



## Guideline Leaflet PM08: Letting a Manse in Wales

Churches can let empty residential property. This leaflet explains how churches can let their property on a standard occupation contract, 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](http://www.baptist.org.uk/resources)

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

## PM08: Letting a Manse in Wales

**Important note. This leaflet only applies to property rented in Wales. For property rented in England, please see the leaflet PM04 (Letting a Manse in England).**

**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 this leaflet please contact us, we 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 a standard occupation contract.

## 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.

## OCCUPATION CONTRACTS

The Renting Homes (Wales) Act 2016 has abolished assured shorthold tenancies in Wales. Letting arrangements entered into on or after 1 December 2022 will take the form of 'occupation contracts' and all existing residential tenancies (including assured shorthold tenancies) will also be converted to 'occupation contracts' on that date. Tenants are now referred to as 'contract-holders'

**Churches should ensure that they only grant 'standard occupation contracts' and not 'secure occupation contracts' because of the difficulties in recovering possession of the property associated with the latter type of arrangement. The BUC has no objection to churches entering into standard occupation contracts for up to two years direct with contract-holders provided that all necessary formalities are complied with. For any other type of arrangement, please consult us.**

Standard occupation contracts are heavily regulated and there are some terms that have to be included in all accommodation contracts.

There are transitional provisions which will preserve some of the provisions of tenancy agreements in existence on 1 December 2022 that have been converted to occupation contracts. These will allow, for example, for existing termination notice periods to apply. The beginning part of this leaflet relates to new occupation contracts entered into on or after 1 December 2022. There is also a later section relating to the conversion of existing tenancy agreements to occupation contracts. Churches with existing arrangements should, nevertheless, read all of this leaflet.

The Welsh Government has issued guidance on the changes which can be found here:

<https://gov.wales/housing-law-changing-renting-homes#:~:text=The%20Renting%20Homes%20Act%20is,in%20rented%20homes%20in%20Wales.>

and

<https://gov.wales/landlords-housing-law-changing-renting-homes>

## GREATER SECURITY OF TENURE THAN UNDER THE ASSURED SHORTHOLD TENANCY REGIME

Standard occupation contracts have much greater security of tenure than assured shorthold tenancies. For all new standard occupation contracts entered into on or after 1 December 2022, the notice period that a landlord has to give a contract-holder under 'no fault' grounds (known as a 'section 21 notice' under the assured shorthold tenancy regime) is 6 months and, importantly, a landlord will not be able to give such a notice until 6 months after the contract starts. This will give a contract-holder a year's security of tenure in the property. This is in contrast to the former position of two months notice where the notice could not be served in the first four months of the tenancy. The church as landlord will also not be able to give notice unless it has complied with certain obligations, including registration, licensing, deposit protection rules and health & safety provisions.

**IMPORTANT: A Church should not, therefore, enter into a new standard occupation contract unless it knows it will not need the property for accommodation by a minister or for other purposes within at least a year and, more cautiously, at least eighteen months.**

## GREATER TENANT SUCCESSION RIGHTS THAN UNDER THE ASSURED SHORTHOLD TENANCY REGIME

A standard occupation contract will not necessarily end on the death of a contract-holder if there are any persons qualified to succeed the contract-holder. If there is someone who is qualified to succeed a deceased contract-holder, that person may take over the occupation contract as their successor. (A successor could be the spouse or civil partner of the contract-holder (or someone who lives with the contract-holder as if they were a spouse or civil partner) provided that they were living in the property as their only or principal home at the time of the contract-holder's death. A successor could even be another member of the contract-holder's family who was living in the property as their only or principal home at the time of the contract-holder's death if they were living in the property or with the contract-holder for a period of 12 months ending with the contract-holder's death. Additionally, in certain conditions a carer, not being an employee, who lives in the property as their only or main home could also be a successor.

## FIXED TERM AND PERIODIC STANDARD OCCUPATION CONTRACTS

Occupation contracts could be for a fixed term or on a periodic (eg monthly) basis. A fixed term standard contract obliges both the contract-holder and the landlord to commit to a minimum term, often the first six months of occupation. If the contract-holder remains in occupation (without a new contract) a periodic standard contract will be automatically created, and this will continue until either the contract-holder or the landlord brings it to an end. (This is similar to what happened under the old assured shorthold tenancy regime). There is, however, no requirement for there to be a fixed term contract, and the contract-holder might start their occupation under a periodic standard contract. A fixed term occupation contract may contain a break clause entitling the landlord to terminate earlier than the expiry of the fixed term.

