# Community businesses in places of worship:

a guide for churches and chapels





**Plunkett** Foundation



Community businesses provide vital services on which people depend including access to food provisions, cash, meeting spaces and health-related services. They can be anything from shops and cafes to pubs and woodlands but as they are run democratically by members of the community on behalf of the community, in an inclusive and participatory way, they also address a wide range of issues affecting today's society, including isolation and loneliness, mental health and wellbeing, employment opportunity and skills development, discrimination, and climate change.

Plunkett Foundation has been supporting community businesses across the UK for over 100 years, helping them to set up, thrive and in turn address the issues facing the communities they serve. We know that one of the main reasons many community businesses fail to reach trading stage is lack of a suitable venue from which to operate. At the same time, places of worship across the country are seeking ways to work in different ways with their communities as well as to generate income to help them remain viable and sustainable into the future. Leasing space to a community business in a place of worship, in one of its buildings or on its land can be an excellent way to do this and there are examples of this 'co-location' model benefitting places of worship and the wider community across the UK.

This guide has been written in partnership with experts from the Diocese of Hereford and The Historic Religious Buildings Alliance for churches and chapels considering housing a community business. We hope it will help with some of the areas which may prove challenging when exploring such a project, including managing people's expectations about the kind of activities that can take place in a church, and better understanding how to physically adapt a church building to accommodate the new use as well as managing this through the ecclesiastical planning system. The document covers at a high level, those areas which are specific to a community business being established within a church or chapel and which will be different from using a secular building. At the end of it you'll find some commonly asked questions around this sort of project.

Much of this guidance note will also be relevant for proposals that involve locating a community business within a church hall or other ancillary building.

### 1. Sitting a community business in the overall mission of your church

The main purpose of the Christian church is mission, and one form of mission is service to others. Many Christian churches aim to serve others as an expression of faith, and this often includes activity which improves the lives of the people in their local community. Church communities should always consider where any project fits into their plan for mission, and their vision for their church. More often than not, community business and the church will have shared and complementary values, and this very often makes the church building the perfect place to host a community business. Historically, these spaces were used in this way over many hundreds of years, for trading, markets and commerce, so community businesses are not new to church buildings. The important part of any project is to identify and articulate the common ground, and work from there.

It does help to be clear right from the start where the boundaries are in terms of the church building, and it is important that those conversations happen as part of early development work. For example, is there a part of the church such as the chancel, that the PCC/Trustees consider to be more sacred than other parts and which should therefore not be used by the community business and its customers? Or do you feel that whether the space is being used for community use or for worship, both are part of the mission of your place of worship and every part of the whole building reflects this?

It is also important to be aware that some activities, such as those associated with gambling or alcohol (i.e. the sale of lottery tickets or the consumption or sale of alcohol) may not be permitted in some chapels/churches. This of course doesn't mean it isn't possible to run a community shop from within a place of worship, merely that the focus would be on providing essentials and local produce, without needing to sell lottery tickets or alcohol.

#### **Further resources**

Crossing the Threshold, Chapter 1: Developing your Vision will help you develop your vision, after talking to your congregation and other current users of your church building and reassessing your building. <a href="https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/">https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/</a>

The Methodist Church's Evangelism and Growth
Team have produced a helpful Mission Planning
Toolkit. <a href="https://www.methodist.org.uk/our-work/our-work-in-britain/evangelism-growth/lead-churches-into-growth/write-a-great-mission-plan/mission-planning-toolkit/">https://www.methodist.org.uk/our-work/our-work/our-work/our-work/our-work-in-britain/evangelism-growth/lead-churches-into-growth/write-a-great-mission-plan/mission-planning-toolkit/</a>



## 2. Consulting with both the church community and the wider community

For any community business to be successful, it must ensure that it is answering a real need within your community and that it will be used. In smaller communities it's also important to ensure that there is no potential duplication of provision.

If the community business is to be hosted within a church or chapel, there will need to be consultation with the church community and the wider community about this from the earliest stage possible. There are likely to be concerns among both groups about the idea of setting up a business in a place of worship. It will be important to talk to both groups, to listen to their feelings about the building and to ask them directly what they would like to see happening. Be as inclusive as possible as taking time to listen to those who have objections will help you to understand their perspective and where it is practical adapt your project. However, it should not be necessary to end a project because of one or two objectors, if the majority are in favour.

