

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

Coronavirus

Whilst most legal restrictions have now been removed, Coronavirus is still widely prevalent in the community and churches should consider how they manage the risks in planning their activities, as they should do for all types of risk. Our website section www.baptist.org.uk/corona has our latest guidance that reflects the current state of the pandemic. Please contact us at supportservices@baptist.org.uk if you have any queries not covered in the guidance or feedback on the content.

Church Healthcheck

Church Healthcheck was launched in January 2022 as a tool to help churches assess their operations against best practice by answering a series of simple yes/no questions (www.churchhealthcheck.org). The Healthcheck is divided up into sections by topic areas.

We continue to develop the tool and have recently added sections covering Employment, Safeguarding and Data Protection. If you have any questions or comments about Church Healthcheck, please contact supportservices@baptist.org.uk.



Ministry Matters

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

Terms of Appointment for Ministers

The introduction to the model Terms of Appointment for Baptist Ministers (www.baptist.org.uk/resources/toa) has been updated with additional guidance because we have found that churches have made alterations and additions to the terms they have offered their minister and inadvertently created a contract of employment.

Ministers are normally appointed as office holders rather than employees. Including phrases in Terms of Appointment such as 'contract of employment' or 'terms of employment', or 'for the purposes of continuous employment' will affect the process a church will need to follow to give notice to a minister.

If you think this situation might apply to your church, please contact the Ministries Team for advice.

Environmental Issues

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



BUEN, the Baptist Union Environment Network (www.baptist.org.uk/buen), continues to encourage churches to engage with God's mission to care for creation. Increasingly, churches are asking how they can reduce the carbon footprint of their buildings - both church buildings and manses. A BUEN Fabric group has begun to meet to prepare advice, but in the interim churches may want to look at resources offered by other streams of the church. The Church of England has advice on different steps churches might take - from quick wins involving changes to fabric (such as blocking draughts, switching to LED lights and renewable energy supplies) to bigger projects around non-fossil fuel heating approaches. See <https://www.churchofengland.org/resources/churchcare/net-zero-carbon-church/practical-path-net-zero-carbon-churches>

To contact BUEN, please email BUEnvNet@outlook.com

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Electric vehicles – or EVs – are good for the planet, drive well, and they look great too. Let Newgate help you make the switch.

Through Project EVe we're working closely with Clergy across the country to share our expertise and help you go green. We can answer all your questions – from how to charge your car, to how far you can travel on one charge, and which EVs offer the best value.

To find out more, call us on **08000 324 900**.
Or, for our latest electric, hybrid and petrol offers, visit newgatefinance.com/baptists

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HR and Safeguarding Matters

Contributed by the HR and Safeguarding Team at Baptist House (safeguarding@baptist.org.uk)

Updated Guidance on Employment

In April 2022 we published an updated version of our guidance leaflet *L08 on Employment* (www.baptist.org.uk/resources/L08). If your church employs staff, we recommend that you review this leaflet and consider whether you need to make any changes.

Legal and Operations News

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

New Charities Act 2022

The Charities Bill received Royal Assent and passed into law as the Charities Act 2022 on 24 February. The changes are largely technical and are designed to make a positive, practical difference to charities. For example, the provisions make it more straightforward for charities to change their governing documents, grant more flexibility in using 'permanent endowment funds,' allow greater flexibility around the advice needed when selling land, and allow trustees to be paid for goods provided to a charity in certain circumstances. The changes will be implemented in phases over the next 18 months and the Legal and Operations guideline leaflets will be amended to reflect these changes as they happen. We will also publicise the key details that are relevant to churches in the Support Services Monthly Update.

Further information is available at <https://charitycommission.blog.gov.uk/category/charities-bill>.

Virtual and Hybrid Church Members' Meetings

If your church members want to be able to hold church meetings online or in a hybrid format, then you should adopt the new and amended constitution clauses that we have provided for this purpose.

Further information can be found in the Legal and Operation Updates for November 2020 (for unincorporated churches) and December 2020 (for CIOs) which can be found at www.baptist.org.uk/legalandops.

Churches that want to review their governance more generally should read guideline leaflet *C03 Constitutions* (www.baptist.org.uk/resources/C03). You can contact the Legal and Operations team using our email address legal.ops@baptist.org.uk if you have questions or need support. We are aware of recent examples of BUGB member churches instructing solicitors to help them with governance queries, eg updating your constitution or queries about trust deeds that the Legal and Operations team (or your local Baptist Trust Corporation) could have answered without charge as part of the service we provide.

