

Guideline Leaflet L07: Church Closure

Members who are facing the potential closure of a church need support and encouragement. Of primary importance is the pastoral care of the remaining members and the concern to make sure that they find a new spiritual home. Closely behind that is the need to deal correctly with all property, trust and legal matters and this leaflet will help with these issues.

This Guideline Leaflet is regularly reviewed and updated. To ensure that you are using the most up to date version, please download the leaflet from the BUGB website at www.baptist.org.uk/resources

The date on which the leaflet was last updated can be found on the download page.

L07: Church Closure

These notes are offered as guidelines by the Legal and Operations Team to provide information for Baptist churches.

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[L17 Legal and Operations Team – Regulatory Information](#)

These notes can never be a substitute for detailed professional advice if there are serious and specific problems, but we hope you will find them helpful.

If you want to ask questions about the leaflets and one of the Baptist Trust Companies are your property trustees, you should contact them. They will do their best to help.

If your church property is in the name of private individuals who act as trustees they may also be able to help.

FACING HARD DECISIONS

There is usually a lot of publicity and excitement surrounding the planning of a new congregation or the formation of a new church. By comparison, the closure of a Baptist church which has maintained a faithful witness and served a local community for many generations is often a quieter affair and there will be much sadness.

The reasons for closure will be varied, but they have to be faced and hard decisions must be made. Changing cultures and migrating populations can mean that what was a successful work in past years is now struggling to survive. We must affirm that God is in this situation just as much as He is leading other fellowships to launch out into new areas of mission.

Members who are facing the closure of a church are entitled to expect as much support and encouragement, if not more, as those who are starting a new work. Of primary importance is the pastoral care of the remaining members and the concern to make sure that they find a new spiritual home. Closely behind that is the need to deal correctly with all property, trust and legal matters.

EARLY CONSULTATION

There are at least two groups who should be involved before any final decisions are taken.

- **The Regional Minister** serving in your local Association area will want to offer wise pastoral counsel. They may be the best person to chair Church Members' Meetings and guide you through the various decisions which need to be made.

Other Association staff may be able to suggest how those from other churches in the locality can offer practical help.

Sometimes closure is avoided by other churches being able to offer help. This is associating and interdependency at their best. In any event the closure of a Baptist witness is a matter of concern for all the Association churches.

It is important for everybody to understand that there can be flexibility in exploring alternative arrangements up to the time when the church members have held their final meeting and decided to close. Back-tracking after the decision has been made is difficult, if not impossible.

- **The Baptist Union Corporation.** If the Baptist Union Corporation are the trustees of any of the church's properties, (either alone or jointly with private trustees) they will be responsible,

following closure, for the disposal of these properties and for the distribution of the proceeds of sale (see **Ultimate Trust** below).

If your church property is in trust with one of the other Baptist Trust Corporations, please contact them for guidance. See Page 9 for further details.

There are likely to be many legal and financial issues which need to be considered and resolved.

The Baptist Union will advise you and put you in touch with professional advisers.

Remember that all these people are concerned about your church and the difficult decisions you are facing. Contact them as soon as possible.

Sometimes closure can be avoided, but this often depends on early and regular consultation. We include information about this later in this leaflet.

ULTIMATE TRUST

Before we discuss in detail the decision to close it is extremely important to consider the Ultimate Trust. This is something which must be very carefully investigated **before** the church closes. If the deeds are held at Baptist House then the Baptist Union Corporation can help you by telling you about the arrangement for your particular church. If the deeds are stored with your local Baptist Association, they may be able to help with queries about the Ultimate Trust.

WHAT IS AN 'ULTIMATE TRUST'?

The Ultimate Trust is usually an arrangement included in the church deeds when the first property was purchased. The founders of the church would have wanted to ensure that even if the church closed the value of the building could still be used for work within the Baptist family.

In some ways an Ultimate Trust arrangement is a bit like the provisions in a Will. It contains instructions about how the assets should be distributed.

The Ultimate Trust states what is to happen to the church premises or to the proceeds of any sale after the church closes and the church premises are no longer needed.

WHAT KINDS OF ARRANGEMENTS WERE MADE?

The Ultimate Trust in the deeds may provide that the proceeds of sale are to be passed to a neighbouring church, to the Baptist Building Fund, to Spurgeon's College, or another similar Baptist cause.

