



# Letting Property and Third Party Use

Information and guidance for Managing Trustees on third party use of Methodist Property, whether in the long or short term, including on the basis of a booking form, licence agreement, non-residential lease or residential tenancy

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## Letting Property and Third Party Use

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## Introduction

Managing Trustees play a valued role in ensuring that church premises best serve the mission of the Methodist Church. Managing Trustees across the Connexion encourage the local community to use church premises to seek, amongst other things, to;

- create links between the local community and the Methodist Church;
- support local community and youth projects; and/ or
- raise additional income to support Mission purposes

Depending on whether the arrangement with a third party is a one-off hire, regular part-time use under a licence or exclusive use under a lease, the requirements under charity law, Methodist law, policy and best practice are very different.

The information and links on this page should help Managing Trustees to find the guidance that they need to help them to ensure their arrangements with third parties are on the correct legal footing.

## Lease, licence or a one-off hire?

Sometimes it can be difficult to decide exactly what sort of arrangement Managing Trustees have with a third party group. The resources referred to below may assist Managing Trustees to determine whether a particular group's usage can be treated as "one-off", regular but part-time, non-exclusive use (a licence) or a lease:

- [Licence Flow Chart](#) - a tool to help Managing Trustees ascertain what sort of arrangement they are dealing with and how this is treated under charity law and Methodist law, policy and best practice
- [When to Use the Standard Licence](#) - a Guidance Note accompanying the Licence Flow Chart which explores the differences between a "lease" and a "licence"

If the Managing Trustees are still uncertain about how to best deal with a proposed use of Methodist premises then they can contact TMCP for further guidance. It is also strongly recommended that Managing Trustees obtain independent legal advice from a local solicitor to satisfy themselves that the proposed arrangement is properly documented and protects the best interests of the charity.

# The grant of a Non-Residential lease of Methodist property to a third party

A lease can be described as giving an occupier exclusive possession of a defined area of land, for a fixed period of time, for rent. This is in contrast to a licence as there is an intention to create an interest in land capable of being assigned or sold.

- [Granting a Non-Residential Lease to a Third Party](#)

## Entering into a licence

A licence can be described as merely granting permission to use land and/or a building. A licence can be viewed as allowing something that would otherwise be a trespass and does not grant any interest in land. It is a personal right that is not capable of being assigned or sold.

- [Licence](#)

## Use of Methodist property for a one-off occasion

If use is for a one-off occasion only, such as a child's birthday party or annual meeting, a booking form may be suitable. This often takes the form of a simple contract setting out the terms and conditions of use including; what the premises will be used for, payment, and a cancellation policy.

Unlike leases and licences, Managing Trustees are free to use their own booking forms without the need for approvals under Standing Order 931(3). The Template Booking Form produced by TMCP is just a template, although use of the same is recommended. The Template Booking Form is an example of the type of provisions that Managing Trustees may want to include in their own booking forms:

- [Template Booking Form](#)

Sometimes it can be difficult to decide when "one-off use" becomes "regular part-time use" requiring a licence. Three occasions of use in a 12 month period is often used as a rule of thumb but Managing Trustees should speak with their insurer about when it would consider "one-off use" changes to "regular use".

## Use of Model Trust Property by another Christian church or congregation under Model Trust 14(2A)

Methodist Model Trust Property can be used by other Christian churches or congregations for worship separately to the Methodist congregation under Model Trust 14(2A), Model Trust 14(1) and Standing Order 920.

Managing Trustees are required to obtain the consent of the Methodist Council if they want to permit another Christian church or congregation to use Methodist property for worship. In order to obtain that consent Managing Trustees will need to complete a Schedule 14a and submit it, along with the applicant's statement of belief, to the Connexional Ecumenical Officer (or in his/ her absence the Assistant Secretary of Conference) for consideration and approval.

Under Model Trust 14(2A) the permission granted is revocable and therefore use is permitted under a licence and NOT a lease. Exclusive use of premises by another Christian church or congregation for worship cannot be permitted.

The following Resources may be of assistance:

- [Schedule 14a Flow Chart and Process Chart](#) – to explain the process that needs to be followed before another Christian church or congregation will be permitted to use the premises for worship under Model Trust 14(2A)
- [Schedule 14a](#)
- Standard Form of Licence for Use of Premises for Christian Worship ([Worship Licence](#)) - standard form of licence for regular but part-time, non-exclusive use of Methodist premises by another Christian church or congregation under Model Trust 14(2A)

- Template Booking Form for Use of Premises for Christian Worship ([Worship Booking Form](#)) - template booking form for one-off or very occasional use of Methodist premises by another Christian church or congregation under Model Trust 14(2A)
- [Licence and Booking Form for Use of Premises for Christian Worship Document Guide](#) – for guidance on use of the specific forms of worship licence and booking form

If Managing Trustees would like any further guidance on the processes involved or the standard documents please contact TMCP Legal. If Managing Trustees would like guidance on the statement of beliefs or the Schedule 14a please contact the Connexional Ecumenical Officer [who will refer your query to the Faith & Order Committee if necessary].

## Ecumenical Issues

Managing Trustees can obtain guidance on the matters below from the following sources:

=> If the Managing Trustees are considering entering into a **Sharing Agreement** - please contact TMCP Legal and the District Ecumenical Officer and consult with the Superintendent.

=> If the Managing Trustees would like guidance on **Local Ecumenical Partnerships** - please contact the District Ecumenical Officer and the Connexional Ecumenical Officer and consult with the Superintendent.

=> If the Managing Trustees want to share **joint services with another Christian church or congregation on an occasional basis** under Model Trust 14(2) - please contact the Superintendent. The Connexional Ecumenical Officer can help to answer questions on which Christian churches or congregations it is possible to share services with.

## Residential tenancies

Managing Trustees often enter into tenancy agreements, usually Assured Shorthold Tenancies (ASTs) of residential property such as Manses, investment property or caretakers flats, that are not required from time to time.

There are charity law and Methodist law, policy and best requirements that need to be fulfilled before residential tenancies are entered into. TMCP has provided detailed guidance for Managing Trustees on residential tenancies including guidance notes on issues surrounding the grant of a tenancy and managing tenancies, a checklist and revised template clauses. Please [contact TMCP Legal](#) if you have any queries. Managing Trustees may also find the following News items of assistance:

- Legislation Update – Residential Tenancies
- Legislation Update – Right to Rent

TMCP Legal has also produced a template form of AST including the template clauses that can now be used by Managing Trustees. This has been prepared for use by Managing Trustees only and is available on request from [TMCP](#).

Managing Trustees in Wales may find the following guidance of assistance:

- [Rent Smart Wales Focus Note](#)
- [Rent Smart Wales Property Information Form](#)

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### Licences

Information and guidance on regular part-time, non-exclusive use of Methodist property by third parties on the basis of a licence and how to use the Standard Licence

### Granting a Non-Residential Lease to a Third Party

Information and guidance on granting a non-residential lease of Methodist property

## **Residential Tenancies**

Guidance on the use of Residential Tenancies including Assured Shorthold Tenancies (AST's) for letting out residential property.

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Trustees For Methodist Church Purposes  
Central Buildings, Oldham Street, Manchester, M1 1JQ

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Telephone: [0161 235 6770](tel:01612356770)  
Fax: [0161 236 0752](tel:01612360752)