Ukrainian Refugees and Church Property

If you have specific questions about welcoming Ukrainian refugees that relate to the use of your church properties, please direct these to your Baptist Trust Corporation. However, we have answered some of the key legal and governance points that you will need to consider in an Appendix at www.baptist.org.uk/Ukraine

Data Protection

We have recently updated several of our data protection documents for churches.

Our suggested Data Retention Schedule for churches now contains a helpful introduction and a new section on retaining data held on websites and communications platforms.

For those churches that operate a website or app that uses cookies, our sample Privacy Statements have been amended to include suggested paragraphs for providing information about cookies and why they are used.

The PowerPoint slides for churches to use for data protection training in a church meeting or other similar gathering have also been updated.

All of these resources are available at www.baptist.org.uk/gdpr.

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.



Heritage Property Initiative

We are delighted to share that Historic England have further extended their funding for the Heritage Property Initiative to the end of September 2023. This funding will allow us to continue to develop our support for churches with listed buildings. We will be launching a further round of grants to support churches with listed buildings in commissioning Quinquennial Inspections later in the year. Please keep an eye out for updates at www.baptist.org.uk/heritagepropertyinitiative or join our mailing list by emailing listedbuildings@baptist.org.uk.

Information and Resources

We are continuously adding to the information and resources available to help Baptist churches with listed buildings. Most recently, we shared a webinar style video about Maintenance Planning and Logging, followed by a live Q&A session via Zoom.

To keep up to date with events like these – plus our Monthly Maintenance Tips and Listed Buildings Advisory Committee Advice Column – please sign up to the Listed Buildings Support Newsletter mailing list by emailing listedbuildings@baptist.org.uk

Grants and Funding

The Benefact Trust - formerly known as the All Churches Trust (www.benefacttrust.co.uk) and the National Churches Trust (www.nationalchurchestrust.org) have been in touch about their grants towards the repair, restoration, protection, and improvement of church buildings. They are both hoping to encourage more applications from Baptist churches across England and Wales, undertaking a variety of different projects.



Baptists Together Loan Fund

Baptists Together member churches can apply to our Loan Fund for help with a variety of projects.

We are able to help churches who are looking to enlarge, improve or redevelop their existing church premises - or who are wanting to buy new premises. We can also help churches to buy a new manse or other residential property for a church worker. The Loan Fund is also able to help churches faced with paying off debt to the Baptist Pension Scheme. In addition we can offer bridging finance which is at a higher rate of interest.

We are here to help Baptist churches with their mission and we also understand the way Baptist churches work. Having been around for many years we have helped hundreds of our churches in this way.

The BUC is only able to enter into a loan that is a relevant credit agreement (as defined by the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) as lender for the purposes of the business of a church (or if the church is unincorporated, the business of the church trustees) and not for any other purpose.

CURRENT TERMS:

Loans available above £25,000

Variable Interest Rate
currently 3% above base rate

Loan repayments between 10 and 20 years
available depending on loan amount and type

Fee free - subject to certain conditions

For more information visit

www.baptist.org.uk/loans

Finance Matters

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

Subscriptions

The new 2022 subscription fee has been set at £4.90 per member which is an increase of 3.1% based on September CPI (rounded to the nearest five pence). Subscription letters have now gone out to all member churches giving the amount of the subscription based on the membership figures from the latest Annual Return.

We do get some queries from Treasurers as to what the subscription funds and how it differs from the Home Mission Appeal. The subscription is the minimum financial commitment expected of organisations in membership of Baptists Together, whilst the Home Mission Appeal is a free-will offering in addition where churches are asked to give 5% of their general fund income. For more detail on how our finances work please see www.baptist.org.uk/hmmyths.

We ask wherever possible that you pay by Direct Debit as this reduces our administration costs, especially as we are being charged 40 pence for every cheque that is deposited. To set up a Direct Debit mandate please go to our website www.baptist.org.uk/directdebit. Here you will find both

instructions on how to complete the form and the Direct Debit form itself. The signed Direct Debit form can either be put in the post to us or scanned and sent to subscriptions@baptist.org.uk.

Church Energy Bills

With rapid increases in energy costs, it is important that churches review their energy bills to ensure they are getting the best possible pricing. Because they are not household users, churches are not protected by the energy price cap and so are not protected from excessive charges. As charities, most churches are entitled to a reduced 5% rate of VAT on energy, but you will need to request this from your supplier.