The church/chapel should consult with its own congregation about how this new project fits into the mission of the church as well as discussing the various issues that may arise around the introduction of a major new activity into the liturgical space. The church community needs to be able to discuss and fully understand how this might change their church, as well as bring benefits.

Some non-church members may have mixed feelings about using a religious building for secular activities especially a business. You may find that people who don't normally come to the religious services are more in favour of keeping things as they are. For example, they may be reluctant to consider the removal of pews and replacement by modern chairs.



Practical ways of offering reassurance to both groups

- Ensure that the meetings about developing this business are held in the church/chapel.
- Any management group set up to develop this project should include representatives of the church/chapel as well as potential key users from the wider community.
- Ensure by regular consultation that both communities are brought into discussions from the beginning and are able to be part of the decision-making process.
- Be ready to discuss places of worship that already have community businesses operating from within them to allay concerns that may arise when consulting the community. There are plenty of examples on Plunkett's website: <a href="https://plunkett.co.uk/community-businesses-in-places-of-worship/#stories">https://plunkett.co.uk/community-businesses-in-places-of-worship/#stories</a>.
- Consider inviting to your community meetings representatives from a church and wider community where the co-location model is already operating to talk about the benefits they are seeing as a result of it. First hand stories from members of a congregation of a church that now has a warmer and more inviting place to worship thanks to funds raised by the community business, or from a volunteer who now has a reason to leave the house and interact with the wider community will generate discussion and open minds to the potential of these projects.



#### **Further resources**

Crossing the Threshold, Chapter 2: Undertaking a Community Audit and Consulting with the Community describes different ways of consulting with your community to ensure that your project delivers something that will be valued and useful. <a href="https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/">https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/</a>

Plunkett website: There is plenty of advice on the Plunkett website about how to consult with your community <a href="https://plunkett.co.uk/support-for-early-stages/">https://plunkett.co.uk/support-for-early-stages/</a> as well as a questionnaire template that can be used to consult the community about projects to set up a community business from within an active place of worship. <a href="https://plunkett.co.uk/community-businesses-in-places-of-worship/#advice">https://plunkett.co.uk/community-businesses-in-places-of-worship/#advice</a>

# 3. Ensuring that any physical changes are sensitive to the existing heritage fabric and also respect the sacred space and liturgical arrangements

Most churches will not currently be set up to meet the requirements of the proposed operation. Some community businesses may require a considerable amount of space for the operation itself as well as storage. There may be specific requirements eg: a private room for confidential meetings, new or upgraded facilities, shelving and fridges, wifi, improved lighting and increased electrics. This isn't necessarily the case however as there are also examples of community businesses operating from within a very small part of a church or chapel, or indeed being designed to be completely and easily dismantled and packed away when not open. Something like a weekly pop up community owned market for local produce may require minimal changes to the building. Depending on what has been identified as being needed by the community, there are various options to explore from housing the community business in a pre-existing vestry or building at the west end of a church, or possibly even an extension.

Different requirements will mean different levels of physical intervention into the fabric and may involve removal of fixtures and fittings or moving them to a new location. Every church building is different and determining the solution that meets the requirements will be different in every situation.

As set out by Historic England, the key criteria are that new work in historic places of worship should:

- be based on an understanding of the cultural and heritage significance of the building;
- minimise harm to the special historic, archaeological, architectural and artistic interest of the building, its contents and setting;
- bring with it public benefits, such as securing the long-term use of the building, which outweigh any harm to significance;
- achieve high standards of design, craftsmanship and materials.

### Making Changes to Places of Worship, Historic England $^{\mathrm{1}}$

It is also important to work through a range of options in detail so that you gain a thorough understanding of the impact of various design solutions on the everyday use and feel of the place. Places of worship have additional unique challenges not least working through the tensions of homeliness (comfort for users), holiness (for worshippers) and hospitality (for users and visitors). People may be concerned that it will no longer feel like a place of worship or a spiritual space or that visitors may not respect the worshipping space. To address this it can be helpful to visit another place of worship that has a community business operating from within it. Organising such a trip will create an opportunity to see first-hand how changes to a church building can be made without adversely affecting sacred or spiritual spaces and indeed can enhance the building as a whole, as well as allowing visitors to ask questions about any particular concerns they may have.

