

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

HR & Safeguarding

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

L08 Employment

The latest version of *L08 Employment* is now available for churches and can be found on our website at www.baptist.org.uk/resources/L08

The July 2023 version includes a template employment contract that reflects recent changes and developments in employment legislation. It also contains an extended template equal opportunities policy.

A Word version is also available to make it easier for churches to use the new templates, and can be found at www.baptist.org.uk/resources/L08word

Guide to Safer Recruitment

Churches may also want to download the *Guide to Safer Recruitment*, produced to help churches understand the key elements of a fair and safe recruitment and selection process, and providing templates for a recruitment policy statement, job descriptions, application forms and reference request forms.

You can find the new guide here: www.baptist.org.uk/saferrecruitment

Ministry Matters

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

Recognised Local Ministers

Ministries Team has launched a new category of recognition. Recognised Local Ministers (RLM) are those who serve their churches and communities as pastors, chaplains, pioneers, youth workers, and so on, but who have been through a two-year programme of training, testing, mentoring and spiritual formation. At the end of this, their association awards them recognition for the particular ministry they offer in their local context.

We hope this RLM category will inspire local leaders in our churches to seek to gain skills, deepen their spirituality and build resilience for the faithful and varied local ministry they already exercise. Find out more at: www.baptist.org.uk/rlm

Young Leaders

Our Young Leaders Development Coordinator, Isabella Senior, remains available to any church wishing to ask about young adults ministry (www.baptist.org.uk/youngadults) or internship programmes (www.baptist.org.uk/internship).

I Am Because You Are

Around half of our accredited and recognised ministers have now engaged with *I Am Because You Are*, our equality and diversity training. Ministers have until the end of 2023 to complete this training. Find out more at: www.baptist.org.uk/e&d

Continuing Ministerial Development

As autumn approaches, ministers should be thinking about arranging their annual audit of their Continuing Ministerial Development (CMD). We ask churches with ministers to consider how they can support their CMD by allowing time and a budget for development activities. See: www.baptist.org.uk/cmd

Ministries Team

Members of the Ministries Team, may be contacted through the Team's contact page which can be found at: www.baptist.org.uk/meetministries.

Legal and Operations

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

Equality Act guidance

We have now published our updated guidance on the Equality Act 2010 to help churches understand and apply the provisions of the Act in relation to discrimination on the grounds of

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religion and belief. A suite of new 'L09' guideline leaflets is available covering various aspects of church life, including recruitment, use of church goods, services and facilities, membership and leadership and the importance of a Christian ethos statement. For all of our new guidance, and an introductory webinar for churches which sets the new guidance in context, please go to: www.baptist.org.uk/resources/L09. A new email address has been set up for receiving queries from our member churches relating to this new guidance - please use L09@baptist.org.uk.

We have also taken this opportunity to update our guidance for churches on hiring out their premises. We would remind churches that it is important to have proper hiring arrangements in place to reduce any risk of legal challenge. Our updated guideline leaflet can be read here www.baptist.org.uk/resources/PC10

Charity Land Law changes

New rules from the Charities Act 2022 on disposals of charity land have recently come into effect. Churches selling a property or granting a lease for a term of longer than seven years now have a greater choice of person to undertake the required valuation.

A church may decide to use a qualified member of the Royal Institution of Chartered Surveyors, as before. However, a church can now obtain advice from a wider category of 'designated advisers', which includes members of the National Association of Estate Agents (Propertymark) in relation to residential property. The new provisions have also simplified requirements regarding the content of valuation reports.

Churches may now grant a lease to a church employee without obtaining Charity Commission consent where the employee occupies the premises as their home and the lease is for less than a year.

For further information please see our Guideline Leaflets below:

Selling Church Land or Premises:
www.baptist.org.uk/resources/PC09

Selling a Manse:
www.baptist.org.uk/resources/PM02

Letting a Manse in England:
www.baptist.org.uk/resources/PM04

Letting a Manse in Wales:
www.baptist.org.uk/resources/PM08

Churches and Leases:
www.baptist.org.uk/resources/PC11

Wales - Provision of Written Statement to Ministers Occupying Manses and Residential Tenants of Church-Owned Property

The Renting Home (Wales) Act 2016 converted pre-existing assured shorthold tenancies and manse occupation arrangements to 'occupation contracts' on 1 December 2022.

