THE REPRESENTATIVE BODY OF
THE CHURCH IN WALES

Minutes of the meetings of
The Representative Body
held on
9 November 2016
9 March 2017
and 6 June 2017
A meeting of the Representative Body of the Church in Wales was held at the SSE SWALEC Stadium, Cardiff on 9 November 2016.

Present:

*Ex Officio* Members

*Chair of the Standing Committee*

His Honour Philip Price QC

*Chairs of the Diocesan Boards of Finance*

St. Asaph: Mr J C Myers

Bangor: Mrs J Evans

St. Davids: Mr N C P Griffin (from item 16/46 onwards)

Llandaff: Mr P R Marshall OBE

Monmouth: Mr P Lea

Swansea &: Professor P Townsend

Brecon

_Elected Members_

St. Asaph: The Venerable R H Griffiths, Mr L T W Evans

Bangor: The Venerable R P Davies, Mrs M West

Llandaff: The Venerable C B W Smith, Mr G I Moses

Monmouth: The Venerable J S Williams, Miss P R Brown

Swansea &: The Venerable A N Jevons, Mr T J P Davenport

Brecon

_Nominated Members_

Mr J J Turner (Chair)

Mr R Davies

**Apologies:**

Apologies were received from the Archbishop, Mrs J Heard, the Venerable D M Wight, Mr L James, Mr T O S Lloyd OBE and Mr D Myrddin-Evans.

**In attendance:**

The following members of staff were present:

the Provincial Secretary, the Head of Finance, the Head of Property Services, the Head of Legal Services, the Archbishop’s Deputy Registrar, the Deputy Head of Finance and the Review Support Officer.

**Prayers:**

Opening prayers were led by the Venerable Bob Griffiths, Archdeacon of Wrexham, remembering particularly the Archbishop who was currently on sick leave.

**Conflicts of interest:**

Mrs Margaret West declared that her husband, the Venerable Professor Mike West, is a senior staff member at St. Padarn’s Institute; also Mrs Jennifer Evans declared she is a part-time student at St. Padarn’s Institute. Both declarations relate to the item on St. Padarn’s Institute (item 16/53). The potential conflicts were noted.
The Chair welcomed the Right Reverend John Davies, Bishop of Swansea & Brecon, to the meeting who, as the senior bishop, attended the meeting in the place of the Archbishop. The bishop was invited to participate in discussions but was not able to vote.

Minutes of the meeting of 7 June 2016
16/41

The minutes of the previous meeting were agreed as a true record and signed by the Chair.

Membership
16/42

Chairmanship

The Archbishop’s Deputy Registrar informed the Representative Body that two members, Mr Clive Myers and Mr Paul Marshall, would retire as members in May and August 2017 respectively. As Mr Myers and Mr Marshall hold key positions in the Representative Body’s structure (Mr Myers as Chair of the Human Resources Committee and Mr Marshall as both Chair of the Investment Committee and Deputy Chair of the Representative Body) succession planning in anticipation of their retirements would begin.

It was agreed job descriptions and person specifications for the roles of Chairs of the Human Resources and Investment committees would be drawn up and agreed with the Representative Body Chair prior to being circulated within the Church in Wales in early 2017. If satisfactory candidates were not found these roles would be advertised externally. Potential candidates would be considered at the Representative Body’s meeting in March 2017.

It was also agreed that a new Deputy Chair would be elected by the Representative Body at its meeting in June 2017, ahead of Mr Marshall’s retirement the following August.

Episcopal representation

The Bench of Bishops is represented on the Representative Body by the Archbishop. In anticipation of the current Archbishop’s retirement in January 2017 it was agreed the senior bishop, the Bishop of Swansea & Brecon, would attend Representative Body meetings as an observer until a new Archbishop is elected. When elected the new Archbishop would become a member of the Representative Body ex officio.

Committee membership

Members were reminded of the current vacancies on the Investment (1) and Human Resources (2) committees. It was agreed that in view of the impending change of chair of these committees these vacancies would be left unfilled for the time being to ensure there would be capacity to bring in new members with particular expertise as required.

Use of the Representative Body Seal
16/43

It was confirmed the Representative Body Seal had been used from numbers 35721 to 35811 (inclusive) during the period 6 June 2016 to 28 October 2016. The Seal Register was present for members’ inspection; gratitude was extended to those members who witnessed sealing.
Investment Committee
16/44

The minutes of the Investment Committee’s meeting of 28 July 2016 were introduced by
the Committee’s Chair, Mr Paul Marshall.

i. Summary activity report

Mr Marshall drew members’ attention to the performance of the Representative Body’s
investment portfolio during the second quarter of 2016, noting the current variable global
financial situation, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Q2 2016</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>CiW fund</td>
<td>%</td>
<td>%</td>
<td>% per annum</td>
<td>% per annum</td>
</tr>
<tr>
<td>Benchmark</td>
<td>5.1</td>
<td>8.6</td>
<td>12.3</td>
<td>10.5</td>
</tr>
</tbody>
</table>

The total value of the fund at 30 June 2016 was £544.3m, an increase of 5% on the same
date in 2015.

The differences in performance between the two investment managers’ portfolios were
highlighted by Mr Marshall, noting that Newton Investment Management’s portfolio
performed in line with the composite benchmark while Sarasin and Partners’ portfolio
underperformed the composite benchmark. It was explained that the Sarasin portfolio
includes a high percentage of gilt securities which, at present, are not yielding high returns.

The Committee would meet in December to review the fund’s performance during the
third quarter of 2016.

The report of the Investment Committee was received.

Audit Committee
16/45

Mr Geoff Moses, Chair of the Audit Committee, introduced the minutes of the
Committee’s meeting held on 22 September 2016.

Mr Moses noted that there were currently two vacancies on the Committee: it was hoped
the Representative Body would be asked to appoint two new members in the coming
months.

The Committee had met with Haysmacintyre, the Representative Body’s newly appointed
external audit firm, for the first time since the firm’s appointment.

The report of the Audit Committee was received.

Budget
16/46

The Head of Finance introduced the proposed budget for 2017 (see annex 1) and talked
through the 2016 financial position, the five-year forecasts and the total return projections.

It was noted the revised forecast for 2016 resulted in the budgeted deficit reducing by over
£1 million to £2.1 million as a result of additional, unbudgeted income from special dividends
and the recovery of overseas tax. The budget for 2017 included the budget for St. Padarn’s Institute (which is now operating on a calendar year basis) which had been agreed by the Representative Body at its meeting in June 2016 (minute 16/35). Members were reminded that the restricted fund, against which the costs of ministry training had been charged in recent years, was projected to be spent by the end of 2017 and that diocesan contributions towards the costs of ministry training remained the subject of discussion.

The budgeted deficit of £3.2 million for 2017 was reviewed and members were reminded that the deficit must be viewed in the context of the total return projections which continued to be based on a 6.5% rate of return as agreed by the Representative Body in 2014. In light of this the expenditure budgeted was felt to be sustainable. The five-year forecasts indicated that, taking projected capital growth into consideration, the budget deficit would reduce over the next five years with a budget surplus being anticipated by 2022.

The Head of Finance noted that the triennial valuation of the Clergy Pension Scheme, which is held as part of the Representative Body’s general fund, would take place on 31 December 2016, the results of which would inform the Representative Body’s future financial commitments. The Transformation Fund, the Representative Body’s annual commitment of £1 million per year (divided between the dioceses and province) for 2020 Vision projects would cease at the end of 2017. The Representative Body would be provided with reports from dioceses on use of their respective allocations of the Transformation Fund during 2016 at its meeting in March.

It was noted that two items were included in the budget as ‘special projects’ – the costs associated with the proposed move of the provincial office to rented office accommodation and the costs associated with the Church in Wales’s participation in the Independent Inquiry into Child Sexual Abuse (formerly referred to as the Goddard Inquiry).

Mr Geoff Moses confirmed the Audit Committee had scrutinised the proposed budget and five-year forecasts and was content that the income and expenditure deficits were sustainable within the context of the Representative Body’s total return policy. The Committee had paid particular attention to the costs relating to the proposed move of the provincial office and additional staff expenditure.

The Representative Body approved the 2017 budget for recommendation to the Standing Committee and noted the revised forecast for 2016, the five-year forecasts and the total return position.

Risk management
16/47

The Head of Finance drew members’ attention to the risk register setting out the main risks to which the Representative Body and the wider Church are exposed, together with details of the measures in place to mitigate those risks. It was explained that a development in 2016 had been to colour-code each risk within the register to illustrate whether the residual assessment had changed since 2015.

Mr Geoff Moses confirmed the register had been reviewed in detail by the Audit Committee at its meeting in September 2016. The Committee was content with the processes in place for risk management and the ongoing review of the risk register by staff throughout the year.
Discussion followed, particularly surrounding the identified risk of declining congregation numbers (risk 6 in the register) and the strategic resources needed to address this. The Representative Body’s budgeted investment in initiatives such as the provision of the Transformation Fund as well as its ongoing support for St. Padarn’s Institute was acknowledged by the Bishop of Swansea & Brecon, on behalf of the Bench of Bishops, as means of positively addressing the decline and investing in church growth.

The Representative Body noted the risk register.

**Property Committee**
16/48

Mr Rod Davies, Chair of the Property Committee, introduced the minutes of the Committee’s meetings held on 27 June 2016 and 21 September 2016, noting the following items:

i. **St. Davids diocesan office, Abergwili**

The Committee had agreed the principle of sale of the St. Davids diocesan office to the Diocesan Board of Finance: the sale would include reciprocal rights of pre-emption.

ii. **Representative Body grants and funds**

The Committee had agreed some further flexibility in the distribution of grants and other funding available from the Representative Body to meet parishes’ mission priorities.

iii. **Sanctaidd and Welsh Places of Worship Forum**

The Committee noted the work of the new sector-wide Welsh Places of Worship Forum and the likely winding up of Sanctaidd (formerly known as Churches Tourism Network Wales).

iv. **Redundant churches**

The Committee had discussed the challenging issues of churchyards and the church redundancy process with reviews of each being planned for the near future.

The report of the Property Committee was received.

**Cathedrals and Churches Commission**
16/49

The Cathedrals and Churches Commission had not met since the last Representative Body meeting. There was no report.

**Provincial office**
16/50

The Head of Property Services updated the Representative Body on the new provincial office project, reminding members of the current situation and set out the developments since the Representative Body’s last meeting.
Current situation

At its meeting in June the Representative Body had been informed that Cardiff City Council’s planning department had required substantial amendments be made to the proposed design of the new office building drawn up by the architects acting on the Representative Body’s behalf, amendments resulting from the site’s location in a conservation area. The presence of bats had also been detected on the site which could result in demolition work being substantially delayed in order to comply with bat conservation legislation.

It was confirmed that a planning application based on the revised design of the building had been submitted to Cardiff City Council, but this application had not yet been determined.

New proposal

The Head of Property Services explained that the delay in the project had given the opportunity for reflection and further thought had been given to the basis of the project. The amended design of the building would result in increased costs (an increase of c£200,000 was anticipated) and the economic viability of the project (cost versus eventual value) was becoming harder to justify, particularly in view of the new design being less conducive to the satisfactory configuration of staff within the building. Also, it would give less flexibility for future developments in working practices.

In view of these reflections it was proposed that, rather than build a new provincial office, the Representative Body instead vacates the current office on Cathedral Road and moves to rented office accommodation in Cardiff city centre. The Cathedral Road site could be redeveloped as apartments in line with previous proposals, or sold.

