

Guideline Leaflet PM04: Letting a Manse in England

Churches can let empty residential property. This leaflet explains how churches can let their property on an Assured Shorthold Tenancy, with helpful guidance on rents, deposits, tenants, and the responsibilities of a landlord.

This Guideline Leaflet is regularly reviewed and updated. To ensure that you are using the most up to date version, please download the leaflet from the BUGB website at www.baptist.org.uk/resources

The date on which the leaflet was last updated can be found on the download page.

PM04: Letting a Manse in England

Important note. This leaflet only applies to property rented in England. For property rented in Wales, please see the leaflet PM08 (Letting a Manse in Wales)

These notes are offered as guidelines by the Legal and Operations Team to provide information for Baptist churches.

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[L17 Legal and Operations Team – Regulatory Information](#)

These notes can never be a substitute for detailed professional advice if there are serious and specific problems, but we hope you will find them helpful.

If you want to ask questions about the leaflets and one of the Baptist Trust Companies are your property trustees, you should contact them. They will do their best to help.

If your church property is in the name of private individuals who act as trustees they may also be able to help.

DECIDING TO LET

For various reasons a church may decide that it is right to let their manse. It may be that the minister and the church have agreed that the minister will live in the minister's own property.

Perhaps the church is at present without a minister and it looks as though it may be some time before a settlement is achieved. Or it may be that the church feel they are no longer able to support a minister and can see no prospect of being able to do so in the immediate future. Whatever the reason the possibility of letting the manse will first be discussed by the Charity Trustees (usually the minister, deacons, elders or Leadership Team).

If the reason for letting is because the minister is living in another property which is owned by the minister, either alone or jointly with the church, then you should also read PM03 *Shared Ownership of a Manse* and F01 *Leasing a Property (owned in whole or in part by a Minister) to a Church for use as a Manse*.

You may think that there really is no prospect of the church being able to support full-time pastoral ministry – at least in the foreseeable future. If that is the case you may want to consider selling the manse and you will find it helpful to refer to leaflet PM02 *Selling a Manse*, but before taking any action the church is recommended to consult the Regional Minister for the area.

The Charity Trustees (usually the minister, deacons, elders or Leadership Team) should appoint one of their number, or perhaps some other suitably experienced church member who has the confidence of the church, to act as the contact person for the whole process.

The proposals must be discussed by a Church Members' Meeting. In most churches the Trust Deeds or the Constitution require property matters to be considered by a Special Church Members' Meeting. This usually means that notice of the meeting, and an indication of the purpose of the meeting, must be given at the services on two previous Sundays.

To be successful a resolution at a Special Church Members' Meeting must usually have the support of at least two-thirds of the members personally present, entitled to vote, and voting at the meeting. It is important to check what your church Constitution (governing document) requires in your church.

It will be best if the members resolve in principle to let the manse and leave it to the Charity Trustees to agree all the details.

If the manse is mortgaged the church will need to obtain the consent of the Building Society or other lender.

When the legal ownership of the manse is in the name of the Baptist Union Corporation, as Holding Trustees for the church, it is usual for all documents relating to a long term letting arrangement to be signed on behalf of the Baptist Union Corporation.

However, it is thought to be more convenient, for short residential lettings to be dealt with by the Charity Trustees. The documents should be in the name of the church and signed on behalf of the church by (say) the church secretary. The Baptist Union Corporation are only happy for this to be done for lettings created as an Assured Shorthold Tenancy.

AVOIDING PITFALLS

Difficulties easily arise with the letting of residential property, bearing in mind that in due course the church will need to regain possession. Unless good professional advice is obtained and the letting is properly documented it may be found that the tenants are unwilling to leave at the end of the agreed term and the courts unable to evict them – which could be disastrous for the church and an embarrassment to all concerned. **A church that enters into a tenancy without properly documenting it is also likely to be unaware of and/or fail to observe the legal obligations that must be complied with in relation to the tenancy - something which could trigger financial penalties.**

ASSURED SHORTHOLD TENANCIES

Under the law as it currently stands, an Assured Shorthold Tenancy allows property owners to let residential property with the knowledge that they will be able to regain possession at the end of the agreed term. This is primarily because a landlord of a property let under an assured shorthold tenancy has the right to serve a notice under section 21 of the Housing Act 1988 to terminate the tenancy. This process is sometimes called a 'no-fault' eviction. Assured Shorthold Tenancies may be furnished or unfurnished. Although they can now be granted for any period a landlord has no right to recover possession of the property earlier than six months from the start of the tenancy. The owners will remain responsible for the structure, for external repairs and maintenance and for insurance. All other matters, including the payment of outgoings should be made the responsibility of the tenants.

