

ISLE OF ANGLESEY CHARITABLE TRUST

Minutes of the meeting held on 29 May, 2012

- PRESENT:** Messrs. W.J. Chorlton, E.G. Davies, Richard A. Dew, K.P. Hughes, T.Ll. Hughes, W.T. Hughes, Eric Jones, Raymond Jones, T.H. Jones, C. McGregor, Bryan Owen, R.L. Owen, G.O. Parry MBE, J. Arwel Roberts, G.W. Roberts OBE, Elwyn Schofield, H.W. Thomas.
- IN ATTENDANCE:** Secretary,
Head of Service (Finance),
Acting Head of Service (Economic Development),
Development Officer (Projects) (TJ),
Capital/Treasury Accountant (BD),
Committee Officer (MEH).
- APOLOGIES:** Messrs. Lewis Davies, Jim Evans, Keith Evans, C.Ll. Everett, D.R. Hughes, Mrs. Fflur M. Hughes, R.Ll. Hughes, W.I. Hughes, O. Glyn Jones, R. Dylan Jones, A.M. Jones, Bob Parry OBE, Eric Roberts, Ieuan Williams.
- ALSO PRESENT:** None
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1 ELECTION OF CHAIRPERSON

Mr. Elwyn Schofield was elected Chairperson.

The Chair thanked the Members for this confidence in him.

2 ELECTION OF VICE-CHAIRPERSON

Mr. G.W. Roberts OBE was elected Vice-Chairperson.

3 DECLARATION OF INTEREST

No declaration of interest was received.

4 MINUTES

The minutes of the following meeting were confirmed :-

- Minutes of the meeting held on 22 November, 2011.
- Minutes of the meeting held on 6 March, 2012.

5 REPORTS OF SUB-COMMITTEES OF THE CHARITABLE TRUST

• Investment and Contracts Committee

Submitted – for confirmation, and for adoption where necessary, the minutes of the following meeting :-

- Minutes of the meeting held on 2 December, 2011.
- Minutes of the meeting held on 7 February, 2012.
- Minutes of the special meeting held on 14 February, 2012.
- Minutes of the meeting held on 22 May, 2012.

The Chair noted that the value of the fund has decreased by over £1m during the last quarter. It was expressed that the Charitable Trust must be vigilant in respect of the benchmark income from the fund.

6 PROJECTED OUT-TURN 2011/2012 AND BUDGET 2012/13

Submitted – report on behalf of the Treasurer in relation to the above.

The Head of Service (Finance) reported that this report is required to roll forward funding allocations for 2012/13 and to delegate funding to the General Grants Committee. It reflects the draft outturn for 2011/12 and has been updated from the version circulated in April which was based upon projected outturn.

The revised financial strategy adopted in late 2009 to a large extent determined the annual budget for 2010/11. This was further updated for 2011/12 and with two significant amendments :-

- The commitment of £300k made to Phase 2 of the Rural Development Plan which was entirely consistent with the strategy but which was accounted for as expenditure in 2010/11 even though in practice it is being drawn down over a number of years;
- The major grant to the Holyhead Weightlifting Club awarded and paid in 2011/12.

The projected out-turn for 2011/12 differs from the strategy and budget with investment income been marginally higher than anticipated, the Holyhead Weightlifting Club grant and revised profile of drawdown in RDP matchfunding.

The projected out-turn (which was summarised within the report) means that revenue reserves as at 31 March, 2012 are estimated at £81k deficit. This is in deficit for the first time, but is stated after writing off the full value of £300k for RDP Phase 2 to be drawn down over a period of years. In cash terms this £300k has not yet been paid out. The reserves policy was amended last year to allow the revenue reserve balance to be in deficit, provided the cash flow projections allow a return to surplus over the period of the regeneration funding drawdown. The projected spending of the Charitable Trust funds was outlined within the report.

It was noted that the projections still allow the commitment of £66k towards village halls as in the April 2011 strategy update and up to £50k towards Community Facilities and minor grants. The projection shows that projected increase over the period to the end of 2013/14 allows flexibility of £91k on the proposed grants and current administration costs. There is a risk that if income does not grow at these rates, the £91k flexibility is reduced. It will be necessary to keep income under review and address any shortfall when preparing the 2013/14 budget. It was noted that the Investment Managers had, at the last meeting of the Investment and Contracts Committee, given assurances that dividends are still maintained.

Issues raised by Members :-

- From the minutes of the Investment and Contracts Committee : some of the funds pay dividends in the form of investment units. It was considered that dividends should be paid as income and reinvested in capital which will increase reserves. The Head of Service (Finance) responded that this could be looked at during the year.
- Concerns were expressed that most of the investment income was spent on large projects. It was expressed that small communities are experiencing difficulties in maintaining community centres within their areas. It was pointed out that there had been a 10% increase in the budget for community centres in the previous year. Some Members expressed that there was a need for small communities to work jointly.

