

WELSH CHURCH ACT ESTATE COMMITTEE

Minutes of a remote meeting held on 10th October, 2022.

The Committee agenda is available [here](#).

The recording of the meeting is available [here](#).

Present: Councillor M.R. Wilson (Chair); Councillor P. Drake (Vice-Chair); Councillors C.E.A. Champion, J.E. Charles, H.C. Hamilton, M.J. Hooper and M.J.G. Morgan.

Also present: Councillor E. Williams (Cabinet Member for Social Care and Health).

332 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Principal Democratic Services Officer read the following statement: “May I remind everyone present that the meeting will be live streamed as well as recorded via the internet and this recording archived for future viewing.”

333 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 20th June, 2022 be approved as a correct record.

334 DECLARATIONS OF INTEREST –

Councillors J.E. Charles and P. Drake declared an interest in agenda items 8 and 10 (Cadoxton Community Orchard Proposal) in that they were Members of Barry Town Council and vacated the meeting prior to the matters being considered.

335 ANNUAL REPORT AND ACCOUNTS 2021/22 (DCR) –

The report was presented to Committee by the Operational Manager for Accountancy. The purpose of the report was to consider the Annual Report and Accounts as required by the Charities Act 2011 Section 162.

The net value of the fund as at 31st March, 2022 was £5.255m which was an increase of £21k when compared to the previous year. During 2021/22 there was a surplus of £4k against unrestricted funds. The grants allocation was £46k in year and £41k was allocated in year with £5k carried forward for allocation in 2022/23. The value of investments at year end was £1.878m.

The Operational Manager advised that the accounts were presented in draft form, before being independently examined by Audit Wales and then submitted by the 31st January, 2023 deadline. They also highlighted three amendments to be made to the appended Annual Report (as outlined below).

Having regard to the contents of the report and the update provided by the officer at the meeting the Committee subsequently:

RESOLVED – T H A T the Annual Report and Accounts 2021/22, as set out at Appendix A to the report be approved, subject to the following amendments, and that the Chair be authorised to sign the same on behalf of the Trustees:

- Under Investment policy on page 5 the second sentence insert “Evelyn Partners (previously” Tilney Financial Planning Limited) ...
- Page 11 - total current liabilities should read £26,000 and under Unrestricted fund total charity funds should read £124,000
- Page 13 – Investment Income held with Tilney for 2021/22 should read £31,895.

Reason for decision

In accordance with the requirements of the Charities Act 2011, and the Charities (Accounts & Reports) Regulations 2008.

336 INVESTMENT UPDATE (DCR) –

The report was presented to Committee by the Operational Manager for Accountancy. The purpose of the report was to progress the Welsh Church Act Estate Investment Strategy Proposals.

The Welsh Church Act Trust currently held £1.732m (£1.878m as at 31st March, 2022) in Investments which were managed on a discretionary basis by Evelyn Partners (formerly Tilney Financial Planning Limited). The Charity Commission had extensive guidance on Trustees’ duty of care for investments including a responsibility to review Investments and Investment Management arrangements. At the meeting in January 2022 the Committee had approved a proposal to appoint Link Group, the Vale of Glamorgan Council's Treasury Management Advisors, to support officers in identifying a suitable mix of funds for investment.

Link had carried out some statistical reviews and circulated questionnaires for completion to a long list of Investment Funds that met the broad criteria of a Collective Fund that would be suitable for a Charitable Investment of less than £2m. The outcome of this review identified CCLA as the most suitable performer in this analysis.

In the context of the current uncertain economic circumstances the timing of this move was quite crucial and advice would need to be sought on the timing of withdrawal and the timing of entry to the CCLA investment.

Following the presentation of the report, Councillor Champion added that the Council should strongly consider the Ethical Fund option, and that Committee should take a cautious approach to the investment, whilst also being under a duty to attempt to make gains, where this was possible.