 $<sup>^1\</sup> https://historicengland.org.uk/advice/caring-for-heritage/places-of-worship/making-changes/$ 

Two key documents that form an important part of the process of seeking permission to make changes to an active Christian place of worship are:

- a **Statement of Significance** which describes how the building has evolved over time. It should describe when the various parts of the building were constructed and when notable additions were made to the interior, for instance the pews, the pulpit, organ or stained glass. It should provide a summary of why they are important and the contributions they make to the character of the building.
- a **Statement of Need** is the church's opportunity to explain, justify and rationalise the proposals to all interested parties, having regard to the Statement of Significance and the impact of the proposed changes. It should set out the reasons why it is considered that the needs of the parish cannot be met without making changes to the church building and why the particular proposed changes are regarded as necessary to assist the church in its worship and mission.

Together these documents will help you and your building advisory bodies understand the impact your proposals will have on the building and in particular those parts which are of most significance and whether that impact is appropriate and if not, if there is another, less intrusive way of achieving the same outcome.

#### **Further resources**

Crossing the Threshold, Chapter 5: Developing Your Ideas - Options Appraisals, Feasibility Studies, Architect's Brief and the Design Stages

can help you to assess all the options and work out which solution your Group feels provides the best and feasible option. It also offers guidance on writing Statements of Need and Significance and explains the process of appointing an architect. <a href="https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/">https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/</a>

The Church of England's advice on writing Statements of Need and Significance. <a href="https://www.churchofengland.org/resources/churchcare/advice-and-guidance-church-buildings/statements-significance-and-needs">https://www.churchofengland.org/resources/churchcare/advice-and-guidance-church-buildings/statements-significance-and-needs</a>

The Methodist Church, in partnership with Historic England have produced this assessment framework for making changes to historic church buildings. (It is generic, despite reference to Cornish chapels). <a href="https://historicengland.org.uk/images-books/publications/guidance-methodist-nonconformist-chapels-cornwall/heag257-methodist-and-nonconformist-chapels/">https://historicengland.org.uk/images-books/publications/guidance-methodist-nonconformist-chapels/</a>

The Church in Wales has guidance here.

https://churchinwales.contentfiles.net/media/
documents/Property\_Dept\_-\_Writing\_OFS\_
Statements\_of\_Significance.pdf



### 4. Getting permissions for physical changes, change of use and licences and leases.

#### 4.1 Physical changes

Any works to a church building that involves alteration or extension and would affect its character as a building of special architectural or historical interest, require listed building consent (LBC) or its equivalent permission. Under the **Ecclesiastical Exemption** (Listed Buildings and Conservation Areas), England Order 2010, and the Ecclesiastical Exemption (Listed Buildings and Conservation Areas) (Wales) Order 2018, the five main denominations in England and the Church in Wales are exempt from listed building and conservation area consent and instead have to seek permission under their own consent system.

Ecclesiastical Exemption recognises the particular function of the buildings as places of worship and ensures that sacred uses are protected, the parishioners are duly consulted and that the wider aesthetic interests of the public are considered. The system balances mission and worship and wider community use with care and conservation.

Be aware that Ecclesiastical Exemption does not exempt these six bodies from the requirements of planning permission. If any changes are proposed to the external fabric of the building, then you will still have to apply for planning permission under the normal secular planning system as well.

The five exempt denominations are:

- The Church of England
- The Roman Catholic Church
- The Methodist Church
- The Baptist Union of Great Britain
- The United Reformed Church and the Church in Wales

All other denominations will have to go through the secular listed building consent process, if listed, and the secular planning system if appropriate.

The Methodist Church explains the Exemption for England, Wales and Scotland here: <a href="https://www.methodist.org.uk/for-churches/property/conservation-listed-buildings/ecclesiastical-exemption/">https://www.methodist.org.uk/for-churches/property/conservation-listed-buildings/ecclesiastical-exemption/</a>

As explained, the six exempt organisations operate their own consent system for regulating changes to its buildings, contents and churchyards and each has extensive guidance on their individual website. We would advise any congregation planning such a project to seek early pre-application advice from their denominational buildings officer and through them their denominational buildings advisory body e.g. for the Church of England the Diocesan Advisory Committee (DAC), as early as possible. They will advise you on the process and advise you on who else you will need to consult ie: secular planning authorities, Historic England, Amenity Societies.