In some cases, it may be necessary for the Church Members' Meeting to decide. Some older deeds left the responsibility for taking this important decision to the Church Members at the Final Members' Meeting. This provision is often included in deeds prepared in the Eighteenth or Nineteenth Centuries when women had limited legal capacity and were not allowed to own land in their own name. For this reason, older deeds tend to require that only the 'male members' should decide, but it varies depending on exactly what was written down at the time.

Often, however, there will either be no Ultimate Trust or there will be one which is inadequate or is no longer capable of being put into effect. In cases like that the Baptist Union Corporation would have to apply to the Charity Commission for a Scheme to enable them to decide about the best way to use the proceeds of sale. This is time consuming and expensive and it means that an outside organisation is deciding what will happen to the money arising from the sale of a Baptist church.

If the Trust Deed contains provisions relating to closure which are absent or unsatisfactory it may be advisable for something called the Model Trusts to be adopted.

Baptist Model Trusts are a set of arrangements that apply to Baptist churches. They are authorised by an Act of Parliament called The Baptist and Congregational Trusts Act 1951.

Model Trusts contain a framework of administrative arrangements for Baptist churches. They can be very useful in updating the early arrangements set out in an old Foundation Deed. In particular, they can fill in any gaps in the legal arrangements that apply to the Ultimate Trust.

If there is no stated Ultimate Trust the members can adopt Model Trusts. This adds an 'Ultimate Trust' that enables decisions about the church's assets to be taken by the Baptist Union of Great Britain and the local Baptist Association.

This saves all the time and effort involved in applying to the Charity Commission.

The Baptist Union Corporation will be able to tell you whether the church has already adopted Model Trusts in the past and, if not, will be happy to guide you through the procedures.

It is usually helpful to adopt the Model Trusts, if at all possible, before the meeting is called to consider the formal and final resolution to close.

A formal resolution of a Church Members' Meeting is required. This is why it is essential that this matter is dealt with before the church closes. It is impossible to do so afterwards because as soon as the final meeting has been held the church is legally disbanded.

There is further discussion about Baptist Trusts and Model Trusts in the guidelines leaflets:

- T01 *Baptist Trusts – Beginnings and Patterns*
- T02 *Modern Model Trusts*
- T03 *Appointing Property Trustees – Baptist Trust Corporations*

If the Model Trusts are adopted and decisions are taken by the Baptist Union and Association the proceeds will usually be divided equally between the two organisations (the 50/50 Guiding Principle).

If the Foundation Deeds include an Ultimate Trust to be as the Baptist Union shall direct the proceeds will usually be divided as to 60% to the Union and 40% to the Association (60/40 Guiding Principle).

PRIVATE TRUSTEES

Another matter to be considered is the position of any private property trustees (also known as Custodian Trustees or Holding Trustees) who may be named jointly with the Baptist Union Corporation on the church title deeds.

If any of the private trustees have died the Baptist Union Corporation must be notified including sending us a copy of the death certificate (if available) or as much information as possible about the death and place of death.

At the same time the Baptist Union Corporation must be given the present addresses and telephone numbers of the remaining private trustees.

This may be a good time to ask the private trustees whether they wish to continue as trustees or whether they would prefer to resign and leave the Baptist Union Corporation to deal with the complex matters relating to the closure of the church and the sale of the premises. If they prefer to resign they should send a letter to that effect to the Baptist Union Corporation.

If the church has only private property trustees you should still contact the local regional association. The Baptist Union Corporation may be able to support them and the church especially if they wish to step aside as part of the closure process.

ALTERNATIVES TO CLOSURE

It is always possible that, upon reflection and with the advice of others, it will be decided that closure is neither the only nor indeed the best option.

After consultation with the Association and the Corporation other options may emerge.

Consideration can be given to an Amalgamation with another nearby Baptist church or entering into a Local Ecumenical Partnership with Christian churches of other denominations in the neighbourhood.

Some guidelines leaflets have been prepared:

- L04 *Church Amalgamations and Mergers*
- L05 *Ecumenical Sharing Agreements*

These legal arrangements need careful planning and will be almost impossible to arrange if the final meeting has already been held.

MAKING THE DECISION

The final decision to close a Baptist church will be taken at a Church Members' Meeting by passing a resolution.

If the Model Trusts have been adopted the Association, acting together with the Union, will have the power to close a church if the church is very weak but this is a power which is rarely exercised. It is usually the members who decide.