The ways in which a fixed term standard contract can be brought to an end differ from the ways in which a periodic standard contract can be ended and the Government's guidance, which can be found here, <https://gov.wales/standard-occupation-contracts-guidance-html> is quite complicated. Accordingly, it is vital that churches take advice in relation to the type of tenancy that is most suitable for them and **we recommend in the strongest possible terms that they use a solicitor or a lettings agent.**

The following are some essential points to bear in mind:

- Proper documentation should be completed before contract-holders are allowed into occupation. If a contract-holder is allowed into occupation before the Agreement is signed there could be disagreement as to the terms of the contract which could cause complications. In any event the church as landlord is legally required to provide the contract-holder with a comprehensive written statement of the terms of the occupation contract within 14 days of the contract-holder taking up occupation.
- As landlord the church must provide an address where any documents for the landlord can be sent. This must be provided using prescribed Form RHW2, also within 14 days of the start of the

occupation arrangements. The Form can be found here: <https://gov.wales/notice-landlords-address-form-rhw2>

- In light of increasing regulatory demands on residential landlords, we recommend that the church appoints a professional agent to let and manage the occupation contract, although there will be cost implications.
- The standard occupation contract will often be prepared in duplicate. One copy will be signed on behalf of the church and the other copy will be signed by the contract-holders. If the letting is furnished an inventory needs to be prepared detailing the items at the property. A copy of the inventory can be attached to each copy of the occupation contract 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 contract-holders and vice-versa.
- Even if the term of the occupation contract is fixed it does have to be brought to an end by the church serving on the contract-holders a six month notice.
- Even if all the documentation is correctly dealt with and the notices properly served if the contract-holders refuse to leave they cannot be evicted without an order from the court.
- A landlord may not be able to obtain possession unless it has served necessary documentation upon the contract-holder including a written statement of terms, a valid energy performance certificate, the landlord's address, a copy of a valid gas safety certificate and the most recent electrical condition report.

## 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 contract-holder 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 contract-holder 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 contract-holder if the contract-holder 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

If a contract-holder is required to pay a deposit, the landlord must put the deposit into a government-approved tenancy deposit scheme. Within 30 days, the landlord then has to give the contract-holder information about the scheme and about their rights in relation to their deposit.

Failure to comply with the rules on deposits could prevent the landlord from recovering possession.

## **UNLAWFUL TENANT FEES**

Landlords are prohibited from requiring contract-holders from making payments other than those permitted by the Renting Homes (Fees etc) (Wales) Act 2019.

The payment of rent is permitted but, subject to certain exceptions, the landlord cannot charge more for one period of the tenancy than another. A landlord can charge a refundable security deposit although future regulations may prescribe a maximum deposit limit. Payments for utilities that contract-holders consume are permitted but a landlord is still not permitted to overcharge. Certain default charges are permitted but future regulations may set a maximum limit for these.

Certain restrictions apply to the termination of occupation contracts 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 is 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 contract-holder. The church's letting agent or utility company may be able to assist in arranging the necessary check. The contract-holder must be provided with a Gas Safety Certificate.

## **ELECTRICAL SAFETY STANDARDS**

A church letting property will need to ensure that electrical installations and appliances are safe when new contract-holders move in and throughout the tenancy.

From 1 December 2022, electrical service installations in properties have to be the subject of electrical safety inspection by a qualified person at intervals of 5 years (or sooner where a previous electrical inspection has made such a recommendation). The landlord must provide a copy of the condition report to the contract-holder.

These requirements apply from the occupation date of all occupation contracts entered into on or after 1 December 2022. For all existing tenancies landlords will have a twelve-month grace period to undertake the necessary electrical safety testing.

## **FITNESS FOR HUMAN HABITATION**

In general terms, a landlord under a standard occupation contract for a term of less than seven years must make sure that the dwelling is fit for human habitation throughout the term. (After the occupation date, this obligation does not arise until the landlord (or one of them in the case of joint landlords) becomes aware that works or repairs are necessary.)

