



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

What is a Unilateral Deed of Indemnity (DOI)?

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

How does the PCC benefit?

1. There's no need for the PCC to register CRL against the Commissioners' liable land. The indemnity covers 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 covers 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. Subject to the terms 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, 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 ensuring that CRL does not feature on 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. As well as obtaining our own legal advice, we have also taken on board suggestions from PCC Solicitors and a Provincial Registrar in trialling this exercise.

What does the PCC have to do?

1. Nothing at all other than to ensure that it does not seek to register CRL against the Commissioners' property or former property in respect of which we still accept CRL.

How much will it cost the PCC?

1. Nothing at all. In any event, our deeds have been drafted to protect the proper interests of both the PCC and the Commissioners and incidentally vetted by a Provincial Registrar on behalf of a PCC.

Why have the Commissioners taken this approach?

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.

Why has the PCC not been asked to sign the DOI?

1. Because we want to deal with this exercise in a way that minimises any inconvenience and cost. The PCC does not need to be a signatory to benefit from the DOI.

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