Advance notice of the Church Members' Meeting must be given in the usual way. For the reasons already noted, the Baptist Union and Regional Minister must be told.

Because of the importance of the matter, it is advisable for the meeting to be a Special Church Members' Meeting. This usually means that notice of the meeting, and an indication of the purpose of the meeting, must be given at the services on two previous Sundays.

To be successful, a resolution at a Special Church Members' Meeting must usually have the support of at least two-thirds of the members personally present, entitled to vote and voting at the meeting.

The following matters also need to be dealt with at the final Church Members' Meeting (or during the series of meetings leading up to the final meeting).

- **Give thanks to God** for the faithful witness down the years by the members of the church, past and present, and resolve that a final service of worship will be held on an agreed date.
- **Ultimate Trust/Model Trusts.** If necessary, resolve how the proceeds of sale of the premises are to be used. If that is a matter for the church members to decide they need to take and record a clear decision. If not it will be helpful to resolve to adopt the Model Trusts if this has not already been done.
- **Church Properties.** Resolve to ask the Property Trustees to deal with the church properties in accordance with the Ultimate Trust. Decide, however, who locally will be the key holder; looking after the properties until agents have been appointed or they have been sold. Church members may help by being responsible for security, maintenance and the payment of outgoings.
- **Furnishings and Contents.** Decide how these should be dealt with, paying particular regard to items which have been donated to the church or have sentimental significance, such as communion furnishings, etc.

Remember, if the church buildings are listed no alterations can be made (including the removal of fixings, fittings and furnishings) which affect the character of the building (see the note on Listed Buildings below).

- **Creating Records.** If your church is not listed you may still want to create a record of your property, the church members and your activities. The local Council will have an archive department who will be pleased to receive information about your church including

photographs. If you want technical guidance about creating a photographic record please refer to our guidelines leaflet LB09 *Photographic Recording*. This is about photographing the building but people and activities are significant too.

- **Church General Funds.** The use of the general funds of the church is a matter for the Church Members' Meeting subject, however, to the right of the Baptist Union Corporation to call upon church funds to meet any expenses prior to the premises being sold.

For this reason before any resolutions dealing with general funds are passed the Baptist Union Corporation must be consulted.

If possible, keep a balance in hand to deal with outgoings, such as maintenance costs, until the church properties have been sold. If there is nobody who can deal with this administration it may be necessary for funds to be released to be held by the Corporation or local Baptist Association pending the sale. Apart from dealing with these final payments the bank accounts will need to be closed and accounts prepared.

It is important to note that the Church Trustees must ensure general funds are used in a way that is consistent with the wishes of those who donated the money. The church should look to donate funds to organisations whose charitable objectives are consistent with its own. As the funds were originally donated to a Baptist church, Baptist organisations (GB Home Mission, The Baptist Missionary Society, Baptist Colleges, Baptist Associations, other Baptist churches etc.) should be considered rather than selecting other non-Baptist organisations.

- **Confirmation of Appointment of Treasurer and Secretary.** Many churches have a Secretary and Treasurer. If they are able, it is often these people who will take responsibility for working with the Baptist Union Corporation on the outstanding practical matters. It is helpful if the members confirm the appointment of Secretary and Treasurer, to avoid uncertainty.
- **Burial Ground.** If there is a burial ground it is important that the church members pass a resolution to close the burial ground and to decline to accept any new right to interment. Some spaces may already be reserved for future use and the church should pass on the details of reserved spaces where this is known.

There may also be Trust Funds or other special funds which will need to be dealt with in consultation with the Baptist Union Corporation.

INFORMATION NEEDED BY THE BAPTIST UNION CORPORATION

By the time the final Church Members' Meeting has been held you will have already been in contact with the Baptist Union Corporation.

Immediately after the final Church Members' Meeting write to the Baptist Union Corporation and make sure they have the following information:

- **Minutes and Resolutions.** A copy of the minutes and any resolutions passed at the Church Members' Meeting.
- **Properties.** Details of all church properties (Chapel, Hall, Burial Ground, Manse, etc) and a note of the name, address and day-time telephone number of the key holder. Give details of insurances. If there are private trustees acting jointly with the Baptist Union Corporation supply their full names, current addresses and day-time telephone numbers. We will write to you with a long list of the information we need, but once this is completed we will write to all the regular contacts to tell them the church has closed.
- **Fittings.** If some fittings are to be passed to other churches but have not yet been removed, please ensure this information is passed to the Baptist Union Corporation.
- **Registrar.** A note of the name and address of the local Superintendent Registrar. This is

needed so that the Baptist Union Corporation can formally advise the Registrar that the church has closed as a place of worship.

