

Services and support for property trustees

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Stewardship is the operating name of Stewardship Services (UKET) Limited, a registered charity no. 234714, and a company limited by guarantee no. 90305, registered in England

table of contents

	Page
1 Introduction	4
2 Professional Services to Property Trustees	4
2.1 Legal Services	4
2.2 Property Services	4
2.3 Insurance Services	4
2.4 Accounting Services	4
3 Stewardship's Property Trusteeship Service	5
3.1 Transfer of Ownership	5
3.2 Appoint Stewardship as Sole Trustee of the existing Property Trust	5
3.3 Appoint Stewardship as Custodian Trustee.	5
4 Church Growth Fund	6
5 Church Planting Initiative (CPI)	7
APPENDIX A - What is the Church Planting Initiative?	8
APPENDIX B - Who pays for what?	9
APPENDIX C – Flow Chart	10

1 Introduction

Property Trustees need support to face today's challenges. Stewardship offers:

- Professional Services, including legal, property, insurance and accounting services to support existing property Trustees and;
- Trusteeship Services when Property Trustees wish to resign as Trustees.

2 Professional Services to Property Trustees

Stewardship offers a range of services and advice to help Property Trustees fulfil their role and make decisions, including:

2.1 Legal Services

- Existing Trusts
 - (a) Powers and limitations
 - (b) Changes to Trusts and discussion with Charity Commission
 - (c) Identifying and updating legal title
- Charity formation and registration
- Leases, licences, hiring agreements and building contracts purchases or sales of properties

2.2 Property Services

- Property Management
- Guidance on major property and building projects
- Negotiations on Leases and Licences
- Practical advice on the Disability Discrimination Act, Asbestos Regulations and VAT

2.3 Insurance Services

- Building, contents and ownership liability cover
- Trustees' indemnity cover

2.4 Accounting Services

- Independent Examination of Church Accounts
- Advice and training for treasurers
- Advice on other accounting matters for which Trustees may have responsibilities

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3 Stewardship's Property Trusteeship Service

Property Trusteeship has been a specialism of Stewardship for 100 years (set up initially as The East of England Evangelization Trust). Our Trust Corporation status enables us to own properties and to act as Sole Trustee for church or charity buildings. This is a real help when Property Trusts struggle to maintain sufficient trustees or wish to be relieved of the responsibility. Custodian Trusteeship is another option, to avoid having to produce a Deed of Appointment and register the title for a property every time a Trustee changes.

Stewardship owns or acts as Sole Trustee for over 60 church properties across the UK. We actively manage these and work closely with the occupying churches. We actively seek to find growing evangelical churches to use any empty properties we have.

The options available are as follows:

3.1 Transfer of Ownership

Subject to any legal restrictions, the property could be transferred into the ownership of Stewardship (more specifically the Church Growth Fund) to be held for its own Christian charitable purposes. If there is a Continuing Church, it would continue to occupy as a tenant of Stewardship, on payment of a relatively nominal rent. Rents go towards Stewardship's cost of administering its Property Trusteeship Service and providing the help and advice it is called upon to give from time to time.

3.2 Appoint Stewardship as Sole Trustee of the existing Property Trust

Although Stewardship would hold the legal title to the property, it would be subject to the Trusts set out in the original/existing Property Trust for the property. Stewardship would be the named Trustee of the existing Trust. Sometimes we may need to obtain the Charity Commission's agreement to change parts of the Trust.

3.3 Appoint Stewardship as Custodian Trustee.

This is a very different situation from 3.1 and 3.2 above. Technically, Stewardship would simply hold the legal title. This would bring the benefit of title not being lost due to all individual Trustees dying out without replacements being appointed. However, it does mean that the existing Trustees continue to be legally responsible for the building and its use, unless they can persuade and appoint other local people to take on this role. (Stewardship's role is limited, but direct help is available, usually at a fee, depending upon the work involved). Stewardship can also be removed as Custodian Trustee by the Local Trustees (known as "Managing Trustees").

There may be technical reasons why option 3.1 above is not possible, although Stewardship's preference is always for 3.1 rather than 3.2 for a variety of reasons, not

least of which is simplicity. Under both 3.1 and 3.2, the outgoing Trustees are completely released from any further legal responsibility for the trusteeship of the property. This is not so in the case of Custodian Trusteeship. A flow chart showing the various decisions to be taken is shown in Appendix C.

If Trustees are considering the transfer of Trusteeship, the next stage would be for a representative of Stewardship to meet with the local Trustees and possibly representatives of the Church leadership.

The discussions would explore various matters, including:

- Where the existing Fellowship wish to continue using the property, we need to establish the basis on which the Church will do so.
- If the Fellowship declines in the future to the point of closure or if the property becomes vacant, what are the Trustees' views on the future use of the property? Should it be sold? Should attempts be made to re-let it to another evangelical church. If so, on what terms should the property be let to them? Do the outgoing Trustees already have in mind a local group they feel could make good use of the property?
- If the property is to be sold, what should be done with the proceeds of sale? Unless there are specific restrictions applied by the Trust Deed or the outgoing Trustees/Church on the use of any sale (or rental proceeds), there are two ways in which Stewardship can agree to deal with the funds:
 - (i) For Stewardship to hold the funds under the Church Growth Fund described below
 - (ii) To give the funds outright to the Church Planting Initiative. For more information on the Church Planting Initiative, see Appendix A

Once the Trustees feel they fully understand their position, and that of Stewardship, and the views of the local Fellowship, where relevant, have been ascertained and taken into consideration, it is then for the Trustees to decide if they wish to take things further with Stewardship. If the Trustees decide to involve Stewardship, a written record in the form of a Memorandum of Understanding of what is intended will be produced. This document can helpfully cover all the points and make a record, not just for the present, but also for the future, so the background circumstances and the Trustees' intentions are clear.