Churches who have been providing a manse in Wales to their current minister since before that date must have already issued a minister with a written statement of the terms of the occupation contract. Similarly, churches who are letting a property in Wales to residential tenants under a tenancy agreement that began before 1 December 2022 must, by now, have provided a written statement of the terms of the occupation contract to their tenants.

Any church that has not already issued a written statement to their minister and/or tenants should act without further delay.

For further information please see: www.baptist.org.uk/resources/PM07 and www.baptist.org.uk/resources/PM08

Letting a manse where a Baptist Trust Corporation is Property Trustee

When the legal ownership or property trusteeship of church property is in the name of a Baptist Trust Corporation, such as the Baptist Union Corporation, it is usual for all documents relating to a long-term letting arrangement to be signed on behalf of the Baptist Trust Corporation. However, for short residential lettings, such as letting a manse on an Assured Shorthold Tenancy (AST) agreement, the documents should be in the name of the church and signed on behalf of the church by a church charity trustee. As the beneficial owner of a manse, a church is perfectly able to grant an AST out of its interest. This arrangement is preferable as it is the church or the church's property agent that will be managing the tenancy locally.

We are aware that some manses have been let in the name of a Baptist Trust Corporation as landlord without the authorisation or consent of the Trust Corporation. In such situations, it is likely that there is no legal tenancy in place and the church should contact their Trust Corporation for further guidance.

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:

- 5.00% interest** on 1 year fixed rate deposit
- 0.75% below Base Rate** on 3 month notice account
- 1.50% below Base Rate** on 1 month notice account
- 2.75% 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

Finance Matters

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

Baptist Union Deposit Accounts

A new 1 month notice deposit account was launched on 1 August 2023. Application and withdrawal/transfer forms, terms and conditions, and interest rates for all our deposit accounts can be found on the Deposit Accounts page of our website: www.baptist.org.uk/deposits

Please don't forget to Update your Signature Mandates

Treasurers and authorised personnel within a church often change. When this happens, the church needs to do the following:

- » The Church Secretary should sign in to Church Update (found at: www.baptist.org.uk/churchupdate) to make the appropriate amendments to any church roles.
- » If the church holds a deposit account, the authorised signature list will require updating. A form and instructions can be found at: www.baptist.org.uk/deposits.



Utility Aid are very proud that their bill checking service has led to the recovery of over £6 million for voluntary sector organisations, providing much needed financial support for essential community services. There is a wide variety of reasons why you might be charged incorrectly which means you should seek professional help from Utility Aid.

The following amounts were recovered in July:

- » £44,825.91 (32 Consecutive Estimates)
- » £11,283.85 (11 Consumption)
- » £6.20 (1 Incorrect Tariff)
- » £70,820.66 (43 Incorrect VAT)

If you need support with your energy bills or perhaps are looking for a new energy tariff, please contact Utility Aid at www.utility-aid.co.uk/contactform/baptistunion

Support for Churches with 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.



In July, we were delighted to be able to invite churches to a free workshop: Applying for National Churches Trust (NCT) Grants. This online training session included an introduction to the NCT's grants, tips on applying, and examples of Baptist churches who have been successful in their application. Over 50 churches attended, many of whom have since applied for one of our Quinquennial Inspection Grants in preparation for NCT and other applications.

If you could not attend the live event, you can now watch the recording here: https://youtu.be/owN1_OFWB7k.

The above workshop highlighted the need for an in-date Quinquennial Inspection (QI) report by a conservation accredited architect or surveyor to access funding. If you do not currently have a QI report from the last five years, then the Baptist Union has a very limited number of grants left to cover up to 50% of the costs of getting one done. These grants were part of the Heritage Property Initiative, funded by Historic England, which comes to an end this month – so applications must be received before the end of September 2023. We can then help you to obtain quotes for and book the inspection. Please email listedbuildings@baptist.org.uk for an application form.

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.



The intense heatwaves across the Mediterranean and North Africa, along with other parts of the world, have

added to the growing awareness of the impact of climate change. More churches are beginning to ask how they can respond, but often funding seems to be a hurdle.

In addition to the Baptist Union Corporation, Baptist Building CIO also provides loans to Baptist churches which can be towards green energy projects, whether as a standalone solution or as part of a bigger build. Email admin@baptistbuilding.org or call 07506 663761 to discuss what might be possible.