It was explained that the provincial senior staff team had considered Cardiff city centre as the preferred location due to the ease of accessibility by public transport for both staff and visitors. Office facilities in the city centre have restricted parking provision but this was compensated by the availability of public transport. Two city centre office suites had been visited by provincial senior staff, one of which was preferred and preliminary negotiations had been undertaken by an agent on behalf of the Representative Body. Both offices offered accommodation on a single floor and included meeting space and other necessary facilities including lifts, toilets and kitchens. Furnishing would be the responsibility of the tenant. It was feasible these offices would be available for occupation by the spring of 2017: although occupation on the basis of a ten-year lease seemed likely, draft lease terms had not yet been prepared.

Financial appraisal

An overview of the estimated annual costs of renting office accommodation, compared to the costs of occupying the current provincial office, was presented. This overview suggested that while moving to rented office accommodation would lead to savings in some areas, overall, total costs would increase by approximately £314,000. It was noted that rental rates for office space in Cardiff city centre were between £18 and £20 per square foot with rent for an office of approximately 10,700 square feet totalling approximately £275,000 per annum (including VAT).

It was noted that these increased costs must be viewed in the context of the capital released by not proceeding with the construction of a new office on Cathedral Road and the value of the Cathedral Road site. The possibility of redeveloping the Cathedral Road site for investment purposes was being considered. This proposal would involve conversion and
construction of thirty-three residential units at a cost of approximately £3.5million: this development was expected to increase the end value of the site from £1.3million to around £5.8million with a net annual income of approximately £250,000 realised. It was proposed the details of this idea would be considered further: some reservations were expressed about the advisability of the Representative Body entering into a residential development scheme.

Full and extensive discussion followed during which it was acknowledged that the current provincial office required extensive and expensive work to be undertaken to bring it into line with health and safety regulations and to satisfy disability access legislation. The modular layout of the office split over three storeys was also not satisfactory and did not offer efficient use of space or staff time.

Concern was raised about the anticipated costs involved in renting office accommodation. The proposed city centre location compared to other areas with cheaper rental rates was discussed, but it was felt that the ease of access to the city centre via public transport was more practical for visitors and staff and therefore preferable.

It was noted that the Representative Body had already decided that new office premises were necessary and that the revised proposal merely presented a new solution to office provision: it was felt that continued delay in resolving this matter was not satisfactory. The original proposal, to construct a new provincial office within the Cathedral Road site, could experience significant delay and the costs involved in this may well increase further.

One member raised concerns that some elements of the proposal were not strong and did not justify the move to rented office premises and the additional costs this would involve.

Mr Rod Davies confirmed the Property Committee supported the new proposal and would continue to monitor progress and any future developments via its sub-group set up to specifically consider the provincial office project. Mr Geoff Moses confirmed the Audit Committee had considered the projected expenditure and would be kept informed as further detail of the costs became known.

Following discussion the Representative Body agreed:

- To the principle of relocating to a suitable rented office in Cardiff city centre and that enquiries into the preferred office premises already identified continue.
- The proposed office and the terms of any lease would be assessed by the provincial senior staff team in consultation with the sub-group of the Property Committee overseeing the provincial office project.
- The Representative Body Chair and Deputy Chair would join the Property Committee sub-group. (Future membership of this sub-group would be: Mr Rod Davies, the Bishop of Swansea & Brecon, the Venerable Jonathan Williams, Mrs Menna Gerrard, Mr James Turner and Mr Paul Marshall.)
- When available, further details and the draft heads of terms of the lease would be circulated to all members of the Representative Body for comment.
- That the Investment Committee, in consultation with the Property Committee, would consider the investment case for the redevelopment of the Cathedral Road site.

One member opposed the proposal and one member abstained.
Sales of consecrated property
16/51

In accordance with Chapter III, section 23(2) of the Constitution, the Representative Body authorised the sale of the following consecrated property:

B.212 Llanfaglan, St. Mary Magdalene’s churchyard
B.237 Llanenddwyn, former St. Enddwyn church
D.397 Haroldston St. Issells, former St. Issell’s church
D.850 Gwaun-cae-Gurwen, former St. David’s church, Tairgwaith
D.855 Llantwyd, St. Illtyd’s churchyard
D707 Pembroke St. Michael, St. Michael’s churchyard
D.884 Brongwyn, St. Mary’s churchyard
D.899 Llangain, section of St. Cain’s churchyard

Human Resources Committee
16/52

Mr Clive Myers, Chair of the Human Resources Committee, introduced the minutes of the Committee’s meeting held on 18 October 2016.

i. Clergy pensionable age

Mr Myers reminded members that at its meeting in June 2016 the Representative Body had endorsed the Human Resources Committee’s recommendation to increase the normal pensionable age for clergy from age 65 to age 67 from 1 January 2017 (minute 16/26), confirming that this had been approved by the Governing Body at its meeting in September 2016.

Mr Myers explained that to enable the necessary changes to the Constitution to be drafted, clarity was needed on one of the key changes to the Clergy Pension Scheme brought about by this decision. It was clarified that for clergy who joined the Scheme on or after 1 January 2017 (that is new members of the Scheme) the normal pensionable age would be 67: if clerics in this category wished to retire upon completion of forty years’ service, but before reaching the age of 67, their pension benefits would be subject to actuarial reduction.

Mr Myers noted the Human Resources Committee’s position that this was a consequential change to the Clergy Pension Scheme without which reduction of the costs of the Scheme, the principal reason for increasing the normal pensionable age, would not be achieved.

It was noted that existing members of the Scheme (members of the Scheme before 1 January 2017) who completed forty years’ service before the age of 67 would be entitled to receive their pension benefits without actuarial reduction.

In accordance with the advice of the Human Resources Committee, the Representative Body approved this clarification of the changes to the Clergy Pension Scheme.

ii. Staff Pension Scheme

The Committee had been working with the trustees of the Staff Pension Scheme to explore the options for reducing the benefits of the Scheme for new employees in order to reduce the costs of running the Scheme and the Representative Body’s financial liability.
In consultation with the trustees the Human Resources Committee had concluded that while changes could be made to the Scheme these alone would not guarantee a reduced employers’ contribution rate, due mainly to the increasingly regulated legislative framework in which pension schemes now operate. The Committee recommended therefore that the Staff Pension Scheme was closed to new members from 1 April 2017.

In line with the advice of the Human Resources Committee, the Representative Body agreed that the Staff Pension Scheme would be closed to new members from 1 April 2017. Alternative pension provision for new employees, based on similar arrangements to those offered by dioceses, would be considered by the Committee.

iii. Burial fees 2017

The Representative Body endorsed the Human Resources Committee’s proposal that the burial fees increase by 0.7% from 1 January 2017 in line with the latest CPI figures (for between July 2014 and July 2016), rounded up to the nearest pound. The Welsh Government would be asked to approve this increase. It was noted that there had been no increase in burial fees in 2016 due to the significant uplift in parochial fees in 2015.

The funeral and burial fees for 2017 would be:

<table>
<thead>
<tr>
<th></th>
<th>2016 fee</th>
<th>2017 fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ministry fee</strong> (payable to the officiating minister)</td>
<td>£80</td>
<td>£81</td>
</tr>
<tr>
<td>Committal (payable to the officiating minister)</td>
<td>£20</td>
<td>£21</td>
</tr>
<tr>
<td><strong>Church fee</strong> (payable to the PCC)</td>
<td>£100</td>
<td>£100</td>
</tr>
<tr>
<td><strong>Burial fee in Church in Wales burial ground</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Body</td>
<td>£450</td>
<td>£454</td>
</tr>
<tr>
<td>- Cremated remains</td>
<td>£150</td>
<td>£152</td>
</tr>
<tr>
<td><strong>Memorial fee</strong> (payable to the PCC for the Churchyard Maintenance Fund)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Plain wooden cross</td>
<td>£22</td>
<td>£23</td>
</tr>
<tr>
<td>- Grave headstone</td>
<td>£170</td>
<td>£172</td>
</tr>
<tr>
<td>- Cremated remains tablet</td>
<td>£90</td>
<td>£91</td>
</tr>
<tr>
<td>- Additional inscription</td>
<td>£40</td>
<td>£41</td>
</tr>
</tbody>
</table>

The Representative Body further agreed that the burial fees are increased in line with the CPI figure published for the previous year (rounded up to the nearest pound) for the years 2018, 2019 and 2020.

iv. Other matters

Mr Myers brought the following matters to the Representative Body’s attention:
The Human Resources Committee had agreed that the bishops’ car policy be amended to provide a leased vehicle instead of a purchased vehicle: this was agreed following a comparison of private and business use mileage undertaken in the previous three years and the current list price of cars similar to those allocated to bishops. The policy would stipulate that leased vehicles must be considered suitable and that the lease costs should not exceed £399 per calendar month: any request to deviate from the policy must be approved by the Chair of the Human Resources Committee.

Mr Myers confirmed the Committee had reviewed the annual report of the Provincial Secretary setting out the work programme for the provincial office for 2017.

The report of the Human Resources Committee was received.

St. Padarn’s Institute
16/53

The Chair welcomed the Right Reverend Richard Pain, Bishop of Monmouth and bishop with special responsibility for ministry matters, and the Reverend Dr Jeremy Duff, Principal of St. Padarn’s Institute, to the meeting.

The current situation

Members were reminded that at its meeting in June 2016 (minute 16/35) the Representative Body:

- Agreed to extend the period of the budget already agreed for the year 1 July 2016 to 30 June 2017 by six months: the budget for St. Padarn’s Institute had therefore been agreed to 31 December 2017;
- Agreed the costs of this budget would be on the same budgetary principles agreed by the Representative Body at its meeting in March 2016 (minute 16/13) with costs being split between the Representative Body and dioceses: any additional expenditure for the period 1 July to 31 December 2017 (over 50% of the training costs of 2015) would be allocated against the restricted fund.
- Agreed to bring the financial arrangements of the Chaplaincy Centre within the financial framework of St. Padarn’s Institute.

General update

The Bishop of Monmouth reflected on the working of St. Padarn’s Institute which had launched as planned on 1 July 2016. Encouragingly, a significant increase in the number of new starters on training programmes for both lay and ordained ministries was reported. It was hoped the diocesan training officers would all be in place by January 2017. It was planned St. Padarn’s Institute and its staff would withdraw from the St. Michael’s Centre site by June 2018, instead using three regional hubs for training around the province: this would be investigated further in the coming months.

It was noted that due to retirements, most of the St. Padarn’s team of senior teaching staff would change over the next two years: this would need careful management as building and maintaining the Institute’s reputation for academic quality was very important. St. Padarn’s represented an essential strategic investment in training the future leadership of the Church in Wales and good working relationships between St. Padarn’s and the dioceses, as well as provincial authorities, was essential.
Strategic development plan

Dr Duff introduced the draft strategic development plan for St. Padarn’s Institute which was followed by full discussion. The plan’s purpose was to provide a framework for the development of St. Padarn’s over the next three years, including the period (from 1 January 2018) for which the budget and arrangements for the allocation of costs had not yet been agreed. It was noted that the plan had been approved by the St. Padarn’s Council for discussion and had been discussed with the Bench of Bishops: consultation with dioceses would follow.

