

HR & Safeguarding

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

National Living Wage

The Government has announced the rates of the National Living Wage (NLW) and National Minimum Wage (NMW) which will come into force from April 2024. In doing so, it has accepted in full the recommendations of the Low Pay Commission.

The rates which will apply from 1 April 2024 are shown on the table opposite, so churches will need to check their salaries and rates of pay for any staff who may be near to these levels and make adjustments as necessary.

National Living Wage			
Age band	Rate from April 2024	Increase, in pence	% Increase
21 and over	£11.44	£1.02	9.8%
18-20 years old	£8.60	£1.11	14.8%
16-17 years old	£6.40	£1.12	21.2%
Apprentice rate	£6.40	£1.12	21.2%
Accommodation Offset	£9.99	£0.89	9.8%

Ministry Matters

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

Recognised Local Ministers

A reminder for anyone sensing a calling to ministry. Alongside Accredited Ministry now sits a second 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. We hope this RLM category will inspire Baptist local leaders to seek to gain skills, deepen their spirituality and build resilience for the local ministry they already exercise.

Young Leaders

If you are hosting an intern this year, please contact Isabella Senior, Young Leaders Development Coordinator, who would love to connect your intern with others nationally.

Continuing Ministerial Development

Ministers should now be holding their annual audit of their Continuing Ministerial Development (CMD) - see www.baptist.org.uk/cmd. This is not mandatory for all ministers but we hope the benefits of CMD will be apparent in the quality and resilience of their ministry. We ask churches with ministers to support their CMD by allowing time and a budget (we suggest £500) for development activities. Ministers who have no church to support their development costs may apply for a CMD grant by writing to the Ministries Team at: ministries@baptist.org.uk

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



Legal and Operations

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

Internal Financial Controls - updated guidance

Strong internal financial controls play a vital role in ensuring that trustees can safeguard their charity's resources. The Charity Commission has comprehensively updated its guidance CC8 Internal Financial Controls for Charities (www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities) and churches are encouraged to read this and to work through the checklist provided. This will enable you to check your own controls against the legal requirements and good practice recommendations in CC8.

This guidance applies to churches whether or not they are registered with the Charity Commission.

Charities Act 2022

The Charities Act 2022 is being implemented in phases. The final phase which was due by the end of 2023 has been put back to 'early 2024'. In preparation for this the Charity Commission has amended its model constitutions for CIOs. We have amended the BUGB CIO Approved Governing Document accordingly. CIOs registering for the first time must include one of the Commission's revised clauses for statutory reasons; CIOs that have already registered do not need to make corresponding amendments to their constitution.

For further information please contact legal.ops@baptist.org.uk

The second tranche of new provisions in the Act came into force in June 2023. These included a number of changes to the way that acquisitions, disposals and mortgages of charity land are dealt with and our guideline leaflets have been updated.

Churches selling a property or granting a lease for a term of longer than seven years now have a greater range of options when choosing a person to undertake the valuation required by the Charities Act. Previously, all such valuations had to be carried out by a surveyor. Now, a church can choose to use a surveyor but it may also be possible to use someone who is a member of NAEA PropertyMark (the membership body for estate agents) or, for agricultural property, a member of the Central Association of Agricultural Valuers. Additionally, the contents of the required valuation report have been simplified.

Data Protection Update

We have updated our Data Subject Access Requests Guidance for churches, in particular our advice on how to redact information securely, which has caused difficulties for some churches recently. Find this guidance at: www.baptist.org.uk/dsarequests

Equality Act 2010 – New L09 Leaflets

A reminder that our new, updated guidance for churches on the Equality Act 2010 and suite of 'L09' leaflets 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 was published in July.

Find the new guidance and an introductory webinar for churches which sets the guidance in context at: www.baptist.org.uk/resources/L09. Any questions may be directed to L09@baptist.org.uk.

Thermal Insulation Measures and Insurance Cover

Whether due to rising energy costs or for environmental reasons, churches may be considering improving the thermal efficiency of their buildings. However, any church considering using thermal insulation cladding or other thermal insulation systems, especially those involving expanded polystyrene, should first check with their insurer as to whether this will adversely affect their insurance cover.

