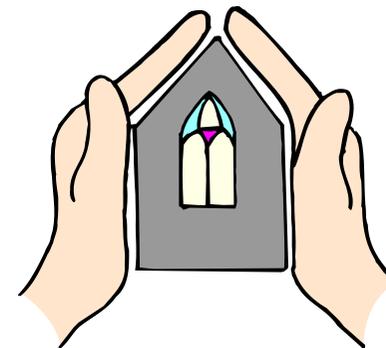




Thames North Synod

Building Grants, Loans, Release of funds and other Property Procedures

(2017)



A large print version of this document is available upon request. Contact Synod Office: 020 7799 5000.

Introduction

This guidance note will deal with the following procedures:

- Grant and Loan applications
 1. Minor Works—Simplified Grant/Loan process
 2. Capital Works—Project Development Group Process
- Levels of Authorisation
- Letting of Property
- Sales and leases of church land and property
- Release of funds to churches

Grant/Loan Applications

Applications for Grant and/or Loan can be made to the Synod Resources Committee.

There are two procedures described in this guidance note, one for minor works and the other for Capital Works, or work of more complex nature.

It is recommended that Church Members talk through their plans with the Synod Property Development Worker, prior to completing any paperwork for application.

Email: propertydevelopment@urcthamesnorth.org.uk

The Synod Resources Budget is agreed by Synod and local churches are able to apply for a share of these funds for many different uses. This guidance note describes the process for building grant and loan applications. However, for minor works each church is usually expected to contribute to or even pay for the entire project through local fund raising and/or application to other grant making trusts.

Minor Works - Simplified Grant/Loan Process

Application is to be made on the Synod application form for grants, loans and release of funds, which is available on the Synod website, or from Synod Office.

The completed form should be returned to the Resources Committee secretary **three weeks** prior to the next Resources Committee Meeting.

Documents required for submission are:

- Completed Grant/Loan application form
- Church's Mission Statement
- Latest Church Accounts
- Latest Quinquennial Inspection report
- Full details of the project including drawings etc.

Sales & Leases

Church Land and Property

The Charities Act 1993 contains a regime whereby charities can enter into dispositions of land without individual consent from the Charity Commission, but charity trustees have a duty to obtain the best terms reasonably obtainable. Acceptance of any other terms requires Charity Commission approval and is likely to be difficult to obtain.

Church Members should seek the approval of the Synod Resources Committee for all sales and lease of church land and property. This would normally be in writing giving clear details of the proposed sale or lease and in the case of a lease, the term of the lease.

See Thames North Trust Guidance Note 4, available from Synod Office.

Note: Sales of land or property in connection with refurbishment or redevelopment of church property or land will require Church Members to follow the procedure for Property Development Groups outlined above.

Release of funds to churches

The Church should seek approval of The Synod Resources Committee for release of funds held in trust from dealings with church property. The Synod application form includes a section for release of funds. See application form and guidance notes.

Synod approval is not required in cases where funds are held in trust from a legacy of other benefaction.

See Thames North Trust Guidance Note 10 at appendix 'D'

- Any other relevant information

It should be noted that your Local Area Group (LAG) should be given opportunity to comment on the application prior to submission to the Resources Committee. Their main purpose in doing so is to review the mission of the church in relation to the project. Comments are also requested from Synod Pastoral and Discipleship Committees.

Note: LEP's must seek Joint Council approval before submission of project details to Resources Committee.

Capital Works

Project Development Group Process

In addition to the procedure for simplified grant/loan application, projects of a large or complex nature must appoint a Property Development Group to oversee the project. The following details relate mainly to building development projects.

