



12th December 2016

Arwyn Thomas
Pennaeth Addysg
Swyddfa'r Cyngor
Caernarfon
LL55 1SH

Dear Arwyn

Thank you for the opportunity to meet with you, Councillor Gareth Thomas, Iwan Evans, and Hedd Tomos today where we could offer you further reassurance on our commitment to the 3-19 Learning Campus in Bala and our intention to continue working in partnership on the project.

I have received an email this afternoon from Hedd Tomos with a request that after I left the meeting it was decided: *"We subsequently considered that it would be more appropriate if you set out your present position formally to us so that we can relay this to our elected members tomorrow."*

Therefore, I have set out our position as requested.

1) The issues surrounding the promotion of the school have now been taken up with Welsh Government, who have also recently published The Religious Character of Schools (Designation Procedures) (Wales) Regulations 2016 to which the new school in Bala would be subject. Therefore, whilst Authority and Diocese have different opinions on a legal technicality, there is no reason why this needs to cause the Authority any concern, and there is no reason for the Diocese to withdraw support for the existing proposal on this matter. This 'promotion' issue can now be removed from the table.

2) In an email from the Head of Education to the Diocesan Director of Education on 15th August 2016, Cyngor Gwynedd made it clear to the Diocese for the first time that they do not wish to use or incorporate the site of Ysgol Beuno Sant within the site of the new project. Therefore, the Ysgol Beuno Sant site should now be considered as a potential capital asset which can be put towards the cost of the new site. This is standard procedure in issues of this kind.

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Mae Esgobaeth Llanelwy yn croesawu gohebiaeth yn y Gymraeg neu'r Saesneg

The Diocese of St Asaph welcomes correspondence in Welsh or English

On the option pathways sheet which the Diocese provided to Cyngor Gwynedd, this can be realised via Option 2 or Option 3, with Option 2 being the Diocese's preferred option, because it is not time dependent, and would mean that the value of the asset could be realised by Cyngor Gwynedd, utilising the variety of professional expertise which it has available to it.

3) The capital value of the Ysgol Beuno Sant site would then be incorporated as a part-share in the land-value of the new school site upon its completion. So, when the new school opens, the ownership of the school site will be transferred to the Diocese (as happens with all Church schools to satisfy the charity commission). Attached to this transfer document would be another legal document explaining who is entitled to the value of site, should it ever come to be sold. Therefore, for example, if the capital asset of the Beuno Sant site is £100K and the land value of the completed new school site is £1 Million, then - if at any time in the future the site were to be sold - the Diocese would be entitled to 10% of the sale value and Cyngor Gwynedd 90%.

4) If at any time there were a decision that the school should no longer be a Church School, then the Diocese would return the ownership of the site to Cyngor Gwynedd, in return for its share in the land value of the site on the day of the transfer.

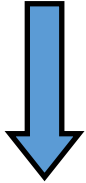
I also attach a further copy of the option paper that I tabled at our meeting. If you require any further clarification or information, please let me know. I would be very happy to attend a further meeting if required.

Yours sincerely

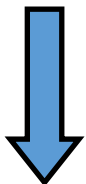
A handwritten signature in cursive script that reads "Rosalind Williams". The signature is written in dark ink and is positioned above a short horizontal line.

Rosalind Williams
Director of Education and Lifelong Learning

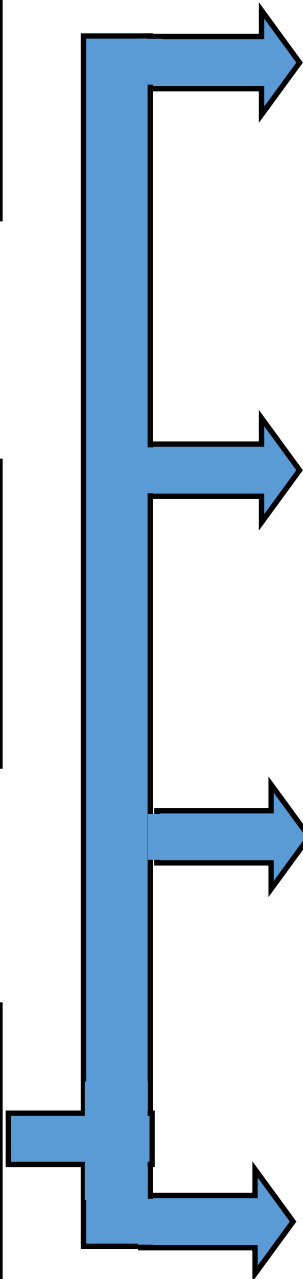
Original gift given to establish Ysgol Beuno Sant: school site owned in trust by the Diocese, protected by reverter.



Proposal made to close Ysgol Beuno Sant and replace it with a new Church in Wales school.



Charity law requires the Diocese to protect the asset by defeating the reverter clause.



Option 1

Current site of Ysgol Beuno Sant used as part of the new 3-19 Learning Campus for Bala.
Site remains in use for educational purposes.
Reverter is defeated.

Option 2

Current site of Ysgol Beuno Sant part-exchanged for a pro-rata share in the site of the new 3-19 Learning Campus. Stakeholders' financial stake in the new site and school are protected by a Memorandum. Cyngor Gwynedd can use or sell current site of Ysgol Beuno Sant as they decide. Diocese holds the new site in trust.
Reverter is defeated.

Option 3

Current site of Ysgol Beuno Sant sold by the Diocese; Cyngor Gwynedd entitled to the proceeds of the sale. Site of new 3-19 Learning Campus transferred to the Diocese, to be held in trust.
Reverter is defeated.

Option 4

Should Cyngor Gwynedd refuse to take the site of Ysgol Beuno Sant, it would revert to the Rhiwlas estate. However, the estate would have pay to HMRC 23% capital gains tax on the full market value of the site, and all associated sale and legal costs, at significant cost to the estate.

Reverter is enacted, and asset is lost to education.

GLOSSARY OF TERMS

Reverter:

A legal safeguard, aimed at protecting a donor's interest in a school (normally the land on which a school was built), should that school cease to exist.

If a Church in Wales school closes with a reverter in force, the Diocese is obliged in law to trace the heirs of the original donor and return to them either the school site or the proceeds of its sale at full market value. The gift is therefore lost to the Education system.

Defeating the reverter:

Using the possibilities of the "Reverter of Sites Act 1987" to enable the value of the original gift to remain within the Education system.

Charity Law requires the Diocese to do all it can to keep the value of these historical gifts within the Education system, continuing to serve the education of young people in Wales.