Looking further afield, most local authorities have declared Climate Emergencies and are aiming to reduce their emissions to net zero by 2030. Some will have a **Carbon Offset Fund** offering grants to community capital projects which aim to reduce greenhouse gas emissions in their local area. Details vary between regions so please contact your local authority to see if they have such a scheme.

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

The Pension Trustees continue to work with BUGB and their advisers on the Buy Out project which will lead to Wind Up of the Defined Benefit (DB) section of the Scheme. Formal communications and consultations will be issued over the coming months.

As part of the project, Broadstone, the Scheme administrator, has been writing to your members who have DB accrual to ensure that the data on file is accurate. There has been a great response, but we ask that you check with your members with DB benefits and ask whether they have responded to Broadstone's verification requests.

We encourage you to check that, as a Scheme employer, you have at least one contact registered to access 4mystaff. Communications providing key information about the Buy Out and Wind Up will be issued shortly and it is important they reach you. We would also appeal to you to check that your members have registered for their own Broadstone online hub: 4myplan.

Like our communications to you, we rely on up-to-date contact information for them.

If you or your members have any questions about registering to use 4mystaff or 4myplan please contact the team at Broadstone: baptistpensions@Broadstone.co.uk

Taxation Topics

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

Exemption for small amounts of earnings

If your church is making small monthly payments to those who carry out useful or necessary functions, such as cleaning, property maintenance or receptionist, it is best to have the engagement structured as self-employment to ensure there are no mutual obligations on either side.

Self-employment might allow the payments to be tax free. There is an exempt amount of £1000 for income tax purposes, known as the trading allowance and this applies to any self-employed income. If the payments amount to more than £1000 over the year, a claim may be made for only the excess over £1000 to be taxed although in this case, no expenses can be claimed against the income. This £1000 allowance does not apply if the worker is employed within PAYE.

Termination payments

Ex gratia payments are sometimes made by a church to its minister on leaving, whether this at the request of the church or because he or she feels called to other work elsewhere. Treasurers might be aware that there is a general tax-free allowance

for termination payments of up to £30,000. This has general scope for any termination payment in either of the circumstances mentioned above, but there are some situations where all or part of the payment may be taxable. In particular a new rule was introduced in 2021, which can have an impact.

The new rule relates to cases where the minister is not required to serve out his/her period of notice with the church. In these circumstances, the pay which he or she would have received for the remaining notice period is taxable when a termination payment is made by the church. So, for example, if a minister normally earns £2,500 per month and is required to give three months' notice of leaving, if the minister asks to be released early so that s/he serves only two months of the notice period, the first £2,500 of any termination payment will be taxable. It will not therefore be within the £30,000 allowance. If of course there is no termination payment, then this new rule has no impact.

Termination payments provided for in the terms of employment are also fully taxable.

Another point is that a payment made on retirement of the minister will probably not be accepted by HMRC as being within the £30,000 tax free allowance. There are detailed rules designed to bring all benefits on retirement into charge to tax and these are very widely drawn indeed. They are likely to treat a payment in such circumstances as being fully taxable as a retirement benefit. The position is different, however, if the payment is not made from church funds, or is from a collection organised by the church itself. Instead an appeal can be made to the congregation by one of the leadership team or a church member,

and as a result this collection should fall outside the scope of the tax charge on retirement benefits. The funds may be paid into the church bank account and distributed from there but must be recorded as earmarked funds, ie held as bare trustee and not within gift aid.

The collection cannot then represent a retirement benefit provided by the employer, but is instead in the nature of a personal gesture of appreciation and goodwill by the general congregation of the church.

Appeals for overseas projects.

In the Spring 2023 issue of *Transform* a note was included about how funds should be dealt with by churches when the church is sending money directly to a charity overseas.

In this regard the latest Finance Act has changed things although fortunately not in relation to support by UK churches to overseas churches and charities.

With effect from 15 March 2023, any gift by an individual to a charity overseas will not be within gift aid. There is an exception from this where the overseas charity has, at any time before 15 March 2023, made a valid claim to HMRC in reliance on its status as a charity. Such a claim can relate to any UK taxes. Where this applies, the effective date for the withdrawal of charitable status for UK tax purposes is delayed until 5 April 2024. It is probably unusual for a charity overseas to have made any claims for UK tax reliefs but it is worth checking if they have where this extended date would be helpful.

The simplest way to ensure that no tax issues arise is for all donations to be made to suitable UK registered charities.

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.