

Past issues are available at www.baptist.org.uk/transform

HR & Safeguarding

Contributed by the HR & Safeguarding Team (safeguarding@baptist.org.uk)

Updates to the template safeguarding policy for churches

Many churches use the BUGB template safeguarding policy as the basis for their own church policy. As part of our ongoing review and update schedule, we have recently updated the template policy, and this will be available for churches from May 2023.

The updated template includes a number of small changes that DPSs (Designated Person for Safeguarding) and safeguarding trustees will want to incorporate in their next safeguarding policy update for their own church. Along with the updated template, there will be a set of simple explanatory notes for churches to understand the changes and to recommend how to review and include these.

In the meantime, if your church is considering a review of your safeguarding policy, procedures and practices, our safeguarding audit tool is available free of charge using the following link: www.baptist.org.uk/safeguardingaudit

Ministry Matters

Contributed by the Ministries Team at Baptist House (ministries@baptist.org.uk)

Team News

The Ministries Team is now overseen by the Revd Tim Fergusson and the Revd Lee Johnson working as team co-leaders. To contact them, or any other member of the Ministries Team, please see the Team's contact page www.baptist.org.uk/ministryteam.

Though Regional Associations will be able to answer most enquiries from churches and ministers, we are happy to offer guidance and information regarding accredited and recognised ministry, settlement, and ministerial development.

Isabella Senior can advise on leadership development among young adults (www.baptist.org.uk/youngadults) and on church internship programmes (www.baptist.org.uk/internship).

Continuing Ministerial Development

Please may we remind you that as part of CMD during 2023 (www.baptist.org.uk/cmd), all accredited ministers and nationally recognised pastors must engage with introductory equality and diversity training, called *I Am Because You Are* (www.baptist.org.uk/e&d).

This training consists of six videos that ministers watch and discuss with fellow ministers. Churches or church leadership teams may also find it useful to watch and discuss these videos and we commend them to you.

Legal and Operations

Contributed by the Legal and Operations Team at Baptist House (legal.ops@baptist.org.uk)

Voluntary charity registration

Compulsory charity registration for churches with an annual income over £100k was introduced in 2008. In 2013 the Charitable Incorporated Organisation (CIO) structure was introduced which enabled churches with lower incomes to register with the Charity Commission if they wished to, since all CIOs have to be registered.

We have now been told that unincorporated churches with annual incomes below £100k may register voluntarily with the Charity Commission if they want to. This is entirely optional. Further information can be found in guideline leaflet C06 *Churches and Charity Registration* (www.baptist.org.uk/resources/c06).

Charities' Annual Return 2023

The Charity Commission has published Charity Annual Return 2023: question

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guide to help registered charities understand what information they will need to prepare for the 2023 Annual Return. Further information can be found at bit.ly/3JR8up5

The updated Annual Return will apply to charities' financial years ending on or after 1 January 2023.

Support for Listed Buildings

Contributed by our Church Historic Buildings Support Team (listedbuildings@baptist.org.uk) funded through a partnership with Historic England. Please email us if you would like to be added to the listed buildings mailing list.



Historic England

Grants and Funding

A number of funders have started to release information about their new strategies and accompanying grant schemes. Heritage Fund, the largest funder for the UK's heritage, will be sharing more about their ten-year strategy this summer. They have also teamed up with the National Churches Trust to form the Cherish Partnership – a programme to help churches look after their buildings. Maintenance/repair and project development grants, for between £500 and £10,000, will be available from May 2023. Likewise, the Benefact Trust have launched their new grants framework. Applications for their Community Impact and Building Improvement Grants are now open. As well as this, their community businesses scheme with the Plunkett Foundation, including grants of up to £5,000 and free advisor support, has been extended to the end of 2023.

Will your church be eligible?

An in-date Quinquennial Inspection report is usually required with grant applications for maintenance, repair, and other building works. Ensure your church is eligible for any funding opportunities which may arise over the next five years, by taking advantage of our QI Grants scheme now – before it's too late! Request an application form at listedbuildings@baptist.org.uk.

This is the very **FINAL round of £400 QI Grants** and applications will close as soon as the remaining funding has been allocated.

Environmental Issues

Contributed by Dave Gregory, Former President, Baptist Union 2018-19, Convenor of Baptist Union Environment Network (BUEN) and Director, John Ray Initiative – Connecting Environment, Science and Christianity.



Key to preventing dangerous climate change is reaching net-zero carbon by 2050. Some areas of the church, such as the Church of England, are committed to a more rapid decarbonisation by 2030. WebNet has recently adopted an environmental policy that includes this commitment. It can be found at www.webnetwork.org.uk/wp-content/uploads/2023/02/Webnet-Environment-Policy.pdf and may provide a model for other associations to consider in deepening their sharing in God's mission to creation.