Councillor Hooper queried what transactional costs would be associated with a potential move to new investments, and whether there were any penalty clauses associated with leaving the current arrangement with Evelyn Partners. On this point, the Operational Manager for Accountancy advised that typically, the Council had encountered transaction costs when they had entered into new investments previously, and that they would clarify the position on this, and confirm details of any such costs that could be incurred or due to re-investing, to the Committee.

The Chair subsequently added that given the volatility of the market and the instability of current economic conditions, an ultra-cautious option was to temporarily invest in cash until wider environmental factors stabilised. The Chair suggested that as there had been some losses made to date, which may or may not be recouped within the current arrangement by the end of the year, and as there was a desire to minimise any further losses, he was interested to hear Members' views on the matter.

In response to the Chair's points, Councillor Hooper encouraged members to reflect on the potential for inflation to reduce the value of any cash investments, and advised that for this reason, he would not support full investment being made into cash options. It was suggested that a safer alternative was to adopt a more balanced approach - investing partially in cash, moving into some new investments, while also keeping some investment within its current position. The Chair, in turn, recognised the validity of Councillor Hooper's points, and agreed that splitting investment in this way could encourage modest gains while avoiding significant losses.

Subsequently, the Operational Manager for Accountancy suggested that another approach was to 'drip-feed' funds across into CCLA, which may also result in some of the benefits of a balanced or split approach. It was also suggested that frank and open conversations with CCLA be undertaken on their outlook for the market and preferred approach to investment. The officer added that Evelyn Partners would be preparing similar additional information for the Council's consideration, and that outcomes of such discussions would be reported back to the Committee in due course.

Councillors Charles, Drake, Hamilton and Morgan expressed their approval of the comments and suggestions made by the Operational Manager for Accountancy, and agreed that the adoption of a measured approach was appropriate.

In conclusion, it was suggested that a meeting of the Committee prior to its meeting in January 2023 be arranged in order to discuss information arising from the Operational Manager's discussions with Evelyn Partners and CCLA.

Following full consideration of the report it was

RESOLVED –

- (1) T H A T the reduction in investment value to £1.732m as at the date of the most recent valuation be noted.
- (2) T H A T the outcome of the review be accepted but that the Committee continue to look at Evelyn Partners along with CCLA and consider the most suitable provider for the Committee's investment and that a decision be made at a subsequent meeting.
- (3) T H A T the Collective Investment Fund option approach of an Ethical Fund be approved.
- (4) T H A T an update report be submitted to a future meeting of the Committee to consider a suitable way forward.
- (5) T H A T prior to any delegations being approved the update report at Resolution (4) above be presented to a meeting of the Committee to be held by the end of the calendar year prior to the next meeting of the Committee in January 2023.

Reasons for decisions

- (1) To ensure that Members were updated on the current Investment Portfolio performance and make up.
- (2) To update Members on the outcome of the investment options review carried out by Link Asset Management.
- (3) To ensure that a Collective Investment Fund is entered into in accordance with the Investment Policy agreed with Welsh Church Act Trustees.
- (4&5) For Committee's consideration.

337 APPLICATIONS FOR FINANCIAL ASSISTANCE 2022/23 TRANCHE 2 (DCR) –

The Operational Manager for Accountancy presented the report advising of the applications for financial assistance that had been received from the Welsh Church Act Estate Fund.

A budget of £40,000 had been set for issuing grants during 2022/23. An unallocated budget amount of £5,250 carried over from 2021/22 was also available for allocation during 2022/23. The total grants budget for 2022/23 was £45,250. Grants allocated at Committee in June 2022 totalled £24,840. A further award of £10,000 was recommended as part of the report with a remaining sum of £10,410 available for a third tranche.