RESOLVED

- **To agree the update to the strategy and reserves policy as outlined;**
- **To adopt a budget for 2012/13 as follows :-**

Oriel Ynys Môn	£230k
Village Halls	£66k
Community Facilities & Minor Grants	£50k

- **To delegate to the General Grants Committee the sum of £50k to deal with annual applications in accordance with the revised criteria.**

7 ADMINISTRATION OF TRUST BUSINESS

Submitted – a report by the Secretary in relation to the above.

The Secretary reported that administrating the Charitable Trust on the scale of the Isle of Anglesey Charitable Trust places a heavy burden on the Council's own administration, especially during a period of financial constraints when the service is provided in kind and with no financial recharge to cover the provision of services. In addition to the issues around capacity, it has become increasingly evident, especially in the context of disposal of assets, that the Council is unable to provide the level of expertise and knowledge which the Trust requires to conduct its business effectively. This is particularly relevant in the area of legal advice and support.

There was however a cost to the proposed arrangements which would reduce the funding available for allocation for charitable purposes.

Issues raised by Members :-

- Members expressed strongly that due to the volatility of local government throughout Wales and possible amalgamation of local authorities, there is a need for the Constitution of the Charitable Trust to secure the Trust for the people of Anglesey in the future.
- Some Members considered that the Charitable Trust has been unable to take advantage of opportunities in recent years to sell assets due to the administration of the Trust being in-house.
- Some Members were concerned that the Charitable Trust was considering outsourcing the administration of the Trust as it could be costly and could affect the funding allocated to local communities.
- A Task and Finish Group should be established to discuss this matter.

RESOLVED that a Task and Finish Group be established, with the following representation of the Charitable Trust, to consider different options and the business case for establishing a new administrative arrangements and to report the findings for determination by a full meeting of the Charitable Trust :-

Chair of the Isle of Anglesey Charitable Trust

Messrs. E.G. Davies, W.T. Hughes, Eric Jones, T.H. Jones, Hefin W. Thomas.

8 PARTICIPATION BUDGET SCHEME

Submitted – a report by the Secretary in relation to the above.

The Secretary reported that the Anglesey Commissioners have held discussions with the High Sherriff on the objectives of improving the well-being of communities through increased public engagement in articulating the needs and priorities of those communities. The pilot scheme that they have in mind is to allocate a sum of around £30k to a community and engage in a discussion with the citizens of that community how this spending be prioritised and spent on community based projects that would provide maximum benefits to them.

Issues raised by Members:-

- It was considered that such a scheme could set a precedent;
- The Charitable Trust already supports local community through its General Grants Committee;

RESOLVED to refuse the application.

ITEM TAKEN IN PRIVATE

9 RHOSGOCH LAND

Submitted – a report by the Officers of the Charitable Trust in relation to the above.

The Secretary reported that the Trust and its Investment and Contracts Committee have been considering the potential disposal of the land in the Trust's ownership at Rhosgoch. The law requires that land sale transactions are properly managed in charities' interests and that trustees obtain the best price reasonably obtainable in the circumstances. The Trustees must :-

- Obtain and consider a written report from a Qualified Surveyor. It is strongly recommended that this is done now so as to set out the parameters of what is possible or likely to form part of the marketing and the terms for disposal of the site;
- Follow the advice of the Qualified Surveyor as to marketing of the site. It is strongly recommended that the Qualified Surveyor advise on the marketing of this site to ensure that the Trustees are best placed to fulfil their duties when it comes to agreeing terms for the disposal;
- In due course, decide that they are reasonably satisfied that the proposed terms which emerge after following of the above two tasks are the best that can reasonably be obtained in the circumstances of the disposal.

The Secretary noted that certain companies have expressed an interest in the site and expressed that Officers of the Trust stated fair competition needs to be undertaken for the potential sale of the land on the open market. He noted that some difference of opinion have been between the Officers and the Members of the Investments Committee in respect of the way forward in respect of certain issues attached to this matter. He stated that agreement has now been resolved that a Qualified Surveyor should be appointed through the District Valuer and that whole process be transferred to that person to lead and support the Charitable Trust in the potential sale of the land at Rhosgoch. The Chair thanked the Secretary for his comments and noted that agreement has now been reached between the Members of the Investments Committee and the Officers of the Trust that District Valuer independently be requested to examine the potential sale benefit of the Rhosgoch site from the interested parties and subsequently submit his recommendations to the Charitable Trust.

Following further discussions it was **RESOLVED** :-

- **To employ a Qualified Surveyor/District Valuer to act in the disposal of the site, including the qualified Solicitor role, obtaining legal advice and marketing. If possible, to employ the required expertise by means of a 'one-stop shop' appointment.**
- **To consider the need to employ a Project Manager to co-ordinate activities between the appointed experts, the Officers of the Trust and the Trustees.**
- **To release a budget for up to £120k for this exercise.**

**MR. ELWYN SCHOFIELD
CHAIR**