

Leasing for Worship

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Resolutions	45/1. The Council receives the report 45/2. The Council adopts the policy relating to Model Trust 14(2A), subject to the approval of the Deferred Special Resolution by the 2021 Conference.

Leasing for Worship – Draft Policy

THIS PROPOSED POLICY IS SUBJECT TO A DEFERRED SPECIAL RESOLUTION SO WILL ONLY BE EFFECTIVE IF AFFIRMED BY THE 2021 CONFERENCE

Policy for leasing of Model Trust premises to another Christian denomination or members of another church for Christian worship

The Model Trusts

1. All Methodist property used by Circuits or Local Churches is held on charitable trusts, and for nearly all such property those trusts are set out in what are called the ‘Model Trusts’, contained in a schedule to an Act of Parliament, the Methodist Church Act 1976. Most unusually for part of an Act of Parliament the Model Trusts can be amended by our Conference, with certain exceptions and subject to compliance with special procedures.
2. Under the Model Trusts property is vested in the Trustees for Methodist Church Purposes (a corporate body based in Manchester) as custodian trustees, but managed by locally based managing trustees. For ‘circuit property’, such as manses, the managing trustees are the adult members of the Circuit Meeting and for ‘local property’, such as chapels, the managing trustees are the adult members of the Church Council.

Paragraph 14(2A)

3. Paragraph 14 is concerned with worship, and clauses (1) and (3) contain basic provisions about the conduct of ordinary Methodist services of worship in accordance with Methodist doctrinal standards, but clauses (2) (which is original) and (2A) (added later) have limited the length for which members of other Christian bodies may use Methodist premises. The Conference through a consultation process with managing trustees has resolved that clause (2A) be amended to permit managing trustees to determine the length of a licence or lease to members of one or more Christian churches or congregations.
4. The Conference in 2019 resolved to amend paragraph 14(2A) to read as follows, deletions being indicated by ~~striketrough~~ and insertions by ***bold italics*** (submitting it to District Synods, Circuit Meetings and Church Councils as a deferred special resolution under the terms of SO 126):

(2A) Notwithstanding that any of the members of any church or congregation hereinafter mentioned may not subscribe to the doctrinal standards, the managing trustees may with the consent of such person or persons as the Conference may by Standing Order prescribe permit the use of a place of worship or any other premises comprised in the property by members of one or more Christian churches or

*congregations, either for particular occasions or for a period ~~which shall not in any case exceed twelve months~~ **determined by the managing trustees by way of a licence or a lease**, provided that (i) ~~such permission shall be given only upon terms that it is revocable by the managing trustees and~~ (ii) ~~such consent as aforesaid shall be given only in cases where to grant such permission would not (having regard to all the circumstances) offend the doctrinal standards.~~*

5. This policy will sit behind paragraph 14(2A) to provide the parameters in which managing trustees are able to determine the terms of a licence or lease to other Christian church or congregations for worship.

Sharing of Church Buildings

6. The Sharing of Church Buildings Act 1969 was enacted to enable denominations to share church buildings. This policy is not intended to replace the use of Sharing Agreements when two or more churches want to enter into a commitment to share the joy and burden of church premises. Sharing agreements will provide the means by which another denomination can have security of tenure in a building, have financial contributions to the improvements in the building recognised and be a full partner in the life of a local Church, not just a tenant. A sharing agreement should always be considered by any managing trustees who are wanting to share their building with an ecumenical partner and should be encouraged/explored as a preference to a lease where there is still a worshipping Methodist congregation occupying the building

Doctrines

7. It is important to note that any Christian church or congregation wishing to utilise Model Trust premises for worship, whether for a one off hiring or a longer term arrangement must not so preach or expound God's Holy Word or perform any acts as to deny or repudiate the doctrinal standards of the Methodist Church. See paragraph 14(3) of the Model Trust. It is therefore vital to remember that the words 'with the consent of such person or persons as the Conference may by Standing Order prescribe' remain, so managing trustees will still require the consent of the Superintendent and the Methodist Council or its delegates for such arrangements.

The consent described above will be separate to and in addition to the Consent required to a lease pursuant to Standing Order 931 when a project will be logged on the consents website. The final consent giving body under Standing Order 931 will want to ensure that the consent described above is in place when considering the proposed project to lease the premises or part of it. Consent pursuant to Standing Order 91 is not required to a Licence

8. It will still be necessary to complete a schedule 14a <https://www.methodist.org.uk/our-work/building-relationships/relationships-with-other-denominations/resources-and-information/resources/sharing-of-buildings/> before letting any other Christian church or congregation for worship whether for a licence or a lease where the superintendent and the Methodist Council or its delegates can give consent.

Licence or Lease

9. It is important whenever managing trustees are considering letting premises to ensure that the right legal documentation is in place to protect the interests of both parties. The Trustees for Methodist Church Purposes website <https://www.tmcp.org.uk/property/letting-property-and-third-party-use> will provide more detail. Managing trustees should know, however, the basic distinction being that a licence is regarded as a personal right or consent that merely grants permission to use land with no intention to create an interest in land. It can be seen as allowing what would otherwise be a trespass. In contrast, a lease can be seen as giving an occupier exclusive possession of a defined area of land, is for a fixed period

of time and at a rent and there is an intention to create an interest in land that can be assigned or sold ie it is not personal. The key point to consider is that a licence cannot be granted if the tenant will have exclusive use of the premises or particular rooms within the agreed hours. A lease should be granted where the tenant will have exclusive use.

10. It is particularly important to consider the type of use and documentation used to document use by another Christian church or congregation where there may not be a continuing local Methodist Church using the premises. In such a case, usually the circuit meeting will be the managing trustees of the property and will need to consider carefully how it can fulfil the requirements of SO 920(1) in keeping under review the teachings of non-Methodists public religious meetings.