The scale and scope of St. Padarn’s was now known, meaning the Institute’s development costs were clearer and, in turn, the impact these costs would have on future budgeting. Increases in St. Padarn’s budgets should result in reductions in diocesan budgets where diocesan training functions (and their costs), including employment of diocesan training officers, were reallocated to the function of St. Padarn’s. The detail of these costs, their reallocation and potential financial savings would be discussed with dioceses individually.

Some concern was raised at the projected costs for 2018 which indicated an overall increase in the contribution dioceses would make to St. Padarn’s. These were noted to be projections only and did not include the savings to dioceses of transferring staff from diocesan to provincial employment. Provincial staff were asked to articulate the likely savings to dioceses to inform future discussions. Dioceses were also urged to specifically consider the scale and scope of St. Padarn’s, as set out in the strategic development plan, and use this as a starting point for their discussions about the finances of St. Padarn’s. While future evolution of the strategic development plan was inevitable the increasing coherence between the vision for training and the funding and support for the strategy for ministerial training was important. Professionalism and quality of training must be paramount and should fit in with diocesan strategic planning.

It was noted that the Representative Body’s triennial review of its funding commitments would take place in 2017 following the actuarial valuation of the Clergy Pension Scheme on 31 December 2016. Future funding commitments, including the levels of support available to St. Padarn’s, would be assessed in light of the proportion of the Representative Body’s assets needed to fund the Clergy Pension Scheme. Some concern was raised that increasing the proportion of the remaining available funds to support St. Padarn’s may lead to reductions being made to the Block Grant levels and the negative impact this would have on diocesan mission strategies.

Following discussion the Representative Body supported the draft strategic development plan for St. Padarn’s Institute which would be subject to consultation with dioceses and further discussion with the Bench of Bishops in January 2017. The Representative Body would continue to be kept abreast of developments in St. Padarn’s Institute and would receive written reports from the St. Padarn’s Council.

2020 Vision

The Archbishop’s Deputy Registrar introduced a paper setting out a proposal to hold a twenty-four hour symposium in 2017 to specifically concentrate on and discuss matters relating to ministry areas and ministry area formation. It was intended that dioceses would be asked to select six delegates to attend this event (a total of about forty delegates) which would be held in Cardiff Bay. The symposium proposal had been considered by the Implementation Group, the diocesan secretaries and the Bench of Bishops, all of whom
were supportive. It was felt such an event would be helpful for both dioceses and the broader Church in Wales.

A budget of £7,000 was proposed for this event which would include hiring of meeting space and overnight accommodation and meals for all delegates: dioceses would be asked to meet their delegates’ travelling expenses.

The Representative Body was supportive of the event and authorised use of the provincial allocation of the Transformation Fund to fund it.

**Date and place of next meeting**

16/55

The Chair confirmed the Representative Body would next meet on Thursday 9 March 2017 in Wrexham. Also, the Representative Body agreed to hold its meeting scheduled to take place on Tuesday 6 June 2017 at the Metropole Hotel, Llandrindod Wells instead of in Cardiff: this would be preceded by the annual Joint Finance meeting with the diocesan secretaries and the Bench of Bishops. The change in venue would help accommodate the meeting of the Electoral College to elect the new Archbishop, which would take place at Holy Trinity church, Llandrindod Wells on 7-9 June 2017.

The provincial meeting calendar for 2017 was noted.

**Closing prayers**

The Bishop of Swansea & Brecon closed with the meeting with prayer.
## SUMMARY REVENUE ACCOUNT 2016

### 1. Gross Income:

<table>
<thead>
<tr>
<th>AID</th>
<th>Cost Centre Holder</th>
<th>Gross Income</th>
<th>2016 Variance</th>
<th>2017 Variance</th>
</tr>
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<tr>
<td>2</td>
<td>Stock Exchange</td>
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<td>9,843,405</td>
<td>11,331,376</td>
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<tr>
<td></td>
<td>Property</td>
<td>3,408,935</td>
<td>2,311,460</td>
<td>2,435,691</td>
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<tr>
<td></td>
<td>Other Income</td>
<td>322,705</td>
<td>178,825</td>
<td>194,119</td>
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### Total Gross Income

17,714,202

### 2. Investment Management Costs

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<th>Investment Management Costs</th>
<th>2016 Variance</th>
<th>2017 Variance</th>
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<tr>
<td>2</td>
<td>Property</td>
<td>1,536,243</td>
<td>1,467,920</td>
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### Total Net Income

16,177,959

### Expenditure:

#### Support for Ministry

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<th>2017 Variance</th>
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<tr>
<td>3</td>
<td>Bishops’ Costs</td>
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<td>723,430</td>
<td>705,006</td>
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<td>Clergy Pension Allocation</td>
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<td>3,842,016</td>
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<td></td>
<td>Sundry Clergy Benefits</td>
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<td>4,775</td>
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<td></td>
<td>Diocesan Inspectors Costs</td>
<td>416,292</td>
<td>315,050</td>
<td>321,199</td>
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<tr>
<td></td>
<td>Publications</td>
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#### Total Support for Ministry

6,027,120

### Ministry Training

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<tr>
<th>AID</th>
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### Support for Dioceses and Parishes

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<td>Transformation Fund</td>
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<td>3,750</td>
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<td></td>
<td>Vocations and Discernment</td>
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<td>Other Church Property</td>
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### Total Other Financial Support

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### Support Costs

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### Total Support Costs

2,783,328

### Contingency

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### Special Projects

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### Total Expenditure

17,722,241

### DEFICIT FOR THE PERIOD (B&E)

-3,004,305

### Capital Gains

**Surplus for the Period (total return basis)**

### Assumptions:

- inflation (RP)
- inflation (CP)
- Sipp and Salary Increases
- Interest Rates

* Based on a Total Return of 6.9%
A meeting of the Representative Body of the Church in Wales was held at Glyndwr University, Wrexham on 9 March 2017

Present:  
Chairs of the Diocesan Boards of Finance  
St. Asaph: Mr J C Myers  
St. Davids: Mr N C P Griffin  
Monmouth: Mr P E Lea  

Elected Members  
Bangor: The Venerable R P Davies, Mrs M West  
St. Davids: The Venerable D M Wight, Mrs J Heard  
Llandaff: The Venerable C B W Smith, Mr G I Moses  
Monmouth: The Venerable J S Williams, Miss P R Brown  
Swansea &: The Venerable A N Jevons, Mr T J P Davenport  
Brecon  

Nominated Members  
Mr J J Turner (Chair)  
Mr R Davies  

Apologies:  
Apologies were received from Mr D Myrddin-Evans, Mr T O S Lloyd OBE, Professor P Townsend, Mrs E M Perkins, Mrs J Evans, Mr L T W Evans, the Venerable R H Griffiths, Mr P R Marshall OBE and Mr L James  

By invitation:  
The Right Reverend the Bishop of Swansea & Brecon  

In attendance:  
The following members of staff were present:  
The Provincial Secretary, the Head of Finance, the Head of Property Services, the Head of Resources, the Head of Legal Services, the Head of Secretariat and the Review Support Officer.  
The diocesan secretaries from the dioceses of Bangor, St. Davids and Llandaff were also in attendance.  

Prayers:  
Opening prayers were led by the Venerable Alan Jevons, Archdeacon of Brecon.  

Conflicts of interest:  
Mrs Margaret West declared that her husband, the Venerable Professor Mike West, was a senior staff member at St. Padarn’s Institute (item 17/08).  

The Chair welcomed the Right Reverend John Davies, Bishop of Swansea & Brecon, to the meeting who, as the senior bishop, was fulfilling the provincial roles of the Archbishop of Wales during the archiepiscopal vacancy; the Chair also welcomed Mrs Val Hockey, Mr Sion Rhys Evans and Mrs Rowena Small, the diocesan secretaries of the dioceses of St. Davids, Bangor and Llandaff respectively, who were attending the meeting principally to be part of the discussions on St. Padarn’s Institute. The bishop and diocesan secretaries were invited to participate in discussions but were not able to vote.
The minutes of the previous meeting were agreed as a true record and signed by the Chair.

**Draft outturn 2016**

The draft outturn for 2016 was introduced by the Head of Finance.

It was reported that the expected income and expenditure deficit for 2016 was £1.9 million, compared to the original budget of £3.2 million. The total return for 2016 was estimated to be in-line with the Representative Body’s target of 6.5%. Income was higher than expected as a result of special dividends and overseas withholding tax relief, for which it was not possible to budget.

The differences in income levels between the two investment fund managers was noted, with Sarasin and Partners’ total income being £1.5 million higher than budget and Newton Investment Management’s being £247,000 lower than budget. The Head of Finance explained this was because of the companies’ differing investment practices, within the Representative Body’s overall investment policy. This difference in approach was felt to be positive as it meant the whole investment fund was not exposed to the investment market in the same way.

Total expenditure for 2016 was reported to be almost in-line with the original budget (actual expenditure of £17.8 million compared to an original budget of £17.7 million) with major variances being an increase of £473,000 on (past service) clergy pension contributions, which were calculated as a percentage of income. (As income was higher than budgeted the allocation to clergy pension contributions was also higher than budgeted.) A saving of £224,000 in ministry training was reported, due largely to a number of vacant posts at St. Padarn’s Institute. Also, as agreed by the Representative Body at its last meeting, a higher proportion of ministry training charges in 2016 were charged to the restricted fund. This arrangement would cease at the end of 2017.

The Representative Body noted the draft outturn for 2016: final figures would be presented to the next meeting, in June.

To aid clarity and ease of reading, one member asked that the visual expression of the stock exchange analysis be reconfigured.

**Five-year forecasts**

The Head of Finance introduced the five-year forecasts which included the total return projections. In light of the initial results of the recent actuarial valuation the forecasts reflected the forthcoming increase in the proportion of the Representative Body’s total assets required to be protected to fund the Clergy Pension Scheme, a percentage that was projected to rise from 31.1% of the total assets to 32%. (It was noted however that the actuarial valuation report was currently in draft form and was subject to ongoing discussion with the actuary which may result in the projected increase being reduced.)

The forecasts also showed income increasing across the five-year period and that the total return projections continued to be in-line with the projections noted by the Representative
Body in June 2014. Based on current assumptions, the income and expenditure budget deficit would decrease from £2.9million in 2017 to £2.3million in 2021.

It was noted the ‘special projects’ line in the forecasts included the projected increases to spending on the provincial office; also, in response to a question from a member, it was noted £100,000 would be allocated in 2018 to fund the Church in Wales’s participation in the Independent Inquiry into Child Sexual Abuse. (This expenditure had been agreed by the Representative Body for 2016, but the Church in Wales’s involvement in the Inquiry had been delayed.)

The Representative Body noted the five-year forecasts.

**Actuarial valuation of the Clergy Pension Scheme**

17/04

The Provincial Secretary reminded members that the triennial actuarial valuation of the Clergy Pension Scheme had taken place on 31 December 2016. The first draft of the Scheme actuary’s report had been received with the main advice being that:

- The proportion of the Representative Body’s total assets required to be protected to fund the Clergy Pension Scheme should increase from 31.1% to 32%. This change would cost the Representative Body an additional £150,000 per annum.
- Pension contributions for those clergy in active service (contributions which are made by the dioceses) should increase from 32.7% to 45.4% of stipend.

The financial impact the increase in active service contributions would have on diocesan finances was concerning. The Provincial Secretary explained that the report was based on a number of assumptions, including Retail Prices Index rates, age profile of Scheme members, stipend increases, inflation and, significantly, the discount rate, which is set according to the market yield of government bonds. The discount rate used as the basis of the current draft of the report was 2.6%. It was noted that, generally, as the discount rate decreases, pension liabilities increase and that over the last six triennial actuarial valuations, the discount rate had reduced from 6% in 2001 to the 2.6% rate used in the 2016 valuation.

