



# Sales

Information and guidance on selling Methodist property

 Updated 27 Jun 2017

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## Sales

- [The Role of TMCP](#)
- [Charity law and Methodist law, policy and best practice requirements on sales](#)
- [Sale Guidance](#)

## Introduction

Managing Trustees may decide that a property is surplus to requirements or that they want to sell a property for some other reason e.g. to fund a new, more suitable, manse or worship space. Whatever the reasons Managing Trustees as prudent charity trustees need to make the sale as beneficial to the charity as possible, by raising funds to further Mission on any retained land or elsewhere in the Circuit, District or wider Connexion.

It is highly recommended that Managing Trustees seek advice from their professional advisers in relation to the sale as soon as possible. For example, if Managing Trustees want to sell part of a site and use the proceeds of sale (Circuit willing – please see Standing Orders for the application of proceeds following a sale of Model Trust property) to transform a retained Sunday School into a new and vibrant worship space, their legal adviser and surveyor will be able to advise them on the options available. Speaking with professional advisers from the outset should limit any unexpected issues arising further down the process. When considering a sale Managing Trustees may want, for instance, to investigate whether there are any covenants on the land restricting its use? If that is a possibility it should be discussed with the Managing Trustees' legal adviser as soon as possible; are these covenants enforceable? What steps can be taken to ensure that any impact on the sale is kept to a minimum? In any sale, the Qualified Surveyor's Report (QSR) that the Managing Trustees are obliged to obtain under s.119 of the Charities Act 2011 (2011 Act) will provide vital guidance to the Managing Trustees on how to proceed in the best interests of the charity.

If the Managing Trustees have decided that they want to explore the possibility of selling property they should obtain a QSR as soon as possible and ensure that this is sent to TMCP for review and approval before the property is placed on the market or negotiations commence with potential buyers.

Before making the difficult decision to sell property or getting into a position where sale is the only option, Managing Trustees will be anxious to talk to their Circuit, District and the Connexional Team to explore whether there are any alternatives available. Can the property still be used, perhaps in a different way to further Mission? Is any additional support or assistance available to the Managing Trustees if they wish to explore alternatives? It may be that the Property Development Committee could provide guidance on the Managing Trustees' options and plans for the building.

Contact details for the connexional team can be found [here](#).

## The Role of TMCP

The legal owner of nearly all Methodist land and property is TMCP. TMCP holds legal title in its capacity as Custodian Trustee on trust for the local Managing Trustees by virtue of the Methodist Church Act 1976. This means that TMCP needs to be party to the sales documents. Under Standing Order 930(3) TMCP is also required to give approval to all matters where it is Custodian Trustee. TMCP is therefore required to approve the substance of the transaction in accordance with Standing Order 930(3) and must also approve the documents on behalf of the Connexional Team under Standing Order 931(3).

The role of TMCP Legal in relation to a sale is to ensure that the charity law and Methodist law, policy and best practice requirements and procedures relating to the sale of Model Trust Property have been met. TMCP Legal will also help Managing Trustees' solicitors to ensure that the transaction is otherwise lawful and in the best interests of the Managing Trustees.

## Charity law and Methodist law, policy and best practice requirements on sales

There are various charity law and Methodist law, policy and best practice requirements that must be fulfilled on sales of Methodist Model Trust Property before a sale can proceed. The requirements are quite detailed and Managing Trustees may therefore find it helpful to break these down into the steps set out in the [Sale Guidance for Managing Trustees](#).

Although the exact requirements will depend upon the type of property being sold and method of sale, in summary the Managing Trustees will need to:

- log a project on the [Consents Website](#) so that the three levels of consent can be entered
- obtain a Qualified Surveyor's Report for review and approval by TMCP
- obtain a best price and adequate marketing certificate
- obtain confirmation as to whether the seller is connected to the charity within the meaning of s.118 of the 2011 Act.
- ask your legal advisers to ensure that the draft sale contract, transfer and/or lease include the [Sales Template Clauses](#) and that the draft documents are sent to [TMCP Legal](#) for approval

## Sale Guidance

The Sale Guidance Notes aim to help Managing Trustees and their professional advisers to navigate their way through the charity law and Methodist law, policy and best practice requirements on sales:

On any sale of Model Trust Property:

- [Sale Checklist](#)
- [Sale Guidance for Managing Trustees](#)
- [Sale Guidance for Solicitors](#)
- [Sale Template Clauses](#)
- [Sale FAQs](#)
- [QSR Focus Note](#)
- [QSR \(Preparing\) Focus Note](#)

If you are selling a burial ground:

- [Burial Ground Guidance](#)
- [Burial Ground Sale Focus Note](#)
- [Burial Ground Template Clauses](#)

If you are selling at auction:

- [Auction Sale Focus Note](#)
- [Auction Sale Checklist](#)

If you want the sale to be considered as a replacement project please address any questions relating to logging a project to the Consents Team and any other questions to the Conference Office. The following guidance is available from TMCP on the process involved:

- [Replacement Project Focus Note](#)
- [Methodist Property Consents](#)

If the Managing Trustees or their solicitors would like any further guidance please do not hesitate to [contact TMCP](#). Otherwise TMCP legal looks forward to receiving confirmation that the charity law and Methodist law, policy and best practice requirements summarised in the [Sale Checklist](#) and detailed in the [Sale Guidance for Managing Trustees](#) and [Sale Guidance for Solicitors](#) have been fulfilled.

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