

LATEST NEWS FROM THE LEGAL AND OPERATIONS TEAM – FEBRUARY 2026

CIOs and Property Trusteeship

Q: When a church becomes a Charitable Incorporated Organisation (CIO), can it transfer property held in trust by a Baptist Trust Corporation into the CIO?

A: Yes, the law allows a church to transfer property held on trust by a Baptist Trust Corporation into its new CIO. However, only a small number of churches have chosen to do this.

Q: Why do most churches choose *not* to transfer their property?

A: Because transferring property means losing access to the Baptist Trust Corporation's free legal, property, and trust expertise. After a transfer, the church must pay external solicitors for advice that the Baptist Trust Corporation staff would otherwise provide as part of BUGB membership. For most churches, this isn't a good use of charitable resources.

Belonging to our Baptists Together family means that Baptist churches relate to each other in a collaborative, covenantal spirit. Baptist Trust Corporations help us all to maintain the appropriate standards of transparency and accountability to one another and to statutory authorities as we seek to grow healthy churches in relationship for God's mission.

Q: Will the church have more control over its buildings if it transfers the property to the CIO?

A: Not really. When property is transferred, the *trusts* that apply to it transfer along with the property.

- The ultimate beneficiary (the organisation that receives the assets if the church closes) stays the same, by law.
- Ultimate beneficiaries often add a legal restriction on the title to protect their interest.
- The CIO becomes a trust corporation, and its trustees are then responsible for ensuring compliance with the trust terms—this can create a conflict of interest if the CIO trustees and property trustees are the same people.

Q: Are property trusts complicated to manage?

A: Usually, yes. They often include difficult issues like permanent endowment rules and restrictions on capital spending.

Even if a CIO currently has trustees who are confident with trust law, future generations of trustees may not - and the decision affects them too. If the church's membership declines or the church closes, CIO trustees must handle the entire closure process themselves, rather than the Baptist Trust Corporation managing it.

Q: Why have Baptist Trust Corporations historically held church property?

A: Baptist Trust Corporation trusteeship exists for good reasons, especially to protect assets for Baptist charitable purposes. Benefits include:

- **Covenantal safeguarding:** It reflects and protects the shared relationships within the Baptist family, as we seek to walk together and watch over one another as Baptists Together

- **Free specialist advice:** Churches get expert legal, property, and trust support from Baptist Trust Corporation staff.
- **Continuity of expertise:** Baptist Trust Corporation staff maintain long-term trust knowledge that individual churches may lose over time.
- **Support during closure:** If a church closes, the Baptist Trust Corporation handles the entire property reallocation process.
- **Protection from legal risk:** The Baptist Trust Corporation can recognise and prevent unlawful actions relating to property use.
- **Avoiding conflicts of interest:** The Baptist Trust Corporation acts solely in the interest of the property trusts, removing difficult dual-trustee conflicts.
- **Secure storage of deeds:** The Baptist Trust Corporation keeps trust deeds safe - CIOs must arrange their own storage.
- **Support for historic buildings:** Churches whose buildings are held in trusteeship with a Baptist Trust Corporation can get guidance on maintenance, alterations, repairs, grants, and more.
- **Listed building help:** For listed buildings, the BUGB's Listed Building Advisory Committee (LBAC) provides expert guidance and handles listed building consent.

Q: Will the Baptist Trust Corporation continue supporting churches even if they don't transfer the property?

A: Absolutely. Your Baptist Trust Corporation will act on any lawful request from the church and is always ready to help with legal, property, and trust matters. Their staff are there to support you - so please reach out whenever needed.

Please direct any follow-up questions to legal.ops@baptist.org.uk