The Head of Finance confirmed that discussions with the actuary were now taking place to determine whether any adjustments to assumptions should be made. Initial results of those discussions suggested that the additional cost to dioceses would increase to 38.8% rather than 45.4%, but discussions would continue. Members were reminded that in November 2017 the Representative Body would undertake its regular assessment of whether the Clergy Pension Scheme should remain part of the Representative Body’s overall general fund, or be segregated.

Discussion followed during which a review of the overall clergy remuneration package, starting with a full review of the Clergy Pension Scheme and its benefits, was supported. A full discussion of how the Church in Wales’s assets should be used over the next three years would take place with the Bench of Bishops and diocesan secretaries at the Joint Finance meeting in June 2017, but conversations would begin at the forthcoming meeting of the Bench of Bishops.

The Representative Body noted the first draft of the actuarial valuation report of the Clergy Pension Scheme: negotiations with the actuary would continue.
The Provincial Secretary introduced a paper on the proposal to move the provincial office to an alternative, rented, premises.

Current situation

At its meeting in November 2016 the Representative Body had agreed to the principle of moving the provincial office to rented office accommodation and had authorised negotiations to take place with the landlord of a preferred premises, 2 Callaghan Square, in Cardiff city centre (minute 16/50). Since November 2016 negotiations had been undertaken, handled by an agent acting on the Representative Body’s behalf, and overseen by a sub-group of the Property Committee which had included the Chair and Deputy Chair of the Representative Body.

The Provincial Secretary emphasised that the current office premises on Cathedral Road was in urgent need of substantial and expensive work (at an estimated cost of between £0.5million and £1.5million) being carried out, including work to the electrical wiring and fire safety systems, and that it was no longer possible to remain based at the Cathedral Road premises without undertaking this work.

2 Callaghan Square

The office premises at 2 Callaghan Square had been identified as providing the best available office space in terms of size, accessibility and working and meeting space flexibility. Mr Rod Davies, Chair of the Property Committee, confirmed the sub-group of the Property Committee appointed specifically to oversee the provincial office project had considered the premises in detail and was satisfied it would provide good and effective office accommodation in line with the Representative Body’s requirements. Heads of terms for the ten-year lease had been negotiated and endorsed by Cooke & Arkwright chartered surveyors acting on behalf of the Representative Body (set out in annex 1). Mr Davies confirmed these heads of terms had also been examined, and endorsed, by Cluttons, the Representative Body’s commercial investment property agent.

Also, Mr Davies explained the sub-group had considered a number of other available office premises both in Cardiff city centre and outside the city centre near the M4 corridor, and had concluded that while 2 Callaghan Square was not the cheapest of the options explored, none of the alternatives satisfied the accommodation requirements as effectively.

The location of the provincial office was discussed, concluding that Cardiff city centre, with its easy accessibility by public transport for both staff and visitors, was preferred. It was noted that 52% of current provincial staff travelled to work by public transport: moving the provincial office to outside the city centre would result in transport by car being the only convenient way of travelling to work.

Costs

Moving to rented office accommodation would result in three significant new costs to the Representative Body:
• Rent – this was calculated at a rate of £21.50 per square foot: the 10,773 square foot office would attract a total annual rent of £277,943 (inclusive of VAT). A fifteen-month rent-free period had been negotiated.

• Service charge - this was calculated at a rate of £6.50 per square foot: an annual total of £84,029 (inclusive of VAT).

• Business rates – this was reported as an estimated value (of c.£17,250) as it was hoped a reduction of the full rateable value would be negotiated.

Other attributable costs would include utilities, cleaning costs, contents insurance and a proportion of the buildings insurance. It was anticipated there would be some additional ICT costs (stemming from renting, not purchasing, equipment), and the cost of arranging an off-site storage facility. This facility was to minimise the amount of floor space at the new office used for storing documents, some of which the Representative Body must retain but are not in regular use. These can be stored off-site at this facility and called back for use as required.

For the first five years of the lease term the annual costs were forecast to be:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>(expressed as ten months in 2017 and five months in 2018)</td>
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<td></td>
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<td>£7,416</td>
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| Total anticipated costs | £132,578 | £343,354 | £463,402 | £467,768 | £472,264 |

It was noted the ‘publications storage’ was included as a contingency in case it was necessary to hire further off-site storage to store Church in Wales publications material.

The additional annual net cost of occupying 2 Callaghan Square when compared to current costs of occupying the Cathedral Road site was set out. The total projected costs for occupying 2 Callaghan Square (including rent, service charge and business rates) for a full year started at £463,402: the budgeted costs for occupying the Cathedral Road site in 2017 were £79,050. The net increase in total costs per year was therefore forecast to be £384,352.

It was anticipated that part of this increase in costs will, in time, be offset by income from the Cathedral Road site: further consideration would be given to the investment options for the Cathedral Road site by the Investment and Property committees.
Fit out

2 Callaghan Square was currently a completely vacant space and before it could be used as an office a total fitting out exercise was required. This represented the other principal cost associated with relocating the provincial office, although this was a one-off cost. Tenders for providing and fitting the furniture, partition walls, kitchen and storage equipment had been sought with the total cost estimated to be approximately £305,000.

Additionally, a budget of £33,000 for initial ICT set up costs was proposed, which included new computer equipment for staff. (It was noted that this cost would negate any further significant investment in ICT equipment for at least another five years.)

To contribute to these fit-out costs it was proposed that £200,000 from the provincial allocation of the Transformation Fund be used. It was felt using the Fund in this way was consistent with its spirit of transformation: it was hoped that moving to a new, open plan office with the benefits this would bring to efficiency, communication and working culture would be transformative.

Other costs

Other costs associated with the practicalities of the move included professional fees (agent and legal), which were anticipated to be £20,000 (including VAT) and removal costs (estimated to be £20,000, including VAT). A £10,000 contingency was also included. While both professional fees and removal costs were estimated, they were not expected to increase substantially from these levels.

The fit-out costs, ICT costs and other costs totalled £388,000. Allowing for £200,000 being allocated from the Transformation Fund it was proposed the remaining shortfall of £188,000 be made up from general funds and investment income.

Full and detailed discussion followed, during which concern was raised about the impression of moving the provincial office to the centre of Cardiff and how this would be viewed by people in parishes. This was discussed and it was felt that while it was important to provide clear justification that the move was necessary given the state of repair of the current provincial office and its shortcomings in terms of health and safety and disability access and the costs involved in addressing these, this would not be a concern to most parishioners. It was also felt that locating the provincial office in the city centre was a clear statement of the Church in Wales's position as a major national organisation.

Following discussion the Representative Body:

- Agreed to lease 2 Callaghan Square, Cardiff as the new provincial office accommodation on the basis of the heads of terms dated 26 January 2017 (annex 1).
- Agreed to £200,000 being made available from the provincial allocation of the Transformation Fund to contribute to the fit-out costs of the new office.
- Noted that expenditure for 2017 would accordingly increase from that budgeted.

One member abstained.
Sales of consecrated property
17/06

In accordance with Chapter III, section 23(2) of the Constitution, the Representative Body authorised the sale of the following consecrated property:

A.654 Llanasa, former St. Winifred’s church, Gronant
A.670 Ysbyty Ifan, former St. John the Baptist’s church
B.243 Bro Eleth, former Christ Church, Rhosybol
D.397 Haverordwest St. Thomas, section of churchyard at former St. Thomas’s church
S.458 Pendaryn, former St. Cynog’s church
S.467 Dan yr Eppynt, former St. Cynog’s church, Upper Chapel
S.461 Blaenau Irfon, former St. David’s church, Tirabad

Human Resources Committee
17/07

Mr Clive Myers, Chair of the Human Resources Committee introduced the minutes of the Committee’s meeting held on 14 February 2017.

i. Staff pension provision

Mr Myers reminded members that at its meeting in November 2016 the Representative Body had agreed to close the Staff Pension Scheme to new members from 1 April 2017 (minute 16/52). Subsequently, the Committee had considered options for alternative pension provision for new members of staff entering the Representative Body’s employment after 1 April 2017, to meet the statutory auto-enrolment regulations. The Committee had concluded that the service offered by Barnett Waddingham through its Pearl Workplace Health and Wealth programme provided the most appropriate and cost-effective arrangement. The scheme was a defined contribution scheme provided by Standard Life. Such a pension arrangement would not be subject to the same valuation arrangements as the final salary Staff Pension Scheme.

Mr Myers explained that the Committee had discussed the contribution the Representative Body would make to the scheme, noting that the auto-enrolment regulations required employers to make a minimum contribution of 3% (of employees’ gross salaries) to such pension schemes. Research had been undertaken with pension providers, dioceses and the Church of England and an employer’s contribution rate of 9% of gross salary was recommended. The Committee felt this contribution rate met the needs of future employees and established a fair basis for staff pension provision. The Human Resources Committee recommended that employees contribute 5% of gross salary.

Following discussion the Representative Body, in line with the advice of the Human Resources Committee, agreed:

- That pension provision for staff joining the Representative Body’s employment after 1 April 2017 should be a defined contribution pension arrangement provided by Standard Life through Barnett Waddingham’s Pearl Workplace Health and Wealth programme.
- The Representative Body would make an employer’s contribution of 9% of each employee’s gross salary to this scheme: employees would contribute 5% of gross salary.
Committee Chair

My Myers noted the Human Resources Committee’s meeting scheduled to take place in May would be his final meeting before his retirement. As Mr Myers will have chaired this meeting it was agreed that he would also attend the Representative Body’s meeting in June as an observer to deliver the Committee’s report.

The report of the Human Resources Committee was received.

St. Padarn’s Institute
17/08

The Chair welcomed the Right Reverend Richard Pain, Bishop of Monmouth and bishop with special responsibility for ministry matters, and the Reverend Dr Jeremy Duff, Principal of St. Padarn’s Institute, to the meeting.

Current situation

The Representative Body was reminded that at its meeting in November 2016 (minute 16/53) it had supported the draft strategic development plan for St. Padarn’s Institute which had subsequently been subject to consultation with dioceses and further discussion with the Bench of Bishops.

The current budget for St. Padarn’s Institute, as approved by the Representative Body in June 2016 (minute 16/35), was operational until 31 December 2017.

St. Padarn’s business plan

The St. Padarn’s strategic development plan had set out the vision, scale and scope of the function of St. Padarn’s Institute: a business development plan which costed this vision and provided a financial framework for the period 2018-2020 had since been prepared and included detailed costs for all areas of St. Padarn’s operation. This document was discussed.

It was explained that the budget for 2018 would include the costs of employing six full-time diocesan tutors, costs which had recently moved from the dioceses to St. Padarn’s, resulting in a budget increase for St. Padarn’s of approximately £2million from 2018. It was also noted that the first six months of St. Padarn’s operation had been approximately £125,000 (16%) under budget, resulting in a £217,000 (13%) reduction to the 2017 budget. Based on these figures, budget forecasts for the coming five years had been revised accordingly. A schedule of the forecast overall costs for 2018-2020 is attached in annex 2.