- **Finances.** Details of financial arrangements which have been made with a note of the name and address of the Church Treasurer who will be finalising the church accounts and eventually closing the bank account.
- **Services.** We will ask for details of insurances, and the suppliers of gas, electricity and water.
- **Burials.** If there is a burial ground please note guidelines leaflet PC07 *Burial Grounds*. If there is already a list of burials this should be copied. One copy should be sent to the Baptist Union Corporation and one copy should be sent to the Local Authority Archive. If the church employs somebody to maintain the burial ground, please provide contact details.

SELLING THE BUILDINGS

The Baptist Union Corporation will give notice to the Superintendent Registrar that the church premises are no longer a Registered Place of Worship.

They will then deal with the sale of the premises, in conjunction with any remaining private trustees; taking the professional advice required by the Charities Act 2011 (see guidelines leaflet PC09 *Selling Church Land or Premises*).

The Baptist Union Corporation will usually take the initiative in organising the sale of the buildings. Where there are private trustees they will be consulted. However, it would be unusual for there to be detailed discussions about the disposal of the building with the church members after the church had closed. This is substantially the responsibility of the property trustee.

Estate agents and surveyors will need to be involved. They will evaluate the condition of the property and consider how much it might be worth. It may be necessary to seek planning permission for change of use before the property is marketed if the best possible price is to be achieved.

Wherever possible we look sympathetically at requests from other church groups or charities when disposing of the property. We would always expect to check with the local Baptist Association whether they had any use for the property before it was sold. However, the overriding responsibility for a group of trustees is to ensure that the property is sold for the best possible price so that the beneficiary nominated under the Ultimate Trust can benefit from the release of funds.

When it is time for the sale to be completed we will need to remind you that all the keys must be handed over to the estate agent, if this has not already happened. It is obviously not appropriate for church members to retain keys after the property has been sold.

It may be many months or even a few years before the property sale has been completed, but once this has happened the net proceeds will be distributed to the beneficiary under the Ultimate Trust.

LISTED BUILDINGS

If any of the church buildings are listed, or you think they may be listed, please refer to guidelines leaflets:

- LB01 *Introducing the Listed Buildings Advisory Committee*
- LB02 *Applying to the Listed Buildings Advisory Committee*
- LB03 *Advising Churches on Applications to the Listed Buildings Advisory Committee*
- LB06 *Looking After Your Church Buildings*

Although we will need your help in tidying the church and removing items that are no longer needed, such as hymn books, it is important that fixtures and fittings in a listed building are not removed.

It is very important that a suitable photographic record is kept, particularly where a building is listed. However, as well as details of the historic fabric it would be good to collate a set of photographs about the church and its activities. It may be appropriate to take photographs of the last group of church members, and possibly photographs of the final Thanksgiving Service.

However, there are people who are interested in the historic fabric of the church and so some good quality photographs of the building will be very helpful as well.

Historic England have given guidance about creating a photographic record and you may also be able to get some help from your Local Authority Conservation Officer or Archivist.

Our guidelines leaflet LB09 *Photographic Recording* may be of help to you. Please note that in photographing a building, black and white photographs are often clearer than coloured ones.

If your building is listed you may find that local historical societies are interested in your building and may offer to help in preparing a set of photographs.

If you find it impossible to arrange this, the Baptist Union Corporation can organise this.

CHURCH RECORDS

Marriage Registers must be sent to the local Superintendent Registrar as soon as possible after closure of the church.

Church Minute Books and other important records will need to be preserved for future reference. They may be sent, by prior arrangement, to your Local Authority Archive or Record Office or The Angus Library at Regent's Park College, Pusey Street, Oxford, OX1 2LB, or to your Association Archivist.

In any event please send to the Angus Library and the Baptist Union Corporation a note of where you place these important records.

If you send items to your local Record Office or Archive you are advised to clarify whether they will be deposited with open access, so that anyone who wishes to do so will be allowed to see them, or whether viewing will be only by permission of the local Baptist Association or Baptist Union Corporation. Remember that records of closed churches may include sensitive personal or financial information.