Following the presentation of the report, Councillor Hooper noted that the application for lighting purposes from Princes Street Evangelical Church was welcomed, given that it had the aim of reducing the church's carbon footprint. Additionally, Councillor Hooper asked whether there was sufficient time for applicants to use any awarded grant funds before the end of the year. In response, the Operational Manager for Accountancy advised that although there may not be time before the end of the financial year to use funds, this was not unusual, and allocations could carry over into future financial years. The Operational Manager added that in such cases, regular progress updates were sought from organisations in receipt of a grant, and that typically funds could be withdrawn if schemes had not progressed after three years.

Following a query from Councillor Morgan, the Operational Manager for Accountancy agreed that they would communicate a breakdown of the recommended award relating to the application from Tabernacle Baptist Church, Penarth, to the Committee. The Chair welcomed the fact that this application sought to cover only a portion of the project's costs from the fund. With no further issues raised by members of the Committee and in accepting that the further information re the Tabernacle Baptist Church would not impede a decision on the application it was subsequently:

RESOLVED – T H A T the applications for grant assistance as set out in Appendix A to the report be approved.

Reason for decision

Having regard to the content of the report and discussion at the meeting.

338 LAND AT GLEBE FIELDS, SULLY – TOWN AND VILLAGE GREEN INQUIRY APPLICATION UPDATE (DCR) –

The report was presented to the Committee by the Council's Principal Lawyer. The purpose of the report was to update Committee on the Application to register Glebe Fields, Sully as a Town and Village Green.

The Trust had appointed Mr. Michael Brett, Barrister, to act on its behalf in respect of the Application. The Trust had submitted an objection to the Application and the Applicant had submitted a response to the Objection. The Principal Lawyer advised that a subsequent reply to the Applicant's response had now been submitted, in consultation with the Council's external Barrister.

Following the update from the Principal Lawyer, the Committee did not feel a need to enter into private discussion to address the reply to the Applicant's response in further detail, and with no queries or comments, it was therefore:

RESOLVED – T H A T the content of the Reply to the response to the Objection be noted.

Reason for decision

Having regard to the content of the report and discussions at the meeting.

339 CADOXTON COMMUNITY ORCHARD PROPOSAL (DCR) –

The report was presented to Committee by the Operational Manager for Property. The purpose of the report being to update Committee further to the resolution of the last Committee meeting in respect of the proposal for land adjacent St Oswald's Road, Cadoxton for a Community Orchard proposal and to advise of the outcome of planning and legal investigations.

RESOLVED – T H A T the update relating to planning and legal investigations be noted and that the way forward be considered under Part II of the agenda.

Reason for decision

Having regard to the content of the report and to enable a decision to be made under Part II of the agenda.

340 EXCLUSION OF PRESS AND PUBLIC –

RESOLVED – T H A T under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 4 of Schedule 12A (as amended) of the Act, the relevant paragraphs of the Schedule being referred to in brackets after the minute heading.

341 CADOXTON COMMUNITY ORCHARD PROPOSAL (DCR) (EXEMPT INFORMATION – PARAGRAPHS 12 AND 14) -

The report was presented to Committee by the Operational Manager for Property. The report updated Committee in respect of the proposal for a Community Orchard by Barry Town Council for land at St Oswald's Road, Cadoxton in the ownership of the Trust.

Following the Officer's presentation of the report and having considered its contents the Committee

RESOLVED –

(1) T H A T the proposal from Barry Town Council in respect of the land in the Trust's ownership at St Oswald's Road, Cadoxton and the update provided at the meeting in respect of legal and planning considerations be noted.

(2) T H A T a Qualified Surveyor's report be obtained to inform the Trust's further consideration and decision-making in this regard, providing that Barry Town Council undertake to pay the Trust's costs in this regard.

Reasons for decisions

(1) To ensure that the Trustees give due consideration to the proposal from Barry Town Council in the context of the legal and planning considerations and determine a suitable resolution and response.

(2) In order to ensure Charity Law requirements are followed during the decision-making process.

N.B. Councillor E. Williams vacated the meeting prior to the Part II matter being considered.