Full and detailed discussion followed during which the sustainability of costs to both the province and dioceses remained a concern and the cost of aiming to implement the vision for St. Padarn’s in its entirety at this stage would lead to affordability concerns for some dioceses. It was emphasised that St. Padarn’s Institute represented a fundamental change of culture for ministerial training which was an essential provision to train and support both clergy and lay ministers in order for them to fulfil the Church in Wales’s future mission and ministry requirements effectively. Budget reductions would impact on the quality of the training provided.

Also, it was felt that by setting out the costs the business plan provided financial stability for both the Representative Body and dioceses for the next three years which would in turn give stability to both current staff and students; it would also help recruitment of future staff.
and students. The amount of time and effort already invested in launching St. Padarn’s was noted, as was what had already been achieved in a short space of time: it was felt that the time had come to decisively plan for and invest in the Institute’s future. One member observed that St. Padarn’s added value that was impossible to reflect in monetary terms by providing a specifically Welsh cultural context for ministerial training, allowing people to train within their own localities.

St. Michael’s Centre site

Dr Duff explained that plans were being devised for St. Padarn’s Institute to move away from the St. Michael’s Centre site by June 2019. The layout of the St. Michael’s Centre site was not conducive to the style and type of ministerial training St. Padarn’s wished to provide. Also, there was the possibility of tensions arising between the separate activities taking place on the site – a conference centre business (St. Michael’s Centre) and a theological education community (St. Padarn’s) - with neither being fully able to function properly without impeding the other.

It was stressed that any plan for St. Padarn’s to exit the site would need to be subject to full and careful research and consultation to ensure minimal inconvenience to current and future students. Alternative accommodation, in line with St. Padarn’s requirements, would also need careful thought and budgeting.

It was noted that moving away from the St. Michael’s Centre site may not result in cost savings for St. Padarn’s.

Changes to the accommodation arrangements of St. Padarn’s and any impact these changes would have on the Institute’s overall operation costs would need specific consideration. It was proposed a business plan for the period following a move away from the St. Michael’s Centre site be prepared to deal with these changes in costs.

Conclusion

Following discussion, the Representative Body:

- Approved the business plan for the period 2018-2020;
- Agreed that a subsequent business plan should be prepared to reflect any changes to costs resulting from a move from the St. Michael’s Centre site to alternative accommodation. This was planned to take place by June 2019;
- Agreed that this subsequent business plan should be finalised and agreed by mid-2018.

One member abstained.

Regular discussion between the Representative Body, dioceses and St. Padarn’s about costs was encouraged to ensure all interested parties were kept abreast of the work and spending patterns of St. Padarn’s. The overall funding of the Church in Wales, including arrangements for meeting the costs of St. Padarn’s from 2018, would be discussed more fully at the annual Joint Finance meeting with the diocesan secretaries and Bench of Bishops in June 2017.
The Head of Secretariat introduced the report into use of the Transformation Fund, reminding members of the terms of the Fund agreed by the Representative Body at its meeting in June 2014 (minute 14/32 (iv), (v) and (vi)):

- The money must be used for new purposes relating to 2020 Vision including costs associated with the development of ministry areas and the creation of ministry area teams;
- Subject to that first condition, it was left to each diocese to determine how best to use its share of the Fund to reflect local needs;
- Each diocese was required to report to the Representative Body annually on how it had used the Fund (not least so that ideas and examples could be shared more widely).

Diocesan funding in 2016

The second annual allocation of the Transformation Fund (£1 million) had been distributed equally among the dioceses in January 2016 and each diocese had provided a report on how this money had been used during 2016. While there was no requirement to do so, it was clear some dioceses had provided funding to match that made available by the Representative Body.

During the following discussion it was noted that where dioceses had significant amounts remaining in their Transformation Fund accounts this was because diocesan projects that would be funded by the Transformation Fund had, for various reasons, been delayed and had not yet come to fruition. Those projects, which in some cases involved the appointment of a member of staff, would be launched as soon as the necessary arrangements could be put in place.

A summary of the spending of the provincial allocation of the Transformation Fund (a total of £500,000) was also included.

The Representative Body noted the Transformation Fund reports for 2016.

Membership

The Representative Body noted two changes to its ex officio membership that had arisen since its last meeting:

- The Right Reverend Dr Barry Morgan had retired as Archbishop of Wales on 31 January 2017. The Archbishop of Wales is an ex officio member of the Representative Body, so Dr Morgan's retirement created a vacancy which would be filled upon the election of the next Archbishop. The Archiepiscopal Electoral College was due to take place in June 2017.
- His Honour Philip Price QC had retired as Chair of the Standing Committee, and had therefore ceased to be an ex officio member of the Representative Body, at the end of his term of office as a Governing Body member on 31 December 2016. In February 2017 the Standing Committee had elected Mrs Lis Perkins as its new Chair and Mrs Perkins had accordingly become a member of the Representative Body.
The Representative Body also noted that two members, Mr Clive Myers and Mr Paul Marshall, would retire in May and August 2017 respectively. The Representative Body would be asked to elect new Chairs of the Human Resources and Investment committees at its meeting in June.

It was also agreed that current vacancies on the Investment, Human Resources and Audit committees would be left unfilled pro tempore to ensure there would be capacity to appoint new members with particular experience as required.

**Investment Committee**

17/11

The Representative Body noted the matters arising from the Investment Committee’s meetings held on 16 December 2016 and 9 February 2017.

The performance of the Representative Body’s total investment portfolio was noted, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Newton portfolio</td>
<td>254.8</td>
<td>222.3</td>
</tr>
<tr>
<td>Sarasin portfolio</td>
<td>258.0</td>
<td>232.7</td>
</tr>
<tr>
<td>Property portfolio</td>
<td>72.5</td>
<td>63.9</td>
</tr>
<tr>
<td><strong>Total investment fund</strong></td>
<td><strong>585.3</strong></td>
<td><strong>518.9</strong></td>
</tr>
</tbody>
</table>

Following the closure of the WM company in March 2016 both the total return of the portfolio and the comparative to the charity benchmark were currently not available. It was hoped that an agreement with another benchmarking service would be completed in the near future.

The Representative Body also noted the performances of the stock exchange portfolios managed by each of the investment fund managers, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Q4 2016</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>% per annum</td>
<td>% per annum</td>
</tr>
<tr>
<td>Newton</td>
<td>1.8</td>
<td>18.1</td>
<td>9.7</td>
<td>12.0</td>
</tr>
<tr>
<td>Sarasin</td>
<td>2.7</td>
<td>14.6</td>
<td>8.5</td>
<td>11.2</td>
</tr>
<tr>
<td><strong>Composite benchmark</strong></td>
<td><strong>3.9</strong></td>
<td><strong>21.2</strong></td>
<td><strong>10.5</strong></td>
<td><strong>11.8</strong></td>
</tr>
</tbody>
</table>

The Head of Finance explained the variation in in the fund managers’ performance was due to their differing investment styles. This diversity was beneficial as it ensured the investment fund was exposed to a broad range of investment types and practices to maximise growth. The Investment Committee regularly monitored the managers’ performance and discussed with them their respective portfolios’ returns.

The performance of the investment property portfolio was reported as follows:
<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>% per annum</td>
<td>% per annum</td>
</tr>
<tr>
<td>Property portfolio</td>
<td>8.2</td>
<td>14.7</td>
<td>12.9</td>
</tr>
<tr>
<td>IPD UK monthly All Property Index</td>
<td>2.6</td>
<td>11.7</td>
<td>9.6</td>
</tr>
</tbody>
</table>

The strong performance of the property portfolio was noted, outperforming the IPD index in all periods.

The report of the Investment Committee was received.

**Audit Committee**

17/12

The Audit Committee had not met since the last Representative Body meeting; there was nothing to report.

**Property Committee**

17/13

The Representative Body noted the following items arising from the Property Committee’s meeting held on 7 December 2016:

i. **Rectorial Benefice of Tenby**

As a result of the new landlord registration requirements under the Housing (Wales) Act 2014 the Representative Body had, upon request, become custodian trustee of a residential property in the Rectorial Benefice of Tenby. This change in trusteeship had, for the purposes of satisfying this legislation, brought the property within the Representative Body’s licence.

ii. **Property Summit**

As part of the ongoing review of the redundancy process for redundant churches, management of redundant churches, how to support congregations with the care of churches and the arrangements when churches are to close, a property summit had recently been held in St. Asaph. Work continues in assessing how these considerable challenges can be effectively addressed, organised and financed.

iii. **Online logbooks and inventories**

The Committee had approved the principle of developing a new way to gather information on the contents of churches and recording changes to the building. This work is linked to the Church Heritage Cymru database and will be developed as the online faculty system is in place.

The report of the Property Committee was received.

**Cathedrals and Churches Commission**

17/14

The Cathedrals and Churches Commission had not met since the last Representative Body meeting; there was nothing to report.
St. Padarn’s Council
17/15

The St. Padarn’s Council had met twice since the last Representative Body meeting, on 14 December 2016 and on 16 February 2017.

The Council had spent much time scrutinising the costs of St. Padarn’s Institute and preparing the business plan, which had been discussed by the Representative Body in detail earlier in the meeting (item 17/08).

Allocation of Block Grant 2018
17/16

The Block Grant allocation for 2018 had been calculated in accordance with the Block Grant formula which the Representative Body reviewed and re-endorsed in 2014: the total Block Grant levels for 2016, 2017 and 2018 were agreed in 2014.

The 2018 Block Grant allocations were:

<table>
<thead>
<tr>
<th></th>
<th>St. Asaph</th>
<th>Bangor</th>
<th>St. Davids</th>
<th>Llandaff</th>
<th>Monmouth</th>
<th>Swansea &amp; Brecon</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,063,122</td>
<td>742,761</td>
<td>1,159,230</td>
<td>1,490,269</td>
<td>956,335</td>
<td>881,584</td>
<td>6,293,300</td>
</tr>
<tr>
<td><strong>% distribution</strong></td>
<td>16.89%</td>
<td>11.80%</td>
<td>18.42%</td>
<td>23.68%</td>
<td>15.20%</td>
<td>14.01%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Representative Body noted the Block Grant allocations for 2018 which would be communicated to dioceses.

Annual Report 2016
17/17

The Representative Body reviewed the outline content of the Annual Report 2016: if members would like to suggest additional areas to add to the report, particularly the strategic ‘Objectives’ and ‘The Future’ sections, they were asked to inform the Head of Finance. The final draft of the report would be reviewed by the Representative Body at its meeting in June 2017.

The Representative Body approved the proposed outline content of the annual report.

Use of the Representative Body Seal
17/18

It was reported that the Representative Body Seal had been used from numbers 35812 to 35881 inclusive. The Seal Register was present for members’ inspection and thanks were extended to those members who had witnessed sealing.
**Next meeting**

17/19

The Chair confirmed the Representative Body would next meet on Tuesday 6 June 2017 at the Metropole Hotel, Llandrindod Wells which would be preceded by the annual Joint Finance meeting with the diocesan secretaries and the Bench of Bishops.

**Closing prayers**

The Bishop of Swansea & Brecon closed the meeting with prayer.
Agreed Heads of Terms for a new lease of office premises
Number 2 Callaghan Square, Cardiff

26th January 2017

Subject to Contract

Section A – The Parties

1 Landlord
   Thompson Estates Limited

2 Tenant
   Church in Wales

Section B – Lease Terms

3 Property
   Number 2 Callaghan Square, Cardiff

4 Demise
   4th floor
   10,773 sq ft
   1,000.8 sq m
   Net internal areas are approximate and subject to measurement in accordance with RICS guidelines.

