



FAQs

Licence

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Section A Introduction

The Licence FAQs explore general practical issues that Managing Trustees across the Connexion encounter with licences. If you have any questions on licences you may find these frequently asked questions to be a useful starting point. TMCP is happy to provide any further guidance that it can.

Section B Frequently Asked Questions

+ Q1 We have a really good relationship with our licensees and think that they will not accept the Standard Licence. Can we continue to use the form of licence we have always used?

A1 If the form of licence that you are using is different to the Standard Licence, you will need to send it to us for approval on behalf of the Connexional Team under Standing Order 931(3). Property contracts (including licence agreements) must have the approval of the Connexional Team. The easiest way to ensure that Connexional consent is in place is to use the current form of the Standard Licence. TMCP would not concur on behalf of the Connexional Team in the use of an older form of licence as it is important to ensure that current Methodist licensing best practice is followed. Please refer to FAQ 2 for an explanation of the rationale behind this and the importance of using the most up-to-date form of Standard Licence. This would be a great time to ensure that use of the Building by third parties was in compliance with Standing Orders. Please read the licence guidance notes and if you have any further questions, please [contact TMCP](#) and see the links below:

- [Licence Guidance 2 - Completing the Standard Licence](#)
- [Licence Guidance 3 - The Standard Licence Explained](#)
- [Licences](#)

+ Q2 Is there a short agreement we can use to renew the licence at the end of the licence period?

A2 In short, no. A new licence agreement must be entered into on or before the end of each Licence Period. Hopefully this will simply involve printing off the then current form of [Standard Licence](#), completing the Particulars Section and getting the agreement signed. The need to enter into a new agreement provides an opportunity for Managing Trustees to consider whether it is appropriate to enter into a new licence or whether a lease or alternative use of the space is in the best interests of the charity.

If the Managing Trustees decide that a new agreement should be entered into, the Managing Trustees need to ensure that the form of licence being used is the current version of the [Standard Licence](#). This means that it will then reflect current best practice and have deemed Connexional approval. This may also be an opportunity to revise the Licence Fee if appropriate.

Please ensure that you refrain from accepting payment of the Licence Fee between Licence Periods as this could lead to a periodic tenancy arising with its inherent risks (see FAQ 6). Use is not strictly under "licence"

if the licence has ended. If such a situation arises you are strongly advised to seek independent legal advice (see FAQ 4).

To try to avoid this situation please take steps to negotiate the new licence and arrange a convenient time for it to be signed by the Licensee in good time before the end of the Licence Period.

+ Q3 We sometimes need to use our church hall for funerals, do we need to include something in our licence agreements to enable us to cancel groups that usually use the hall at such times?

A3 The very nature of a licence is that Managing Trustees retain control and possession of the Premises and that use is shared. The Standard Licence states that the Licensee can use the Premises during the Permitted Hours, that is the hours set out in the Particulars except bank holidays; "or otherwise at the Managing Trustees' discretion." The Managing Trustees could use their discretion to suspend use in the event of a funeral etc.

Depending on the Licensee and the configuration of your building, it may be possible for you to allow the Licensee to use alternative space in the event of a funeral. (It may be acceptable for a knitting group, but not a play group, to meet in an adjoining room.)

You would, no doubt, want to manage the situation as sensitively as possible to maintain good relations with your Licensees whilst providing sufficient support and privacy to the funeral party.

In practice, whilst there is no contractual obligation to do so, the Managing Trustees would probably want to ensure that they gave as much notice as possible to any affected Licensees and offered alternative rooms or an alternative session altogether as appropriate. Managing Trustees may want to reimburse the Licence Fee for that session.

If the nature of your building and a particular daytime Licensee means that it would always prove difficult to offer alternative space/ times and you are not happy to rely on the ability to suspend use, you may want to explain the position with a proposed Licensee before entering into the licence. If the proposed Licensee objects to the possibility of their sessions being cancelled at short notice due to a funeral taking place, you may feel that such a Licensee would be unsuitable? Is the Licensee going to be easy to work with? Is the Licensee sympathetic to the Building's primary purpose?

In terms of including specific provisions to deal with practicalities of the situation, please ensure that you do not inadvertently limit the rights that are there already. Any amendments or additional provisions would need TMCP's approval on behalf of the Connexional Team under Standing Order 931(3). You can impose rules and regulations on your Licensee further to clause 3(n) of the Standard Licence if you feel this would help but note that these are obligations on the Licensee not the Managing Trustees.

Managing Trustees are perfectly entitled to suspend use or offer alternative accommodation under the Standard Licence but if you have concerns or your Licensee proves difficult, please consider taking independent legal advice.

