

| Q   | General Governance & Compliance   | Answers  |
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| 1.  | How do we explain all this to our fellow trustees without using worst-case scenarios or scaremongering.                                       | The case-studies aren't necessarily "worst-case" scenarios. They are based upon real-life events and meant to highlight the pitfalls a church might face if they don't operate in a compliant way. For the most part churches are well run and rarely encounter individuals whose motives are ill-intentioned. In reality though some people are ill-intentioned – which is why we have Safeguarding Policies for example. Generally speaking, having the correct policies and procedures in place and <b>implementing them effectively</b> will reduce the risk of a "worst case" event arising. Doing nothing is definitely a way to leave the door open to a worst-case scenario. |
| 2.a | Does Charity Law apply at gatherings outside the church eg Home Group Meetings  | Charity Law compliance extends to all activities which have leadership appointed by the church, are organised by the church, and advertised as such, whether on the premises or otherwise.   |
| 2.b | Does Health & Safety Law apply in homes where members gather for fellowship   | If it is an event or activity with a group leader appointed by the church, then it is a church activity and Safeguarding and Health & Safety considerations apply.   |
| 2.c | Do you need an Ethos Statement if you have a similar wording in your constitution?  | Yes. The Statement of Faith in the church's constitution is very general. The Ethos Statement provides the specific detail of how the church members reflect their collective beliefs in terms of issues such as human sexuality, and right to life where some community groups and activities may hold beliefs and practices which would be at odds with the church's ethos.<br><a href="#">See Baptists Together Guidance L09</a>  |
| 3.  | Our Fire Safety Review has stated we must have a full fire alarm system. Is this a legal requirement and how long do we have to implement it? | Please refer to and implement the guidance here: <a href="#">Gov.Uk Small to Medium Places of Assembly</a> (Premises accommodating up to 300 people) <a href="#">Template Fire Risk Assessment</a> – From Baptist Insurance  |
| 4.  | What is the minimum number of Deacons required to run a church?   | Usually determined by the Trust Deed or Church Constitution, many of which typically state a minimum of 3. However, depending upon the size of the congregation we would suggest a minimum of 6 people should share the regulatory burden of operating a church successfully, probably more where the church has a large congregation with a variety of activities in addition to regular public worship   |

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|     | <b>Finance:</b>   |   |
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| 5.a | What is required to be prepared by the Treasurer to have the accounts externally examined (other than regular book-keeping)                   | Please refer to the BU Guidance Note <a href="#">F04 Independent Examination of Church Accounts</a>   |
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| 5.b | Reserve Funds Policy – please explain how this works for churches who own listed buildings. What percentage should be left in reserves?       | Each church should determine for itself what level of reserves are needed, whether the buildings are listed or not. A Five Yearly (also called Quinquennial) maintenance plan should be drawn up with help from a suitably qualified buildings surveyor.<br>See link to BU Guidance F07 for a <a href="#">Reserve Policy</a> which can then be established accordingly  |
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| 5.c | What options are there if a church has no-one able or willing to take on the role of Treasurer? Is it possible to employ an accountancy firm? | It is possible to use external providers for book-keeping tasks and preparation of monthly, quarterly and annual statements. A competent local accountant may be able to assist or someone from another local church might be able to help if they have the right level of experience. The trustees should appoint a minimum of three people (these can be trustees or church members) to sign on the bank account and electronic banking, of which any two must authorise instructions with the bank for all purposes. |
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| 5.d | If a church outsources the finance function, must there be a Deacon who is the Treasurer?   | Yes – one Deacon should be nominated as the post-holder and be responsible for submitting reports to the Trustees. In reality all Trustees are responsible for the church’s finances.   |
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| 5.e | Are Churches allowed to claim VAT back?   | Only if the church is registered for VAT – which would mean it would have to levy VAT on all vatable goods and services it provides - eg hot food in a café setting. Churches should seek professional advice from an accountant if they are contemplating registering and claiming VAT.  |
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|     | <b>Churches – Use of Premises and Leases</b>  |   |
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| 6.a | What is the difference between a regular weekly booking (hire of the premises), and tenancy requiring a lease?                                | Each situation will need to be considered on it’s own merits. We are happy to assist churches in weighing up the degree of risk they face by the kind of hirers activities they are catering for, and where   |

