

Model Trust 20 Policy Review – Residential Letting

Contact Name and Details	Mrs Louise C Wilkins, Conference Officer for Legal and Constitutional Practice wilkinsl@methodistchurch.org.uk
Status of Paper	Final
Action Required	Decision
Resolution	91/1. The Council receive the report. 91/2. The Council agrees to the principle of letting residential properties including manses, at an undervalue where such lettings will further the charitable objectives of a Circuit or Local Church.
Alternative Options to Consider, if Any	None

Summary of Content

Subject and Aims	To enable the Managing Trustees of a Local Church or Circuit with residential property that is not required for occupation by a minister, to let the property at undervalue with the aim being to help someone or a family in need of accommodation.
Main Points	The current Model Trust 20 policy adopted in January 2011 does not allow the leases or licenses at undervalue of Model Trust 20 property nor residential property to be sold or leased at undervalue.
Background Context	MC/11/7 -Model Trust 20 Policy Review MC/13/05 – Model Trust 20 Policy Review
Consultations	Trustees for Methodist Church Purposes

Model Trust 20 Policy Review – Residential Letting

1. In January 2011 the Council adopted a policy for Model Trust 20 which allowed sales of Church property at an undervalue;
 - To another Christian denomination.
 - For youth centres or activities for children or young people.
 - For schools or educational establishments.
 - A housing association (if criteria in SO 935 is fulfilled and the Council agree).
 The Council also confirmed that there should be no sale of residential property including manses at an undervalue. The Council agreed in January 2011 and affirmed in January 2013 [MC/13/05] that there should be no leases or licenses of Model Trust property at undervalue.

SUMMARY OF POLICY ADOPTED IN JANUARY 2011	POLICY
Sales to another denomination for Christian worship	Yes
Trust for sale	Yes
Youth Centres	Yes
Schools	Yes
Housing Associations	Yes
Leases	No
Licences	No
Manses, houses, other uses	No

2. The Managing Trustees of Circuits and Local Churches have often asked whether it is possible to let a manse under an Assured Shorthold tenancy at an undervalue. This request has previously been made when a Circuit want to help a local family in need but it has now been raised by Circuits wanting to offer help to refugees caught in the current refugee crisis. The Model Trust 20 policy does not currently allow Managing Trustees to let a manse which they do not require for their purposes at an undervalue, any letting must be at a full market rent.
3. Letting residential property to refugees raises a number of legal questions and concerns about regaining occupation and lack of deposit. These are matters which will need to be thought through and addressed with TMCP, Local Churches and Circuits before any arrangements are agreed with local authorities. However, in order to enable these conversations to begin and for the possibility for the letting of property to those in need, Model Trust 20 would need to be amended.
4. It is proposed that Model Trust 20 policy is amended to allow residential property held by a Local Church or Circuit on the Model Trusts to be let under an Assured Shorthold Tenancy at

an undervalue, when doing so would further the charitable objectives of a Circuit or Local Church. The charitable objectives are as set out in clause 4 of the Deed of Union:

‘The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of—

(a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;

(b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church;

(c) any charitable purpose for the time being of any society or institution being a society or institution subsidiary or ancillary to the Methodist Church;

(d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.’

5. It should be noted that SO 929(5) requires any person occupying a manse or dwelling held on the Model Trust, where it is not a minister occupying the property, to enter into a binding agreement with the relevant managing trustees. SO 929(5) would ensure that any Circuit or Local Church letting premises out do so only where an Assured Shorthold Tenancy has been agreed.

*****RESOLUTIONS**

91/1. The Council receives the report.

91/2. The Council agrees to the principle of letting residential properties including manses, at an undervalue where such lettings will further the charitable objectives of a Circuit or Local Church.