+ Q4 What happens if the premises are damaged by fire? How do we honour 3rd party bookings and would we as Managing Trustees have to compensate the licensee?

A4 The Managing Trustees would need to speak to their insurer and assess the damage to help them to identify how long and which parts of the Building(s) are affected. The Managing Trustees will be dealing with many issues at this difficult time regarding how best to move forwards generally and hopefully dealing with third party users will not create additional problems for you.

Regarding third party users specifically, the terms of the Standard Licence should mean that you do not have to honour third party bookings or compensate third party users but please do obtain independent legal advice if you have any concerns or run into difficulties.

Your solicitors may point to the permissive nature of a licence, the ability to terminate on 4 weeks' notice (clause 5.1(c) of the Standard Licence), the right of Managing Trustees to move the Licensee to alternative accommodation under (clause 2.2(d) of the Standard Licence) and the definition of Permitted Hours being the set hours; "or otherwise at the Managing Trustees' absolute discretion". Your solicitors will be able to advise you how best to proceed particularly if the Licensee is unsympathetic to your predicament. Your solicitors will also be able to advise you on your liability and whether clause 8 of the Standard Licence - limitation of Managing Trustees' liability - will help you here.

In practice, as a first step you would probably want to contact the Licensee as soon as possible, advise them of the damage, offer alternative accommodation elsewhere on the church site if appropriate and keep the Licensee informed as to when the Premises should be available again, if at all. Ideally the parties would come to an amicable, mutually acceptable arrangement.

If the Licensee is unwilling to resolve matters informally or threatens to litigate, the Managing Trustees should contact TMCP for guidance on the requirements under Standing Orders where litigation is involved. In short, before becoming involved in any litigation; a resolution must be passed locally authorising the Managing Trustees to proceed to litigation, the Connexional Team must give permission and the Managing Trustees must be able to show that they have obtained legal advice on the issue and be able to provide a letter from their solicitor setting out the merits, risks and costs involved in taking any such action. The Managing Trustees would also want to obtain independent legal advice from a local solicitor as to their legal position.

+ Q5 Our user groups do not want to be liable for business rates. Can we delete clause 3(a)(iii)?

A5 In short, deletion will not be permitted. Clause 3(a)(iii) of the Standard Licence reflects best practice and user groups are only required to pay rates that become due because of their own use of the Premises. Please refer to Section C3.1 of [Licence Guidance 3 - The Standard Licence Explained](#) for an explanation as to why this clause has been included. Your Licensees can obtain advice from their own legal adviser or accountant if they have concerns. You may want to confirm whether or not rates are charged at present and that they would only be liable if the Premises were reassessed for business rates and rates charged due to the Licensee's own usage. There is also the option to terminate the licence under clause 5.1(c) of the Standard Licence. If there is a risk of the Building being reassessed for business rates due to a Licensee's use then Managing Trustees may want to satisfy themselves of the wider implications regarding their liability for business rates. Is it in the best interests of the charity to proceed?

+ Q6 We have been approached by a group who want to use two of our old school rooms as offices. They need the rooms Monday to Friday 9am to 6pm and want to store their computers and filing cabinets etc in there. They want to obtain Local Authority funding and need to show that they have use of the rooms for at least 3 years. Is this ok?

A6 The fact that the group wants to use the rooms Monday to Friday, 9am to 6pm and that they want to store equipment and use the Premises for three years, is strongly suggestive of exclusive possession. As discussed in [Section B of Licence Guidance 1 - When to use the Standard Licence](#), exclusive possession is indicative that the arrangement is a lease. Please read Section B for a discussion of the differences between a "lease" and a "licence".

TMCP would highly recommend that you obtain proper independent legal advice first as to whether a lease or licence would be more suitable in these circumstances. If your legal advisers recommend that a lease is more appropriate you should contact TMCP for guidance and precedent clauses.

It can be tempting to avoid the Charities Act 2011 and Methodist law and policy requirements for leasing Model Trust property. However, the burden of these requirements pales into insignificance given the problems that can arise if a third party user claims that they have a business tenancy/ lease, notwithstanding the label on the form documenting their use of church premises. Your solicitors would be able to explain why a licence is no substitute for a lease and will no doubt recommend that if a lease is required due to the user group's requirement for exclusive possession; a lease must be used and not a

licence. Your solicitors may discuss the fact that business tenants enjoy automatic rights to a new tenancy at the end of the term making it very difficult for Managing Trustees to regain possession of their church premises should their needs change in respect of the Building. Managing Trustees across the Connexion have faced such claims by user groups, particularly pre-school groups, and these have proved time consuming and expensive to overcome. As Managing Trustees, you will be anxious to protect the charity's assets and the Managing Trustees' freedom to use the Premises as you choose in the future meaning that you need to ensure that a protected periodic tenancy is not allowed to arise in default.

