

Model Trust 14(2A) policy recommendations

Contact Names and Details	Joanne Anderton, Conference Officer for Legal and Constitutional Practice lcp@methodistchurch.org.uk
Status of Paper	Final
Action Required	Decision
Background documents	<ul style="list-style-type: none"> MC/21/82 (Model Trust 14(2A) policy – update) 2021 Conference report 35 (Deferred Special Resolution): https://www.methodist.org.uk/media/21761/conf-2021-35-deferred-special-resolution.pdf
Resolutions	<p>9/1. The Council receives the report.</p> <p>9/2. The Council adopts the policy recommendations with immediate effect and directs the Conference Officer for Legal and Constitutional Practice to document them in a form to be published on the Methodist Church website.</p> <p>9/3. The Council directs the Conference Officer for Legal and Constitutional Practice to work with the Ecumenical Officers in consultation with the Faith and Order Committee to produce guidance for superintendents when considering whether to give consent to Model Trust 14(2A) applications under SO 920(3).</p>

1. Model Trust 14(2A) is the provision in our constitution which permits other Christian congregations to use Methodist Model Trust premises for non-Methodist worship, provided this will not offend our doctrinal standards.
2. At its October 2021 meeting, the Council received paper MC/21/82 and appointed a working group of three Council members to assist the Conference Officer for Legal and Constitutional Practice (**COLCP**) with formulating a draft Model Trust 14(2A) policy. The policy is required to take account of the 2021 Conference's amendments to Model Trust 14(2A) permitting licences and leases of any duration to be granted to other Christian denominations who wish to use Methodist property for non-Methodist worship. Historically permission was only able to be given by way of a licence not exceeding 12 months.
3. With effect from 1 September 2021 Model Trust 14(2A) now reads as follows:

*(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 [...] **determined by the managing trustees by way of a licence or a lease**, provided that [...] 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.*
4. The working group met on 17 November 2021 to consider the various policy issues arising as a result of the widening of the scope of Model Trust 14(2A). The group considered the terms and parameters under which a licence or lease of any duration might be granted under Model Trust 14(2A).

5. Although the working group was comfortable with the concept of granting a non-exclusive occupation licence to use Methodist premises for non-Methodist worship for up to 3 years for a few hours per week, it was less comfortable with the idea of granting a lease with exclusive possession (i.e. permanent '24/7' use) to a non-Methodist denomination for worship purposes. In particular, the group found it difficult to determine what the permitted use of the premises might be when not being used for worship. The group also recommended that lease lengths should not exceed 5 years (ideally with a break clause after 3 years) other than in special circumstances, and that leases of part of a building would be too complex to manage. It was recognised that granting a lease involves compliance with Charities Act requirements; granting a licence does not.
6. The working group also queried the definition of 'place of worship' in Model Trust 14(2A), which it believed might imply that the building still needs to be in use by the Methodist Church – this would appear to preclude the granting of a lease with exclusive possession.
7. The working group asked the COLCP to seek guidance from the Law and Polity Committee, particularly on the interpretation of 'place of worship' and the permitted use.
8. The working group also agreed to recommend to the Council that applications to grant a lease under Model Trust 14(2A) should be made on a case-by-case basis for the time being, to be decided by three appointed members of the Council in a similar way to Model Trust 20(1) applications. The group wished to wait to see how many lease applications are made and what sort of lease terms proposed before considering how feasible it might be to draw up a full set of policy parameters. The group considered that enabling licences of up to three years would cover the majority of Model Trust 14(2A) cases and that the work involved in creating a policy for Model Trust 14(2A) leases at this stage was likely to be disproportionate to the number of applications received.
9. The Law and Polity Committee met on 9 December 2021 and considered whether the building had to be in use by a Methodist congregation or whether a redundant building could be let instead. The Committee had regard to a Counsel's opinion obtained in 2018 and the Committee's own discussions in 2019 regarding the proposal to amend Model Trust 14(2A) by deferred special resolution, and concluded that, by implication, 'place of worship' included a former (i.e. redundant) place of worship.
10. The Law and Polity Committee also advised that a lease granted to another denomination does not need to be exclusively for worship purposes. The tenant denomination may use the premises for its own charitable purposes, including but not limited to worship, provided:
 - a. The worship does not offend the Methodist Church's doctrinal standards (to use the wording of Model Trust 14(2A)); and
 - b. The use of the premises does not contravene Section 92 of Standing Orders (in the same way as other leases of Methodist property must not so contravene).
 The Committee confirmed that the rent for all such arrangements must be at market value.
11. The Council is therefore asked to adopt the following Model Trust 14(2A) policy recommendations:
 - a. Licences may be granted for up to three years at a time before being required to be renewed. This is to allow for regular reviews of the use of the premises. The same terms and precedent licence should be used as for the existing 12-month licence.
 - b. Licence fees must at least be on a 'break-even' basis.
 - c. It is too difficult at this stage to set the detailed terms and parameters under which a lease might be granted, and therefore applications for consent should be made on a case-by-case basis, to be assessed and considered by a group of three Council members on behalf of the Council in a similar way to Model Trust 20(1) applications.
 - d. When considering applications for consent to leases under Model Trust 14(2A), the basic 'ground rules' should be as follows:
 - i. Leases should be at full market rent.

- ii. Leases should be excluded from the security of tenure provisions of the Landlord and Tenant Act 1954.
 - iii. Lease terms should not exceed 5 years unless a compelling case can be made for longer. The lease should ideally include at least one landlord's break clause during the term (probably at the end of the third year), to enable the local church/Circuit to take the premises back into its own use if required.
 - iv. Leases of part of a building with no separate access to the demised premises should be prohibited. Leases of buildings with separate self-contained access should be acceptable.
 - e. It is recognised that Superintendents need guidance when considering applications for consent under MT14(2A); this will be compiled by the COLCP in consultation with the Ecumenical Officers.
 - f. The Faith and Order Committee have been reflecting on the meaning of the phrase 'offend the doctrinal standards' and its views should be incorporated into the formal Model Trust 14(2A) policy wording.
12. The Council is asked to adopt these policy recommendations and to direct the COLCP to document them in a form suitable for publication on the Methodist Church's website.
13. The Council is also asked to note that it does not currently have a comprehensive policy for granting any type of lease of Methodist property. The COLCP is therefore working with TMCP and the Director of Property Support to collate the various piecemeal policies which have been created in recent years to produce a full policy covering:
- a. Commercial leases
 - b. Residential leases
 - c. Leases to other denominations under Model Trust 14(2A)
 - d. Leases at below market rent under Model Trust 20
14. In light of the policy recommendation for applications for consent to leases under Model Trust 14(2A) in paragraph 11(c) above, it follows that, at least for now, applications for leases at below market value under Model Trust 20(1) should also be made on a case-by-case basis.

*****RESOLUTION**

- 9/1. The Council receives the report.**
- 9/2. The Council adopts the policy recommendations with immediate effect and directs the COLCP to document them in a form to be published on the Methodist Church website.**
- 9/3. The Council directs the Conference Officer for Legal and Constitutional Practice to work with the Ecumenical Officers in consultation with the Faith and Order Committee to produce guidance for superintendents when considering whether to give consent to Model Trust 14(2A) applications under SO 920(3).**