The process to be adopted is for the 'initial idea' of a new project to be brought to the Synod Property Development Worker for comment. It is also helpful if your Local Area Group (LAG) is informed of your proposed project and their comments recorded. If the project is deemed to be worthy of further consideration, a Project Development Group (PDG) is appointed to work out the particulars in more detail and to produce a viable scheme, which meets the requirements of the Synod mission and financial criteria. Your LAG should be advised of progress at regular intervals but will mainly be involved in considering the mission of the local church or project. Projects would then be tabled at Pastoral & Discipleship Committees for comment, and finally onto the Resources Committee in a completed format for formal approval.

Those churches wishing to embark on a building development project, or carrying out major repairs and maintenance, need to ensure that the LAG and the Synod Property Development Worker are informed of their proposals at the earliest opportunity.

Our church Buildings are one of our most important assets as they are usually of significant financial value, and if fully fit for purpose they enable the mission of the local church to reach out into the community, thereby proclaiming the gospel message. It is therefore important that we care for these assets and seek appropriate professional advice and expertise as outlined below.

Project Development Groups will be made up of some members of the church making the proposal together with some of the people

listed below:

- Local Area Group representative
- Synod or Area Ecumenical Officer in LEP situations
- Representative with financial expertise
- Professional engaged to develop the project (Surveyor/Architect etc.)
- Synod Property Development Worker

This Group has the responsibility of guiding the church through its project and providing progress reports to the Local Area Group and Synod committees as required.

For large projects it is preferable for the project to be developed by a suitably qualified professional team as required, e.g.:

- Architect/Surveyor
- Mechanical and Electrical Engineer
- Structural Engineer
- Quantity Surveyor

It will be necessary to include all the project costs, including: adequate contingencies (usually between 5-10%); VAT, fees and expenses for the professional team. It should also be noted that any grant, loan or Release of Funds, will be subject to final agreement by Synod Resources Committee following actual tender figures being made available before contracts can be signed.

Note: LEP's must seek Joint Council approval before submission of project details to Resources Committee.

Note: Grants or Loans that are not taken up by the end of the year following approval will be lost unless a request for an extension of time has been approved by Resources Committee.

Letting of Property

Letting of property can be divided into two different areas. The first is the letting of manses or other residential property and the second is in relation to letting of halls and other areas within a church building.

Letting of manses and other residential property

The Church should seek the approval of the Synod Resources Committee for all property which is proposed for letting. All proposed changes should be reported to Resources Committee. For letting of property and significant changes to the existing letting agreements see Thames North Trust Guidance Note 6, available from Synod Office.

Note: Manses are not to be let on a long term basis. An initial term of six or twelve months is likely to be appropriate.

Letting of Church Premises

Church property is charity property, and is held by trustees for the benefit of the local church fellowship. URC property is held by its trustees on standard terms. The relevant provisions are that the trustees:

By decision of the Church Meeting may permit temporary, occasional or intermittent use for any reputable purpose, without creating any lease or tenancy;

By decision of the Church Meeting, and with the approval of Synod may let part (not the whole) of the premises for not more than 28 years.

The first of these is the simplest to deal with and can be a **Hiring** agreement or **Licence** agreement. More details of these can be found in the Thames North Trust Guidance Note 5. Thames North Trust and the Synod have provided a Generic Hiring Agreement for use by local churches. This is available from the Trust Office.

Things become more complex when a lease is required as there is a danger that an arrangement which is recorded or understood between the church and the third party user to be a licence may turn out on close scrutiny to be a lease. If this is so the user is likely to be a business tenant, which has significant implication. In this context "business" has a very wide meaning and includes charities and other not-for-profit activities.

A business tenant is entitled by law to renewal of the lease, unless it can be shown either that the premises are required by the landlord (trustee) for his, or his beneficiary's (church's) own use, or the building is to be demolished or reconstructed. In those circumstances the tenant may be entitled to compensation in lieu of renewal.

Local churches are recommended to consider from time to time the nature of their relationship with individual users. Daily use may point to a lease, even if the use is seasonal or termly and for part of the day (as with play groups, nurseries etc.).

For further details, contact Thames North Trust or Synod Office.