If your solicitors recommend that a licence can be used to document this arrangement and it is in the best interests of the charity to proceed on this basis, please ask them to send this recommendation to TMCP to place on file. They should advise the Managing Trustees as to whether there are any practical steps that the Managing Trustees should take, or things to avoid, to assert the fact that the arrangement is a licence and not a lease. This will be required before TMCP can consider the request for a 3 year Licence Period.

TMCP would not be prepared to concur with these proposals without sight of your solicitor's recommendations due to the risks involved in inadvertently granting a protected lease.

+ Q7 One of our licensees is a local charity and we do not want to charge a licence fee. Is this ok?

A7 As charity trustees, Managing Trustees are under a statutory duty to ensure that all arrangements are in the best interests of the charity. Methodist best practice is formulated on this basis. Please see comments on the Licence Fee in [Section C3.4 of Licence Guidance 2 - Completing the Standard Licence](#).

However, it could be that you believe that it is in the charity's best interests to let another charity use the space without charging a market licence fee, if you are confident that the charity licensee's aims and work reflect Mission purposes. As Managing Trustees you are best placed to obtain any further information that you require about the third party's work or aims to enable you to make an appropriate decision.

Even if the hiring fee is to be zero, the Standard Licence can still be used. If the Managing Trustees want the hire charge to be nil, the Licence Fee would then be whatever figure is deemed appropriate by the Managing Trustees to reflect anticipated utility costs. Whilst you may feel that it allows you to achieve Mission purposes by donating space, you would want to ensure that your own charity was not left out of pocket due to another user's use of church property whether or not that user is itself a charity. The charity licensee would be responsible for third party indemnity insurance etc like any other third party user.

+ Q8 A local Buddhist group has asked us if they can use our church hall every Saturday morning. We don't think we can allow non-Christian groups to use church premises is this correct?

A8 This is not necessarily the case and would depend upon what the group actually want to use the church premises for.

Managing Trustees may be aware of the restrictions imposed by the Equality Act 2010 namely prohibiting discrimination relating to certain "protected characteristics" in the provision of goods, services and facilities. These "protected characteristics" include religious belief. Although religious organisations are permitted to restrict use of premises due to religion or belief, the decision must be based on the proposed use and not the group itself i.e. because the group wants to worship on the premises rather than because the group is Buddhist.

The key question here is, what does the group want to use the Premises for and what does this actually involve? Does it involve "worship?" The Managing Trustees may need to ask for further information to deduce this. If the proposed use is something along the lines of "meditation and teachings," and based on the further information provided by the group, the Managing Trustees decide that this does constitute "worship," then this would not be permitted under Model Trust 14. Non-Christian worship is not permitted on Model Trust property. However, if the meditation and teachings proposed do not constitute "worship" then the Church Council needs to ask for further details to see whether the proposed meditation and teachings

would involve the group denying the doctrinal standards of the Methodist Church and/or the word of God. Even if the meditation and teachings were deemed not to be "worship," if the contents involved a denial of the doctrinal standards of the Methodist Church and/or the word of God, this would be contrary to Model Trust 14(3) and should be refused on this basis.

The Managing Trustees will be anxious to deal with the request as pragmatically as possible. A refusal due to proposed worship or the contents of the proposed meditation/ teachings can be dealt with in a letter explaining that Methodist premises are held on the Model Trusts and either non-Christian worship is not allowed under the terms of the Model Trusts or the Church Council do not feel that it is possible to allow use of the Premises for the proposed teachings/ meditation as they are concerned that it will deny the doctrinal standards of the Methodist Church and/or the word of God contrary to Model Trust 14(3).

Please note that if a non-Christian group wants to use church premises for a purpose involving no form of worship or use such as a talk, lecture or teachings that would not deny the doctrinal standards of the Methodist Church. i.e. a social gathering or club, this would be permitted under the Model Trusts. The Managing Trustees would need to consider the request like any other. Having regard to the Equalities Act 2010, it could be difficult to refuse. The Church Council need to ensure that the decision reached is based on the proposed use and NOT on the group itself.

+ Q9 We have been contacted by a yoga teacher who would like to use our premises for yoga classes 4 times a week. The income would be useful, is this ok?

