



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

24 JANUARY 2024

REVIEW OF THE WELSH CHURCH ACT FUND

REPORT OF THE DIRECTOR FOR PROSPERITY AND DEVELOPMENT

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval to amend the criteria and financial thresholds of the Welsh Church Act Fund in order to ensure a greater positive impact for local communities and maximise take up of the Fund.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 Agree the revised criteria outlined in paragraphs 7.2 – 7.4 for formal consultation with Bridgend and Merthyr Councils.
- 2.2 Subject to no objections from Bridgend and Merthyr Councils, the new arrangements are implemented.

3. REASONS FOR RECOMMENDATIONS

The recommendations set out in this report will:

- 3.1 Increase the grant thresholds of the Fund, enabling it to support community organisations and places of worship to respond to the economic challenges they face, including the high rate of inflation as well as high energy prices. This will help build their resilience, enabling them to provide facilities and services that support the local community.

4. BACKGROUND

- 4.1 The Welsh Church Act 1914 is an Act of Parliament which provided for the disestablishment of the Church of England within Wales, and the creation of an independent but non-established Church of Wales. The Church in Wales no longer received tithe money but kept all of the properties that money had previously funded. This meant that new

arrangements were required for the ownership of Church property, including the church buildings, churchyards, vicarages, of the disestablished Church.

- 4.2 The Act stated that whenever the incumbent (rector or vicar) of a parish in Wales died, retired or moved to another parish, any churchyard or burial ground should automatically be transferred into the ownership of the local authority. Many churchyards in Wales passed into the hands of local authorities in the decades following disestablishment. The Welsh Church Act Fund was established from the proceeds and assets, which were then distributed amongst the former County Councils in Wales and further divided between the Unitary Authorities following their establishment in 1996.
- 4.3 The Fund operates across the county borough areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil. It is a charitable trust and is managed by Rhondda Cynon Taf Council, with all Councillors of Rhondda Cynon Taf acting as trustees.
- 4.4 The Welsh Church Act states that income from the funds should be devoted to charitable or assistance giving purposes and as such applications are accepted from places of public worship, community organisations and charities.

5. CURRENT FUND CRITERIA AND GRANT THRESHOLDS

- 5.1 The Fund supports expenditure of a capital nature including building works and purchase of items of equipment. The Fund is operated on a rolling programme basis, which means there are no set deadlines and projects are assessed as and when they are fully developed.
- 5.2 Currently applications are invited from properly constituted community/voluntary groups and places of worship who meet the following criteria;
 - have a bank account set up in the name of the organisation;
 - provide activities which have a long-term direct benefit to residents and communities in the County Borough areas of Rhondda Cynon Taf, Merthyr and Bridgend;
 - provide facilities/activities that are available to members of the public at large;
 - have a lease on the property with a minimum of 6 years remaining (not applicable for places of worship).

Organisations cannot apply if they;

- have an alcohol license or profit/benefit from the sale of alcohol.

- operate from a residential address.
- are a statutory body, including town and community councils.

5.3 There are 3 categories of application with varying grant thresholds;

| Category | Grant Level | Match Funding Contribution |
|-----------------|--------------------|-----------------------------------|
| Small | Up to £2,000 | Nil |
| Medium | £2,001 - £10,000 | Minimum 10% |
| Large | £10,001 - £50,000 | Minimum 20% |

6. ISSUES FACING POTENTIAL APPLICANTS

6.1 The economy in Rhondda Cynon Taf was severely impacted as a result of the devastating storms and flooding at the start of 2020 immediately followed by the COVID-19 pandemic and subsequent lockdown measures which lasted between 2020-2022. The situation has been exacerbated by the economic impact of Brexit, the ongoing conflict in Ukraine and the current high rate of inflation.

6.2 Community organisations (including places of worship) are now paying an increased cost for materials, products and energy. Consequently, many are now having to cut back on delivery of key activities or plans they had to develop their buildings.

6.3 Many places of worship and community groups host occasional events which help raise funds for their community work. These events can sometimes involve the organisation applying for a Temporary Event Notice (TENs) which allows the sale/supply of alcohol. Currently this would preclude them applying to the Welsh Church Act Fund.