Baptists Together continues to work with Utility Aid, a specialist energy broker focused on the charity sector. They offer a free bill audit service to our member churches to ensure you are being correctly billed, including paying the correct rate of VAT.

Visit www.baptist.org.uk/utilityaid for more details.



Taxation Topics

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

Manse lighting and heating bills

If your church is bearing the cost of a minister's heating and lighting at a manse, the substantial rise in these costs which will be experienced this year means that it is worth checking whether the manse service benefit cap may now apply. This sets an upper limit on the taxable benefit from these expenses, where they are reimbursed to the minister or paid direct. Very briefly, the cap ensures that any benefits in kind provided to the minister by the church in respect of heating, lighting, decoration, and provision of furniture in the manse (less any sum made good by the minister) is limited to 10% of the net earnings from the appointment for the year.

Further details of this upper limit on taxable benefits are given on page 6 of leaflet X02 (www.baptist.org.uk/resources/X02).

If a church is eligible for the council tax rebate announced by the Government on 23 February 2022 as support for energy bills, this will unfortunately be taxable on the minister if it is passed on to him or her, unless it is covered by the service benefit cap.

Sale of a minister's own property

Ministers provided with a manse, or other such accommodation may also have a property in their own name, which they either let or keep for family use. Keeping a foothold in the property market is a sensible long-term plan, but the question then arises as to what the tax position is if the property is sold. Will capital gains tax be payable on the proceeds given that the minister is not living at the property?

So long as there is an intention to occupy the property as the main home after the minister leaves church ministry, the property should qualify as the exempt main residence so that no capital gains tax will be due. This also applies in cases of joint ownership between the minister and his or her spouse. If the intention to move into the property is abandoned, then the capital gains tax exemption will apply only up to that time and the eventual gain for the period after the change of intention will be chargeable. The rules state that the total gain on sale must be time apportioned, so if the change of intention was halfway through the total period of ownership, half the gain will be chargeable, although the final nine months also counts as exempt.

Taxing based on a person's intentions is of course highly subjective. On any such sale ministers will need to explain to HMRC what their plans were in relation to the property, backed up by any available evidence. It will also be necessary to explain the background to the sale because in itself the sale could suggest that there was no intention to use the property personally in due course. An explanation should be given in the box for notes on the tax return or on an attachment to it.

HMRC will gather the facts as best as it can and make their own decision. This can be appealed against if the minister does not agree with it.

This is just an outline of the tax position and ministers should seek their own professional advice, where necessary.

Taxation on sale of a church manse

In the case of the church selling the manse, it is commonly supposed that churches, being charities, are fully tax exempt and so no taxes will be involved with this sale.

This is mostly true, although not completely. The church will not be liable to capital gains tax on the sale and if it buys a replacement manse there will be no stamp duty land tax on the purchase. But as church treasurers will be aware, there is no exemption from VAT for a church's ordinary expenditure and so any professional costs incurred in the sale, and on any purchase, will bear VAT.

However as mentioned, charities are not completely exempt from tax and there are still certain types of profit which can give rise to tax liability. If the church is fortunate enough to have a manse property which has potential for redevelopment, unless the property is sold outright to a developer for one sum payable on completion, there are situations in which the church could be liable to tax on the development profit. Baptist churches are generally formed as either an unincorporated association or a charitable incorporated organisation, so that any such liability would be to corporation tax.

Baptist Insurance - Tales of Technology Competition

How has your church embraced technology? Our new competition asks you to showcase how you've used technology to benefit your church mission, congregation and local community.

Could technology win a £1,500 donation for your church?

Maybe you've installed the latest tech in the fabric of the church itself to make worship easier, more accessible, greener, or safer. Perhaps you've taken to virtual services, set up a website, or found new ways of fundraising online. Or maybe you've jazzed up your facilities with lights, sound or projection. Has technology helped you to save time, offer a wider range of services or reach more people? We want to celebrate your solutions, creativity and positive impacts. Whatever your story, we'd love to hear it. Fifteen Baptist places of worship will be awarded a Regional Winner's donation of £500, and one overall National Winner will receive a further £1,000¹.

Please visit www.baptist-insurance.co.uk/churchcomp for more information and details of how to enter. Entries close 30 June 2022.

¹ Terms and conditions apply

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.