

No.

## WELSH CHURCH ACT ESTATE COMMITTEE

Minutes of a meeting held on 23<sup>rd</sup> September, 2019.

Present: Councillor G.A. Cox (Chairman); Councillor M.R. Wilson (Vice-Chairman); Councillors R. Crowley, Mrs. P. Drake, K.P. Mahoney and S.T. William.

Also present: Councillor R.A. Penrose.

319 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 17<sup>th</sup> June, 2019 be approved as a correct record.

320 DECLARATIONS OF INTEREST –

No declarations were received.

321 PRESENTATION – INVESTMENT PORTFOLIO UPDATE FROM TILNEY FINANCIAL PLANNING LTD –

The Chairman welcomed Mr. Justin Ogilvie, Director for Investment Management at Tilney Investment Management Services Ltd. who provided the Committee with supplementary information in the shape of a Valuation Report on the Welsh Church Act Estate Trust portfolio as at the end of August 2019 as well as a separate chart detailing the portfolio performance of the Fund.

Mr. Ogilvie advised that the Welsh Church Act Estate Trust portfolio value stood at £1,779,552.00, and that the Trust's assigned Asset Strategy level was Tilney Strategy 3, which was considered slightly lower than a medium level 4 risk. Mr. Ogilvie also advised that the service type description 'PIMS' stood for Personalised Investment Management Service, which continued to be type of service offered to the trust by Tilney Investment Management Services Ltd. Mr. Ogilvie also drew the Committee's attention to page 4 of the valuation report which demonstrated a yield of 2.1% which equated to an income of £37,366.05 since August 2018. In referring to the portfolio performance chart, Mr. Ogilvie highlighted that, during the course of 2019, the Trust assets grew above the UK Consumer Price Inflation (CPI) rate as required but noted that up to 50% of the Trust's investments were reliant on stock market movements.

The Vice-Chairman then asked Mr. Ogilvie to elaborate on what kind of yield rates would be expected for Asset Strategies or risk levels other than Tilney Strategy 3. Mr. Ogilvie explained that yield rates were dependent on a number of different factors, however it would be typically expected for there to be a higher yield rate with higher risk levels. The Trust's yield was currently at 2.1% which was proportionate to the Trust's current level of income. If the risk level were increased by one level then the yield percentage would increase to 2.6% and it would be for

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the Trust to assess whether an increase in risk was worthwhile. The Vice-Chairman also asked Mr. Ogilvie whether the Trust's commitment to ethical shares was the right approach, to which Mr. Ogilvie stated that the approach, together with setting the level of Asset Strategy at 3, was the brief provided by the Committee and his company could only advise on the Committee's instructions.

A Member noted that the portfolio yield had decreased whereas the capital growth was increasing, and asked whether the Trust would be able to access the capital. In response the Principal Accountant advised that any income generated was used by the Trust to award grants to applicants, and therefore capital could not be accessed. The Officer then asked whether the Committee wished to consider moving to a higher risk level than number 3 to see how it would affect yield rates.

A Member then highlighted whether, given the current period of political uncertainty, would it be worth increasing the portfolio's risk level for what might not be much gain. Mr. Ogilvie in response stated that Tilney was happy with the portfolio's performance considering the market was volatile and affected by external factors such as Brexit, and that performance and risk were interlinked. Should Trustees indicate that they wished to amend the portfolio's risk level, Tilney would want and need to give the Trust a clear and comprehensive explanation of what exactly could happen if increased risks did not pay off.

A Member queried whether there was any indication for what the Trust portfolio could look like following the effects of Brexit. Mr. Ogilvie advised that the portfolio contained different types of assets, the largest portion of which (at 44%) were equities. The presentation demonstrated the geographical allocation of the Trust's equities, with 47% being based in the UK stock market rather than the UK economy. The UK market was largely affected by external investment from multi-national companies, with the main influence being the confidence and direction of Sterling which was fluctuating at present. The Chairman asked whether the geographical allocation of the Trust's equities had changed recently, to which Mr. Ogilvie replied that they had not.