The following are some of the essential points to bear in mind:

- BEFORE potential tenants are allowed to move into the property proper documentation must be completed. If a tenant is allowed into possession before the Agreement is signed there could be disagreement as to the terms of the Tenancy which could even prevent the church from recovering possession when it wanted the property back.
- We strongly recommend that any tenancy agreement is prepared by a solicitor or professional firm of Agents, Surveyors or Letting Agents.

In light of increasing regulatory demands on residential landlords, we recommend that the church appoints a professional agent to let and manage the tenancy, although there will be cost implications.

- The Tenancy Agreement will be prepared in duplicate. One copy will be signed on behalf of the church and the other copy will be signed by the tenants. If the letting is furnished an inventory needs to be prepared detailing the items at the property. A copy of the inventory must be attached to each copy of the Tenancy Agreement and also signed by the persons signing the

Agreement. The signed Agreements will then be exchanged so that the church or their agent has the copy signed by the tenants and vice-versa.

- Even if the term of the tenancy is fixed it does have to be brought to an end by the church serving on the tenants a notice – in a prescribed form. Under the current law, the notice has to be served two months before the end of the term. If the notice is not served the tenants will continue to have the benefit of the tenancy until a notice is served by the church giving at least two months' notice and which expires on the last day of a rental period. **This is the current law but there are Government proposals to remove the right to serve a 'no fault' eviction notice. (Please see below).**
- Even if all the documentation is correctly dealt with and the notices properly served if the tenants refuse to leave they cannot be evicted without an order from the court.

PROPOSED LAW REFORM - ABOLITION OF 'SECTION 21' OR 'NO-FAULT' EVICTIONS AND THE DESIRABILITY OF A 'GROUND 5' NOTICE

The Government has announced that it intends to introduce a range of reforms that would give more rights to tenants. One such reform will be to abolish 'no-fault' or 'section 21' evictions. For those interested in reading further on this please see: <https://www.gov.uk/government/publications/a-fairer-private-rented-sector/a-fairer-private-rented-sector>

and

<https://www.gov.uk/government/consultations/a-new-deal-for-renting-resetting-the-balance-of-rights-and-responsibilities-between-landlords-and-tenants/outcome/a-new-deal-for-renting-government-response>

As we understand it, there is currently no firm date set for these reforms to come into force. The Government has said that the abolition of no-fault evictions will be implemented in two stages. The Government say they will give 6 months advance notice of the first implementation date when no-fault evictions will be abolished in relation to all new tenancies entered into on or after that date. We are told that there will then be at least 12 months before the second implementation date when no-fault evictions will be abolished in relation to the continuing assured shorthold tenancies that were in existence before the first implementation date. This process should enable churches to take appropriate action in good time so we see no need for concern at this stage.

When the proposed change becomes law, a landlord will only be able to recover possession by claiming that one or more of the new statutory grounds for possession are satisfied. The Government says these will include serious rent arrears, antisocial behaviour and where the landlord wishes to sell the property. In addition, the Government says that a ground for possession relating to occupation by a minister will be available where: The property is 'held for a religious minister' and it is 'needed for that purpose'. The ground will be available on the condition, however, that 'the landlord must warn the tenant that the ground may be used in the tenancy agreement'. We will have to see the exact wording of the legislation when this becomes available.

It has been a longstanding provision of the *current* assured shorthold tenancy legislation that, provided that an appropriate notice (called a 'ground 5 notice' (under the Housing Act 1988 Section 7 Schedule 2 Part I Ground 5)), is served before the commencement of an assured shorthold tenancy, the property should be capable of being recovered for the purposes of housing a minister. The conditions for this are: that the property is held for the purpose of being available for occupation by a minister of religion as a residence from which to perform the duties of his or her office, and not later than the beginning of the tenancy the landlord gave notice in writing to the tenant that possession might be recovered on this ground; and the court is satisfied that the dwelling-house is required for occupation by a minister of religion as such a residence.

We do not currently know precisely how the new legislation will be worded and how it will treat existing tenancies after the second implementation date where there has been a valid 'ground 5' notice under the existing law. However, we would hope that previous 'ground 5' arrangements will remain valid once the new law applies. On that basis, it seems prudent to advise that any churches that are currently in the process of renewing or granting a new assured shorthold tenancy should ensure that their agent or solicitor serves a valid 'ground 5' notice upon the tenant(s) prior to the tenancy agreement being completed. The same goes for any churches who will be renewing or granting such a tenancy at some future point before the new law comes into force. (Please contact us if your agent does not know what a 'ground 5' notice is).