The officer and members of these buildings advisory committees are experts and importantly their advice is free and could well save you time and energy. They can alert you to likely concerns and give you advice on what is likely to be approved and what is not and will be able to suggest other possible solutions which may help to minimise impact. They may also be able to let you know of any similar projects nearby that you could learn from. Starting a dialogue at an early stage should also help you to continue effective dialogue through the later stages of an application.

Church of England: Changes to any Church of England church building requires a permission which is known as a faculty. The first person to contact is the Secretary of your Diocesan Advisory Committee (DAC), the body which advises and recommends on changes to all Church of England churches. The process known as the Faculty Jurisdiction System is explained here: <a href="https://www.churchofengland.org/resources/churchcare/making-changes-your-building-and-churchyard/talk-your-dac-about-permissions">https://www.churchofengland.org/resources/churchcare/making-changes-your-building-and-churchyard/talk-your-dac-about-permissions</a>

The Methodist Church: Changes to any Methodist church building requires a permission which is known as listed building approval or a Section 98. The first person to contact is the Connexional Conservation Officer who will advise trustees on the need for such approval. The consent is administered through the online Property Consent website where any project requiring listed building approval is recorded. The Connexional Conservation Officer carries out the consultation with statutory bodies and amenity societies as well as the Listed Buildings Advisory Committee. The result of this consultation forms the basis of any recommendation, which is made by the Connexional Conservation Officer to the Methodist Council. The Section 98 approval is then sent to the church and is recorded on the online system before final consent from the District is issued. The process is explained here: https://www.methodist. org.uk/for-churches/property/conservation-listedbuildings/

United Reformed Church URC: The URC is organised into 13 Synods and consents for works are managed by the relevant local synod. The first action is to contact your local Synod at an early stage to ensure that all proper procedures are followed. Each local Synod will have advice on the Listed Buildings Control Procedure in the Property pages on their website. (NB: The URC in Wales is no longer covered by Ecclesiastical Exemption and has returned to operating under the secular planning system).

Baptist Church Union of Great Britain: the Listed Buildings Advisory Committee offers guidance about maintenance, repairs, and makes decisions about applications for permission to make alterations to buildings. There is guidance including on the process for obtaining permissions: <a href="https://www.baptist.org.uk/listedbuildings">www.baptist.org.uk/listedbuildings</a>

The Church in Wales has guidance here: <a href="https://www.churchinwales.org.uk/en/clergy-and-members/church-property/">https://churchinwales.org.uk/en/clergy-and-members/church-property/</a> and specifically here: <a href="https://churchinwales.contentfiles.net/media/documents/Property\_Dept\_-\_Faculty\_FAQ\_Guidance.pdf">https://churchinwales.contentfiles.net/media/documents/Property\_Dept\_-\_Faculty\_FAQ\_Guidance.pdf</a>



#### **Further resources**

Crossing the Threshold, Chapter 6: Balancing the need for change with heritage and liturgical considerations – legalities and the church planning process will help you to design your building project while taking into account the heritage of your building and liturgical requirements. It also explains the permission process. <a href="https://www.hereford.anglican.org/">https://www.hereford.anglican.org/</a> parish-support/community-partnership/crossing-the-threshold-toolkit/

#### 4.2 Change of use, leases and licences

Any church building that is subject to the legal effects of consecration means that it is as a matter of law, set apart forever for spiritual purposes. Secular activity can only lawfully be carried out in the building on the authority either of a specific statutory provision or of a faculty/permission/consent. This means that the use of a church for a community business will require a faculty/permission/consent to cover the provision of facilities to a secular third party and you will need to seek the advice of your denomination.

For the Church of England this would be the Diocese and for the Methodist Church, this would be the legal custodian Trustees for Methodist Church Purposes (TMCP).