Net-zero targets need to be integrated into churches' plans for future development and maintenance of buildings. The Church of England has a growing number of resources to help churches do this - www.churchofengland.org/about/church-england-environment-programme Key principles include preventing heat loss through draft proofing and insulation, purchasing energy from renewable sources, better heating control of spaces, moving from gas and oil towards electric heating, local electricity generation through solar panels and offsetting.

Finance Matters

Contributed by the Finance Team at Baptist House (financeoffice@baptist.org.uk)

Subscriptions

2023 subscriptions are now due for payment for those churches that pay electronically or by cheque; and each church will have received a notification of what is due. The standard subscription rate is £5.40 per church member; however, we are able to offer a discounted rate of £5.15 per member for those churches paying by Direct Debit, as the method reduces our administrative costs.

A direct debit form can be found on our website www.baptist.org.uk/directdebit so if you would like to pay by Direct Debit do send us the form (either in the post or scanned) any time throughout the year and we will work with you as to when the first payment will be taken and the amount.

Unfortunately, there are still a number of churches that have yet to pay for one or more previous year(s), and we would ask you to pay this and your 2023 subscription promptly. Any subscriptions questions can be sent to subscriptions@baptist.org.uk

Support For Treasurers

The current financial climate makes the role of Treasurer even more important than it normally is. Treasurers, please don't struggle on your own as there is support on our website at: www.baptist.org.uk/treasurers

Finance Guideline Leaflets

Do explore our Finance Guideline leaflets and dedicated areas on our website for Church Treasurers at www.baptist.org.uk/finance where you will find important information that will answer many questions you have.

For example, we have had a number of enquiries about completing the church's year end accounts and our leaflets F02 www.baptist.org.uk/resources/F02 and F03 www.baptist.org.uk/resources/F03 have been updated. The notes section in F02 relating to Pension Fund liabilities and deficit payments is very helpful.

For those churches with an income of £250,000 and need to calculate Pensions for your accrual accounts, the calculation has also been updated (www.baptist.org.uk/resources/f03calculator)

Deposit Accounts and Baptist Union Loan Fund

With the forever changing Bank of England base rates, please keep an eye on the rates we offer: www.baptist.org.uk/depositaccounts and www.baptist.org.uk/loanfund

Utility Aid

You will already be acutely aware of the challenges the sector is facing with the current cost of living crisis and the energy crisis. As the UK's leading energy broker for the not for profit



sector, Utility Aid are here to help you look at ways in which you can identify potential areas of cost recovery on your utility bills and support you in reducing energy consumption and wastage.

Utility Aid doesn't just provide support with energy procurement they also provide a range of services to support you with Net Zero and Carbon Reporting. To learn more, click here utility-aid.co.uk/net-zero-carbon-reporting

If you want to learn more about how Utility Aid can help your church with procurement or net-zero, please click here www.utility-aid.co.uk/contactform/BUGB

Pensions

Contributed by the Baptist Pension Team. Routine queries should be directed to baptistpensions@broadstone.co.uk whilst non-routine matters should be directed to pensionshared@baptist.org.uk

As reported previously, the Pension Scheme is in the midst of a significant project working towards the wind-up of the Defined Benefit (DB) Section, replacing it with individual policies for each member with an insurance company, thus eliminating risk for the participating employers.

We will keep you updated on significant milestones on this project. Meanwhile, we continue to focus on the future options of the Defined Contribution (DC) Section.

To assist with two-way communications, it would be very helpful if you could review your authorised users for 4myStaff (4mystaff.co.uk) and our suggestion is that each participating employer has two registered users. Similarly, we would ask you to encourage your scheme members to ensure that they are registered for access to their personal information on our portal at 4myPlan (4myplan.co.uk).



Baptists Together Deposit Accounts

Baptist member churches with savings and reserves are encouraged to lodge these in a Baptists Together Deposit account.

These accounts, provided by the Baptist Union Corporation Limited, offer a competitive rate of interest to depositors. They also provide funds which are used to make loans to finance the purchase of new church sites and manses and fund the construction of new churches, as well as redevelopment and improvement projects. Such projects help churches to develop their mission in their community and it is a fantastic way for churches with surplus funds to support mission across the Baptist family.

CURRENT RATES:

4.00% interest
on 1 year fixed rate deposit

0.50% below Base Rate
on 3 month notice account

0.15% below Base Rate
on 7 day notice account

(all rates subject to regular review)

Minimum deposit £1,000
for all accounts

For more information visit

www.baptist.org.uk/depositaccounts

Taxation Topics

Contributed by Malcolm Gunn - our Honorary Taxation Adviser. Please send any tax related queries to (financeoffice@baptist.org.uk)

Tax allowances for the minister

If a minister has a husband/wife who has unused personal tax allowance for the year, two points may be relevant taxwise.

