

Y R E G L W Y S
Y N G N G H Y M R U



THE CHURCH
IN WALES

Corff Cynrychiolwyr Yr Eglwys yng Nghymru
The Representative Body of The Church in Wales

Affordable Housing Policy

Division and department	Property Services
Member of staff responsible	[redacted*]
Oversight committee	Property Committee
Date of senior staff approval	n/a
Date of committee approval(s)	6 th December 2023
Date of last revision	6 th December 2023
Date of next review	December 2026

Affordable Housing

Introduction

This document sets out the policy of the Representative Body of the Church in Wales towards the provision of affordable housing on its land.

Guiding Principle

Helping people in need is a clear Christian duty. Welsh society faces challenging issues in relation to providing decent, affordable housing for people in need. The Representative Body of the Church in Wales believes that seeking to use its assets to address housing need can further the mission and ministry of the Church. Achieving such opportunities is, therefore, a high priority for the Church.

What are Affordable Housing Schemes?

Affordable Housing schemes take many forms but invariably consist of a Registered Social Landlord (usually a Housing Association) seeking to build dwellings on land and for those dwellings to be occupied by a defined sector of society. This usually means those in housing need (homeless, low incomes etc) and who have a connection with a particular location or community through family or work. People occupy the dwellings on a variety of forms of tenure but usually these are either via a tenancy or by some form of shared equity scheme (where the occupier contributes a percentage of the equity and pays a rent for the remainder).

These schemes are funded usually by Government Grant (Social Housing Grant) and loans secured against future rental income. Increasingly, there are investment schemes being developed to contribute part of the finance in lieu of grants.

Church Property

Church property is held by the Representative Body in trust and therefore the interests of the beneficiaries must always be upheld. Different types of property have differing types of beneficiary so one rule cannot be adopted for all Church property. The following is a basic summary:

- Churches and Churchyards are held by the Representative Body but managed by the local Parish. The receipts from capital sales and other property income are due to the Representative Body but, broadly, the Constitution provides for this to be passed to the Parish or invested for the

continued upkeep of the church or churchyard (refer to Church Sales Regulations for details).

- Parsonages are held for the benefit of each diocese so that receipts from sales and other income are retained in an Improvement Fund to provide for the purchase and improvement of parsonages.
- Glebe land is held for the benefit of the Province so that receipts from sales and property income are retained centrally to provide grants for church repair.
- Investment property is held to provide for the pension scheme and other costs of the Church in Wales as a whole.

Whilst achieving affordable housing schemes on church land is a high priority, maximising financial returns for other mission and ministry projects can be more important at a particular time. Each case will be considered on its particular merits.

Disposal of Church Property for Affordable Housing

Charity Law dictates the rules by which Charities can dispose of land and property, in particular the need to demonstrate that best value is achieved for the Charity in its property dealings. In general terms, this means the best monetary value that can be achieved for the Charity by sale on the open market. This monetary imperative can only be tempered if the sale can be shown to further the overall mission of the church.

The majority of affordable housing is provided in Wales by Housing Associations as Registered Social Landlords. Thus, achieving affordable housing schemes on church property will usually necessitate a transfer by sale or lease to a Housing Association. The nature of affordable schemes means that substantial background work is needed to assess viability and local housing need prior to it being possible for Housing Associations to make an offer to purchase or lease land.

The Representative Body will work in partnership with Housing Associations to investigate and bring forward appropriate sites for the development of affordable housing. It is accepted that this will mean negotiating private sales of land rather than through open marketing.

In all cases, however, the Representative Body will obtain professional valuation advice from a Chartered Surveyor to compare the market value of a site against the price offered by a Housing Association. Where the Housing Association offer is below the assessed market value, the Property Committee of the Representative Body will consider whether a sale to the Housing Association represents best value in terms of the mission and ministry of the Church in Wales. The following factors will be considered:

- In accordance with the Charities Act 2022, the RB will be advised by a suitably qualified person on the terms of the disposal. It is the policy of the RB to seek advice from an externally appointed Chartered Surveyor as to saleability and market value of property it proposes to sell. This advice will

help the RB consider the financial aspects of the proposed disposal especially if it appears a sale for affordable housing may be at less than sale value on the open market.

- Whether the development fulfils a clear need within the community. This might include enabling communities to be more inclusive or contributing to the eradication of poverty in communities.
- The extent to which the proposal enables ongoing and sustainable church use such as where part of a building or site is converted for affordable housing use and part remains in worship use especially where the building might otherwise close for worship. This situation clearly continues ministry whilst furthering mission by breathing new life into a community. It also removes a substantial liability from the Parish.
- Whether the sale of the land for affordable housing can be demonstrated to be the best monetary value option anyway (such as Exception Sites where only affordable housing is possible under planning policy).
- A leasehold sale can be attractive as the Church can benefit from future reversionary value and where a greater level of control can be imposed. Measures should be put in place to prevent occupiers of the property gaining a right to buy the property (thus ensuring the Church protects its reversionary value)
- Whether the proposal forms part of a larger development of open market housing – this can produce monetary and social benefits and is often a requirement of development consents
- The proven track record of the Housing Association to deliver high quality schemes
- The views of the appropriate Diocesan bodies over the need for the proposed development
- Any restrictions on the title to the property, which prevent such use such as conditions set by the original donors ('reverters').

Affordable Housing Schemes on Church Land

Clearly, each development will be different and depend on local needs and conditions. However, where schemes are proposed on church land, the Representative Body will wish to make sure of certain key issues:

- That the development will be of high-quality meeting or exceeding Welsh Government Design Quality Requirements. Ensuring proper space provision for families is an important priority.
- That developments will be well planned with good provision of open space and amenity areas
- That the tenure arrangements meet needs and are well balanced. Generally the Church would wish to see social rented housing developments on its land but accepts that a mixed scheme with some shared equity housing may be good for the social mix of the development. However, the Church would want to be satisfied that all developments will provide permanent affordable housing. It is acknowledged that schemes will increasingly need to be a mix of development methods including social rented, commercial sale and shared equity. The Church will be imaginative in its approach.