All churches must also investigate whether permission for a change of use (under secular planning law) is required. Currently there appear to be no hard and fast rules on this. It is likely that the use of the church to host a community business which is open more than 2-3 days a week would constitute a material change of use even if the building remains primarily a place of worship. This is likely if the business and storage is taking up permanent space i.e. taking up space even when not open. Church legal advisers recommend that churches consult their Local Authority Planning Department (District (Borough) Council or Unitary Authority) at the earliest opportunity. The approach taken by individual local planning authorities may vary. The process shouldn't deter a community business and place of worship from pursuing colocation. Yarpole Community Shop, a thriving community business housed in St Leonard's Church in Herefordshire is open six days a week.

At some point, there will need to be discussions on what form of organisation and management and legal structures will be set up to run the business. For a church and chapel, it is important to ensure that you choose the right vehicle i.e. the right organisational and legal structure that allows you to do what you want to do and importantly to retain the right level of control over what happens within and to your church building. Plunkett Foundation can talk through your options and offer advice on legal structures.

If the church is to run the planned business in partnership with another organisation or if it will be run by an entirely separate organisation there will need to be a written agreement, whether it is a licence or leasing contract or a Memorandum of Understanding, between the PCC and community group, formalising their mutual responsibilities and use of the space. It cannot be done by means of bookings using the church's ordinary hiring arrangements. It will need to be carefully worded and will require a faculty/permission. You are advised to seek legal advice from your diocese/ denominational authority.

Licence or Lease? It is likely that it will be appropriate in nearly all cases for a lease rather than a licence to be granted as part of the overall agreement. This is because even if the business is not open for more than 2-3 sessions, or days, it will probably take up exclusive possession of a part of the church building even if it is in an extension. A lease also will give more of a degree of certainty for those setting up the business which will encourage investment. It may also be that potential funders will require the applicant to have a lease.



Whilst the community business will be a separate legal entity from the place of worship, whichever organisational model you choose it is important that the clergy and/or an appropriate number of people who are there as representatives of the PCC (or ruling body or committee) are included in the new organisation's management committee. This will ensure there are voices from both the place of worship and wider community on the committee but each member will only have one vote.

The Church of England has guidance here: <a href="https://www.churchofengland.org/resources/churchcare/advice-and-guidance-church-buildings/sharing-your-building-and-finding">https://www.churchofengland.org/resources/churchcare/advice-and-guidance-church-buildings/sharing-your-building-and-finding</a>

The Methodist Church has guidance here: <a href="https://www.tmcp.org.uk/property/letting-property-and-third-party-use/leases">https://www.tmcp.org.uk/property/letting-property-and-third-party-use/leases</a>

The Baptist Church Union of Great Britain has guidance here (Leaflet PC11): <a href="https://www.baptist.">https://www.baptist.</a> org.uk/Groups/220869/Property\_Churches.aspx

#### **Further resources**

Plunkett Foundation website: A high level introduction to legal structures can be found here: <a href="https://plunkett.co.uk/wp-content/uploads/Brief-Guide-to-Legal-Structures-March-2016.pdf">https://plunkett.co.uk/wp-content/uploads/Brief-Guide-to-Legal-Structures-March-2016.pdf</a>

Crossing the Threshold, Chapter 4: Governance and choosing the right organisational structure will help you to decide on the right organisational structure for your project that allows you to do what you want to do and importantly to retain the right level of control over what happens within and to your church building.

Crossing the Threshold; Chapter 6: Balancing the need for change with heritage and liturgical considerations – legalities and the church planning system will help you to design your building project while taking into account the heritage of your building and liturgical requirements. It also explains the permission process. <a href="https://www.hereford.anglican.org/">https://www.hereford.anglican.org/</a> parish-support/community-partnership/crossing-the-threshold-toolkit/

## 5. Ensuring changes made are as sustainable and environmentally friendly as possible

All the major denominations are fully committed to zero-carbon targets and it will be expected that any new project will be designed to achieve the highest environmental standards possible. Discuss this aspect with your architect at the earliest opportunity and include it in your brief.

Overall, the key is to take a holistic approach. This includes undertaking outstanding maintenance and repair as a well-maintained building is a more energy efficient one! A damp building causes increased thermal conductivity and greater heat loss, leading to an increase in energy use and corresponding operational carbon emissions in the long-term.

