

No.

WELSH CHURCH ACT ESTATE COMMITTEE

Minutes of a remote meeting held on 27th February, 2024.

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 and M.J. Hooper.

847 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Chair 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.”

848 APOLOGY FOR ABSENCE –

This was received from Councillor M.J.G. Morgan.

849 MINUTES –

RESOLVED – T H A T the minutes of the extraordinary meeting held on 6th November, 2023 be approved as a correct record.

850 DECLARATIONS OF INTEREST –

No declarations of interest were received.

851 CCLA INVESTMENT UPDATE –

At the start of the item, the Operational Manager for Accountancy advised, for context, that the transfer of the Welsh Church Act Investment Funds had taken a while to process but were successfully moved over in December 2023. Therefore, guest speakers from CCLA were invited to present to the Committee to report on progress since the transfer had taken place.

The Operational Manager for Accountancy then welcomed Ms. Antonia Cavalier, Director for Client Investments for CCLA who advised the Committee that the current market value of the investment was £1,907,122 with a forecast annual

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income of £54,395. Therefore, the amounts invested to date in the COIF Charities Ethical Investment Fund was £1,869,075.61.

Although it was early days for the investment, the response to date had been good with a 4.1% increase. The external Director went on to display charts in relation to market review, annualised performance, discreet year performance and cumulative performance and historical and projected annual distribution for the Committee's information.

The external Director then apprised the Committee on how CCLA was ensuring the investment income by trying to mitigate risk and invest over a highly diversified and well balanced spread of investments. This provided a multi-asset, long term fund, suitable for eligible charity investments that managed to meet clear, ethical and responsible investment standards. The external Director also added that one of the biggest investment changes in the current financial year was in relation to Bonds i.e. fixed interest which equated to 8.61% of the COIF Charities Ethical Investment Fund.

In terms of equity positioning, the external Director advised that there had been an increase in investments in relation to IT and healthcare and that two new positions had been added in the industrial sector such as John Deere (leader in agricultural equipment) and Trane Technologies (heating, ventilation and air conditioning equipment).

In conclusion, the external Director advised that the CCLA investment approach was guided by three imperatives: Act, Assess and Align and demonstrated a track record of catalysing real change in relation to net zero portfolios, improving business response to modern slavery and pushing for better work force mental health. CCLA did not invest in companies who were not well managed and the external Director provided slides in relation to the ethical restrictions and minimum standards for investment for the fund.

Following the external Director's presentation, the Chair thanked the Director for an excellent presentation that accurately captured the current financial economy. The Chair then went to ask what, in the Director's professional opinion, was the future of investment? In response, the external Director advised that CCLA focussed on companies that could grow securely and effectively and CCLA had a history in the type of investment that could be evidenced to date. Investment was always a balanced approach and although the ethical fund was rated, CCLA would choose to invest not just in companies that had strong accounts but also in companies that showed potential who could benefit from investment.

In reply, the Chair agreed that some companies were not making dividends but were still managing to be successful in the current economic climate. The Chair then noted that as a church fund, the Welsh Church Act Fund wished to remain on an ethical footing as well as exploring interests in renewable energy investments.

In conclusion, the Operational Manager for Accountancy echoed the Chair's thanks for the CCLA representative attending to present at the meeting and

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advised that the Council was pleased to see that the Welsh Church Act Fund investments were doing well under CCLA.

With no further comments or questions, the Committee subsequently

RESOLVED – T H A T the presentation, as provided, be noted.

Reason for decision

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

852 APPLICATIONS FOR FINANCIAL ASSISTANCE 2023/24 TRANCHE 4 (DCR) –

The Operational Manager for Accountancy presented the report, the purpose of which was to consider applications for financial assistance funded from the Welsh Church Act Estate.

The Officer advised that a revised budget of £41,963 had been set for issuing grants during 2023/24 reflecting allocations to date and proposed as part of the report. This included an unallocated budget amount of £12,120 carried over from 2022/23 which was also available for allocation during 2023/24. On a trial basis the maximum grant that could be potentially awarded had been increased from £5,000 to £10,000.