A9 Some Circuits have their own policies on yoga so you may want to speak to your Superintendent first to see what the position is in your Circuit.

As far as TMCP is concerned, and as discussed in FAQ 8 above, the question is, what does the proposed use actually involve? As discussed above, does this involve any form of worship or any denial of the doctrinal standards of the Methodist Church?

The Managing Trustees would again want to handle the enquiry as delicately as possible and obtain as much information as they need to make a decision (based on the issues set out in answer to FAQ 8). The Managing Trustees may want to formulate a response also based on the suggestions set out in FAQ 8.

Please note that there are many different types of yoga class from solely exercise based classes to much more contemplative, meditation based sessions. Whether or not the class involves "worship" in its wider sense would not only depend upon the "type" of yoga being taught but on the way any particular teacher leads a session. You may be able to determine whether the proposed use is permitted under the Model Trusts by speaking to the potential Licensee or somebody who attends sessions held elsewhere by the same teacher/ leader.

Again please ensure that any decision is made on the basis of the proposed use and not the potential Licensee.

+ Q10 The user group wants to use cupboard space for storage of their possessions outside of the Permitted Hours. Can we give them the use of a cupboard and their own key?

A10 The Managing Trustees can allow Licensees to use cupboard space if necessary but it must be made clear that use of the cupboards is in common with the Managing Trustees and/or other Licensees. There is nothing stopping the Licensee from holding keys to enable them to lock their possessions in the cupboard(s) but the Managing Trustees must have copies of the key(s) to allow them and other Licensees (if appropriate) to access the cupboard(s). If other groups will not be sharing use of the storage cupboards, the Managing Trustees would need to ensure that they themselves were sharing use of the cupboard space in practice. It would also help if alternative storage cupboards could be allocated from time to time. Please ensure that any storage space is not used exclusively by a Licensee in practical terms as it is what happens in practice rather than what the agreement says, that is crucial.

In terms of the Standard Licence, it should be possible to allow the group to use cupboard space without making any amendments to the Standard Licence. You can simply insert a description of the cupboard(s) e.g. "the right hand cupboard under the stage" in the list of "Facilities" in the Particulars section of the Standard Licence. The non-exclusive nature of use is indicated by the reference to the Common Facilities being those facilities designated; "from time to time" by the Managing Trustees (Standard Licence clause 12.1) and reference to use being; "in common with the Managing Trustees and all others authorised..." in clause 1 of the Standard Licence.

+ Q11 A youth orchestra wants to use our hall for 4 days over the summer holidays. They need to be able to lock their musical instruments in the hall over night and will be using the premises each day between 9am and 4pm. Other groups will be using the church and other rooms that we have available both during the day and in the evening. Can we use the standard licence?

A11 Whilst there are characteristics of exclusive use, Managing Trustees may feel that the arrangement could still be seen as being a licence. Use is limited to just 4 days, Managing Trustees and other users will still be accessing and using the rest of the Building and the hours of use are limited, albeit items will be left over night. However, even if the arrangement was technically a lease, the usual concerns surrounding documenting exclusive use correctly, the risk of such a user gaining a legal right to a new lease under the [Landlord and Tenant Act 1954](#), and the difficulties in obtaining vacant possession that this would entail, would not apply here as use is for (much) less than 6 months. On balance, the Managing Trustees may feel that the Standard Licence could be used and if the arrangement was technically a lease then so be it. However, please do obtain independent legal advice on the issue and see if there are any particular points that need to be dealt with in the licence agreement. Due to the presence of potentially valuable objects on the premises over night, please also notify your insurer and see if they have their own requirements.

Please also note that the requirements under charity law and Methodist law and policy for a lease, are very different for a licence. If you feel that the arrangement is more akin to a lease than a licence, please refer to TMCP's [Granting a Non-Residential Lease to a Third Party page](#) for guidance on non-residential leases and ensure that the requirements are fulfilled. Is the orchestra connected to the charity? Is the fee being charged at market rate? Is consent in place? (Please note that whilst a licence does not need to be logged as a project on the Consents Website, nor consent entered for a licence, final consent must be in place before the grant of a lease.) If the Standard Licence is being used regardless, any amendments would require approval of TMCP on behalf of the Connexional Team as usual.

+ Disclaimer

Please note that this document is to provide guidance and assistance to Managing Trustees and their professional advisers. This guidance note is general in nature, may not reflect all recent legal developments and may not apply to the specific facts and circumstances of any particular matter.

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Please remember that Managing Trustees need to take advice that is specific to the situation at hand. This document is not legal advice and is no substitute for such advice from Managing Trustees' own legal advisers.

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