Churches should, as an added precaution, ask their agent or solicitor to consider whether to include a clause in the assured shorthold tenancy agreement which will additionally seek to make that tenancy agreement as compatible with the ground in the proposed new legislation as it can be on the basis of the information known so far. (It appears that that the new ground differs from the old 'ground 5' in that the 'ground 5' notice requires the service of a separate notice *before a tenancy is completed* and the new ground may simply require the landlord to 'warn the tenant that the ground may be used *in the tenancy agreement*'. We will leave it churches' solicitors and agents to come up with wording that they are happy with (if, indeed, they wish to include any such wording). We would advise, however, that any such clause should be *in addition to* the service of a valid 'ground 5' notice.

As for all existing assured shorthold tenancies where there is no current intention for the tenancy to be renewed or terminated in the foreseeable future, churches should check whether a valid 'ground 5' notice was served before completion of the tenancy. Some agents or solicitors acting for churches may already have served a ground 5 notice as a matter of course. However, because of the availability of the s21 'no fault' procedure this may not always have been the case. Churches are strongly advised to ask their agent or solicitor (if they have one) whether a 'ground 5' notice was served in relation to any existing assured shorthold tenancy or to check their own records.

Where a valid 'ground 5' notice has been served in relation to an existing assured shorthold tenancy before that tenancy was granted, it would appear that no further action need be taken at this stage.

However, where there is an assured shorthold tenancy in place without there being a valid ground 5 notice being served before the tenancy came into effect then, some action will need to be taken in due course so that the church can preserve the option of recovering the property for the use by a minister once the new law comes into force.

In the basis of the information we currently have, churches who are landlords under an assured shorthold tenancy where no valid 'ground 5' notice was served before the tenancy came into effect will have to consider their position carefully nearer the time of new law coming into force. If they think that they will need possession of a tenanted property within the foreseeable future, they may wish to simply terminate the tenancy by using the no-fault procedure prior to the date that the new law would make a no-fault eviction impossible. Alternatively, if the church is happy for a tenant to remain in possession, the church could seek to negotiate a new assured shorthold tenancy with its tenant. If the tenant co-operates, then the church may enter into a new assured shorthold tenancy but first serving a 'ground 5' notice (and, ideally, including wording that may be compliant with the equivalent ground in the new law). We recommend that such a tenancy be entered into before the new law comes into force so negotiations should start in good time. If the tenant does not co-operate by entering onto a new tenancy agreement that can be terminated on 'ground 5' the church should probably serve a no-fault eviction notice to terminate the existing tenancy. This may focus the tenant's mind and cause them to enter into a new assured shorthold tenancy where the church has first served a ground 5 notice before the coming into force of the new law. In such circumstances, if no new tenancy agreement is entered into, the tenant will have to leave. We do not currently advise that a tenant be allowed to remain on an assured shorthold tenancy in respect of which no valid ground 5 has been previously served. This is so

that the church can recover possession of the manse in the event that it wishes to house a minister in the future. We see no urgency for any such actions to be taken yet, however, as the start date of the new legislation has not been announced.

In any event, if a church is expecting to need its manse to house a minister shortly after no fault evictions are abolished, the church may wish to simply terminate the tenancy prior to the new law coming into force to ensure that the property is available to the minister in good time.

The above advice is based on an educated guess of how things may proceed, However, it is, of course, possible that the new law may not preserve the validity of existing 'ground 5' notices or, as part of the legislative process, the wording of the new 'ministerial occupation' ground for possession could be worded in a different way. Because of this uncertainty, churches may wish to wait for further detail before taking action. Needless to say, once we have more information we will update this guidance.

SETTING THE RENT

An essential point to bear in mind is that the law regards a Baptist church as a charity. This means that in letting property – including a manse – the Baptist Union Corporation, as Holding Trustees, and the diaconate, as Managing Trustees, must act in accordance with the provisions of the Charities Act 2011.

The Act requires trustees, in dealing with a letting such as this, to obtain and consider advice on the tenancy from 'a person who is reasonably believed by the trustees to have the requisite ability and practical experience to provide them with competent advice on the proposed disposition'. Having obtained this advice the Act requires the trustees to be satisfied that the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity, in all the circumstances.

Sometimes there will be somebody in the church who has a good knowledge of local rental values and can advise on the amount of rent to be charged. If that is not the case you must obtain advice from a property letting agency or a local estate agent.

The church may want to consider letting the property at less than the market rent – for example to a family in the community who are in particular need or perhaps to a retired minister or some other Christian worker. It must be remembered, though, that if the letting is at the market rent the tenant may well be able to obtain housing benefit so that in effect the rent is being paid from public sources. This will mean that both the tenant and the church are truly benefiting from the letting of the manse. The church could make donations out of their benevolent fund from time to time to the tenant if the tenant was in need and unable to obtain support from public funds.

