



Pastrow Family

Churches sharing the love, grace and truth of Jesus Christ

Governance Group – Meeting No 6

Date 29th September 2021

Agenda Items

Response from Registry

Framework Idea for presenting responses

Points from previous meeting

1) How does Gift Aid work in the above context? We cannot afford to employ a financial officer, and the burden on one volunteer would be far too much, so can Gift Aid still be done locally or because the single PCC is essentially 'the charity' can it register different locations or will it all have to be done centrally?

Gift Aid is something that is claimed by each charity. The PCC of each parish is a charity (whether it is registered with the Charity Commission or not) and so able to make Gift Aid applications. If you have a parish with multiple churches, the single PCC is the charity for all of those churches. The individual churches can't make Gift Aid applications if they don't have a PCC of their own.

Having said that, there is nothing to stop the single PCC from authorising more than one person to process Gift Aid applications on its behalf, eg one person in each of the churches in the parish. You would need to ensure you had processes and systems in place to ensure you didn't process any Gift Aid donations more than once, and that all of the Gift Aid claims were properly recorded and reported in the annual accounts of the single PCC. Payments from HMRC would go to the single PCC, but the PCC would be free to re-allocate those funds back to individual churches if it wishes to do so.

As an aside, if you're going to have to ask people to amend their standing orders etc. in this process, this may be a really good time to have a big push for the Parish Giving Scheme. In my experience it works extremely well, reduces the administrative burden, secures inflation-linked increases from most givers and has very few down sides generally.

2) How does governance of accounts work under a single PCC under so many different LCC's?

The single PCC must always be responsible overall for the finances of the whole parish. The PCC must provide the APCM with audited or independently examined financial statements covering all of the churches. See Rule M5 of the Church Representation Rules 2020.

The "LCCs" are probably best understood as sub-committees of the PCC under Rule M32. There is no reason why the PCC should not delegate a budget to each of the LCCs, but that money must be accounted for in the PCC annual financial statements.

If it's not too late, I would encourage you to avoid the term "LCC" which tends to give the impression that you have created an independent legal entity. It's all too common to find parishes that have become very confused about the respective roles of the PCC and the LCCs. I much prefer the term "PCC sub-committee for St. X" (or perhaps "local sub-committee" – LSC?) which clearly sets out, in the name, the role of the committee and its relationship to the proper legal entity (the PCC). Carefully thought-through terms of reference for each local committee are also essential.

3) Who signs off on Faculty applications? We are trying to simplify governance under this new model, but can local LCC's have delegated responsibility to apply for their own faculties should they need to?

Yes, there is no problem with that at all. The online Faculty system allows anyone with a sufficient interest to register for an account and make applications. It might be convenient to build authorisation to make Faculty applications into the terms of reference for each local sub-committee.

Agreed summary of the meeting

We discussed about the presentation and timing of the 8th December meeting.
A single document will be produced from the Governance and Finance groups detailing our local interpretation of the legal framework of the single PCC's responsibilities and purposes.
This would be done in two columns (a legal framework on the left drawn from the Church Representation Rules and the Charities Commission Act with some appendices which provide some scenarios to possible and probably questions.

Key Action Points

By Whom?

Check whether the 8K cap is per building or charity
Speak to HMRC re: when allocation of funds from Gift Aid would take place
Check on the role of the PCC/DCC
Think of more appropriate name of the local group (other than LCC)

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