Grants allocated at Committee in June 2023 totalled £10,150. Since that date, a grant awarded in the sum £5,000 had been withdrawn and substituted with a new application in Tranche 4 in response to the increased maximum grant amount, therefore, reducing the total grants allocated at the June Committee to £5,150.

Grants allocated at Committee in September 2023 totalled £13,813. Grants allocated at Committee in December 2023 totalled £3,000 and further awards totalling £20,000 were recommended as part of the report before the Committee however, the Officer advised of some concerns in relation to match funding and the requirement for more information before approving in principle for the application received from Croes y Parc Baptist Church.

Following the Officer's presentation, Councillor Champion referred to the second application as applied for by the Croes y Parc Baptist Church and presented a two-part question as to whether the Committee received evidence once monies had been spent and whether the £10,000 as applied for would complete the whole of the wall or only part. In response, the Operational Manager for Accountancy advised that a statement of completion, as well as physical spot checking, would be undertaken and would be standard practice for applications that were now at a maximum of £10,000 awarded. The application was made in relation to a scheme that was valued over £100,000 and therefore the sum as applied for only related to a section of the overall scheme.

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Councillor Hooper then noted that £62,000 for the same project would be funded by members of the related church and therefore stressed the importance of the Committee to go back for further match funding information. Councillor Hooper also enquired if the £10,000 as applied for was being used as the contingency as also stated for the project. In response, the Operational Manager for Accountancy advised that the £10,000 as applied for was not part of the project contingency and that funds would only be released on the receiving of evidence that funds had already been spent.

The Chair then proposed a third recommendation, following advice provided by the Operational Manager, that any subsequent 2023/24 confirmed income balances be transferred to the unrestricted general reserves for 2024/25. The additional recommendation was subsequently accepted by the Committee.

RESOLVED –

(1) T H A T the application for grant assistance, as set out in Appendix A of the report from The Parish Church of St Nicholas in Wales, Llandaff, be approved.

(2) T H A T the application for grant assistance, as set out in Appendix A of the report from Croes y Parc Baptist Church, be approved in principal subject to further information being obtained from the Applicant in relation to match funding and the intended repair work approach.

(3) T H A T any subsequent 2023/24 confirmed income balances be transferred to the unrestricted general reserves.

Reasons for decisions

(1) Having regard to the content of the report and subsequent discussion at the meeting.

(2) The application funding be awarded on the provision of satisfactory evidence first being provided, to evidence that related expenditure had occurred.

(3) That any identified 2023/24 income balances be carried forward to the 2024/25 general reserves for draw down by the Committee in relation to applications received in 2024/25.

853 MATTER WHICH THE CHAIR HAD DECIDED WAS URGENT –

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

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854 ANNUAL REPORT AND ACCOUNTS 2022/23 AND INDEPENDENT EXAMINATION (DCR) –

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

The Officer began by advising that the Independent Examination of the Welsh Church Act Accounts was now complete. There were no expected changes to the accounts presented in November however, this was subject to internal approval by Audit Wales. A Delegated Authority was requested to the Chair, in consultation with the Head of Finance/Section 151 Officer, to finalise any presentational issues in relation to the differentiation between un-restricted and restricted funds. This would provide a consistent approach, from the 2023/24 accounts onwards, with that of other Welsh Church Act Accounts in Wales.

Following approval by Committee the Welsh Church Accounts would be signed by Audit Wales and submitted to the Charity Commission.

With no questions raised, the Committee subsequently

RESOLVED –

(1) T H A T the Annual Report and Accounts 2022/23, as set out at Appendix A to the report be approved, and that the Chair be authorised to sign the same on behalf of Trustees. The accounts to be signed by Audit Wales and the approved accounts be submitted to the Charity Commission.

(2) T H A T a Delegated Authority be made to the Welsh Church Act Committee Chair in consultation with the Head of Finance/Section 151 Officer to finalise any presentational issues that are determined by Audit Wales.

Reasons for decisions

(1) Having regard to the content of the report and subsequent discussion at the meeting in accordance with the requirements of the Charities Act 2011, and the Charities (Accounts & Reports) Regulations 2008.

(2) To finalise any outstanding presentational issues that are requested by Audit Wales.