We are aware that, depending on the type of thermal insulation system used, difficulties can be experienced in obtaining insurance cover. This might even mean that a church could be required to remove its new expanded polystyrene insulation cladding at further expense so it can obtain insurance cover at a reasonable rate.

New Obligations Under The Regulatory Reform (Fire Safety) Order 2005

Section 156 of the Building Safety Act 2022 came into force on 1 October 2023 and made a number of changes to the Regulatory Reform (Fire Safety) Order 2005. Further information is available at www.gov.uk/government/publications/check-your-fire-safety-responsibilities-under-section-156-of-the-building-safety-act-2022.

In a Baptist church the Responsible Persons will be the charity trustees. You must now record your fire risk assessment in full (including all the findings) and the fire safety arrangements for your premises in all circumstances.

You should make available as much information as possible about fire safety in your premises. This new requirement replaces the previous requirement to record only the significant findings of the risk assessment. It also removes the previous limitations on the circumstances within which you are required to record both the risk assessment and the fire safety arrangements at your premises, such as only being required to record this

information if there were five or more employees.

Guideline leaflet *L10 Health and Safety and Fire Precautions* has been updated.

New Government Guide – Keeping Small Non-Domestic Premises Safe From Fire

For smaller premises a new guide to 'making your small non-domestic premises safe from fire' is now available: www.gov.uk/government/publications/making-your-small-non-domestic-premises-safe-from-fire. This only applies where the area on any floor does not exceed 280m² and the maximum distance that anyone will need to walk from any point in the building to an exit to open air is not more than 25m.

Churches with larger premises should continue to refer to www.gov.uk/government/publications/fire-safety-risk-assessment-small-and-medium-places-of-assembly

Support for Churches with Listed Buildings

Contributed by our Heritage Officer (listedbuildings@baptist.org.uk). Please email us if you would like to be added to the listed buildings mailing list.

There are some fantastic online resources to help churches with fundraising at the moment. For example, Ecclesiastical have refreshed their Hub with a range of tools, including step-by-step guidance on how to build or enhance your fundraising strategy – complete with templates and bitesize videos! They have also shared their top tips for diversifying your income, including a webinar on partnering with other groups to boost supporter audiences, and creative examples of how to use church assets more commercially. You can find out more at: <https://ecclesiastical.com/church/fundraising>.

Likewise, the Benefact Group have lots of fundraising resources on their website, including articles and case studies. Their most recent webinar recording is titled 'Pitch-Perfect Funding Applications', and provides information on how to write and submit excellent funding bids. If you

are looking for potential funders, get in touch with our Support Officer, Katie about access to Church Grants (kwylie@baptist.org.uk). Don't forget that the National Churches Trust and the Benefact Trust are looking to support more Baptist churches across the UK, undertaking a variety of different projects, and that the Listed Places of Worship Grant Scheme gives grants covering the VAT on repairs of over £1,000.

Finance Matters

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

Budgeting and year End

This is the time when lots of churches will start to prepare budgets and year end accounts.

On the Financial Guidance page of our Baptists Together website, you will find details of the Standard HM Stipend together with the manse value (for pension purposes only for those ministers who are in a church owned manse). There are also details of the forthcoming Subscription amounts per member which will be levied in February 2024.

Don't forget, there are plenty of other resources to help you with your year end reporting.

A final reminder... if you still have an outstanding subscription, please could you pay this as soon as possible to get your subscription account clear for the new year. Current statements will be sent out shortly reminding you of your current outstanding position.

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.



At the time of writing, we are heading for COP28, the latest round of the UN Climate Negotiations in a year which is predicted to be the warmest on record. With news of the UK government weakening some of their environmental policies, there is a feeling within the environmental community that progress towards net-zero is lagging. Yet, as Christians we continue to travel forward with God in his mission to the whole of creation with hope.

For the past three years BUEN has been encouraging churches to engage with A Rocha's Eco-Church programme which helps them audit their environmental policy and actions.

We've seen an additional 100 Baptists Together churches register, taking the total to 260. Growth has also been seen in the number gaining awards – from a quarter to a third.