First, there is the transferable tax allowance of £1260 which can be claimed by the minister. This is achieved by a simple election - either by letter to HMRC, or the transferring spouse can complete the boxes on page 5 of his/her tax return if one is going to be submitted.

Second, the minister can pay the spouse for cleaning of the manse and any secretarial duties performed on church business. The cleaning payment cannot be for the whole of the property but only for those parts used mainly for church business. How much can be paid? There will be a going hourly rate for cleaners in the local area and it then depends how much is taken up on cleaning the office at home and any other parts used mainly by the church. The messier the minister, the larger the possible payment! Similarly secretarial work will have a going rate which should be used. Reasonable amounts are unlikely to be challenged by HMRC but it would be good practice to log time over a certain typical period as evidence if HMRC should question the claim. The payments may be regarded as self employment income, in which case a tax free allowance (the 'trading allowance') of £1000 applies.

VAT and business activities

In June 2022 HMRC published new guidance about when charities might have to register for VAT in relation to business activities which they are conducting. The new guidance may be of no impact for many churches because registration for VAT is required

only where business income exceeds £85,000 per annum. Nevertheless this short note will give an update in case it is relevant for some. A typical example of what might be affected is a church operating a nursery or coffee shop.

The previous guidance on VAT and business activities was based on six factors focussing on business-like organisation of the activity concerned. The new guidance simplifies things considerably and there are now just two tests:

Test 1: does the activity result in goods or services being supplied for consideration (ie a payment)? So the payment must not be voluntary.

Test 2: is the remuneration from the activity obtained for the purpose of receiving income?

A key point is that it is not relevant that the services are supplied for a payment which is below cost or designed only to cover costs. A payment is a payment and it can fall within Test 1 without being designed to produce a profit.

Under Test 2, what matters is the reason for making a charge. Sometimes a charge is made in order to stop misuse of facilities. What people pay for, they tend to appreciate more, and if there is no charge (or a minimal charge) the facilities provided could easily be misused. In this case the payment is not to produce an income – it has a different purpose. In that case there is no business for VAT purposes. Equally, HMRC say that if the charge made is a lot lower than the market value of the supply, this might show that it is not made to produce income. On the other hand, charges which are designed to cover costs will fall within both Tests 1 and 2.

This guidance is somewhat subjective in its application but it does at least tell us what is clearly a business activity – a charge which produces a profit – and what is clearly not – a charge which is a nominal amount only.

The VAT threshold

One thing to remember is that the turnover of all business activities carried out by a church must be added together to establish whether VAT registration is required. The registration threshold does not apply individually to separate business activities, but it applies to the total turnover of all business activities carried out by one person or organisation. If there is a risk of going over the threshold, one escape route would be to conduct one or more of the activities as a partnership with another person or organisation.

Car mileage rates

Despite the recent large increase in fuel costs, HMRC-approved car mileage rates remain stuck fast at 45p per mile for the first 10,000 miles in the tax year and 25p per mile thereafter. The payment can be increased by 5p per mile per passenger taken on a trip, where that passenger is also on the church payroll. Sadly, this does not include taking a deacon on the trip as they are volunteers!

Gift aid and funds raised on third party platforms

For churches who raise funds by means of third-party platforms, HMRC has recently clarified issues concerning gift aid for the sums received by this means.

They were asked whether a gift aid audit trail needs to be traceable back to the bank records showing each individual's initial donation. The response was as follows: 'where a charity receives a single payment alongside a breakdown of who has donated and how much they donated this will be sufficient for HMRC's audit purposes. The charity will not be required to show an audit trail back to the bank records showing the donation being received into the third-party bank account.' There are a couple of caveats to this. Firstly, the usual gift aid rules must be met. Secondly the amount transferred from the third-party must tie with the breakdown of donated amounts provided.

These notes are offered to provide general information for Baptist churches. We hope they will be helpful in highlighting new guidance and providing reminders about other important matters relating to the life of a local Baptist church. Although every effort is made to ensure that the information is correct at the time of publication, we make no representations, warranties or guarantees (whether express or implied) that the information is accurate, complete or up-to-date. Further, these summary notes are not intended to amount to advice on which you should rely and cannot be a substitute for formal professional or specialist advice. We do not assume and will not be liable to any party (who has either taken or refrained from taking action in reliance on these notes) for any loss or damage caused by errors or omissions, whether resulting from negligence or any other cause. If you want to ask detailed follow-up questions, please contact us through the Baptist Union website.

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Tel: 01235 517700 Email: supportservices@baptist.org.uk Website: www.baptist.org.uk

BUGB is operating as a Charitable Incorporated Organisation (CIO) with Registered Charity Number: 1181392