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General Information and Updates for Churches

2016/1

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1) National Churches Trust's 2016 community and repair grants programmes

The National Churches Trust's 2016 community and repair grants programmes are now open. It can help with funding for a church repair project or installing a lavatory or kitchen, or improve community facilities in your place of worship. This year, there is also a chance to obtain additional funding to set up a social action project, in partnership with the Cinnamon Network, to meet the needs of local people.

Repair Grants

The NCT's [Repair Grants](#) programme offers funds of £10,000 and above towards the cost of urgent and essential structural repair projects. A small number of grants are available at £40,000 and above. Projects must have an estimated cost of at least £100,000 (including VAT and fees) to qualify.

Community Grants

The NCT's [Community Grants](#) programme offers the opportunity to apply for grants of £10,000 and above for projects which introduce facilities to enable increased community use of places of worship. All types of community projects will be considered, but should include lavatories or catering facilities. To qualify, projects must have an estimated cost of at least £25,000 (including VAT and fees).

How to apply

Churches, chapels and meeting-houses in England, Wales, Scotland and Northern Ireland open for worship and which are part of a denomination belonging to Churches Together in Britain and Ireland are eligible to apply. Applications from both listed *and unlisted* places of worship are welcomed. For 2016 the NCT is interested in seeing applications from churches in its priority areas, which include the North East of England, Northern Ireland, Scotland and Wales as well as some denominations. **The final deadline for applications is 12 September 2016.**

Further information and how to apply online for a grant [here](#).

2) The 'Right to Rent' and its implications for Churches

The so-called 'Right to Rent' came into operation for the whole of England on **1 January 2016**. Under the new arrangements *you must check that a tenant or lodger can legally rent your residential property in England*. [You can be fined up to £3,000](#) for renting your property to someone who is not allowed to rent property in England.

The 'Right to Rent' applies to British citizens, EEA and Swiss nationals and people who have the right of abode in the UK or who have been granted indefinite leave to remain or have no time limit on their stay in the UK. For everyone else, under the new rules, landlords are required to check eligibility to rent in certain circumstances. Existing tenancies are not affected.

The new rules do *not* apply to:

- **Tenants in social housing;**
- **Care homes, hospitals and hospices and continuing healthcare provision;**
- **Hostels and refuges:** hostels and refuges which are managed by social landlords, voluntary organisations or charities, or which are not operated on a commercial basis and whose operating costs are provided either wholly or in part by a government department or agency or a local authority;
- **Mobile homes:** agreements to which the Mobile Homes Act 1983 applies, under which a person is entitled to station a mobile home on a site and use it as his or her only or main home, are exempt: however, should a mobile home owner decide to sub-let to another adult, *that* residential tenancy agreement will be subject to the scheme.
- **Holiday lets;**
- **Tied accommodation:** where the tenant has a right to occupy accommodation provided by an employer to an employee, or by a body providing training to an individual in connection with that training – which covers most accommodation provided by members of CLAS;
- **Student accommodation:** all halls of residence (whether provided by an educational institution or a private provider) are exempt, as is any accommodation provided for students directly by a higher or further educational institution. Residential tenancy agreements are also excluded where a student has been nominated to occupy the accommodation by a higher or further educational

institution, or a body established for charitable purposes only (which should cover non-university ministerial training): The guidance notes say that ‘Such a nomination could take a variety of forms but will require communication between the institute and the landlord providing confirmation that the student will take up occupation under the residential tenancy agreement. *Landlords should retain a copy of the nomination document relied upon to support a claim to this exemption*’.

- **Long leases:** for a term of 7 years or more.

For tenancies to which the new rules apply:

Before the start of a new tenancy, you must make checks on tenants aged 18 and over even if:

- they are not named on the tenancy agreement;
- there is no tenancy agreement; and/or
- the tenancy agreement is not in writing.

If the tenant is only allowed to stay in the UK for a limited time, you need to do the check in the 28 days before the start of the tenancy.

How to check:

- check which adults will live at your property as their only or main home;
- ask to [see the original documents](#) that allow the tenant to live in the UK;
- check that the documents are genuine and belong to the tenant, with the tenant present;
- make and keep copies of the documents and record the date when you made the check.

Comment

As suggested earlier, the ‘Right to Rent’ is unlikely to apply to the vast majority of accommodation provided by the Churches. However, it *would* apply where, for example, a congregation with an empty house or flat for a curate or caretaker decides to rent it out commercially to someone with no function in the congregation in question – so that the letting cannot be regarded as employer-provided accommodation.

This is a serious matter: as noted at the beginning, failure to comply could result in a £3,000 fine. If in any doubt, consult the Home Office [Code of practice on illegal immigrants and private rented accommodation](#).