Particular aspects to think about include:

- The life expectancy of the proposed new facilities. While they can be more expensive, it may be more cost-effective to go for longer lasting materials.
- Can you source the materials for your project locally? Can you employ local contractors where possible?
- Can you re-use any existing materials or equipment? If not, is there anywhere you can recycle them locally perhaps via Freecycle?
- Undertake research into the most energy efficient forms of heating and lighting. Your denomination and funders will expect to see evidence that you have thought about all aspects of sustainability, taken action and set in place appropriate mechanisms for the long term.

#### **Further resources**

The Church of England offers a series of webinars and events designed to support and equip churches to reach the ambitious 'net zero carbon 'emissions target: <a href="https://www.churchofengland.org/about/environment-and-climate-change/webinars-getting-net-zero-carbon#na">https://www.churchofengland.org/about/environment-and-climate-change/webinars-getting-net-zero-carbon#na</a>

The Methodist Church offers guidance here: https://www.methodist.org.uk/for-churches/property/net-zero-carbon/ and https://www.methodist.org.uk/for-churches/property/conservation-listed-buildings/historic-places-of-worship-and-climate-change/

**Eco Church**, Rocha UK's award scheme for churches in England and Wales supports churches to be environmentally friendly in five areas:

- in the management of buildings and land;
- in how they engage with your local community and in global campaigns,
- and in the personal lifestyles of their congregation.

https://ecochurch.arocha.org.uk/

## 6. Planning for sustainability i.e: succession planning

Sustainability is about the long-term future of a project. It is important that any changes you make to your building continue to work for your community long into the future. In addition to environmental, there are three other aspects of sustainability that you will need to consider:

- economic: a section of your business or action plan needs to look at the day-to-day financial future.
- organisational: developing the right structures for managing any new activities in the long term
- social: introducing a system that allows you to continue involving the community in making decisions about its future needs as they are likely to change. Never stop inviting and encouraging new volunteers from both the church and the community to come on board. People will move away or suddenly have new responsibilities or just wish to leave so you will always need to ensure you have a constant influx of 'new blood' with fresh ideas and energy. Within community groups there is often the challenge of managing volunteer 'burn-out' and you may want to think about limiting the time a person can serve on a committee without at least having a break.

#### **Further resources**

Crossing the Threshold, Chapter 9: Ensuring your project is sustainable takes you through all the elements of a project that you should consider to ensure your project is sustainable in the long term. <a href="https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/">https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/</a>

This **Church Conservation Trust** document on business planning is a useful resource: <a href="https://www.visitchurches.org.uk/static/uploaded/9f3eb231-12d9-4e13-ba361685069c68fb.pdf">https://www.visitchurches.org.uk/static/uploaded/9f3eb231-12d9-4e13-ba361685069c68fb.pdf</a>



#### **Q & As**

# 1. If there is a community business in my church building, what happens if we need to have a service, such as a wedding or funeral?

Churches where there are established community businesses in their building seem to be able to continue to function as a church without any difficulties. Many, when appropriate, run worship and trading at the same time, and indeed there are lovely examples of where these two things happen concurrently. There will clearly be times where it will not be appropriate for worship and business activities to happen at the same time, such as for weddings or funerals.

The usual practice is that funerals are given priority and that arrangements for this would be covered in the lease/licence/agreement. The business would close while the funeral was taking place. Weddings, baptisms and Sunday worship are slightly different as they are usually booked in advance, allowing for alternative arrangements to be made for trading if possible, and again should be covered in the lease/licence/agreement.

### 2. Should a place of worship be used for financial purposes?

There is no reason why a place of worship can't be used to generate an income, or be used for financial purposes, provided the activities are honest and lawful. Many churches could not survive if they did not hold fundraising events in the church building – concerts, fetes, teas, art events, Christmas tree festivals – all of which are intended to engage with the local community and to generate an income which in turn helps the church towards financial sustainability. A community business would be no different. Income from all activities can enable the church to remain open and continue to offer free access for worship, sanctuary and a place to pray.

# 3. Will sharing space with a community business make the utility and running costs higher for the church?

Sharing space with a community business should contribute to the sustainability of the church although this doesn't just mean financial sustainability. The PCC should never be subsidising the ongoing costs of the community business. How costs are allocated should be worked through as part of the development work and incorporated into a cost sharing agreement. You will need to work out how use of utilities is to be measured and costed and for some uses a separate meter may be needed. Beware that the church and a leaseholder/tenant may also be treated differently for VAT on energy. Sometimes, but not always, this agreement would form part of the license/lease with the community agreement. Getting the financial relationship between the church and community business right is something that should be addressed at an early stage to avoid misunderstandings. Neither organisation should be subsidising the other unless you are both in agreement. You also need to agree the small things, such as cleaning, building management to avoid them becoming issues and allocating costs as appropriate.