7. PROPOSED REVISIONS TO THE FUND CRITERIA

7.1 To address these issues and ensure that the Fund has a greater positive impact in local communities, the following revisions are proposed.

7.2 Increase to Grant Thresholds

| Category | Proposed Increase | Revised Grant Level | Match Funding Contribution |
|-----------------|--------------------------|----------------------------|-----------------------------------|
| Small | £1,000 | Up to £3,000 | Nil |
| Medium | £5,000 | £3,001 - £15,000 | Minimum 10% |

| | | | |
|-------|----|-------------------|-------------|
| Large | £0 | £15,001 - £50,000 | Minimum 20% |
|-------|----|-------------------|-------------|

7.3 Lease Duration - Reduce the requirement for tenure on property leases from a minimum of 6 years remaining to 3 years remaining. Given the increase in property prices, many organisations are no longer in a position to take on the costs and liabilities for this extended period of time.

7.4 Alcohol Restriction - Amend the alcohol restriction to allow applications from organisations who have applied for Temporary Event Notices, as long as this falls within the limits identified in the Licensing Act. Organisations which have a premises license or a club premises certificate will remain ineligible to apply.

8. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

8.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed by contacting the author of the report or the Cabinet Business Officer.

9. WELSH LANGUAGE IMPLICATIONS

9.1 The grant scheme is delivered in line with the Welsh Language Standards for Awarding Grants (April 2022) published in line with the requirements of the Welsh Language Standards (No.1) Regulations 2015.

10. CONSULTATION / INVOLVEMENT

10.1 The proposed arrangements have been informally discussed with officers in both Bridgend and Merthyr Councils and feedback has been positive. If Cabinet approve these arrangements, a formal consultation can be undertaken with both Councils at an appropriate level of authorisation identified by them. Subject to there being no objections, the new arrangements could then be implemented.

10.2 The proposals have also been shared with officers in Treasury Management.

11. FINANCIAL IMPLICATIONS

11.1 As at 31st March 2023 the Fund held total investment assets of £13.20M, comprised of £8.48M in the Charities Official Investment Fund, £4.2M in the Charities Official Fixed Interest Fund, £0.48M of UK

Government Gilts, and land valued at 0.04M. Cash balances stand at £0.30M and are invested on the short-term money markets in line with Rhondda Cynon Taf Council's Treasury policies.

- 11.2 The income generated from investments is currently around £340-370K per annum. The priority for the Fund's investments is security, not return, in order to maintain sufficient capital to generate enough income to continue to fund grants for the foreseeable future.
- 11.3 Rhondda Cynon Taf Council derives a management fee from the Fund to cover costs associated with delivery of the grant programme and financial management of the Fund itself.

12. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 12.1 The Welsh Church Act 1914 is an Act of Parliament which provided for the disestablishment of the Church of England within Wales, and the creation of an independent but non-established Church of Wales. The Act stated that any churchyard or burial ground should automatically be transferred into the ownership of the local authority and the Welsh Church Act Fund was established from the proceeds and assets. These were then distributed amongst the former County Councils in Wales and further divided between the Unitary Authorities following their establishment in 1996.
- 12.2 The Fund operates across the county borough areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil. It is a charitable trust and is managed by Rhondda Cynon Taf Council, with all Councillors of Rhondda Cynon Taf acting as trustees.
- 12.3 There are no further legal implications.

13. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 11.1 This refocus of financial assistance the Council delivers to external organisations to support the local economy, is of crucial importance to develop the local economy, regenerate town centres and encourage private sector investment in the high street economy. This will directly complement the main priorities identified in the Council's Corporate Plan 2020-2024 'Making a Difference' of;

- Ensuring People are independent, healthy and successful.
- Creating Places: where people are proud to live, work and play.

- 11.2 All activity will make a significant positive contribution to the goals of the Well Being of Future Generations Act. In particular, supporting the

delivery of a, a more resilient Wales, a more equal Wales and a Wales of vibrant culture and cohesive communities.

12. CONCLUSION

- 12.1 Community groups and places of worship currently face significant challenges following on from significant flooding events, the pandemic and now the energy crisis and high rates of inflation.
- 12.2 The amendments proposed in this report to the Welsh Church Act Fund will allow it to support community organisations and places of worship respond to the economic challenges they face, helping them build their resilience and enabling them to provide facilities that support the local community.