

## WELSH CHURCH ACT ESTATE COMMITTEE

Minutes of a meeting held on 28<sup>th</sup> September, 2020.

The Committee agenda is available [here](#)

Present: Councillor M.R. Wilson (Chairman); Councillor G.A. Cox (Vice-Chairman); Councillors Mrs. J.E. Charles, Mrs. P. Drake and K.P. Mahoney.

Also Present: Councillor R.A. Penrose.

### 88 APOLOGIES FOR ABSENCE –

These were received from Councillors R. Crowley and S.T. Wiliam.

### 89 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 20<sup>th</sup> January, 2020 and the extraordinary meeting held on 24<sup>th</sup> February, 2020 be approved as a correct record.

### 90 DECLARATIONS OF INTEREST –

No declarations were received.

### 91 TILNEY FINANCIAL PLANNING LTD.: INVESTMENT REPORT AND UPDATE –

The Chairman welcomed Mr. Richard Stones and Mr. David Read of Tilney Financial Planning Ltd. to the meeting who provided the Committee with an Investment Report and Update which gave a summary and analysis of the Welsh Church Act Estate Trust's portfolio from 1<sup>st</sup> January, 2020 to 17<sup>th</sup> September, 2020, and context regarding global and local factors which had affected the portfolio's performance and could affect its performance going forward. Mr. Read provided detail regarding three major factors which had affected and could affect the performance of the Trust's portfolio: the effects of the COVID-19 pandemic on the UK stock market, the volatility of Sterling due to COVID-19 and Brexit, and the upcoming Presidential election in the USA.

In referring to the portfolio's income, Mr. Read noted geo-political factors which had affected the level of income for many companies and advised that, as income investors, Tilney had made changes to the portfolio in response to this and were confident that the Trust's portfolio would achieve its income target of £40k. Following the presentation Mr. Read welcomed any questions or comments from Committee Members.

The Chairman referenced the rising value of gold and commodities and queried why Tilney were not investing in these on behalf of the Trust. He also referred to the American election and asked what sort of effect instability in the country and a potential fall in the value of the US Dollar could have on the Trust's portfolio. In response to the Chairman's first question, Mr. Read advised that as it was being run on an ethical basis Tilney were prevented from holding mining companies or gold in the Trust's portfolio. He however suggested that, as gold was a natural hedge against currency debasement and inflation, Members consider whether the Trust should hold gold in its portfolio going forward. In response to the Chairman's second question, Mr. Read advised that provided there was a clear victor in the American election the portfolio would not be affected, but a drawn-out hung result could weigh on the dollar. He also noted, however, that such a result would affect the wider world and as the US Dollar was the World Reserve Currency it tended to do well in such circumstances, so depending on the severity if of the situation in America the portfolio could, counter-intuitively, perform well.

The Vice-Chairman asked whether Tilney's investment in Trojan Ethical had been made as it was seen as a good investment or because they were ethical, and Mr. Read assured Committee that while Tilney ensured that the Trust invested sustainably and responsibly, they would not look to invest in any part of the market that could not be justified on investment grounds, and continued by highlighting ethical investments in Civitas Social and Greencoat UK Wind which had brought good return to the portfolio.

There being no further questions for the Representatives from Tilney, the Chairman thanked them for their presentation and praised their managing of the Trust's portfolio in challenging circumstances. Mr. Read and Mr. Stones thanked Committee for their time and asked that they consider whether the portfolio should hold gold, and whether the Trust wished to maintain the portfolio's current risk profile, which had remained at Level 3 since it had begun. The Representatives subsequently left the meeting.

At this time the Principal Accountant wished to highlight to Members that Tilney had bought out the Trust's preceding Investment Advisors and as such they had not been chosen by the Trust. Given that the portfolio's yield had been somewhat lower than anticipated and, anecdotally, it had been suggested that the management fees being paid to them were quite high, the Officer suggested to Members that a benchmarking exercise both in terms of the investments held by other Welsh Church Act Estate Trusts and the attached management fees would be useful at this stage. Discussion ensued and a consensus was reached amongst Members that the Officer should carry out a benchmarking exercise as suggested and report back to Committee at the next meeting.