5 Car Parking
   The tenant will be allocated a total of 11 (eleven) spaces in the surface / decked car park.

6 Lease Term
   A new 15 (fifteen) year lease, on effective full repairing and insuring terms via a building service charge.
   The lease is to include the security of tenure and compensation provisions of the Landlord and Tenant Act 1954 Part II as amended.

7 Break Option
   A tenants option to determine on the 10th anniversary of the lease conditional on:
   - 12 months’ written notice
   - The tenant giving up occupation free from any sub tenancy or any other third party rights and all tenant’s chattels having been removed.
   - Rent, insurance rent and on account service charge (or any other element of service charge properly invoiced to the tenant not less than 1 month prior to the expiry of the notice) only having been paid.

8 Timing
   Lease commencement date 1st March 2017.
9 Repair
The tenant to maintain in full repair and at lease expiry the tenant will be required to fully reinstate any alterations if so required by the landlord.

10 Rent
A headline rent of £21.50 per sq ft per annum exclusive of business rates, service charge, insurance, VAT and all other outgoings.

The rent will be payable quarterly in advance on the usual quarter days.

11 Letting Incentive
The tenant will be provided with a rent free period of 15 (fifteen) months from lease commencement.

In the event that the tenant doesn’t exercise their break option an additional rent free period of 5 (five) months will be granted at the start of the 11th year.

12 VAT
We confirm that the property has been elected for VAT that will be charged at the standard rate.

13 Building & Estate Service Charge
The tenant will be responsible for paying a fair proportion of the building and estate service charge which will be based upon the net lettable area occupied by the tenant.

Please note that the building has been maintained to a very high level and expenditure in recent years has included:-

1. A new building management system
2. Full external cleaning of the building
3. Servicing of M&E systems

The service charge will be subject to a cap of £6.50 per sq ft per annum in the first year of the lease and the cap will increase annually until the 10th year in line with RPI index.

Thereafter the cap will not apply.

The service charge cap will exclude the cost of common utilities.

The current service charge includes manned reception. In the event that it is agreed with all tenants to remove this provision then the service charge cap will reduce accordingly.

14 Building Insurance
The landlord will insure the building and invoice the tenant for the premium payable on a pro-rata basis.

15 Electricity
The tenant shall be responsible for the electricity consumed within the demise.

16 Business Rates
The rates payable will be the responsibility of the tenant.

The tenant should make their own enquiries to Cardiff County Council non domestic rates department on 029 2087 2000.
<table>
<thead>
<tr>
<th></th>
<th>Rent Review</th>
<th>The rent will be subject to review on the expiry of the 5th and 10th years of the term to the higher of passing rent or open market rent.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Access &amp; Security</td>
<td>The tenant will be provided access 24 hours a day, 365 days a year. The reception is manned by the building manager during office hours. The main entrance doors on the ground floor have access control with an intercom connection to main reception.</td>
</tr>
<tr>
<td></td>
<td>Disabled Access</td>
<td>The property is DDA compliant.</td>
</tr>
<tr>
<td></td>
<td>Showers</td>
<td>Please note that there is a shower within the main core on the fourth floor.</td>
</tr>
<tr>
<td></td>
<td>Use</td>
<td>The demised area will be used solely as offices in accordance with Class B1 of the Town and Country Planning (Use Classes) Order 1987.</td>
</tr>
<tr>
<td></td>
<td>Alienation</td>
<td>The tenant will be permitted to assign the whole of the demise subject to landlord’s consent (not to be unreasonably withheld) and an Authorised Guarantee Agreement. The tenant will be permitted to sublet the whole demise or in part(s) up to a maximum of 2 (two) sub tenants at any one time subject to landlord’s consent (not to be unreasonably withheld). Any sub-lettings will be at the higher of passing rent or open market rent. All sub lettings to exclude the security of tenure and compensation provisions of the Landlord and Tenant Act 1954 Part II as amended.</td>
</tr>
<tr>
<td></td>
<td>Alterations</td>
<td>The tenant will be permitted to make non structural alterations, subject to landlord’s consent (not to be unreasonable withheld) and reinstatement at the end of term save that the tenant will be permitted to erect internal non-structural partitions without the landlords prior written consent.</td>
</tr>
<tr>
<td></td>
<td>Tenant Works</td>
<td>To be confirmed.</td>
</tr>
<tr>
<td></td>
<td>Landlords Refurbishment</td>
<td>The landlord has completed the refurbishment of the 4th floor that includes the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New carpets throughout offices and lobby</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regularised the floor boxes (88 No.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Existing metal ceiling retained</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New LED lighting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Decorated throughout offices and lobby</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Blinds to be reinstated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Serviced 4-pipe air conditioning system</td>
</tr>
</tbody>
</table>
The landlord will make a contribution to the tenant for the installation of a partition and entrance doors separating the demise from the lift lobby. Details to be agreed.

26 Environmental

Please see attached a copy of the EPC.

27 Legal Costs

Each party to be responsible for their own legal costs.

28 Conditions

The above proposal is made subject to:

1. Contract
2.
Section C – Contact Details

29  Landlord’s Agent
Knight Frank LLP
Emperor House
Scott Harbour
Pierhead Street
Cardiff
CF10 4PH

Contact: Mark Sutton
Tel: 029 2049 2492
Email: mark.sutton@knightfrank.com

30  Landlord’s Solicitor
Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Contact: Roland Davies / Adam Thomas
Tel: rowland.davies@geldards.com
Email: 029 2039 1710

31  Tenant’s Agent
Cooke & Arkwright
7/8 Windsor Place
Cardiff
South Glamorgan
CF10 3SX

Contact: Ben Bolton
Tel: 029 2034 6376
Email: ben.bolton@coark.com

32  Tenant’s Solicitor
The Church in Wales
39 Cathedral Road
Cardiff
CF11 9XF

Contact: Lyn Chandler
Tel: lynchandler@churchinwales.org.uk
Email: 029 2034 8200
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rev Fcast</td>
<td>Fcast</td>
<td>Fcast</td>
<td>Fcast</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>CORE</td>
<td>760,294</td>
<td>847,791</td>
<td>873,863</td>
<td>900,622</td>
</tr>
<tr>
<td>DISCIPLESHIP</td>
<td>32,498</td>
<td>88,397</td>
<td>91,279</td>
<td>94,272</td>
</tr>
<tr>
<td>INITIAL TRAINING</td>
<td>670,311</td>
<td>838,113</td>
<td>859,866</td>
<td>887,612</td>
</tr>
<tr>
<td>CMD</td>
<td>184,869</td>
<td>194,887</td>
<td>200,734</td>
<td>206,756</td>
</tr>
<tr>
<td>RESEARCH</td>
<td>103,295</td>
<td>118,372</td>
<td>121,923</td>
<td>125,581</td>
</tr>
<tr>
<td>Total</td>
<td>1,751,267</td>
<td>2,087,559</td>
<td>2,147,665</td>
<td>2,214,842</td>
</tr>
<tr>
<td>Less: Fee income (Research)</td>
<td>87,000</td>
<td>87,000</td>
<td>87,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Less: Fee income (TFL)</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td>Total</td>
<td>1,659,267</td>
<td>1,995,434</td>
<td>2,055,387</td>
<td>2,122,405</td>
</tr>
<tr>
<td>Less: Contribution from Dioceses</td>
<td>185,443</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,473,824</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUMMARY**

**Staff Costs**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs</td>
<td>477,539</td>
<td>751,515</td>
<td>774,060</td>
<td>797,282</td>
</tr>
<tr>
<td>Research Staff Costs</td>
<td>10,000</td>
<td>10,210</td>
<td>10,516</td>
<td>10,832</td>
</tr>
<tr>
<td>Visiting Lecturers</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td>Diocesan Tutors - Marginal Cost</td>
<td>12,500</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Staff Pension Contributions</td>
<td>74,478</td>
<td>125,144</td>
<td>128,898</td>
<td>132,765</td>
</tr>
<tr>
<td>Staff Travel</td>
<td>59,500</td>
<td>60,988</td>
<td>62,817</td>
<td>64,702</td>
</tr>
<tr>
<td>Staff Recruitment</td>
<td>2,500</td>
<td>2,563</td>
<td>2,639</td>
<td>2,719</td>
</tr>
<tr>
<td>Staff H&amp;S Matters</td>
<td>500</td>
<td>513</td>
<td>528</td>
<td>544</td>
</tr>
<tr>
<td>Staff Training</td>
<td>10,000</td>
<td>10,250</td>
<td>10,558</td>
<td>10,874</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>652,017</strong></td>
<td><strong>966,307</strong></td>
<td><strong>995,296</strong></td>
<td><strong>1,025,155</strong></td>
</tr>
</tbody>
</table>

**Course Costs**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Costs - Trinity St David</td>
<td>24,000</td>
<td>24,600</td>
<td>25,338</td>
<td>26,098</td>
</tr>
<tr>
<td>University Costs - Cardiff</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td>External Colleges - Tuition Fees</td>
<td>8,000</td>
<td>5,200</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Welsh Classes</td>
<td>11,000</td>
<td>11,275</td>
<td>11,613</td>
<td>11,962</td>
</tr>
<tr>
<td>Networks</td>
<td>6,000</td>
<td>6,150</td>
<td>6,335</td>
<td>6,525</td>
</tr>
<tr>
<td>Books</td>
<td>10,000</td>
<td>10,250</td>
<td>10,558</td>
<td>10,874</td>
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<tr>
<td>Copyright License</td>
<td>1,000</td>
<td>1,025</td>
<td>1,056</td>
<td>1,087</td>
</tr>
<tr>
<td>Library Running Costs</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td>Course Materials - TFL</td>
<td>13,500</td>
<td>14,513</td>
<td>15,641</td>
<td>16,872</td>
</tr>
<tr>
<td>Course Materials - Chaplaincy</td>
<td>2,000</td>
<td>2,050</td>
<td>2,112</td>
<td>2,175</td>
</tr>
<tr>
<td>Translation</td>
<td>12,000</td>
<td>12,300</td>
<td>12,669</td>
<td>13,049</td>
</tr>
<tr>
<td>ICT / VLE</td>
<td>20,000</td>
<td>20,500</td>
<td>21,115</td>
<td>21,748</td>
</tr>
<tr>
<td>Teaching Costs - Assessment</td>
<td>1,000</td>
<td>1,025</td>
<td>1,056</td>
<td>1,087</td>
</tr>
<tr>
<td>Teaching Costs - QA</td>
<td>2,000</td>
<td>2,050</td>
<td>2,112</td>
<td>2,175</td>
</tr>
<tr>
<td>Publicity and Marketing</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td>Discipleship - (Living and Learning)</td>
<td>3,000</td>
<td>3,300</td>
<td>3,630</td>
<td>3,993</td>
</tr>
<tr>
<td></td>
<td>6,000</td>
<td>6,150</td>
<td>6,335</td>
<td>6,525</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>St Padarn's Council - Meeting Costs</td>
<td>6,000</td>
<td>6,150</td>
<td>6,335</td>
<td>6,525</td>
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<tr>
<td>Student Grants - FT</td>
<td>215,000</td>
<td>222,375</td>
<td>226,986</td>
<td>233,796</td>
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<td>Student Rents</td>
<td>45,000</td>
<td>40,000</td>
<td>41,200</td>
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<td>Student Grants - PT</td>
<td>24,000</td>
<td>25,385</td>
<td>26,769</td>
<td>28,154</td>
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<td>Student Travel - Placements - FT</td>
<td>22,000</td>
<td>22,550</td>
<td>23,227</td>
<td>23,923</td>
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<tr>
<td>Student Travel - Placements - PT</td>
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<td>26,442</td>
<td>27,885</td>
<td>29,327</td>
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<td>CMD Course Costs</td>
<td>106,000</td>
<td>108,650</td>
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<td>Chapel Costs</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td></td>
<td>576,500</td>
<td>584,289</td>
<td>598,658</td>
<td>618,822</td>
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<tr>
<td><strong>Office Costs and Overheads</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St Michael's Conference Centre Hire</td>
<td>431,250</td>
<td>442,031</td>
<td>455,292</td>
<td>468,951</td>
</tr>
<tr>
<td>Other Venue Hire</td>
<td>82,000</td>
<td>85,195</td>
<td>88,390</td>
<td>91,584</td>
</tr>
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<td>Office Costs</td>
<td>9,500</td>
<td>9,738</td>
<td>10,030</td>
<td>10,331</td>
</tr>
<tr>
<td></td>
<td>522,750</td>
<td>536,964</td>
<td>553,711</td>
<td>570,866</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>1,751,267</td>
<td>2,087,559</td>
<td>2,147,665</td>
<td>2,214,842</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Course Fees - Research</td>
<td>87,000</td>
<td>87,000</td>
<td>87,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Course Fees - TFL</td>
<td>5,000</td>
<td>5,125</td>
<td>5,279</td>
<td>5,437</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>92,000</td>
<td>92,125</td>
<td>92,279</td>
<td>92,437</td>
</tr>
<tr>
<td><strong>Net Cost</strong></td>
<td>1,659,267</td>
<td>1,995,434</td>
<td>2,055,387</td>
<td>2,122,405</td>
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</table>