If you do not know the address of your local Record Office we may have details here at Baptist House. Helpful information is also available from the Baptist Historical Society who can be contacted by correspondence via Baptist House.

All paperwork that relates to safeguarding, and includes personal information, must be sent to the Regional Association, and not sent to your local archive.

CLOSING A CIO (CHARITABLE INCORPORATED ORGANISATION)

Some Baptist churches are registered with the Charity Commission as a CIO. Special rules apply to the closure of churches that are structured as CIOs and the Commission outlines the appropriate procedure in its guidance (<https://www.gov.uk/guidance/how-to-close-a-charity>). The relevant information is reproduced below:

How to close a CIO

The charity trustees must arrange for the CIO members to make a dissolution resolution. This can either be:

- by a 75% majority of those voting at a general meeting
- without a vote if there are no objections to the question put to the meeting
- by unanimous agreement of the members (if no meeting is held)

The trustees must make a declaration that:

- any debts and other liabilities of the CIO have been settled or otherwise provided for in full
- says how any property has been or is to be applied on dissolution

Within seven days of making the application to close the CIO, the trustees must give a copy of the

resolution to every person who on that day is:

- a member of the CIO
- an employee of the CIO
- a trustee of the CIO (unless they were involved in making the application)

The Commission will publish a notice on the church's register entry stating that it has received your application. Subject to any representations, it will remove the CIO from the register after three months. The Commission must then publish a notice stating the day of removal. Unlike other forms of charity, a CIO automatically ceases to exist when it's removed from the register.

You can't use the online closure form to tell the commission about the dissolution of your CIO. Instead, use [the commission's contact form](#). You need to put 'CIO dissolution' in the subject and confirm:

- that no liquidator is acting for the CIO
- that you are acting on behalf of the trustees or the majority of them
- that you have followed the exact procedure as set out in your constitution
- the exact wording (not a summary) of the resolution passed to close the CIO
- that any debts or liabilities have been settled or otherwise provided in full

You also need to give details of how any property vested in, or held in trust for, the CIO has been or is to be applied in accordance with the directions in its constitution.

Your responsibilities after your CIO has closed

After your charity is wound up, the trustees must arrange for its accounting books and records (including cash books, invoices and receipts) to be kept for either:

- at least three years after the year they were made (for a charitable company or CIO)
- at least six years after the year they were made (for unincorporated associations and trusts)

The former charity trustees remain responsible for the decisions they made while they were in office.

Association Trust Company	Contact
Baptist Union Corporation Ltd East Midland Baptist Trust Company Ltd	Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700
Heart of England Baptist Association	Heart of England Baptist Association 480 Chester Road Sutton Coldfield B73 5BP Office Mobile: 0730 505 1770
London Baptist Property Board	London Baptist Association Unit C2 15 Dock Street London E1 8JN Telephone: 020 7692 5592
Yorkshire Baptist Association	17-19 York Place Leeds LS1 2EZ Telephone: 0113 278 4954
West of England Baptist Trust Company Ltd	West of England Baptist Trust Company Ltd Little Stoke Baptist Church Kingsway Little Stoke Bristol BS34 6JW Telephone: 0117 965 8828

This is one of a series of *Guidelines* that are offered as a resource for Baptist ministers and churches. They have been prepared by the Legal and Operations Team and are, of necessity, intended only to give very general advice in relation to the topics covered. These guidelines should not be relied upon as a substitute for obtaining specific and more detailed advice in relation to a particular matter.

The staff in the Legal and Operations Team at Baptist House (or your regional Trust Company) will be very pleased to answer your queries and help in any way possible. It helps us to respond as efficiently as possible to the many churches in trust with us if you write to us and set out your enquiry as simply as possible.

The Legal and Operations Team also support churches that are in trust with the East Midland Baptist Trust Company Limited.

If your holding trustees are one of the other Baptist Trust Corporations you must contact your own Trust Corporation for further advice. A list of contact details is provided above. If you have private trustees they too should be consulted as appropriate.

Contact Address and Registered Office:

Support Services Team, Baptist Union of Great Britain, Baptist House, PO Box 44,
129 Broadway, Didcot OX11 8RT

Tel: 01235 517700 Fax: 01235 517715 Email: legal.ops@baptist.org.uk

Website: www.baptist.org.uk Registered CIO with Charity Number: 1181392

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