The Chairman also asked if the Officer could clarify the source of the Trust's stance on ethical investment in relation to gold. The Officer advised that this had been agreed as part of a previous Committee meeting and that she would identify the correct previous meeting minutes and circulate to Members accordingly.

There being no further comments it was subsequently

## RESOLVED –

(1) T H A T Tilney Financial Planning Ltd.'s Welsh Church Act Estate Investment Report and Investment Update for the period 1<sup>st</sup> January, 2020 to 17<sup>th</sup> September, 2020 be noted.

(2) T H A T a benchmarking exercise be carried out in relation to the investments held by other Welsh Church Act Estate Trusts and the management fees being paid in relation to these, to be reported at the next meeting.

(3) T H A T previous minutes of a meeting wherein the Trust's stance on investing in gold had been agreed be identified and circulated to Members.

Reasons for decisions

(1) To note the performance of the Trust's portfolio to date.

(2) To ensure Members fulfilled their duty as Trustees to maximize the income of the Welsh Church Act Estate Trust.

(3) To inform Members of the reasoning for the Trust's position and to allow them to review the matter if appropriate.

## 92 APPLICATIONS FOR FINANCIAL ASSISTANCE 2020/21 (MD) –

The Principal Accountant presented the report and advised that a budget of £46,500 had been set for issuing grants during 2020/21 and that the report recommended the approval of grants to the value of £24,804, the full details of which were contained at Appendix A to the report.

The Officer also advised that there were outstanding applicants for financial assistance from 2017/18 and that the report recommended these applicants be informed that they now would need to reapply for Welsh Church Act funding due to the time period that had lapsed.

The Officer subsequently listed each grant application for 2020/21 in turn, noting the purpose of the application, the amount requested, the grant that the Officer recommended be allocated and the rationale thereof.

The Chairman advised he was happy to proceed with the Officer's recommendations and there was no dissent from other Committee Members. The Chairman also suggested that going forward there should be more publicity regarding the Trust and the work of the organisations which were granted funding, and that the Committee should visit organisations which had been allocated funding previously, in order that Members could see the impact of the Trust's assistance.

There being no further comments from Committee Members, it was subsequently

RESOLVED –

- (1) T H A T the applications for grant assistance as set out in Appendix A of the report be approved.
- (2) T H A T the proposal to inform outstanding 2017/18 applicants that they must now reapply for Welsh Church Act funding due to the time period that had elapsed be approved.
- (3) T H A T opportunities to publicise the Trust and associated organisations be identified.

Reasons for decisions

- (1) In furtherance of the objectives of the Trust.
- (2) To ensure the limited Welsh Church Act funding was utilised by organisations efficiently.
- (3) In order that the existence of the Trust and the work carried out through its allocation of grant funding be publicised more widely.

93 ANNUAL REPORT AND ACCOUNTS 2019/20 (MD) –

The Principal Accountant presented the report which set out the Annual Report and Accounts for the Trust for the year ended 31<sup>st</sup> March, 2020.

The Officer advised that the value of the fund as at 31<sup>st</sup> March, 2020 had been £4.969m, a reduction of £127k from the previous year which had been due to a reduction of £121k in the value of investments as a result of the COVID-19 pandemic and a use of reserves of £6k to fund expenditure commitments.

The Officer also drew Members' attention to the fact there was an in-year deficit of £6k, with the equivalent position for 2018/19 having been a deficit of £2k. This was due to a further reduction in investment and investment property income of £7k when compared with 2018/19 and £12k when compared with 2017/18. The grants allocation had reduced by £4k from £53k in 2018/19 to £49k in 2019/20 and there was an increase in other expenditure of £1k, in the main relating to repairs and maintenance.

The Officer informed Members that Audit Wales would be conducting an external examination over coming months with the accounts then being filed with the Charities Commission before the end of January 2021.

There being no questions from Members, it was subsequently

RESOLVED – T H A T the Annual Report and Accounts 2019/20, as set out at Appendix A to the report be approved, and that the Chairman be authorised to sign the same on behalf of Trustees.

Reason for decision

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

94 MATTER WHICH THE CHAIRMAN HAD DECIDED WAS URGENT –

RESOLVED – T H A T the following matter which the Chairman had decided was urgent for the reason given beneath the minute heading be considered.