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|     |   | <p>appropriate refer them to our professional advisers where the risks are deemed to be greater. The areas to consider are where:</p> <ul style="list-style-type: none"> <li>• There is no documented agreement, or the church has drawn up its own terms which omit certain key protective clauses. The BU template Hire Agreement within <a href="#">Guidance Note PC 10 Hiring of Church Premises</a> contains clauses that protect the church, stating for example that there is no right to exclude the church, and the church is able to take possession at any time.</li> <li>• Agreements are for a term of more than one year before being subject to review and renewal.</li> <li>• The hirer leaves equipment in a dedicated space within the church building. Anything, such as a cupboard or area in a room larger than a filing cabinet would be a potentially higher risk, because the hirer's ability to store equipment reinforces the assertion there is perpetual occupation of space within the building.</li> <li>• The hirer is the only user of the premises during the course of a week and there are no other church activities taking place around or in between the hirer's use, aside from an act of worship on a Sunday.</li> <li>• The hirer's occupation is for extended periods of time. EG if the hirer is in the premises for 3-4 hours per week, then this presents little risk. If the occupation is 3-4 hours per day or more, 5 days a week, then a formal lease agreement should probably be explored.</li> </ul> |
| 6.b | Also, in a similar vein – Is a hire for one hour a week the same as a lease?  | No – it would be an informal hire. See <a href="#">BU Guidance Note PC10 Hire of Church Premises</a>   |
| 6.c | How can we incorporate Martyn's Law into our building?  | See <a href="#">Martyn's Law Factsheet</a> published by the Home Office  |
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|     | <b>Renters Rights Act/ Residential Tenancies</b>  |  |
| 7.a | When completing a new residential tenancy agreement under the Renters Rights Act as a CIO should two Trustees sign the agreement? | Legal Agreements should be signed within the terms of the CIO Constitution.  |
| 7.b | It has been said that all Residential Tenancy Agreements with an initial  | No – only those with an initial <b>agreed</b> term of two years. An "Assured" tenancy agreement with an  |

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|     | term of two year or more will require the consent of the Property Trust Corp EG LBPB/BUC – does that mean all Residential Tenancies require consent from the Property Trust Corp? | initial term of 12 months, will become a rolling tenancy after 12 months, and then subject to the notice terms provided by the agreement, but this does not mean it has an initial term of two years or more.   |
| 7.c | Could a church take out their own insurance and decide not to appoint an Estate/Lettings Agent to manage their properties? What type of insurance is needed?                      | Our guidance is that churches have better things to do than manage their own property lettings, with all the regulatory risk it entails. Please leave this complex task to professional agents, who will carry the compliance risk at the cost of their insurance which is often the third largest fixed expense after property and staff costs. If your agent gets it wrong, then complain (nicely) and seek compensation. |
| 7.d | When did the requirement to have a Fire Alarm come into effect? Are smoke alarms no longer enough?  | See Government Guidance for <a href="#">Renting out a property</a>  |
| 7.e | Are all these rules (for Tenanted properties) the same for housing Ministers in a Manse?  | By and large, yes. See <a href="#">BU Guidance Manse Occupancy PM06</a>   |
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|     | <b>Charity Registration</b>   |   |
| 8.a | How can we access a copy of the (Charity Commission) Approved Governing Document provided by the BU   | See BU Guidance <a href="#">C04 The Approved Governing Document</a> and <a href="#">C05 Using the Approved Governing Document</a> .   |
| 8.b | Incorporating a LEP as a CIO – Is this complex?   | Yes – Legal Advice should be sought from Anthony Collins Solicitors   |
| 8.c | Accountability – Reporting to the Charity Commission – is this a requirement for Registered Charities, which does not apply to Unregistered Charities?                            | Yes. Registered Charities are required to file Annual Returns with the Charity Commission. Unregistered Charities are currently not required to do this. When Excepted Status ends in 2031, all churches will be Registered and will file annual returns.   |
| 8.d | How strict is the current £100k threshold for charity registration? Does it take into account one off appeals?  | If the church's income exceeds £100,000 owing to a one-off spike, then the charity commission may grant an exemption. Churches in this position must apply in writing to the <a href="#">Charity Commission</a> with a full explanation of the circumstances of the one-off income. Alternatively, as the church will have to be registered anyway in a few years' time, why not just do it and get it out of the way?      |
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2026 LBPB Governance Conference Q&A

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| 8.e | What is the rationale behind the requirement for churches with <£100k income to register with the Charity Commission by 30 March 2031?   | It's required by an act of Parliament: <a href="#">The Charities (Exception from Registration) (Amendment) Regulations 2021</a>   |
| 8.f | We understand a CIO is different from a Registered Charity. Please clarify, do we need to become a Registered Charity in 2031, or not? Presently we are an Excepted Charity  | Baptist Churches need to register with the Charity Commission by 31 <sup>st</sup> March 2031. They can register either as Charitable Unincorporated Associations, using the Charity Commission Approved Governing Document (which many churches are already using) or alternatively as CIOs, which will entail specialist legal advice from Anthony Collins Solicitors. |
|     | <b>Other:</b>  |   |
| 9.a | Bill – How can I get in touch with you?  | My name is Martin. Here is my email address: <a href="mailto:Martin.shaw@londonbaptist.org.uk">Martin.shaw@londonbaptist.org.uk</a>   |
| 9.b | We are a Baptist / URC LEP. What should be do where the advice we receive from the Baptist Denomination differs from that we receive from the URC.?  | I would need to have specific examples before I could respond. It's not possible to comment without context.  |
| 9.c | If a church is redeveloped by a developer and now also includes a number of flats at no cost to the church. The church is also given one of the flats attached to the new build but is it legal for the church to own this flat in it's own name or is it illegal? | I'm afraid I don't fully understand the question. If you need me to respond to this please email with specific details of the situation. <a href="mailto:Martin.shaw@londonbaptist.org.uk">Martin.shaw@londonbaptist.org.uk</a>   |
| 9.d | What are the consequences when Trustees are in breach of their contractual obligations?  | It is for the parties to the contract to enforce the obligations within the contract.   |