Normally the rental income can be used for the general purposes of the church. On very rare occasions old trust documents specify alternative arrangements.

DEPOSITS

With effect from 6 April 2007 the church or letting agency will be required to join a government scheme which protects tenant's deposits. A letter must be sent to the tenant within 14 days of receiving a deposit stating:

- (a) Where the deposit is being held/which scheme.
- (b) How the landlord has complied with the scheme's initial requirements.
- (c) How the Housing Act 2004 applied to their deposit.

Churches are strongly recommended to employ letting agents who will be responsible for taking such deposits and complying with the requirements of the scheme.

At the end of the tenancy the deposit should either be returned to the tenant or retained or apportioned by agreement. Interest can either be paid to the tenant or retained as specified in the tenancy agreement.

UNLAWFUL TENANT FEES

Landlords of property are prohibited from requiring residential occupiers under assured shorthold tenancies, licences and certain other occupation agreements which been entered into on or after 1 June 2019 from making payments other than those permitted by the Tenant Fees Act 2019. (From 1 June 2020 any existing assured shorthold tenancies and other qualifying occupancy agreements will also be subject to the new law even though they were entered into before 1 June 2019).

Under the new law, the payment of rent is permitted but during the first year of the tenancy the landlord cannot charge a higher rent for the first month(s) of the tenancy and the rent should normally consist of equal payments over the whole first year. (There are certain exceptions eg where rent is reviewed in accordance with a rent review clause in the tenancy agreement). A landlord can charge a refundable tenancy deposit but this is capped (in most cases at five weeks rent). Payments for utilities that tenants consume are permitted but a Landlord is still not permitted to over-charge. Certain default and other charges are also permitted, subject to caps.

Further information can be found in government guidance at:

<https://www.gov.uk/government/collections/tenant-fees-act>

and more detailed information can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/791273/TFA_Guidance_for_LandlordsAgents.pdf

Certain restrictions apply to the termination of assured shorthold tenancies to which the new law applies where a landlord has retained a prohibited payment and breaches of the Act can result in financial penalties or even criminal liability. We therefore recommend churches use a reputable letting agent to ensure compliance.

GAS SAFETY CERTIFICATES

If a church will be letting a manse which has any gas appliances the church must have an annual gas safety check carried out by a Gas Safe registered engineer and it should undertake such a check before the property is occupied by a tenant. The church's letting agent or utility company may be able to assist in arranging the necessary check. For assured shorthold tenancies starting on or after 1 October 2015, the tenant must be provided with a Gas Safety Certificate.

ELECTRICAL SAFETY STANDARDS

The Electrical Safety Standards in the Private Rented Sector Regulations 2020 require mandatory electrical inspection and testing from for tenancies starting on or after 1st July 2020. From 1st April 2021 this duty will apply to all existing tenancies. A church must arrange for every electrical installation to be inspected and tested by a suitably qualified person before letting a manse, and throughout the tenancy at regular intervals of no more than five years, to ensure that electrical safety standards are met. All electrical appliances provided must be safe too. The church's property letting agents and utility company may be able to assist in arranging the necessary inspection and testing.

The person carrying out the test will prepare an Electrical Installation Condition Report. A copy of the report must be supplied to new tenants before they occupy the property and to existing tenants within 28 days of the date of inspection. Any remedial works required must be completed within 28 days of the date of inspection and a written report sent to the tenant confirming that the work has been done to the correct standard. Breaches of the Regulations can result in the local housing authority taking

remedial action itself and charging it back to the landlord or imposing a financial penalty of up to £30,000.

The Government has published helpful guidance for landlords which can be found here:

<https://www.gov.uk/government/publications/electrical-safety-standards-in-the-private-rented-sector-guidance-for-landlords-tenants-and-local-authorities>

FITNESS FOR HUMAN HABITATION

Any assured shorthold tenancies granted on or after 20 March 2019 will contain an implied landlord's obligation that the dwelling will be fit for human habitation at the outset and that it will remain so throughout the tenancy. (For any periodic assured shorthold tenancies in existence before 20 March 2019, the obligation applies from 20 March 2020. When a fixed term assured shorthold tenancy has been granted before 20 March 2019 and expires after that date, any statutory periodic tenancy that may arise at the end of the fixed term will immediately be subject to the fitness for human habitation obligation). The vast majority of landlords already ensure that the property they rent out is fit for human habitation so this change in the law will have no impact on them. Fitness for human habitation is determined in relation to: repair; stability; damp; internal arrangement; natural lighting; freedom from ventilation; water supply; drainage and sanitary ware; facilities for preparation and cooking of food and for the disposal of waste water; and other health and safety hazards.