**Notes**

i. **Revised forecast for 2017**

The 2017 Budget for St Padarn’s was drawn up early in 2016 prior to the launch of St Padarn’s on 1 July 2016. In approving the 2017 budget, the Representative Body agreed in March 2016 that the Representative Body would fund St Padarn’s until 31 December 2017 (with the exception of a contribution from the dioceses equivalent to their current 25% share of the costs of fees and grants, being £185k).

It was agreed that the additional costs of St Padarn’s, including the set up costs would be absorbed by the Restricted Fund, which was originally set up in 2011 upon the merger with St Michael’s College, for theological training and education. The Restricted Fund originally represented the value of the College site but has been used each year to meet the College’s residual deficit. It is expected that the Restricted Fund will have been fully utilised by the end of 2017.

The 2017 budget has now been reviewed in light of the actual results for 2016 and known vacancies in staff posts during 2017.

Original 2017 Budget       £1,691k
Revised Forecast for 2017   £1,474k
A meeting of the Representative Body of the Church in Wales was held at the Clayton Hotel, Cardiff on 6 June 2017

Present:

Ex officio members
Chair of the Standing Committee
Mrs E M Perkins

Chairs of the Diocesan Boards of Finance
St. Davids: Mr N C P Griffin
Llandaff: Mr P R Marshall OBE
Monmouth: Mr P E Lea
Swansea &: Professor P Townsend
Brecon

Elected members
St. Asaph: The Venerable R H Griffiths
Bangor: Mrs M West, the Venerable R P Davies
St. Davids: Mrs J Heard, the Venerable D M Wight
Llandaff: Mr G I Moses, the Venerable C B W Smith
Monmouth: Miss P R Brown, the Venerable J S Williams
Swansea &: The Venerable A N Jevons
Brecon

Nominated members
Mr J J Turner (Chair)
Mr T O S Lloyd OBE

Co-opted members
Mr L James

Apologies:
Apologies were received from Mr R Davies, Mr T J P Davenport, Mr D G Myrddin-Evans, Mrs J M Evans and Mr L T W Evans.

By invitation:
The Bishop of Swansea & Brecon was attending the meeting in his capacity as the senior bishop, fulfilling the provincial roles of the Archbishop of Wales during the archiepiscopal vacancy.

The bishops of Bangor, St Asaph, Monmouth and St. Davids were also invited to be present for the first part of the meeting (items 17/21 to 17/24), as were the diocesan secretaries from the dioceses of St. Asaph, Bangor, St. Davids, Llandaff and Monmouth and the Office Administrator from the diocese of Swansea & Brecon. During this part of the meeting members and observers sat in diocesan groups to facilitate thorough discussion of these items. Decisions were taken by members of the Representative Body only.

Mr Clive Myers, Chair of the St. Asaph Diocesan Board of Finance and recently-retired Chair of the Human Resources Committee, was also in attendance. Mr Myers had retired as a member of the Representative Body on 3 May 2017 but had
Chair the meeting of the Human Resources Committee later that month and had been invited to report on the proceedings of that meeting to the Representative Body. Mr Myers was present for items 17/21 to 17/24 only.

In attendance: The following members of staff were present: The Provincial Secretary, the Head of Finance, the Deputy Head of Finance, the Head of Property Services, the Head of Resources, the Head of Legal Services, the Head of Secretariat, the Investments Officer and the Review Support Officer.

Prayers: Opening prayers were led by the Bishop of St. Davids.

Conflicts of interest: None were declared.

Minutes of the meeting of 9 March 2017
17/20

The minutes of the previous meeting were agreed as a true record and signed by the Chair.

Use of the Church in Wales's resources
17/21

The Provincial Secretary introduced a comprehensive paper setting out a number of proposed uses of provincial funds during the next triennium for the Representative Body to consider and approve. The proposals for expenditure were made in the context of the Representative Body’s forecast financial activities for the next five years. The Representative Body was reminded that the Transformation Fund, the fund created to provide £3.5million for 2020 Vision-related projects and initiatives in dioceses and the province for the years 2015, 2016 and 2017, had now ended with the final tranche of money being paid.

The triennial actuarial valuation of the Clergy Pension Scheme had taken place on 31 December 2016. The actuarial valuation had shown that the total liability of the Scheme was £187.8million, necessitating the Representative Body to allocate 30.9% of its total general fund to fund the Clergy Pension Scheme. Significantly, the valuation had required the employer’s contribution to the Scheme (paid by the dioceses) to increase by £596,000 (6.1%) per annum to 38.8%.

Funding arrangements for St. Padarn’s Institute had been agreed until 1 January 2018 so it was now necessary to agree funding arrangements for beyond that date.

The Representative Body was also informed that at its meetings in September 2016 and April 2017 the Governing Body had identified the need for greater focus, energy and resources to be devoted to work to support and encourage evangelism and church growth.

Detailed and full discussion took place on key areas of future expenditure, initially in diocesan groups.
Block Grant

The importance of the Block Grant to diocesan financial security and dioceses' ability to effectively support and resource ministry was stressed. It was noted that the Block Grant level had been fixed for a number of years and that the United Kingdom was beginning to experience a period of higher inflation.

It was felt that increasing the level of the Block Grant by 5% from 1 January 2018 would help to secure diocesan finances in the context of inflationary increases, the increased employer’s contribution to the Clergy Pension Scheme, and the future funding arrangements for St. Padarn’s Institute.

Discussion revealed that there was little appetite to overhaul the established formula for allocating the Block Grant.

Funding St. Padarn’s Institute

The Representative Body was reminded that funding arrangements for St. Padarn's Institute were agreed and in place until 1 January 2018. The business plan for St. Padarn’s for the period 2018-2020, endorsed by the Representative Body at its meeting in March 2017 (minute 17/08), had indicated estimated running costs of circa £2million, of which approximately £1.5million would be met by the Representative Body in 2017 as part of the initial funding arrangement to support the development and launch of the Institute until new arrangements were able to be put in place.

It was noted that ongoing discussions with dioceses had highlighted concerns about the budgetary risk St. Padarn’s represented for the dioceses, particularly the lack of direct control dioceses had over the expenditure of St. Padarn’s. It was proposed that the Representative Body absorbed this risk by assuming responsibility for meeting the full costs of St. Padarn’s Institute from 2018. It was noted that the Representative Body was the provincial body which had governance responsibility for financial and staffing matters at St. Padarn’s so was best placed to effectively monitor the costs and budgets of the Institute.

The subsequent control this gave the Representative Body over the budgets and costs of St. Padarn’s meant it was able to manage the risk of expenditure exceeding agreed budget levels in a way the dioceses were not. This would also enable dioceses to plan future budgets with greater certainty.

In recognition that such a move would increase the Representative Body’s expenditure significantly from 2018 onwards it was proposed that the Block Grant to dioceses be reduced by a total of £450,000 (£75,000 per diocese) per annum (to £6,157,965) for 2018 and then be held at the 2018 level for the years 2019, 2020 and 2021. This proposal was supported by those present.

Clergy remuneration

The need to undertake a holistic review of the clergy remuneration package had been identified in discussions with bishops and diocesan secretaries. The purpose of such a review would be to assess both the fairness and the affordability of the current clergy remuneration package. The review would be a significant undertaking and would be commissioned and overseen by the Human Resources Committee with support from both provincial and diocesan staff.

It was proposed the remuneration review would include:
• Consideration of stipend levels and the differential structure;
• A review of the benefits of and funding arrangements for the Clergy Pension Scheme as well as a review of the treatment of different pensionable offices;
• The allocation of fees from occasional offices and stipend augmentation trusts;
• How to effectively appraise clergy competence and the quality of ministry provided; and
• An exploration of the provision of housing for ministry, including the possibility of housing arrangements for different types of ministry and whether housing should continue to be provided.

During the ensuing discussion it was noted that a review of this nature had the potential to unsettle clergy. It was suggested the review was carried out over a significant time period with the involvement of as broad a range of clergy and lay people as possible (involvement which would not just be restricted to questionnaires and public meetings), as well as the involvement of an independent pension expert.

Strategic building review

A full strategic review of buildings being undertaken across the province, particularly of church buildings, parsonages and churchyards, was proposed. During the ensuing discussion it was acknowledged that such a review could only be of value if it were to be undertaken by the dioceses because use of buildings within dioceses formed a significant part of diocesan mission strategies and the subsequent deployment of ministerial resources.

It was noted that such building reviews, while beneficial, would require significant administrative support and, given that in most cases church buildings, parsonages and churchyards were vested in the Representative Body, it was felt the reviews should be supported by provincial staff and the Property Committee as necessary but led and principally undertaken by the dioceses. Dioceses would be free to determine the timing and scope of their individual reviews.

New funding to support evangelism and growth

Following the resolution of the Governing Body at its meeting in April 2017 which identified the need for greater focus, energy and resources to be devoted to evangelism and church growth it was proposed that the Representative Body considers creating a fund (of possibly £10million) to specifically support evangelism and church growth. This proposal, with its outline draft terms of use and administration, was discussed.

While it was recognised that a project geared towards evangelism and church growth may include some element of building adaptation it was not intended that this fund would be available for building projects.

Following discussion it was evident that creation of such a fund would be supported by dioceses but further work on the details of the concept of the fund, its criteria for use, application, administration and the ongoing management of the projects that received funding would be necessary. The Representative Body asked that a detailed proposal was brought to its next meeting, in November 2017.