[Source: CLAS – 3 February]

4)Draft guidance on grant-funding non-charitable organisations

The Charity Commission has published draft [guidance](#) on the considerations that charity trustees must take into account when deciding to make a grant to an organisation that is not a charity in order to carry out charitable activities or projects. *Any grant that your charity makes must only be used for activities that are within your charity’s purposes*, which means there are limits on what you can fund. When considering making a grant, trustees should take the following steps:

1. confirm that the organisation you are considering giving a grant to is not a charity;
2. make sure that you understand your own charity's purposes;
3. have appropriate governance systems and procedures in place for making decisions about grants;
4. take reasonable steps to assess risks and carry out an appropriate process of assurance (or due diligence) on the intended recipient;
5. ensure that the organisation receiving the grant understands your charity's purposes and their boundaries (part of the due diligence process) because *a charity can only make grants for activities that in principle it could carry out itself*;
6. be aware that trustees remain responsible for grant decisions even if decisions are delegated and understand where extra care may be needed;
7. set appropriate grant conditions and ensure that the recipient organisation understands and accepts them;
8. put appropriate monitoring arrangements in place; and
9. know what to do if things go wrong.

This guidance is currently a draft, giving charities the opportunity to comment and inform the final version; however, *the accompanying press statement says that this is not a formal consultation.*

Comment

The short answer is, *if in doubt, don't do it.* But if, for example, a congregation wishes to support something that it knows is non-charitable and outside the congregation's charitable objectives but otherwise proper, the members can perfectly well hold an informal collection among themselves and send the money direct without 'putting it through the books'. But, of course, the charity itself *must not* then claim Gift Aid on those donations: it becomes a purely private initiative.

[Charity Commission – 17 February]

5) National Churches Trust: consultation

The National Churches would like to know your thoughts about its existing grants programmes that will help inform the support that it provides to the UK's places of worship. Should it continue as now? Or should it be changing its emphasis? It is interested in your views, whether as previous grantee church, a potential future applicant, and/or a supporter of church buildings. Please respond by **Friday 29th April**. The questionnaire is here: <https://www.surveymonkey.co.uk/r/375S55W>

[Source: Historic Religious Buildings Alliance – 6 April]

6) Scotland - Guidance for charity trustees

On 4 April, OSCR published its updated [Guidance and good practice for charity trustees](#). While the guidance itself remains largely unchanged, it has been rewritten and formatted for increased accessibility. It also features examples of good practice and links to sources of advice and support.

7)Taxation

Changes for the new tax year

HM Treasury published a [reminder](#) on 6 April 2016 of the tax changes coming into effect from the beginning of this new tax year.

They include:

1. The introduction of a new National Living Wage of £7.20 an hour for workers aged 25 and above;
2. The abolition of employer National Insurance contributions (NICs) for apprentices aged under 25 who are paid less than £43,000 a year;
3. The employment allowance rising from £2,000 to £3,000; and
4. The Gift Aid Small Donations Scheme (GASDS) threshold increasing to £8,000 a year.

[Source: HM Treasury – 6 April]

8)New model Gift Aid declaration

The new model Gift Aid Declaration (which was first published in October 2015) came into effect on 6 April. However, HMRC was persuaded to make the pragmatic decision to allow charities with existing stocks of material using the previous Gift Aid Declaration, such as weekly offertory envelopes, to use them up rather than scrap them *provided they were printed before October 2015*. We hope that HMRC will take a common-sense approach if they come across old Declarations over the next few years; however, charities using old stocks should try to keep records of when they were printed and make sure any online materials are up-to-date.

[Source: HMRC – October 2015]

9)Charity Commission: updated financial guidance for trustees

The Charity Commission for England & Wales has published three sets of updated guidance for trustees:

10. [Managing a charity's finances: planning, managing difficulties and insolvency \(CC12\)](#)
11. [Charity reserves: building resilience \(CC19\)](#)
12. [Charity governance, finance and resilience: 15 questions trustees should ask.](#)

The first two cover the importance of having a proper reserves policy and how trustees can manage their charities in challenging circumstances. They remind trustees that they must understand the legal requirements and know what they should do in terms of good practice.

- *Managing financial difficulties* recommends that trustees review their charity's financial position and its performance against budgets and future projections at least once a month; but suggests that the extent of the review will vary according to the size and stability of the charity. Proper analysis of financial trends and changes in budget predictions may help to assist early identification of financial problems.

Where a charity has to close, the Commission expects trustees to have planned for an orderly shutdown. The guidance covers what is meant by insolvency and what steps trustees should take if they believe they are insolvent – including getting good professional advice.

- *Charity reserves* confirms that there is no single level or even a range of reserves that is right for all charities. Any target set by trustees for the level of reserves to be held, or any decision that there is no need for reserves, should reflect the particular circumstances of the individual charity. However, trustees should not simply monitor their level of reserves annually but keep them under review throughout the year. *A charity that does not have the reserves that it thinks it needs is exposed to greater risk*; and the Commission expects the trustees to address the problem.
- Much of *Charity governance, finance and resilience: 15 questions trustees should ask* is applied common sense – but all trustees should read it nonetheless.

These updates come ahead of a full review of the guidance later this year.[Source: Charity Commission Press Release – 29 January]

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