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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 AND CONTRACTS COMMITTEE
DYDD MAWRTH, 5 TACHWEDD, 2019 at 10.30 o'r gloch yb		TUESDAY, 5 NOVEMBER 2019 at 10.30 am
SIAMBR Y CYNGOR, SWYDDFEYDD Y CYNGOR, LLANGFNI		COUNCIL CHAMBER, COUNCIL OFFICES, LLANGFNI
Swyddog Pwyllgor	Mrs Mairwen Hughes 01248 752516	Committee Officer

AELODAU / MEMBERS:

Cadeirydd ac Is-Gadeirydd yr Ymddiriedolaeth Elusennol Ynys Môn/
Chair and Vice-Chair of the Isle of Anglesey Charitable Trust

K P Hughes
T LI Hughes MBE
Aled M Jones
Gwilym O Jones
R LI Jones
Alun Mummery
Dafydd Roberts
Nicola Roberts
Dafydd R Thomas
Robin Williams

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 DECLARATION OF INTEREST

To receive any declaration of interest by any Member or Officer in respect of any item of business.

4 MINUTES (Pages 1 - 2)

To submit the minutes of the meeting held on 6 November, 2018.

(Minutes confirmed by the Isle of Anglesey Charitable Trust held on 12 December, 2018)

5 INVESTMENT MANAGEMENT

To submit a report by HSBC Global Asset Management (UK) Limited.

(REPORT TO BE DISTRIBUTED AT THE MEETING)

6 ALLOCATION OF FUNDING FOR LARGER GRANTS (Pages 3 - 4)

To submit a report by the Treasurer.

Investments & Contracts Committee

Minutes of the meeting held on 6 November 2018

PRESENT: K P Hughes, T LI Hughes MBE, G O Jones, Alun W Mummery, Dafydd Roberts, Nicola Roberts and Robin Williams.

R O Jones – Vice-Chair of the Isle of Anglesey Charitable Trust

IN ATTENDANCE: Treasurer,

Officers from the Isle of Anglesey County Council (herein referred to by their IOACC job titles)

Capital & Treasury Management Accountant (GR),
Committee Officer (MEH).

APOLOGIES: Dafydd Rhys Thomas

ALSO PRESENT: Ms Carli Watson and Mr Tommy Doan – HSBC Global Management (UK) Limited

1 ELECTION OF CHAIRPERSON

Mr T LI Hughes MBE was elected Chairperson.

2 ELECTION OF VICE-CHAIRPERSON

Mr Dafydd Roberts was elected Vice-Chairperson.

3 DECLARATION OF INTEREST

None received.

4 MINUTES

The minutes of the meeting held on 7 November, 2017 were confirmed.

(Minutes confirmed by the Isle of Anglesey Charitable Trust held on 12 December, 2017).

5 INVESTMENT MANAGEMENT

Submitted – the HSBC Global Management (UK) Limited report up to October 2018.

The representatives from HSBC gave a detailed overview of the Charitable Trusts' investment portfolio within the Charities Service UK Growth & Income account. The value of the portfolio was £21,381,961.84 at 30 October, 2018. Details of the key market developments was reported to the Committee and it was noted that a strong start to the 2018 year was interrupted by a return to market volatility as fears over higher bond yields, rising inflation and a quicker pace of interest in the US. A decline was recovered in the latter part of February as investors focused on the backdrop of good global economic growth and positive corporate earnings. Further equity market weakness was prompted in March by fears over the strength of the global economy and an increase in trade protectionism, as well as specific concerns over increased regulation in the technology sector. Markets stabilised in April as global trade tensions and concerns over US inflation eased. The

pound weakened in April amid broad US dollar strength. US-China trade tensions overshadowed equity markets in June with emerging market bonds and equities weighted down by some weaker than expected Chinese economic activity data and the Fed raising of interest rates by 0.25%. It was further noted that financial markets are sensitive to political developments.

It was RESOLVED to thank the representatives from HSBC Charities Team for attending the meeting and to accept the report.

6 ALLOCATION OF FUNDING FOR LARGER GRANTS

Submitted – a report by the Treasurer in relation to the allocation of funding for larger grants in 2019.

The Treasurer reported that over the past three years, the Isle of Anglesey Charitable Trust set aside a sum of money to fund successful applications for larger grants (over £8,000). In 2016, £200,000 was allocated and in 2017 and 2018, £350,000 was allocated. In 2018, the application process was widely advertised and resulted in the Trust receiving 34 applications from organisations requesting assistance, with the total of £1.48m requested. 14 applications were successful with the full £350,000 allocated being awarded as grants.