Mr. Ogilvie concluded his presentation by asking whether Trustees would be happy to keep the portfolio at its current risk level and maintain its current level of ethical investment, to which the Committee agreed.

The Chairman took the opportunity to thank Mr. Ogilvie for his attendance and for Tilney's successful management of the fund under difficult market conditions.

It was subsequently

RESOLVED –

(1) T H A T the Welsh Church Act Estate Valuation Report as at 31<sup>st</sup> August, 2019 and the Investment Report with regard to the Trust Portfolio for the period 31<sup>st</sup> August, 2018 to 31<sup>st</sup> August, 2019 be noted.

(2) T H A T no change be made to the Committee's current portfolio investment arrangements and that an Ethical Investment Principal continue to be supported.

No.

Reasons for decisions

- (1) To note the performance of the Trust's portfolio to date.
- (2) To provide instructions to Tilney Investment Management Ltd of the Committee's requirements.

322 APPLICATIONS FOR FINANCIAL ASSISTANCE 2019/20 (MD) –

Consideration was given to the applications for grant assistance as set out in Appendix A to the report. A budget of £44,000 had been set for issuing grants during 2019/20 and at the Trust's meeting of 17<sup>th</sup> June, 2019 grants had been awarded to the value of £20,000. The Principal Accountant drew the Committee's attention to Appendix A of the report which recommended the approval of grants to the value of £23,077.

The Officer also advised that given that a number of revenue applications had been received for which awards had also been made in 2018/19, it was proposed that awards were limited to applications for one off projects and not recurring funding. A significant number of awards had also been received during the year and it was proposed that in order to ration funding that organisations should only be awarded funding once in every three year period.

With reference to application 3 received from The Mentor Ring, which was previously deferred, the Officer advised that the objective of the project for which the funding was applied, would be to support ethnic minority women who were socially isolated with counselling and social integration activities. A Member expressed the view that granting funds to a group with the intention of only letting people of one specific culture and gender mix with one another was not inclusive. A Member also raised the concern that the project would not encourage attendees to mix outside of their culture. The Vice-Chairman asked for further clarification on what the charitable objective of The Mentor Ring was, which the Principal Accountant answered by reading from the Group's application. A Member expressed the view that the application targeted and supported a group of people who were excluded and often isolated, and the proposed programme would be a good first step in allowing the group in question to mix with one another in the first instance and share their experiences before encouraging them to mix more widely. Another Member agreed, stating that from experience within their own Ward they knew that the particular group of individuals could often feel isolated even within their own families.

A Member then suggested that for similar applications in the future, information sessions be provided to better Members' awareness around relevant issues and to ensure that debates took place which were based on knowledge and understanding. The Chairman asked whether the Committee could request a progress report from The Mentor Ring in the future to inform the Trust of the impact of their work. The Principal Accountant agreed to further this request.

No.

The Committee agreed to support the application, however Councillor K.P. Mahoney asked for the minutes to record that he was strongly opposed to the application in question as in his view the project was not inclusive and grants should be awarded by the Trust to applicants whose projects are open to all.

The Principal Accountant recommended to the Committee that all applications be approved apart from application 4 Princes Street Evangelical Baptist Church as the report noted that the organisation had received funding in 2017/18 and 2018/19.

The Vice-Chairman also noted that application 10 from Grange Pavilion indicated the applicant had a substantial amount of money within their accounts and asked that this application be put on hold until more information could be provided about why a grant was required.

In conclusion, a Member requested that in the future the list of applications should include information about the specific locations of where each application was based, and the Principal Accountant agreed to address this.