920 Religious Meetings. (1) The managing trustees and (in the case of local or circuit property) the Superintendent in his or her capacity as such shall:

(i) keep under review as they think fit the teaching given at all non-Methodist public religious meetings held on model trust property by the members of a church or congregation to whom permission has been granted to use such property for a period pursuant to paragraph 14(2A) of the Model Trusts and

(ii) accept general responsibility for the teaching given at all other non-Methodist public religious meetings held on Methodist premises.

(2) The consent required under paragraph 14(2) of the Model Trusts shall be that of the Superintendent.

(3) The consents required under paragraph 14(2A) of the Model Trusts shall be those of the Superintendent and the appropriate connexional authority

11. The Methodist Council **has taken a policy decision** that where there is no longer a local Methodist Church worshipping on the premises, only a lease can be granted to another Christian church or congregation. There cannot be a licence in such circumstances as the risk of granting a business tenancy and therefore long term rights to use the building is too great.
12. The managing trustees could however decide to only grant a short term lease and one that enables the circuit meeting to keep under review the use of the property for the mission of the Methodist Church, whether this is through another Methodist use or sale to release capital for mission.

Terms of a Lease under Model Trust 14(2A)

13. It will be for the managing trustees in consideration of their mission plan and the District Mission Development Plan, to consider the length of term of a licence or term of the lease that it is appropriate to offer. The District will also want to consider the advice of the surveyor that must be instructed, pursuant to Charity Law, to advise on any proposed terms for a lease, including the market rent and length of the term, recommending what terms will be considered in the Church's best interests.

It is also a **policy decision of the Methodist Council** that the terms of the lease must:

- Not grant a term of more than 10 years but if Managing Trustees are advised by their surveyor in his or her advice to grant a longer term then consent of the Connexional Team is required as with any other commercial for a term exceeding 10 years;
- Contain break clauses that allow the managing trustees to terminate the lease after 5 years (as a

minimum but could be after fewer years) and thereafter at least every 2 years (this is in order to ensure that the managing trustees have the ability to utilise the premises for their own mission should the needs of the Circuit change during this period);

- Permit no preaching that would be contrary to the doctrines of the Church – if this arises, it would be a reason for terminating the lease. Clear guide lines need to be drafted and provided to Managing Trustees on how to monitor use. The lease should also contain a clause to determine the lease should they learn of activities taking place on the premises which are contrary to the Doctrines of the Church;
 - Allow access for members of the Church to observe worship or other activities subject to the usual safeguarding restrictions;
 - Include only use which would comply with Standing Orders, see section 92 CPD;
 - Include provision whereby the tenant must inform the managing trustees if the permitted and agreed use of the premises ceases, and the managing trustees would have the right to terminate the lease at that point;
 - Not allow for assignment of the lease;
 - Be outside the Landlord and Tenant Act 1954;
 - Provide for rent review only to be upwards (the surveyor should comment on his or her advice on the frequency of rent reviews);
 - Make clear that the tenant must agree to follow the Methodist church safeguarding policy (or equivalent) where the lease is for part of the premises and the managing trustees continue to use the premises for Methodist purposes. (It would be impossible to manage if this applied to a lease of the whole building whether there is no continuing Methodist use.)
 - Not include a requirement to reinstate if the building is destroyed or damaged.
 - Require that the premises are kept in good and substantial repair.
14. TMCP already have Heads of Terms for commercial leases on its website that set out the Charity law requirements as well as those which are requirement under CPD, policy and best practice of the Methodist Church

Rent for leases under Model Trust 14(2A)

15. Managing trustees must always act in the best interest of their charity, being either the Local Church or Circuit, and in making any decision shall do so upon the basis that any decision is furthering the mission plan of the local Church and/or Circuit, and therefore Our Calling.
16. Managing trustees should always seek in the first instance to obtain the market rent for Methodist premises.
17. Managing trustees may consider a licence or lease to another Christian church or congregation at less than the market rent to be furthering Our Calling and their mission plan. Where this is the case, managing

trustees will need to follow the Model Trust 20 policy (being considered alongside changes to Model Trust 14(2A) and seek the necessary consent outlined in the policy before entering into any agreement. There is currently no letting at an undervalue permitted under Model Trust 20 policy save for residential tenancies in exceptional circumstances, such as tenancies to refugees. Any leasing to other Christian churches or denominations will require a change to Model Trust 20 policy.

18. Policy decision - Managing trustees must always obtain advice on the market value, as required under Charity Law, even if they wish to lease the premises at less than market value.

Grant of Licences under Model Trust 14(2A)

19. Policy decision in respect of licences to another Christian church or group, appropriate professional and written advice must be obtained on the 'market' licence fee and the appropriateness of a granting a licence as opposed to a lease. The licence must include the following terms and use the precedent licence from the Trustees for Methodist Church Purposes <https://www.tmcp.org.uk/property/letting-property-and-third-party-use/licences/resources/standard-documents-and-forms/worship-licence>:

- No more than a licence period of 3 years but Managing Trustees must review a licence every 12 months to ensure that its continued use is still appropriate or whether a lease would be more suitable;
- If permitted and agreed use ceases, the licence can be terminated or renegotiated;
- No preaching that is contrary to the doctrines of the Church;
- Not to have exclusive possession with set times for use agreed;
- Must permit access by members of the Methodist Church, in line with safeguarding policy, to observe public worship and other activities as agreed the licensee must agree to follow the Methodist church safeguarding policy (or equivalent).

*****RESOLUTIONS**

45/1. The Council receives the report.

45/2. The Council adopts the policy relating to Model Trust 14(2A), subject to the approval of the Deferred Special Resolution by the 2021 Conference.