Some of the costs and charges involved in the above options are set out in Appendix B. Any general advice to Trustees will be quoted at the time and will depend on the complexity of the issues and the time taken.

4 Church Growth Fund

The Church Growth Fund is a restricted fund of Stewardship which comprises all properties owned outright by Stewardship and any sale proceeds of redundant church buildings, where no effective continuing use has been possible and the property has been sold. The Church Growth Fund is invested and net income from these investments, along with any surplus capital and rental income received from properties, are used in accordance with various Trusts to which it is subject as follows:

- Permit properties to be used by Independent Churches, Christian Missions and Evangelical Churches in the UK to further their work

- Make grants or loans:
 - To encourage church planting
 - To encourage & support Independent Churches
 - To assist Christian Missions, whose primary purpose is to plant and/or support and/or work with Independent Churches

To date excess funds, after paying professional and administration costs, are limited and, therefore, it has only been possible, so far, to channel surplus funds into the Church Planting Initiative (see below). The extent to which particular causes are supported is at the discretion of the Stewardship Council. The income from the Church Growth Fund is also used to cover Stewardship's property administration costs.

5 Church Planting Initiative (CPI)

Stewardship supports the planting of new local churches based on New Testament principles. This is done through working jointly with Counties, Gospel Literature Outreach and Partnership in the Church Planting Initiative (for more on this see Appendix A later). Stewardship's role in this has been to develop a fund, known as the Church Growth Fund (see above), from which some of the income is applied to support church planting initiatives.



APPENDIX A - What is the Church Planting Initiative?

The Church Planting Initiative (CPI) [www.churchplantinginitiative.co.uk] seeks to facilitate the planting of local churches based on New Testaments principles in locations which lack such a witness. It is also willing to support existing local churches where they have a renewed vision for evangelism and where priorities allow. CPI's founders (Counties [www.countiesuk.org], Gospel Literature Outreach (GLO) [www.glo-europe.org], Partnership [www.partnershipuk.org] and Stewardship) are equally represented in the overall direction and major decisions concerning the Initiative. Counties, GLO and Partnership bring experience in evangelism, church planting and church growth, whilst Stewardship offers advice on financial and legal matters and currently provides the majority of the core funding.

CPI priorities are to invest in people and not buildings, to identify potential church planting situations, to identify and recruit potential workers/teams and to provide spiritual and financial support for workers.

CPI receives applications from individuals who feel God is calling them into a church planting situation. If approved they will be linked with Counties or GLO, who will be responsible for providing training, pastoral care and fellowship for the workers. CPI does not employ workers itself. It is a catalyst, bringing suitably gifted workers into touch with "church planting situations" and, so far as funds permit, supporting church planting ventures in their early years.

CPI also receives proposals from those with a vision to establish a local church. Due to growing demands for help, an order of priority has been established as follows:

- A new church plant (with or without help from a nearby Church)
- A recent church plant
- An existing church where numbers have declined, provided there is a renewed vision for spreading the Gospel and a willingness to make any necessary changes.

CPI holds an annual Forum for those involved in Church planting and produces a regular newsletter to keep supporters informed and to encourage prayer and other support. A copy of the latest newsletter, details of examined annual accounts and a leaflet explaining CPI's aims can be obtained on request from The Administrator (Mike Peach), CPI, PO Box 35, Fareham, Hampshire, PO14 4TX or by e-mailing CPI at church.planting@virgin.net.

APPENDIX B - Who pays for what?

Various options are set out below. The list is not exhaustive. The charges shown are current in 2008. These figures may vary, depending on local circumstances, the work involved and Stewardship's costs.

	Option	Costs – who to pay
1.	Transfer of property ownership to Stewardship:	
a.	Let to Continuing Church at minimum rent (currently £200 per year).	Stewardship to cover some if not all (depending on rent) of its own surveyors' and legal costs
b.	With no Continuing Church, to be let on concessionary rents at significant discounts from commercial rental levels currently range from £4,000 to £6,500 per year to another evangelical church, with rent being held in Stewardship's Church Growth Fund	Stewardship to cover all of its own surveyors' and legal costs
c.	If b. above is not possible the property may be sold and funds held in Stewardship's Church Growth Fund	Stewardship to cover all of its own surveyors' and legal costs
d.	With no Continuing Church, to be let on semi-commercial rent (see above) to another evangelical church, with rent (net of Stewardship's costs) being used for CPI or other organisation(s) other than Stewardship	Stewardship to charge Trust for original professional costs on the transfer and to deduct an annual charge from the rent for its services
e.	If d. above is not possible the property may be sold with funds going to CPI or other organisation(s)	Stewardship's professional costs, relating to original transfer and subsequent sale to be deducted from sale proceeds
2.	Stewardship appointed as Sole Trustee:	
a.	General trusteeship services	Annual fee to be paid by Continuing Church (currently £500 per year)
b.	Additional services and advice	Agreed fees to be paid by Continuing Church
3.	Stewardship appointed as Custodian Trustee:	
a.	Custodian trusteeship service	Nominal annual fee to be paid by Managing Trustees (currently £100 per year per property)
b.	Additional services and advice	Agreed fees to be paid by Church or Managing Trustees as appropriate
4.	Other Services	
	Other professional advice given by or through Stewardship	Agreed fees to be paid by Continuing Church

APPENDIX C – Flow Chart

DECISIONS TO BE MADE BY PROPERTY TRUSTEES WHEN CONSIDERING STEWARDSHIP'S TRUSTEESHIP SERVICES