95 UPDATE ON LAND AT GLEBE FIELDS, SULLY (MD) –  
**(Urgent by reason of the need to expedite the matter)**

The Operational Manager for Property began the presentation of the report, the purpose of which was to provide an update to the Committee in respect of the procedure for the promotion of Glebe Field as a Candidate Site in the Vale of Glamorgan LDP Review, and to advise of the timescales and procedures for promotion of Glebe Field as a candidate site and the documentary and evidential requirements thereof.

The report recommended that the Committee instruct the Planning Department of the Vale of Glamorgan Council to prepare a Development Site Review to inform them of the potential suitable land uses, and consider all the advice provided to 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. The report also gave Committee an update in respect of an unsolicited offer received from Sully and Lavernock Community Library Trust for 2 acres of the site in question.

In response to a Member's question as to whether the Committee were legally obliged to follow the advice of a previously engaged Qualified Surveyor, the Principal Lawyer clarified that this would only be the case should the Trust be minded to dispose of the land. There was no duty to dispose of the land and the recommendations contained within the report did not commit the Trust to such an action, but there was a duty to obtain the best value possible for it should they proceed with disposal. The Member queried why the Committee were being asked to vote on whether the site should be put forward for the LDP Review if there would be difficulty building on it and expressed the view that if there was a bid in place for a portion of the site it should be considered. The Operational Manager for Property and the Principal Lawyer both clarified that Members were not being asked to vote as to whether the site should be put forward for the LDP Review, the report was asking for the authority to engage Planning Officers to carry out further work in the form of a Development Site Review, which would subsequently be reported back to

Committee in order to inform their decision as to whether to retain or dispose of the land at a later date.

There being no further comments from Members it was subsequently

RESOLVED –

- (1) T H A T the procedure and process for proposing the Glebe Field as a Candidate Site for the Vale of Glamorgan Council LDP Review be noted.
- (2) T H A T the Vale of Glamorgan Planning Department be instructed to undertake a Development Site Review at a cost of circa £1,000.
- (3) T H A T the reference to the Part II agenda be noted.

Reasons for decisions

- (1) To understand the requirements for proposing the Glebe Field as Candidate Site for the Vale of Glamorgan LDP Review.
- (2) To provide the Committee with additional information to inform them of the potential uses of the land which would be more likely to result in a successful promotion of the Glebe Field as a Candidate Site.
- (3) To note the report and recommendations under Part II of the agenda.

96 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.

97 MATTER WHICH THE CHAIRMAN HAD DECIDED WAS URGENT –

RESOLVED – T H A T the following matter which the Chairman had decided was urgent for the reason given beneath the minute heading be considered.

98 UPDATE ON LAND AT GLEBE FIELDS, SULLY (MD) (EXEMPT INFORMATION – PARAGRAPHS 13 AND 14) -  
**(Urgent by reason of the need to expedite the matter)**

The Operational Manager for Property presented the report, the purpose of which was to provide details of an offer letter received from the Sully and Lavernock Community Library Trust and to seek instructions from the Trust in terms of an appropriate response.

Having summarised the offer received, the Officer reminded Members that there was an obligation on the Trust to market any surplus land in accordance with the requirements of Charity Law in an open and transparent way ensuring at the same time that the best possible value is achieved for the land, and that it was for this reason that the report recommended that the bid in question for part of the site be deemed premature and Officers instructed to write to the Chair of Sully and Lavernock Community Library Trust to confirm the same.

Discussion ensued, with Members asking Officers for guidance regarding the appropriate options available to the Trust in relation to this matter. Having given full consideration to the contents of the report and Officers' guidance it was subsequently

**RESOLVED – T H A T** Committee note the offer received from Sully and Lavernock Community Library Trust and instruct the Operational Manager for Property to write to the applicants to confirm that the offer was currently deemed to be premature and would need to be submitted at the appropriate time as part of any future open marketing process.

Reason for decision

To ensure that the Trustees followed their obligations to act in accordance with Charity Law.

**N.B.** Councillor R.A. Penrose, having observed Part I of the agenda as an Attendee to the remote meeting, subsequently disconnected the meeting and did not observe any subsequent Part II agenda item.