The obligation does not apply, e.g. where the dwelling is unfit for human habitation due to a breach of the tenant's obligations in the lease. Nor is a landlord required to undertake works for which the tenant is responsible under an obligation to use the property in a tenant-like manner (e.g. unblocking a sink if blocked by waste) or where, despite the landlord's reasonable endeavours, a necessary third-party consent could not be obtained. In the unlikely event that the church is aware of an issue that might render a property which it is letting unfit for human habitation and for which the church is responsible, it should take appropriate action within a reasonable time. The church (or a person authorised by it in writing) has the right to enter the property upon at least 24 hours' notice at reasonable times of the day to view its condition and state of repair.

Where a landlord does not comply with its duties, the tenant could take court action to force the church to comply and/or pay compensation (including the tenant's legal costs). The tenant's rights are in addition to those that the local authority may have in relation to housing health and safety hazards e.g. to serve an improvement notice.

ENERGY PERFORMANCE CERTIFICATES (EPC) AND MINIMUM ENERGY EFFICIENCY STANDARDS

It is a legal requirement from October 2008 for all landlords who let residential properties to provide potential tenants with a report about the energy efficiency of the premises. This can be arranged by many property letting agents on behalf of the Church or, if the church prefers, can be arranged directly through by appropriately qualified Domestic Energy Assessors (DEAs). Prices can vary from approximately £50.00 - £120.00 for the certificate. An EPC lasts the church for ten years and needs only be done once within this period. A further certificate will be required on expiry of the ten year period if the property is still to be let to tenants. For assured shorthold tenancies starting on or after 1 October 2015, the tenant must be provided with an EPC.

Subject to certain exceptions, no one may grant a tenancy of domestic premises (including the extension or renewal of any existing tenancy) where the property being let does not meet 'the minimum energy efficiency standard'. A property will not meet this standard where it has an EPC below band E (ie band F or G).

From 1 April 2019 landlords must fund any necessary energy efficiency improvements costing up to a capped figure out of their own money if no alternative funding is available. The cost cap is £3,500 minus certain permitted deductions. A landlord is permitted to reduce the cost cap (and therefore the amount that the landlord may have to spend) by any sum, including any VAT, spent by the landlord on 'unregistered energy efficiency improvements' made to the relevant property at any time from 1 October 2017. (See below for information on the exemptions register). It is the cost of purchase and

installation of a necessary energy improvement including any VAT that is compared to the cost cap when determining whether the landlord has to fund that improvement (in the absence of other funding).

Funding from a Green Deal plan and other sources of funding (such as Central or Local Government grants) may be available to help a landlord bring a sub-standard property up to the relevant standard. For general information on energy efficiency funding, landlords can visit the government's website for online energy advice at: <https://www.gov.uk/improve-energy-efficiency> . For more details about Green Deal energy saving measures please see <https://www.gov.uk/green-deal-energy-saving-measures> . Details of a local Green Deal Provider can be found at <https://gdorb.beis.gov.uk/find-a-green-deal-supplier/> .

Churches should check the EPC that relates to any property which is being let (or is intended to be let). Where the property does not meet rating E or above, the church should investigate the availability of funding for improvements. Depending on the availability of funding, churches should also investigate what works might be undertaken wholly or partially at the cost of the church and how much these may cost. If funding is available or works that would cost less than the cost cap could be undertaken, the church or its agent should speak to its tenant(s) (and any other person from whom permission may be needed (eg a mortgage company)) about obtaining their consent to the church undertaking an assessment of the property and/or improvements to improve the energy rating to at least the minimum standard.

If a church is letting (or wishes to let) a property that does not meet the minimum energy efficiency standard it must take action before any tenancy is renewed (or the property is let). A church must either improve the EPC rating of the property to band E or above or register an exemption (free of charge) on the National PRS Exemptions Register. More details about how to do this can be found at: <https://www.gov.uk/government/publications/the-private-rented-property-minimum-standard-landlord-guidance-documents>

Broadly speaking, exceptions or exemptions include cases where:

- all the relevant energy efficiency improvements that can be made have been made (or there are none that can be made) and the property's energy performance indicator is still below E;
- the cost of purchasing and installing a recommended energy efficiency measure is more than the cost cap;
- the church cannot obtain a necessary third party consent to any relevant energy efficiency improvement being made (eg from the tenant);
- a report is obtained from an independent RICS surveyor which states that making the relevant energy efficiency improvements would result in a devaluation of the property of more than 5%

There are also other exemptions relating to wall insulation and recently becoming a landlord. Some exemptions last for five years but some are for a shorter period. In all cases a church will have to register an exemption in order to rely upon it. A church should also diarise the expiry of any exemption relied upon especially where Charity Trustees are likely to change during that period, so that the church can re-assess the situation and, if necessary re-register another exemption in good time.