RESOLVED –

- (1) T H A T application for grant assistance number 1, 2, 3, 5, 6, 7 and 9 as contained in Appendix A of the report be approved.
- (2) T H A T application 4 be refused in light of previous awards being granted in both 2017/18 and 2018/19.
- (3) T H A T application 10 be deferred pending further information in respect of the applicant's financial circumstances.
- (4) T H A T a progress report be requested of The Mentor Ring (Application 3), in relation to the impact of the project and the value of the funding provided by the Trust.
- (5) T H A T funding be prioritised to unique applications and limited to once in every three year period going forward.
- (6) T H A T information relating to the location of applicants' projects be added to future versions of the list for financial assistance document.

#### Reasons for decisions

- (1) In furtherance of the objectives of the Trust.
- (2) In line with Recommendation (5) above.
- (3) So that the Trust receives further information regarding applicant 10's finances prior to a decision being made.

No.

- (4) So that the Trust receives further information regarding applicant 3's work and the value of the grant awarded.
- (5) To ensure that there was sufficient funding available for grant awards across the financial year.
- (6) So that Trustees are provided with better contextual understanding of applicants' projects.

### 323 ANNUAL REPORT AND ACCOUNTS 2018/19 (MD) –

The Committee was asked to consider the Annual Report and Accounts as required by the Charities Act 1011, Section 161. The Charities (Accounts and Reports) Regulations 2008 require that the Annual Report and Accounts be approved by the Trustees as a body in accordance with their normal administrative procedures.

The Principal Accountant advised that the net value of the funds as at 31<sup>st</sup> March, 2019 was £5.096 m which was an increase of £136,000 when compared to the previous year. A Member noted that while the report referred to this increase being "attributable to an increase in the value of land and buildings", the Trust's portfolio contains only land. The Officer confirmed that buildings had been referred to erroneously in this instance, and that the report would be amended accordingly ahead of the Chairman's approval.

During 2018/19 there had been a deficit of £2,000 against unrestricted funds and the annual accounts had been presented to Committee in June 2019. Therefore, the Officer noted that the predicted balance of an estimated £88,000 of unrestricted funds for the year 2019/20 should be amended to £86,000 to reflect this deficit.

It was therefore subsequently

RESOLVED –

T H A T the Annual Report and Financial Statements 2018/19 (Appendix A), including the amendments as set out in the minutes above, be approved and the Chairman be authorised to sign the same on behalf of the Trustees.

#### Reason for decision

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

324 LAND AT GLEBE FIELDS, SULLY (MD) –

The Operational Manager (Property) presented the report, the purpose of which was to update Committee on the progress undertaken since the last Committee meeting on 17<sup>th</sup> June, 2019 and to allow presentations to be made to Committee by interested parties so that instruction on the way forward for the site could be sought.

It was noted that presentations from interested parties would be heard under Part I and then additional Planning, Legal and Estates advice would be heard in conjunction with the Part II report later in the agenda.

Councillor Penrose, not a Member of the Committee but with permission to speak, introduced the presentation from the first of two interested parties present. Councillor Penrose was joined by Mr. R. Thomas and Mr. S. Thomas who proposed a community project working for the benefit of residents of Sully and Lavernock. The proposed scheme would include a much needed public car parking area, a new building to accommodate an enlarged library and a new base for the overcrowded GP practice, with a pharmacy and space available for consulting rooms for other health related professionals. The scheme would also afford substantial open recreational space and it would include the potential for environmentally friendly retirement bungalows. As a result of its location, the scheme would encourage active forms of transport such as cycling and walking, reducing the residents' road miles by offering facilities and services locally which would otherwise have necessitated travel to Cardiff, Penarth, Barry and further afield. As the scheme would be community owned and run, an important factor would be the cost of the land, as ideally it would be gifted or at least purchased at a reasonable price in line with open agricultural land prices.

The operation would be totally not for profit, with any accumulated surplus being reinvested into the community via community led schemes, and open book accounting would be made available to the Welsh Church Act Estate as required.