### 4. Are there going to be any increased security risks?

The busier a church building, the safer it is and this is the view of one major church insurer. The more people in and around the church building, the more people will be keeping an eye on it and will recognise when things aren't quite right or as they should be. It may well be that an alarm system especially if valuables are to be left on site, is also fitted as part of any changes to the building, which will also help with security.

### 5. Will my insurance cover and premiums be affected?

There will probably be an increase in the insurance premiums, but only because there is likely to be more equipment, stock, etc in the church building. Anything that belongs to the community business should be insured by them, so if there are increased insurance premiums, the additional costs should not affect the church. So, check with your church's insurers as this could constitute a material change to the policy. Again, this is one of the conversations that should happen right at the start of a project.

### 6. Will there be any implications for charitable status?

As charities, whether registered or exempt, churches enjoy a mandatory exemption from business rates. A community group, even if it is a charity, will not benefit from this exemption. If the group is a registered or exempt charity, it should enjoy an 80% reduction but will be obliged to apply for a discretionary exemption from the other 20% from the local council. A commercial operation such as a village shop will pay full business rates. The church should ensure that its portion of the full exemption continues to apply.

# 7. How long will the process of getting a community business set up in my church take?

Getting a community business from idea to trading stage in a secular building usually takes around a year. If the business is to operate from within an active place of worship projects do tend to move more slowly as it can take a while to obtain permissions, especially if major or sensitive building adaptations or complex legal agreements are being proposed. It may be possible to obtain a temporary permission but again this will depend on degree of proposed change. It is important to take the time to understand the permissions process especially for a large project as additional delays caused by not following the procedures can lead not only to loss of time, but also money.

You can speed this part of your project up by consulting early with your denomination and doing your homework ie: show you have carefully considered all the options and are proposing the one that has least impact on the building. And don't forget to ask for advice from the buildings people within your denomination. Other advice for keeping the project moving forward is to ensure you have continued engagement with your community to ensure potential concerns or objections are addressed early and do not become barriers to progress later on.



#### **Key resources**

Plunkett Foundation's Place of Worship
Campaign page: A pool of inspiring stories and
case studies plus resources to help progress
projects to set up community businesses within
active places of worship. https://plunkett.co.uk/

community-businesses-in-places-of-worship/

Plunkett's 'A guide to the essential steps for setting up a rural community business'

https://plunkett.co.uk/wp-content/uploads/
How\_to\_Set\_up\_a\_Community\_Business\_
Jan\_2018.pdf is a helpful guide for anyone looking to set up a community business, including in a place of worship

Community-led transformation of historic places of worship: some key considerations

Produced by the Empowering Design Practices research project, this resource is aimed at anyone embarking on a project to reimagine and/or adapt their historic place of worship to better accommodate new or existing activities and services. It looks at the key topics of leadership, community engagement, adapting an historic church and capacity in terms of knowledge and skills. <a href="https://www.empoweringdesign.net/community-led-transformation-some-key-considerations.html">https://www.empoweringdesign.net/community-led-transformation-some-key-considerations.html</a>

Crossing the Threshold: A step-by-step guide to developing your place of worship for wider community use and managing a successful building project. All the chapters mentioned in this guide can be downloaded for FREE here https://www.hereford.anglican.org/parish-support/community-partnership/crossing-the-threshold-toolkit/

Plunkett Foundation has been supporting community businesses to set up and thrive across the UK for over 100 years. Thanks to generous funding from Benefact Trust, we are able to offer free support and advice to groups exploring co-locating a community business within an active Christian place of worship as well as grants to help with feasibility and development work. Our friendly community business team would be delighted to talk through your ideas with you, no matter how early on you are in the journey to trading. Call us on **01993 630022** or email <code>info@plunkett.co.uk</code>





This guide was developed in partnership with Wendy Coombey of the Diocese of Hereford and Becky Payne of the Historic Religious Buildings Alliance.