More information about Eco-Church can be found via the BUEN resource page at: www.baptist.org.uk/buenresources



Are you looking to learn about your carbon emissions? Are you hoping to make amendments to your buildings, but not sure where to start? Do you need non-biased advice about renewable tech? No matter where you are on your Net Zero journey, Utility Aid has a service that can support you and your organisation.

If you'd like to find out more, please go to: utility-aid.co.uk/net-zero-carbon-reporting

If you'd like to discuss Utility Aid's services more, please contact customercare@utility-aid.co.uk or call 0808 1788 170.



Baptists Together Loan Fund

Baptist Union 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 2.5% 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

Taxation Topics

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

Support by churches for overseas churches and charities

In the last issue of *Transform*, issue 65, I included an update about a recent change in the law restricting all UK charitable tax reliefs to UK charities.

The change has effect for income tax and all other tax purposes and means that with effect from 15 March 2023, any gift by an individual to a charity overseas cannot be within gift aid. There is an exception from this where the overseas charity has, at any time before that 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.

I had mistakenly thought that this would equally have application to gifts by UK churches to support overseas churches and charities. It transpires that this is not the case. Therefore the note previously published in *Transform* 63 on this topic still holds good. I offer my apologies for any alarm caused.

As a brief summary of the note in *Transform* 63, HMRC requires that the church takes reasonable steps to ensure that the payment overseas is applied for charitable purposes. The steps to be taken depend on the amount involved but where

there are good connections with the overseas organisation, as will often be the case, and the sum is not large, an acknowledgement from it with confirmation of how it will be used should be sufficient.

The online edition of *Transform* 65 has been amended to deal with the above commentary.

Conduit giving

Continuing the theme of charitable giving and gift aid, this note covers the important topic of conduit giving.

Gifts by members of a congregation to a church can be made under different terms as follows:

- 1 The giving may be for general purposes of the church;
- 2 The giving may be stated to be for specific purposes, such as hall renovation or the purchase of keyboard for the musicians;
- 3 The giving may be in response to an appeal to support mission work or the work of another charitable cause, including those overseas;
- 4 The giving may be made on the condition that it is paid to another organisation or charity.

The first three of the above present no difficulties in relation gift aid claims, and are of course the normal manner in which giving is made.

The last of the above four however is not eligible for gift aid. This is because the church never takes beneficial ownership of the money but is under an obligation to pay it onward as instructed. It is not therefore a gift to the church but to the other organisation or charity. Neither the church nor the donor can claim gift aid in respect of it. It might be argued that No 4 above is in reality no different from No 3 –

in both cases the church is under an obligation to pass the funds received on. But there is a distinction because in case 3 the church set up the appeal and made the decision about how the funds would be applied, but in the last situation the decision was made by the person making the donation. So in that last case the church received it as agent only for the other organisation.

Tithing of estates

Whether or not tithing is applicable for Christians today is a matter of some debate but rather strangely some years ago the Government endorsed it for inheritance tax purposes on the estates of deceased persons.

It means that those who leave at least 10 per cent of their estate to their church or to other charities can benefit from a reduced rate of inheritance tax. The reduction is itself 10 per cent of the usual inheritance rate of 40%, ie, a 4 per cent reduction to 36 per cent.

Like nearly all tax reliefs, there are some complications so I would encourage anyone seeking to have the benefit of this relief to get professional advice first. However some key points are:

- 1 The gifts must be to organisations which are classed as UK charities, not those located elsewhere. There can be a number of different gifts to make up the 10 per cent level;
- 2 The Estate can be divided into three separate components, one for the free estate, another for settled property included in the estate and another for jointly owned assets passing by survivorship. If 10 per cent of any of these components is given to charity, that component is charged to tax at 36%. The others will bear the full 40 per cent rate if they do not have charitable gifts up to the 10 per cent level, unless the 10 per cent test is passed collectively with all components taken together.
- 3 The 10 per cent figure relates to the estate net of liabilities, reliefs (for example business property relief) and after deducting the available nil rate band, but adding back the charitable gifts. So in short it is the amount of the estate as charged to inheritance tax but adding back the charitable gifts.

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.