Mr. R. Thomas then continued with the presentation by highlighting that there was potential for the site to be over developed, which would be contradictory to the Local Authority's Local Development Plan. He noted that ample public engagement would be needed, and that the scheme intended to engage the public in a positive way by being transparent in their objectives, by being open in their financial dealings and by offering the possibility for the public to participate in the scheme financially if they wished to do so. A Community Interest Company (CIC) offered a way to achieve the scheme's objectives as it differed from Charities in several key ways. CICs were designed specifically to benefit the community, but were not subject to the onerous regulations that Charities were and they were able to have a more commercial nature and could benefit from some of the advantages of limited companies. However, CICs also differed from limited companies in several key ways as their activities were limited by a Community Interest Statement which had to state the purposes for which the Company was set up, the range of activities that it would undertake in order to promote those purposes and the sections of the community that the CIC was intending to benefit. If a CIC existed as a company limited by shares it had to have an asset lock designed to

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ensure that the assets of the CIC were used exclusively for the benefit of the community. Mr. R. Thomas noted that the CIC had not been set up yet, pending an indication of the Trustees' intentions.

Mr. S. Thomas then continued the presentation, advising that the development would have to be phased as funding was paramount and they envisaged a limited number of retirement bungalows acting as enabling development to make up the shortfall. He noted that the primary aim of the scheme was the development of the Community Health Centre as the current facility serving the community was too small and of poor quality. Furthermore, due to a high amount of housing development in the surrounding area, demand for such a facility had increased and the development of this scheme would therefore be timely. He also noted that some of the consulting space at the health centre could be let out to Nuffield Trust and Spire, thus providing a regular income to the scheme. The proposed scheme would only occupy around a quarter of the site, leaving space for a development that would provide sufficient funds to make the project sustainable in the long term. The proposed development of retirement bungalows would allow existing local people to down size but live within their known environment, and free up larger properties to meet the need for family sized homes in the village. They were hoping to be gifted the land or to acquire the site at existing use value in order to then look at ways of achieving funding for the bungalows which, in turn, would fund the health centre, car parking and library relocation. Councillor Penrose advised that they would not be opposed to this development being a co-venture.

A Member asked for some clarification as to how, if the scheme became a joint venture, the shareholding profits would be disseminated. Mr. R. Thomas replied that the point would depend on the joint venture agreement, but generally any income would be expected to maintain both the project and be disseminated to all partners as agreed.

The Vice-Chairman asked for further clarification as to why a CIC model had been chosen as opposed to a limited company. Mr. R. Thomas advised that at the time that the decision was made it had ticked the most boxes for the scheme and felt like a more transparent way of working.

The Vice-Chairman also noted that the distance between the current healthcare facility and the site under question was quite considerable, and queried whether there was a possibility to look further into more sustainable transport methods. Councillor Penrose advised that the distance was frequently walked and cycled at present, and that the limited parking available under the proposed scheme would further encourage more active methods of transport.

Councillor Penrose reiterated that the proposed scheme would be a much needed community project but added that, it would be possible for the scheme and that of the Directorate for Learning and Skills (who were due to present next) to co-exist on the same plot and therefore the group was receptive to the idea and viewed it as an equitable option. Councillor Penrose thanked the Committee for their time.

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The Chairman then invited the representative of the second interested party to present, the Directorate for Learning and Skills, to present their proposal to the Committee.

The 21<sup>st</sup> Century Schools Manager for the Vale of Glamorgan Council, in making the presentation of the Directorate for Learning and Skills' proposal, advised that the proposal was to use the site to develop two new schools utilising funding available to the Council via the 21<sup>st</sup> Century Schools Band B programme.

One school would be a 2 storey expansion on Ysgol y Deri, a special educational needs school built for 206 pupils, currently at 269 pupils, and the second a 1 storey Centre for Learning and Wellbeing with a capacity for around 50 pupils, aiming to work with some of the Vale's most vulnerable young people to identify their individual needs and circumstances.

