



Church Commissioners' Chancel Repair Liability Bilateral Deeds of Indemnity Frequently Asked Questions

What is a Deed of Indemnity (DOI)?

1. It is a legal document by which the Commissioners guarantee the continuance of their proper land-based chancel repair liability (CRL) even though that liability is not recorded at the Land Registry.
2. Such Deeds are between the Commissioners and the PCC and contain safeguards for both parties.

How does the PCC benefit?

1. There's no need for the PCC to register CRL against the Commissioners' liable land. The indemnity will cover this.
2. There's also no need for the PCC to register CRL against the Commissioners' former land where we have retained CRL on sale. The indemnity will cover this too.
3. It minimises the pastoral difficulties and misunderstandings which may arise when PCCs register CRL against the Commissioners' liable former land.
4. In the past, where it has been commercially viable, CRL has often been passed to purchasers on sales. After the completion of the DOI, we will retain our CRL on any future sales of the affected land. PCCs will not have to seek repair contributions from people who buy our affected land.
5. Subject to the terms of the DOI, after completion we would not be obliged to reduce our acceptance of liability if we sold some of our affected land that had not had CRL registered against it (which would be the case if a DOI were not in place).

How do the Commissioners benefit?

1. By removing CRL from our registered titles our land values are not affected by the existence of CRL or perceptions about its effect.
2. We are therefore free to deal with our assets in a way which best enables us to maximise our support for the ministry and mission of the Church in all parts of the country.

Is it legally binding?

1. Yes. We have taken advice from our Legal Office and have reassured ourselves on every aspect of this. We've also taken on board suggestions from PCC Solicitors and a Provincial Registrar in trialling this exercise.

What does the PCC have to do?

1. The PCC needs to consider the matter and then indicate its views to us. If as we hope the PCC is happy to proceed, we will prepare legal documentation for the PCC's consideration and signature. We will then apply to the Land Registry to remove any registered CRL from the titles to the Commissioners' affected land (whether it be our current or former land).

How much will it cost the PCC?

1. With prior agreement, we will meet PCCs' reasonable legal fees if a PCC feels it needs to take independent advice and Land Registry fees (if any) so no costs should fall on a PCC. Our deeds have been drafted to protect both the interests of the PCC and the Commissioners and incidentally vetted by a Provincial Registrar on behalf of a PCC.

Why have the Commissioners changed their approach to this?

1. Mainly because prospective purchasers of our land have been very reluctant to complete their purchases even where we offer to retain any CRL on sale. In essence, people are being "scared off" by the spectre of CRL.
2. We are also aware of the adverse publicity and the related pastoral consequences of PCCs registering CRL against properties of all descriptions.
3. Our policy of offering DOIs is a nationwide one and is not in any event generally related only to areas where we may be thinking of asset disposals. As long-term owners of rural assets, we are looking to protect our asset values in all parts of the country for the future, which of course underpins our aim of supporting the mission and ministry of the wider Church.

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