Church Officials. This can be done by completing the "Database Update Form" which can be obtained from TMCP or which can also be downloaded from our website www.methodist.org.uk/tmcp.

4. There are other schedules and information that you may find useful on our website at the above address, including Guidelines on Bequests, withdrawal Schedules 10a, 10b & 10c and investment prices.

Data Protection Act 1998

A new booklet The Methodist Church and the Data Protection Act 1998 is in the course of preparation and copies will be forwarded to all ministers and those who are registered as correspondents with the Trustees for Methodist Church Purposes under the 1984 Data Protection Act. Managing trustees are reminded that under the scheme which has been agreed with the Information Commissioner Methodist Churches do not need to notify with the Commissioner. They are covered by the Trustees for Methodist Church Purposes notification provided their activities are within the categories for which the Trustees for Methodist Church Purposes have notified (which in normal circumstances will be the case).

Church Electronic Organs

Within the Organ Advisory Service we are often meet with the statement

'Oh we did not contact you because we thought you were only interested in pipe organs' !

Whilst it is true that we encourage churches to consider a pipe organ as their first option, especially if they already have one, it does not mean that we are unwilling, or unable, to help if the Church Council has decided upon an electronic alternative.

Manufacturers, importers and stockists, of electronic organs, all quite naturally want you to take their advice and select an instrument from the range being offered. Whilst a few may apply just gentle persuasion others can be more forceful, and these may range from the local music retailer, who has the 'unrepeatable bargain', to international companies who may employ quite aggressive marketing techniques to convince the prospective customer that no one else is worth considering!

Within the Methodist Organ Advisory Service we have the knowledge and expertise to give informed, impartial, advice, not only concerning selection and purchase, but also maintenance prospects. "How soon can we reasonably expect attention in the event of a breakdown ?", "What is likely to be the cost of a 'post guarantee' maintenance contract, and what are it's long term expectations ?" etc.

We strongly advise churches to avoid electronic organs of the 'entertainment' style, i.e.' those that have two short 'staggered' keyboards and 13 short pedals.

These instruments are only really designed for those musical styles where one plays the melody with the right hand, chord patterns with the left hand and a single base note with the left foot. Whilst such an instrument can be adequate for the playing of popular melodies, and some worship songs, it is most unsatisfactory for the playing of standard hymns and impossible for the performance of any part of the organ repertoire. Although more expensive an organ with two full size keyboards, and a standard pedal board, will make it possible to play hymns, worship songs, standard organ repertoire and everything else, including entertainment music if required.

Philip L.Carter

Organ Blowers: Electrical Checks and Fire Risk

Methodist Insurance have identified that several fires in churches have been caused by electrical faults in organ blowers. Elsewhere in this issue there is information about electrical testing, but an organ blower seems to be a particular problem, and we suggest that all property stewards make a particular point of checking this. Part of the problem is no doubt that an organ blower is often difficult to locate and it seems to be assumed that the organ tuner checks electrical components.

We suggest that stewards specifically ask for all electrical components of the organ to be checked both during the annual routine electrical check and also the five-yearly inspection and test by a registered electrician.

Publications on the Web

We are gradually putting our publications on the Methodist website.

Any new publications go automatically onto the web when they are ready for printing and we have a rolling programme reviewing all our information leaflets with a view to putting these on the web as soon as possible.

To access these the web site address is

For Local Mission Development
www.methodist.org/rm/lmdo

For the Methodist Property Office
www.methodist.org/rm/property

For Trustees for Methodist Church Purposes
www.methodist.org/tmcp

If you have problems accessing the site could you please let us know.

Further information

Please contact the Methodist Property Office (Resourcing Mission) Central Buildings, Oldham Street, Manchester M1 1JQ

© Trustees for Methodist Church Purposes
2003

Who has been sent copies

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