The Officer demonstrated in a Powerpoint slide that according to the master plan not all of the land under discussion would be used for education provision and that there could be opportunities to utilise the remaining space for health provision and residential or community use. Furthermore, the Officer highlighted that the school buildings themselves would also give provision to the community in the form of sports halls, Multi-Use Gaming Areas (MUGAs) and sensory gardens. The car parks would also be available for public use outside of school hours. The project had taken into account materiality and would work to ensure that any development would fit in with other local developments. The Officer also explained other benefits that the development would bring to the community in terms of apprenticeships, training, volunteering and the promotion of STEM subjects. The Officer concluded her presentation by highlighting the numerous ways in which the Directorate's proposal aligned with the Well-being of Future Generations (Wales) Act.

A Member questioned how the need for the additional special educational needs facility had increased to such a degree since the new facility at St. Cyres school was established, and how had the numbers for the original Ysgol y Deri site been misjudged to this extent. The Officer advised that predicting the number of pupils who required special educational support could be difficult due to factors such as an increase in early diagnosis, and changes to the Additional Learning Needs Act. Local Authorities across the country were working on the issue. The Member then queried why there was a need for two different types of school, to which the Officer advised that it was necessary as the Centre for Learning and Wellbeing would focus specifically on behavioural issues and vulnerable individuals.

Another Member asked the Officer about the possibility of linking the proposed new Ysgol y Deri facility with Beechwood College, a further education facility with special needs provision adjacent to the site under discussion. The Officer advised that since Beechwood College was a higher education facility, it would not be a feasible option. The proposed expansion to Ysgol y Deri would be for Primary provision, as the original facility was for Secondary only, and the Directorate did not want to duplicate provision that was already in place.



No.

A Member asked the Officer to confirm that under the proposal there would be 250 additional pupils travelling to the site, the majority of whom would require transport from the Local Authority. The Officer advised that the Member was correct. The Member also queried whether it was likely that some of those attending the Centre would have been excluded from other schools, and whether bringing such pupils to the site would be appropriate in such close proximity to Beechwood College where many attendees required a calm environment. The Officer replied that the aim of the centre would be to provide an environment where reasons for the behaviour of these individuals could be identified and mitigated.

RESOLVED –

(1) T H A T the presentations by interested parties in respect of the land at Glebe Fields, Sully be noted.

(2) T H A T the Committee would consider the proposals following the report and advice under Part II of the agenda.

Reasons for decisions

(1) To allow Committee to consider the expressions of interest from various parties in the land for the Committee to receive specific advice from officers relating to Planning, Legal and Estates matters.

(2) To provide officers with instructions on how Committee wished to proceed with the land.

325 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.

326 LAND AT GLEBE FIELDS, SULLY (MD) (EXEMPT INFORMATION – PARAGRAPHS 12 AND 14) –

The Operational Manager (Property) presented the Part II report to provide Committee with detailed Planning advice and subsequent Legal and Estate advice and to seek a resolution for the way forward with the site. The report also asked the Committee to consider all the advice provided and determine the future of the land bearing in mind the duty of the Trust to manage land and property held by them in accordance with the Scheme of Trust and with Charity Law.

It was subsequently

No.

RESOLVED –

- (1) T H A T the Planning presentation and advice, Legal and Estates advice as outlined in the Part II report be noted.
- (2) T H A T authority be granted to the Head of Finance to appoint a Qualified Surveyor to prepare a written valuation and marketing report for the Trust pursuant to the Charities (Qualified Surveyors' Reports) Regulations 1992/2980.
- (3) T H A T the Qualified Surveyor's Report be brought back to Committee with further recommendations upon receipt.
- (4) T H A T a visit to the site be arranged and take place before the next meeting of the Trust, scheduled for Monday 20<sup>th</sup> January 2020.

Reasons for decisions

- (1) To apprise Committee of the detailed Planning appraisal work, advice and recommendations together with additional Legal and Estates advice, to allow them to determine a way forward with the land.
- (2) In order to comply with the Charities (Qualified Surveyors' Report) Regulations.
- (3) In order to update Committee on the recommendations of the Qualified Surveyor's Report and seek instructions as to the way forward with the site.
- (4) In order to provide context to Trustees prior to considering the findings of the Qualified Surveyor.