Revised Government guidance goes into more detail about the rules and the evidence needed for an exemption to be registered. It can be found here:

<https://www.gov.uk/government/publications/the-private-rented-property-minimum-standard-landlord-guidance-documents>

Churches with long-term arrangements in place should be aware that they will be unable to continue to let property on an existing tenancy after **31 March 2020** if that property does not meet the minimum energy efficiency standard and no exemption applies.

The law provides for civil penalties (fines) for non-compliance with the regulations.

As mentioned at the beginning of this leaflet, we recommend that a church considers appointing a managing agent to help the church meet its legal obligations.

THE SMOKE AND CARBON MONOXIDE ALARM (AMENDMENT) REGULATIONS 2022

Churches need to be aware that from 1 October 2022 the new Smoke and Carbon Monoxide Alarm Regulations apply to their manses and any other residential properties that are let.

Private sector landlords are required from 1 October 2022 to have at least one smoke alarm installed on every storey of their property where there is a room used as living accommodation and a carbon monoxide alarm in any room containing a fixed combustion appliance (e.g. a coal fire or wood burning stove, but excluding gas cookers). After that, the landlord must make sure the alarms are in working order at the start of each new tenancy.

Additionally, the regulations require that Landlords must repair and replace smoke and carbon monoxide alarms when they have been notified by tenants that they are faulty.

The requirements will be enforced by local authorities who can impose a fine of up to £5,000 where a landlord fails to comply with a remedial notice. Churches need to ensure that their manses comply with these requirements whether they are occupied by a minister or by any other tenant.

A detailed and helpful Q&A booklet is available here:

<https://www.gov.uk/government/publications/smoke-and-carbon-monoxide-alarms-explanatory-booklet-for-landlords>

HOW TO RENT GUIDE

For assured shorthold tenancies starting on or after 1 October 2015, the tenant must be provided with a copy of the 'How to Rent Guide'. This can be found at:

<https://www.gov.uk/government/publications/how-to-rent>

HOW TO LET GUIDE

The Government has produced a helpful guide summarising key responsibilities and other information. It can be found here:

<https://www.gov.uk/government/publications/how-to-let>

FINDING SUITABLE TENANTS

A property letting agency or local estate agents may have people on their books – but will probably want to charge a commission for introducing them to the church.

The final selection of a person or a family to occupy the manse is a something for which the diaconate will be responsible. The Charity Trustees may want to arrange for the prospective tenants to be interviewed so that they can assess their suitability and to take up references.

'RIGHT TO RENT' CHECKS

The Immigration Act 2014 contains measures to prohibit private landlords of residential properties from allowing certain people to occupy those properties. The prohibition is based on the immigration status of the occupiers and affected landlords will have to check the status of prospective tenants, and other authorised occupiers, to ascertain whether they have the right to occupy the premises before granting a tenancy or permission to occupy. Affected landlords must also make sure that someone's right to rent their premises does not lapse.

From 1 February 2016 private landlords have to check new tenants and lodgers have the right to be in the UK before renting out their property. The Right to Rent was introduced in the Immigration Act 2014 as part of the government's reforms to build a fairer and more effective immigration system.

Affected Landlords who fail to check a potential tenant's Right to Rent will face penalties of up to £3,000 per tenant. It should, however, be fairly straightforward for people to give evidence of their right to rent and a range of commonly available documents can be used.

Landlords affected by this will have to:

- 1 Check which adult tenant(s)/lodger(s) will live in the property as their only or main home;
- 2 Ask the tenant(s)/lodger(s) for the original document(s) that show they have the right to live in the UK;
- 3 Check the documents are genuine and belong to the tenant/lodger in the presence of the tenant/lodger;
- 4 Make and keep copies of the documents and record the date the check is made.

Where a tenant/lodger's permission to stay in the UK is time limited, an affected landlord must make a further check just before either the tenant/lodger's right to stay expires or 12 months after the previous check, whichever is later.

Further information is available at: <https://www.gov.uk/check-tenant-right-to-rent-documents>.

A user guide to Right to Rent document checks with pictures of specimen documents evidencing the Right to Rent and a printable checklist can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492734/6_1193_HO_NH_Right-to-Rent-Guidance_v8.pdf

It has been publicised that, in March 2019, the High Court ruled that the legislation relating to the 'right to rent' scheme was incompatible with the European Convention on Human Rights. This was, in part, due to the scheme's discriminatory effect. However, until the Government amends the relevant legislation, it will remain in force. This means that, for now, churches letting property will still have to comply with the landlord's 'right to rent' obligations. The church must, of course, balance this responsibility with the church's obligations in relation to equality (see below).