The Welsh Government has provided guidance which can be found here:

<https://gov.wales/fitness-homes-human-habitation-guidance-landlords-html>

## **SMOKE ALARMS AND CARBON MONOXIDE DETECTORS**

The Fitness for Human Habitation) Wales Regulations 2022 come into force on 1 December 2022. These will impose duties on churches renting out residential property in Wales. These include a requirement to ensure that, during occupation of the property:

a carbon monoxide alarm is present in every room which has a gas, oil or solid fuel burning appliance installed and that the alarm is in repair and proper working order;

and

there is a smoke alarm on each storey of the relevant dwelling(s) which is: in repair and proper working order; connected to the dwelling's electrical supply; and linked to every other smoke alarm in the dwelling which is connected to the electrical supply. (These requirements will immediately apply to new occupation contracts entered into on or after 1 December 2022. Where there is an existing manse occupancy or an existing tenancy the church will have a twelve month grace period for the church as landlord to undertake the required installation of smoke alarms. There may be a high demand for electricians across the rental market so churches should arrange for necessary works earlier rather than later to ensure compliance).

Please note that the grace period that applies to smoke alarms does not apply to Carbon Monoxide Alarms and, **where required, carbon monoxide alarms must be installed no later than 1 December 2022**. Local authorities can impose a fine of up to £5,000 where a landlord fails to comply with a remedial notice.

## **ENERGY PERFORMANCE CERTIFICATES (EPC) AND MINIMUM ENERGY EFFICIENCY STANDARDS**

It is a legal requirement that all landlords who let residential properties must provide potential contract-holders 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 contract-holders.

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 have had to 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 endorsed Simple Energy Advice service at: <https://www.simpleenergyadvice.org.uk/> . Details of a local Green Deal Provider can be found at <https://www.gdfc.co.uk/>

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 contract-holder(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 contract-holder);
- 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 are 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.

## **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 contract-holders to be interviewed so that they can assess their suitability and to take up references.

## **EQUALITY ISSUES**

Churches may have concerns about the way their property is used by their contract-holders.

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 contract-holders 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 recommend in the strongest possible terms that all documents are prepared and completed by a professional firm of estate agents, letting agents or solicitors.

## **MANAGING THE LETTING**

Once all the documents have been completed and the contract-holders 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 contract-holders in accordance with their obligations in the standard occupation contract.
- The correct notice must be served on the contract-holders respecting the prescribed time periods to bring the tenancy to an end.
- The property 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](http://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 is 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.

## **LANDLORD REGISTRATION AND LICENSING REQUIREMENTS (RENT SMART WALES)**

All private landlords of residential property in Wales must register with a central licensing authority. Registration lasts for five years and a fee is payable. In addition, a landlord who carries on certain letting or management activities must be a licensed person. (If all such activities are carried on through an agent, then it is the agent who must be licensed). To obtain a licence, the applicant must be a 'fit and proper' person and be appropriately trained. A fee is payable for the licence which lasts for five years. A separate fee is also payable for the required training. There are penalties for non-compliance.

For further information please see:

<https://www.rentsmart.gov.wales/en/>

## 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 under the Charities Act may apply 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.

## CONVERSION OF ASSURED SHORTHOLD TENANCY AGREEMENTS EXISTING ON 1 DECEMBER 2022 TO OCCUPATION CONTRACTS

On 1 December 2022 all existing assured shorthold tenancy agreements are automatically converted into standard occupation contracts.

The law outlined above eg in relation to unlawful fees, gas and electrical safety, fitness for human habitation and carbon monoxide and smoke alarms will continue to apply. **Churches should pay particular attention to the section above relating to carbon monoxide and smoke alarms as this contains new legal requirements which come into force on 1 December 2022.**

Under the new law the church has a legal obligation to issue a written statement of standard occupation contract terms to the contract-holder within six months of 1 December 2022. A failure to do this may prevent the church from recovering possession. A landlord under a converted occupation contract also has a period of six months from 1 December 2022 within which to comply with the obligation to give the contract-holder an address for the landlord using prescribed Form RHW2 which can be found here: <https://gov.wales/notice-landlords-address-form-rhw2>.

The fundamental provisions that, by law must apply to all standard occupation contracts will become incorporated into the existing arrangement as terms of the converted occupation contract. The existing terms of the contract will continue to have effect unless they are incompatible with a fundamental provision (or were terms of the contract by virtue of legislation repealed by the Renting Homes (Wales) Act 2016). The supplementary provisions that, by law can apply to standard occupation contracts will become incorporated into the arrangement as terms of the standard occupation contract, except where they are incompatible with the existing terms.