In 2017, this Committee considered 3 options to determine the sum to be allocated :-

- Based on 20% of the increase in the capital value of the Portfolio (excluding the value of cash transferred into the portfolio during the year);
- Based on 20% of the increase in the capital value of the Portfolio (including the value of cash transferred into the portfolio during the year);
- To maintain the sum allocated as per the previous year i.e. £350,000.

Following deliberations it was **RESOLVED to recommend to the full Charitable Trust that a sum of £350,000 be the sum allocated as per the previous year towards larger grants.**

**Mr T LI Hughes MBE
Chair**

ISLE OF ANGLESEY CHARITABLE ORGANISATION	
COMMITTEE:	INVESTMENTS AND CONTRACTS COMMITTEE
DATE:	5 NOVEMBER 2019
TITLE OF REPORT:	ALLOCATION OF FUNDING FOR LARGER GRANTS
PURPOSE OF REPORT:	To agree a sum to allocate for larger grants for 2020
REPORT BY:	ACTING TREASURER – ISLE OF ANGLESEY CHARITABLE ORGANISATION
ACTION:	Based on the information provided by the Trust’s Investment Managers, to determine the sum that will be allocated to larger grants in 2020

1. BACKGROUND

- 1.1 Over the past four years, the Isle of Anglesey Charitable Trust set aside a sum of money to fund successful applications for larger grants (over £8,000). In 2016, £200,000 was allocated and, in 2017, 2018 and 2019, £350,000 was allocated.
- 1.2 For 2019, the application process was widely advertised and resulted in the Trust receiving 29 applications from organisations requesting assistance, with the total of £1.17m requested. After assessment and consideration by the Regeneration Committee and approval by the Full Trust Committee, 12 applications were successful with the full £350,000 allocated being awarded as grants. Grants were awarded to a range of organisations and projects, including community groups, sports clubs, groups which support the elderly in the community, arts and music festivals, a children’s nursery and a project to support people from disadvantaged backgrounds.
- 1.3 Although it is a decision for the full Trust to determine whether they wish to allocate funding to larger grants in 2020, it is a decision for this Committee to determine the sum to be allocated.

2. DETERMINING THE SUM AVAILABLE FOR LARGE CAPITAL GRANTS FOR 2020

- 2.1 The large grants have always been funded from any increase in the capital value of the investment portfolio. Any revenue generated from the investments in terms of interest and dividends received have always been used to fund the smaller grants, the grant to Oriel Môn and the general running costs of the Trust.
- 2.2 The comparison of the capital value of the portfolio between 30 September 2018 and 30 September 2019 is shown in Table 1 below.

Table 1

Movement in the Capital Value of the Investment Portfolio between 30 September 2018 and 30 September 2019

	£
Value of the Investment Portfolio as at 30 September 2019	22,426,325
Less Value of the Investment Portfolio as at 30 September 2018	22,945,228
Movement in the Value of the Investment Portfolio	(518,903)
Add Cash Withdrawals from the Investment Fund	1,515,776
Less Income Credited to the Investment Fund	(657,077)
Increase in the Capital Value of the Investment Portfolio	339,796

- 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, if it decides to do so, 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 in attendance at the meeting of this Committee to provide the appropriate advice.
- 2.4** In November 2017, the Committee agreed to set the value of the funding at 20% of the increase in the capital value of the investment portfolio and in November 2018, the Investment Manager reported an increase in the capital value of the investment portfolio and the Committee resolved to keep the value of the funding at £350,000.
- 2.5** Allocating 20% of the increase in the capital value would only provide a fund of £70,000, which may be insufficient to meet the demand, whilst allocating £350,000, as in previous years would result in a reduction in the capital value of the investment portfolio, which is something that the Trustees may not wish to see.
- 2.6** It should be noted that the investment portfolio has now transferred across to the Charitable Incorporated Organisation, the Isle of Anglesey Charitable Organisation. This new Trust has yet to meet, and has not set out how it intends to use the funding in the future. It may be that the new Trust does not consider that requesting applications and awarding large grants on an annual basis is the best method of achieving the strategic objectives of the Association.

3. ACTION REQUIRED

- 3.1** The Committee is requested to consider the advice of the Treasurer and the Investment Manager and to determine:-
1. Whether they defer making a decision pending a decision from the Isle of Anglesey Charitable Organisation as to whether it wishes to continue with awarding large grants.
 2. If the decision is not deferred to recommend a funding figure to the Isle of Anglesey Charitable Organisation. The funding figure can range from £70,000 (20% of the increase in the capital value) to £340,000 (100% of the increase in the capital value).

R MARC JONES
TREASURER – ISLE OF ANGLESEY CHARITABLE TRUST

30 OCTOBER 2019