EQUALITY ISSUES

Churches may have concerns about the way their property is used by their tenants.

Discrimination on grounds of race, gender or disability is illegal.

From March 2007 the Sexual Orientation Regulations have also made it unlawful to discriminate in the provision of goods and services on the grounds of sexual orientation. However, there is an exemption for religious organisations who may want to choose tenants for church properties. The exemption applied to qualifying organisations who may feel it is necessary to discriminate in order:

- a) To comply with the doctrine of the organisation;
- b) To avoid conflict with the strongly held religious convictions of a significant number of the religion's followers.

COMPLETING FORMALITIES

Because of the complexities of residential lettings – and because the implications can be very serious indeed if things go wrong – the Baptist Union Corporation strongly recommend that all documents are prepared and completed by a professional firm of estate agents, letting agents or local solicitors.

Provided the Agreement is for an Assured Shorthold Tenancy local solicitors could be instructed.

MANAGING THE LETTING

Once all the documents have been completed and the tenants have moved in there are certain matters for which the diaconate, as Charity Trustees, are responsible:

- Arrangements must be made for the rent to be paid on the dates on which it is due – and action taken if any payment fails to be made. It is not good stewardship to allow arrears to accrue.
- From time to time the property should be inspected to make sure that it is being properly cared for by the tenants in accordance with their obligations in the Tenancy Agreement.
- A notice – in the prescribed form – must be served on the tenants two months before the end of the term so as to bring the tenancy to an end.
- The manse must be kept in a safe condition. Regulations relating to safety of gas and electricity installations must be observed. Advice on the up to date regulations can be obtained from gas and electricity suppliers or an approved contractor from the Gas Safe Register www.gassaferegister.co.uk or a qualified electrical contractor.
- Upholstered furniture and bedding let with the manse must satisfy modern safety standards.
- The church's insurance policy on the property must give the appropriate cover and the policy kept in force.

COMMUNAL HEATING IN PREMISES WITH MULTIPLE OCCUPANCY

The Heat Network (Metering and Billing) Regulations 2014 as amended impose obligations on landlords of some multi-let buildings who provide communal heating, hot water or cooling systems. This affects all residential and commercial premises with multiple occupiers supplied with heat by a communal or district heating system. There was an obligation on heat suppliers to notify the National Measurement and Regulation Office (NMRO) of existing systems by 31 December 2015 and thereafter to notify the NMRO of new systems before the first date of operation.

From 31 December 2016 there is an obligation on a heat supplier to ensure that individual meters are installed in all buildings with a communal heating system (where it is cost-effective and technically feasible – see below) to accurately measure, memorise and display the consumption of heating, cooling or hot water to each final customer in the building and install temperature control devices for each final customer. However, the Government is in the process of revising how cost-effectiveness is determined and it has advised that, pending resolution of this, no further assessments should be undertaken.

There is a risk of civil or criminal sanctions for non-compliance with the regulations.

LONGER LETTINGS AND LETTINGS NOT AT THE MARKET RENT

There may be circumstances in which the church want to let the manse for longer than one year or allow the manse to be used by a retired minister or a Christian worker. If that is the case more stringent rules apply under the Charities Act and contact should be made with the Baptist Union Corporation who will be happy to advise the church further.

LETTINGS TO THE CHURCH CHARITY TRUSTEES OR OTHER 'CONNECTED PERSONS'

If the church is considering letting property to a 'connected person' it may need to first seek the authority of the Charity Commission. 'Connected persons' include the church charity trustees and certain family members of these as well as any employees of the church charity and their spouses/civil partners. No Charity Commission consent will be required in relation to a letting by a church to a church employee of a dwelling for the employee to use as their home where this is either for a fixed term of one year or less or where the tenancy is a periodic tenancy and the period is no greater than a year. A church considering such an arrangement may wish to contact us for further guidance.

THE CORPORATION'S EXPENSES

Although all expenses incurred by the Baptist Union Corporation on behalf of a church are the responsibility of the church we normally make no charge for the many services and advice we provide for the Baptist churches in trust with us. We are pleased to be able to help. When we are involved in a property sale or purchase the church concerned is asked to make a voluntary contribution towards our expenses. However, this does not apply to short-term lettings (although we always welcome any donation towards our office expenses. This means that we are free from being a charge on Home Mission – indeed we aim to contribute to the Home Mission budget each year).