There are transitional provisions dealing with the conversion of existing tenancies and converted tenancies are not necessarily subject to the same termination notice periods as new standard occupation contracts.

The exercise of considering which terms are compatible with the new legislation which are not can be complicated and time consuming. Therefore, churches which have used an agent or a solicitor in relation to the grant of their assured shorthold tenancy are very strongly advised to consult that agent or solicitor with a view to having them prepare a new written statement of the terms of the new converted standard occupation contract.

A church might be tempted to simply adopt a new standard form of written statement of terms of accommodation contract to replace the existing converted occupation contract in order to save them having to consider the terms of their existing arrangements. However, **we would urge churches to exercise great caution** over this. Under the current law, the notice periods for termination of a new occupation contract entered into on or after 1 December 2022 can be significantly longer than those that apply to a converted occupation contracts that was in existence prior to the 1<sup>st</sup> of December 2022. Under the law as it currently stands (and see below as this will be subject to change):

Where there is a **converted** *periodic* Assured Shorthold Tenancy (either because it was periodic from the outset or was a fixed term has expired and it became periodic) then the Act provides that 2 months' notice can be given in no-fault scenarios and notice can be served 4 months after the start of the occupation contract;

Where there is a **converted** *fixed term* Assured Shorthold Tenancy with no break clause, then the landlord can, before or on the last day of the term, give at least two months' notice requiring possession. The date in the notice must not be less than 6 months after occupation date and cannot be earlier than the last day of the fixed term. Prescribed form RHW38 must be used.

Where there is a **converted** *fixed term* AST with a break clause the Act provides that 2 months' notice can be given and notice can be served 4 months after the start of the occupation contract.

This is in contrast to a minimum period of security of tenure of 12 months under a standard occupation contract entered into on or after 1 December 2022 that replaces a former converted standard occupation contract. Therefore, it may be the best interests of the church to continue with a converted standard occupation contract and to undertake the exercise of preparing an appropriate written statement, particularly if the church wishes to recover possession within the foreseeable future or wishes to preserve its flexibility of recovering possession on the minimum of notice. We strongly recommend that the church seeks advice from its letting agent or a solicitor. **It is important to note, however, that the Welsh Government has announced that it will be extending the current notice periods that apply to converted standard occupation contracts to six months from 1 June 2023. Therefore, churches should consider serving an appropriate notice well before 1 June 2023 if they will or may require possession prior to 1 December 2023.**

Churches who have not used a solicitor or a letting agent in relation to their existing tenancy arrangements may wish to seek advice from us and the first instance by e mailing: [legal.ops@baptist.org.uk](mailto:legal.ops@baptist.org.uk) although it is likely that we will have to refer them to a solicitor who can draft a written statement that is tailored to the particular circumstances the case.

Any church that is on the verge of entering into an assured shorthold tenancy before 1 December 2022 should ensure that such an arrangement is completed before that date. Otherwise, the documentation will be inappropriate.

We understand that, for those churches that have used a section 21 notice to terminate an assured shorthold tenancy prior to 1st December, the Welsh Government has confirmed that they can still rely on that in possession proceedings. (see <https://gov.wales/renting-homes-frequently-asked-questions-landlords#section-93639>)

The Welsh government has issued guidance on the conversion of occupation contracts which can be found here: <https://gov.wales/creating-converted-occupation-contract-guidance-landlords>

## 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 a standard occupation contract, or less than market rent or to a connected person
- 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 standard occupation contract and statement of terms.
- 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.
- Ensure that a standard (not secure) occupation contract is used
- When contract-holders are selected send full details to your agents or solicitors with a copy to the Baptist Union Corporation.
- Ensure that all appropriate written documentation required to be given to the contract-holder(s) is duly provided.
- Comply with registration requirements of Rent Smart Wales (and other requirements where appropriate).
- 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 Law.

Association Trust Company	Contact
<b>Baptist Union Corporation Ltd</b>	Baptist Union Corporation Ltd Baptist House PO Box 44 129 Broadway Didcot Oxfordshire OX11 8RT Telephone: 01235 517700

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 another 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](mailto:legal.ops@baptist.org.uk)  
Website: [www.baptist.org.uk](http://www.baptist.org.uk) Registered CIO with Charity Number: 1181392

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