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**CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL**

**YMDDIRIEDOLAETH
ELUSENNOL YNYS MON
ISLE OF ANGLESEY
CHARITABLE TRUST**

RHYBUDD O GYFARFOD		NOTICE OF MEETING
PWYLLGOR BUDDSODDI A CHONTRACTAU		INVESTMENTS & CONTRACTS COMMITTEE
DYDD MAWRTH, 1 TACHWEDD, 2016 at 11.30 o'r gloch y.b.		TUESDAY, 1 NOVEMBER 2016 at 11.30 am
SIAMBR Y CYNGOR, SWYDDFEYDD Y CYNGOR, LLANGEFNI		COUNCIL CHAMBER, COUNCIL OFFICES, LLANGEFNI
Swyddog Pwyllgor	Mrs. Mairwen Hughes 01248 752516	Committee Officer

AELODAU / MEMBERS:

Cadeirydd yr Ymddiriedolaeth/Chairman of the Trust	T.Victor Hughes
Is-Gadeirydd yr Ymddiriedolaeth/Vice-Chairman of the Trust	T.LI. Hughes

**Ann Griffith
K P Hughes
T LI Hughes
G O Jones
H Eifion Jones
R LI Jones
A M Jones
Alun W Mummery
Nicola Roberts
Dafydd Rhys Thomas**

A G E N D A

1 ELECTION OF CHAIRPERSON

To elect a Chairperson.

2 ELECTION OF VICE-CHAIRPERSON

To elect a Vice-Chairperson.

3 MINUTES (Pages 1 - 2)

To submit, for confirmation, the minutes of the meeting held on 26 November, 2015.

4 INVESTMENT MANAGEMENT

To submit a report by HSBC Global Asset Management (UK) Limited.
(REPORT TO BE DISTRIBUTED AT THE MEETING)

5 ALLOCATION OF FUNDING FOR LARGE GRANTS (Pages 3 - 4)

To submit a report by the Treasurer in relation to the above.

Investments & Contracts Committee

Minutes of the meeting held on 26 November 2015

PRESENT:	Messrs. T LI Hughes, K P Hughes, G.O. Jones, H. Eifion Jones, R LI Jones, Alun W Mummery
IN ATTENDANCE:	Treasurer, Accountancy Services Manager, Committee Officer (MEH).
APOLOGIES:	Messrs. A M Jones and Dafydd Rhys Thomas
ALSO PRESENT:	Mr. T. Victor Hughes – Chair of the Isle of Anglesey Charitable Trust Mr. Rupert Cecil, Director, Charities – HSBC Global Asset Management (UK) Limited

The Chair referred to the recent hospitalization of Mr. T.LI. Hughes and was pleased to see him in attendance at this meeting.

1 ELECTION OF CHAIRPERSON

Mr. H. Eifion Jones was re-elected Chairperson.

2 ELECTION OF VICE-CHAIRPERSON

Councillor G.O. Jones was re-elected Vice-Chair.

3 DECLARATION OF INTEREST

No declaration of interest received.

4 MINUTES

The minutes of the meeting held on 8 June, 2015 were confirmed.

Arising Thereon

Contract for Audit Services

It was reported that a report on the contract for Audit Services will be presented to the next meeting of this Committee.

5 INVESTMENT MANAGEMENT

Submitted – the HSBC Global Asset Management (UK) Limited Report up to November 2015.

The Investment Management reported that the objective of the portfolio is to grow the capital in line with inflation and generate income sufficient to meet the cash flow requirements agreed annually with the trustees. The agreed strategy is to exceed the agreed fixed weight benchmark by 1.5% per annum over rolling three year periods. The value of the fund as at 17 November, 2015 was £16,930,549. At today's meeting the value of the fund at risen to £17,100,000.

The portfolio performance and long-term performance was explained to the Committee in detail. It was noted that the Trust's portfolio has now move into a 'Growth and Income Fund' following the full Charitable Trust's endorsement at its meeting held on 13 July, 2015.

The Investment Management referred to the recent sale of the Rhosgoch Land for a total of £3m. Discussions took place regarding the options available for the investment. Members of the Committee considered that the £3m from the sale of the Rhosgoch Land should be place with the current portfolio of the Charitable Trust.

It was RESOLVED :-

- **To thank the representative from HSBC for attending the meeting and to accept the report;**
- **To recommend to the full Charitable Trust that the £3m from the sale of the Rhosgoch Land be place within the current portfolio of the Charitable Trust.**

**Mr. H. Eifion Jones
Chair**

ISLE OF ANGLESEY CHARITABLE TRUST	
COMMITTEE	CONTRACTS AND INVESTMENT COMMITTEE
DATE	1 NOVEMBER 2016
TITLE OF REPORT	Allocation of Funding for Large Grants
PURPOSE OF REPORT	To agree a sum to allocate for larger grants for 2017
REPORT BY	Treasurer – Isle of Anglesey Charitable Trust
ACTION	Based on the information provided by the Trust's Investment Managers, to agree a sum that will be utilised to fund large grants awarded by the Trust in 2017

1. INTRODUCTION

- 1.1. The Charitable Trust commenced awarding large grants in 2014. No formal process to invite bids was followed and each case was assessed on its own merit. The awarding of the initial grants has resulted in more organisations coming forward to request funding both for specific projects and to help with running costs.
- 1.2. As the fund has continued to grow it generates income through annual interest payments and dividends but in addition the capital value of the fund has grown over time. Members of the Trust were keen to use some of the increase in the capital value of the fund to provide funding to award larger grants on a more formal basis.
- 1.3. In early 2016, the Trust resolved to allocate a sum of £200,000 which was equivalent to 20% of the growth in the capital value in the year to fund grants in 2016.
- 1.4. Following a bidding process, 4 organisations received grant funding in 2016.
- 1.5. At its meeting on 13 September 2016, the Trust resolved to allocate funding towards larger grants and it delegated the decision on the sum to be allocated to the Investment & Contracts Committee.
- 1.6. Following this meeting of the Investment & Contracts Committee, a formal bidding process will operate whereby organisations will be invited to submit applications. It is intended that the process will be open between November 2016 and January 2017, with the decision on which organisations receive funding being made in February 2017.

2. FUNDING ALLOCATION

- 2.1. In February 2016, the Trust resolved to allocate 20% of the growth in the capital value to fund the larger grants. Given the value of the growth, this percentage provided a reasonable fund without eroding the value of the investment fund significantly.
- 2.2. It should be noted that there is always a risk that the capital value of the fund will fall and allocating too high a sum in times where the capital value of the fund is growing may have a detrimental effect on the future investment returns if the capital value of the fund begins to fall sharply.

- 2.3.** The Committee must therefore take into account the advice of the Investment Manager before deciding what the sum allocated will be, ensuring that the fund is sufficiently large to enable the Trust to help as many organisations as possible without putting at risk the future levels of income the fund will generate. The Investment Manager will be available at the meeting to provide the appropriate advice.

3. ACTION REQUIRED

- 3.1.** The Committee is requested to consider determine the sum to be allocated for large grants based on the information and advice provided by the Investment Manager.

**R MARC JONES
TREASURER – ISLE OF ANGLESEY CHARITABLE TRUST**

26 OCTOBER 2016