ENVIRONMENTAL CONSIDERATIONS

As part of our call to share in God's mission to all of creation, when considering maintenance and development of church premises, manses and land, we should include a consideration of the environmental impact. Statutory requirements will mandate adherence to a range of environmental standards but churches are also urged to take a broader view of the impact of the use of their property and development of their buildings on the environment, seeking to make them and church life in general as sustainable and environmentally friendly as possible. Churches considering projects such as building insulation, solar panels or heat pumps should take a balanced view, giving thought not only to the proposed environmental benefits but also to any wider consequences, including costs, and seek professional advice before proceeding, to ensure that they are acting in the best interests of the church charity.

The Baptist Union Environmental Network ('BUEN') webpage [here](#) has links providing general advice regarding buildings and land. Further advice can be found in the Baptist Union's [Transform leaflets](#) in the "Environmental Issues" section. Churches may wish to undertake their own environmental audit using online resources such as the survey provided by A Rocha for their [Eco Church scheme](#) or BMS Worldmission's [Carbon Calculator](#), but appropriate professional advice should always be sought in connection with the planning of any building works or projects. Grants may be available from national and local governments.

CHECKLIST FOR CHURCHES - LETTING A MANSE

- ❑ Charity Trustees give initial consideration to proposal to let the manse.
- ❑ Consult with the Regional Minister for your area.
- ❑ Consult with the Baptist Union Corporation if contemplating letting for longer than two years, or other than an Assured Shorthold Tenancy, or less than market rent.
- ❑ Appoint contact person who communicates with the Baptist Union Corporation.
- ❑ Check requirements of Building Society or other lender if manse is mortgaged.
- ❑ Consider requirements for Special Church Members' Meeting.
- ❑ Hold Special Church Members' Meeting.
- ❑ Confirm to the Baptist Union Corporation that an appropriate agency or solicitor will act on behalf of the church in preparing the Assured Shorthold Tenancy Agreement.
- ❑ Check manse for safety, particularly that electric wiring, gas appliances and any furniture complies with safety requirements, obtain Energy Performance Certificates.
- ❑ Check church's insurance policy.
- ❑ Obtain advice on rent to be charged.
- ❑ When tenants are selected send full details to your agents or solicitors with a copy to the Baptist Union Corporation.
- ❑ Ensure that 'Right to Rent' checks are carried out.
- ❑ Ensure that all appropriate written documentation required to be given to the tenant(s) is duly provided.
- ❑ Ensure that a valid 'ground 5' notice (Housing Act 1988 Section 7 Schedule 2 Part I Ground 5) is served upon the tenant before completion of the tenancy agreement.
- ❑ Following completion of the documentation arrange for collection of rent, periodic inspection of the property and service of notice to bring tenancy to an end.
- ❑ Deposits to be treated in accordance with the Regulations.

Association Trust Company	Contact
Baptist Union Corporation Ltd East Midland Baptist Trust Company Ltd	Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700
Heart of England Baptist Association	Heart of England Baptist Association 480 Chester Road Sutton Coldfield B73 5BP Office Mobile: 0730 505 1770
London Baptist Property Board	London Baptist Association Unit C2 15 Dock Street London E1 8JN Telephone: 020 7692 5592
Yorkshire Baptist Association	17-19 York Place Leeds LS1 2EZ Telephone: 0113 278 4954
West of England Baptist Trust Company Ltd	West of England Baptist Trust Company Ltd Little Stoke Baptist Church Kingsway Little Stoke Bristol BS34 6JW Telephone: 0117 965 8828

This is one of a series of *Guidelines* that are offered as a resource for Baptist ministers and churches. They have been prepared by the Legal and Operations Team and are, of necessity, intended only to give very general advice in relation to the topics covered. These guidelines should not be relied upon as a substitute for obtaining specific and more detailed advice in relation to a particular matter.

The staff in the Legal and Operations Team at Baptist House (or your regional Trust Company) will be very pleased to answer your queries and help in any way possible. It helps us to respond as efficiently as possible to the many churches in trust with us if you write to us and set out your enquiry as simply as possible.

The Legal and Operations Team also support churches that are in trust with the East Midland Baptist Trust Company Limited.

If your holding trustees are one of the other Baptist Trust Corporations you must contact your own Trust Corporation for further advice. A list of contact details is provided above. If you have private trustees they too should be consulted as appropriate.

Contact Address and Registered Office:

Support Services Team, Baptist Union of Great Britain, Baptist House, PO Box 44,
129 Broadway, Didcot OX11 8RT
Tel: 01235 517700 Fax: 01235 517715 Email: legal.ops@baptist.org.uk
Website: www.baptist.org.uk Registered CIO with Charity Number: 1181392

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