Conclusion

Following full and detailed discussion the Representative Body agreed:
i. To increase the level of the overall Block Grant by 5% from 1 January 2018 for the years 2018, 2019, 2020 and 2021.

ii. That responsibility for meeting the full costs of St. Padarn’s Institute was taken by the Representative Body from 2018. The Block Grant would then be reduced by £75,000 per diocese (to £6,157,965) for 2018 and held at that 2018 level for the years 2018, 2019, 2020 and 2021. One member abstained.

iii. To commission a full review of clergy remuneration which would be overseen and co-ordinated by the Human Resources Committee with regular reports being presented to the Representative Body at future meetings. Two members abstained and two voted against.

iv. To support and, where necessary, supplement a strategic building review which would be led by dioceses in order to reflect and consider the context of individual diocesan circumstances and strategies. Progress with these reviews would be reported to the Property Committee with the Representative Body being updated as necessary.

v. To the principle of a fund being created to specifically support evangelism and church growth: further, detailed proposals for this would be prepared for the Representative Body to consider at a future meeting. Two members abstained.

**Stipend and pay award 2018**
17/22

Mr Clive Myers reported that the Human Resources Committee had discussed the annual stipend and salary award at its meeting on 16 May 2017, reminding members that in June 2015 the Representative Body had introduced a policy of basing annual increases on the Consume Prices Index (CPI) figure published for the preceding April with the option of adding a discretionary 0.5% to this figure.

Mr Myers confirmed the CPI for April 2017 was 2.7%: the Committee did not propose adding the discretionary 0.5% to this figure, resulting in a proposed total increase of 2.7% from 1 January 2018.

It was agreed that the Committee’s recommendation of a 2.7% increase to stipends and salaries be adopted from 1 January 2018, in line with the Representative Body’s policy.

**Vacancy fees 2018**
17/23

Mr Myers reported the Human Resources Committee had undertaken its annual review of vacancy fees. The Committee’s recommendation to increase each category of vacancy fees by £1 was approved by the Representative Body.

The vacancy fees for 2018 would therefore be:

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee from 1 January 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleric in receipt of a pension by virtue of service in Holy Orders</td>
<td>£22</td>
</tr>
<tr>
<td>Cleric in the non-stipendiary ministry over 70 years of age</td>
<td>£22</td>
</tr>
<tr>
<td>Licensed Reader (fee payable to the Readers’ Association)</td>
<td>£22</td>
</tr>
</tbody>
</table>
Marriage and burial fees 2018
17/24

The Human Resources Committee had reviewed the funeral and burial fees for 2018, recommending an increase in line with the cumulative increase in the CPI for the period July 2016 to March 2017 (2.8%), rounded up to the nearest whole pound.

In line with the advice of the Human Resources Committee the Representative Body agreed to propose to the Welsh Government that the funeral and burial fees increase by 2.8% from 1 January 2018. The proposed fees for 2018 would be:

<table>
<thead>
<tr>
<th>Fee from 1 January 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ministry fee</strong> (payable to the officiating minister)</td>
</tr>
<tr>
<td><strong>Committal</strong> (payable to the officiating minister where a different minister has officiated at a separate funeral service elsewhere)</td>
</tr>
<tr>
<td><strong>Church fee</strong> (payable to the PCC)</td>
</tr>
<tr>
<td><strong>Burial Fee in Church in Wales Burial Ground</strong> (payable to the PCC for the Churchyard Maintenance Fund)</td>
</tr>
<tr>
<td>- Body</td>
</tr>
<tr>
<td>- Cremated remains</td>
</tr>
<tr>
<td><strong>Memorial Fee</strong> (payable to the PCC for the Churchyard Maintenance Fund)</td>
</tr>
<tr>
<td>- Plain wooden cross</td>
</tr>
<tr>
<td>- Grave headstone</td>
</tr>
<tr>
<td>- Cremated remains tablet</td>
</tr>
<tr>
<td>- Additional Inscription</td>
</tr>
<tr>
<td><strong>Search of Burial Registers</strong> (payable to the PCC)</td>
</tr>
</tbody>
</table>

Also, in line with the advice of the Human Resources Committee, the Representative Body agreed that marriage fees for 2018 remain unchanged from their 2017 levels: inflationary increases would be considered for implementation in 2019.

Parsonage Board contributions 2018
17/25

In the absence of Mr Rod Davies, Chair of the Property Committee, the Head of Property Services introduced the Committee’s proposals for Parsonage Board contribution levels for 2018.

The Committee had considered a number of indices, including those for building and housing costs, which suggested an increase of Parsonage Board contributions by 2.7% in 2018 would be in order. The Committee had noted however that with pressures on diocesan budgets it was content to suggest to the Representative Body that there be no increase to the current, 2017, Parsonage Board contribution level of £4,974 per parsonage for 2018.

Discussion followed, during which it was noted that keeping Parsonage Board contribution levels unchanged would, with rising inflation, lead to more significant increases being
necessary in future years to compensate for the absence of an increase in 2018. It was also felt that not increasing Parsonage Board contributions in 2018 would create a precedent where it could be expected that contributions would not increase in financially challenging times.

Following this discussion the Representative Body agreed that Parsonage Board contributions would increase by 2.7% from 1 January 2018 to £5,108 per parsonage.

**Auditor’s report**
17/26

The Chair welcomed Mr Adam Halsey, Partner at Haysmacintyre, to the meeting, who delivered the external auditor’s report. The audit of the 2016 accounts was the first engagement for Haysmacintyre since being appointed as the Representative Body’s external auditor. Mr Halsey noted the audit had gone well with many good practices identified together with a culture of strong procedural control. The audit had made recommendations to modernise some administrative and bookkeeping procedures which were being explored.

Mr Halsey confirmed there were no matters to be raised without staff present. It was recommended that meetings of the Representative Body and Audit Committee included the opportunity for members to meet alone with the auditor, with no staff present.

The audit had commended the function and effectiveness of the Audit Committee.

Mr Halsey encouraged members to ensure they remained abreast of the role of a trustee by attending training events and regularly checking advice published by the Charity Commission. It was noted a trustee training event was being held in Cardiff in June 2017 which members were encouraged to attend.

Mr Geoff Moses, Chair of the Audit Committee, noted the Committee had welcomed the change of auditor and that the relationship with Haysmacintyre was positive.

**Annual Report and Accounts 2016**
17/27

The draft annual report and accounts for 2016 were introduced by the Head of Finance, noting the very good investment return with a net increase for the year of £54.7million: at 31 December 2016 the investment fund was worth £673million.

The following resolution was proposed and passed unanimously:

*That the Annual Report and Financial Statements of the Representative Body for the year ended 31 December 2016 be approved and adopted.*

**Common Investment Fund**
17/28

The Head of Finance presented the draft accounts for the Common Investment Fund for 2016, confirming the Fund is separate to the main investment fund and is managed by Newton Investment Management. It was noted that although the Fund’s return of 16.5% was lower than the composite benchmark of 18.6%, this still represented a very good annual return.
The following resolution was proposed and passed unanimously:

*That the Accounts of the Common Investment Fund for the year ended 31 December 2016 be approved and adopted.*

**Membership**

17/29

The Provincial Secretary informed the Representative Body of some proposed changes to its membership.

**Human Resources Committee**

Mr Clive Myers had recently retired as a member of the Representative Body following his reaching the age of 75 in May 2017. Mr Myers was an *ex officio* member of the Representative Body in his capacity as Chair of the St. Asaph Diocesan Board of Finance and would be replaced as an *ex officio* member when the diocese appointed a new DBF Chair. Mr Myers’s retirement created a vacancy in the role of Chair of the Human Resources Committee.

To fill the role of Chair of the Human Resources Committee the Provincial Secretary explained that discussions had been held with Mr Peter Kennedy, a human resources professional with many years’ experience and who was currently Director of Corporate Services at the Welsh Government. It was proposed that Mr Kennedy be co-opted onto the Representative Body (there being one vacancy in the co-opted membership) until the end of the current triennium, and appointed Chair of the Human Resources Committee.

**Investment Committee**

Mr Paul Marshall would retire as a member of the Representative Body, and therefore as Chair of the Investment Committee, when he reached the age of 75 in August 2017. Mr Marshall was an *ex officio* member of the Representative Body in his capacity as Chair of the Llandaff Diocesan Board of Finance and would be replaced as a member when a new DBF Chair was appointed by the diocese.

The Provincial Secretary explained that a number of people had been approached to succeed Mr Marshall as Chair of the Investment Committee but none of these people were able to take up the position immediately. It was therefore proposed that Mr James Turner, Chair of the Representative Body and member of the Investment Committee, be appointed Chair of the Investment Committee until a new Chair was identified and able to take up the role.

It was also proposed that Mrs Jane Heard, an elected lay member of the Representative Body from the diocese of St. Davids and currently also a member of the Audit Committee, become a member of the Investment Committee as its Deputy Chair. Mrs Heard would subsequently stand down as a member of the Audit Committee, creating a vacancy on this committee.

**Audit Committee**

Notwithstanding Mrs Heard’s departure from the Audit Committee there remained a long-term vacancy on this committee and it was proposed that Mrs Laura Jones be appointed as a
member of the Audit Committee to fill this vacancy. One vacancy on the Audit Committee therefore remained.

Deputy Chair of the Representative Body

The Provincial Secretary reminded members that Mr Paul Marshall also held the position of Deputy Chair of the Representative Body: following his retirement in August 2017 the Representative Body would have to elect a new Deputy Chair. It was proposed that this be considered by the Representative Body at its meeting in March 2018, the first meeting of the next triennium.

Archbishop of Wales

Members were reminded that the position of Archbishop of Wales continued to be vacant and, as the Archbishop is an *ex officio* member of the Representative Body, a vacancy in the Representative Body's membership also continued. The Electoral College to elect the next Archbishop had been postponed until early September 2017 due to delays in the appointment of the next Bishop of Llandaff. Upon election, the new Archbishop would become a member of the Representative Body *ex officio*.

Conclusion

Following discussion, the Representative Body agreed:

i. To co-opt Mr Peter Kennedy to the Representative Body, filling the vacancy in the co-opted membership, until the end of the current triennium.

ii. To appoint Mr Kennedy as Chair of the Human Resources Committee.

iii. To appoint Mrs Jane Heard as a member of the Investment Committee: Mrs Heard would no longer serve as a member of the Audit Committee. Mrs Heard would also serve as Deputy Chair of the Investment Committee.

iv. To appoint Mr James Turner as Chair of the Investment Committee.

v. To appoint Mrs Laura Jones as a member of the Audit Committee.

vi. That the election and appointment of a Deputy Chair would take place at its meeting in March 2018, following the end of the current triennium.

Provincial office

17/30

At its meeting in March 2017 the Representative Body had agreed to lease 2 Callaghan Square in Cardiff as new accommodation for the provincial office (minute 17/05). The Head of Property Services updated the Representative Body on progress with this transaction, confirming that the lease and necessary licence to undertake alterations to the premises had been completed.

Arrangements for fitting out the office were well advanced and a firm to undertake this work had been identified. It was hoped that the office would be ready for occupation in September 2017.

St. Michael's Centre

17/31

The Provincial Secretary reminded members that the St. Michael's Centre remained in the ownership of the Representative Body and was the principal site from which the
administrative and residential tuition function of St. Padarn’s Institute operated. Following the closure of St. Michael’s College when St. Padarn’s launched in July 2016 the site, buildings and other facilities had been operating also as a conference venue to generate income to contribute towards the ongoing costs of upkeeping and running the site.

The site had been in use as a conference centre for almost a year and, despite the best efforts of St. Michael’s Centre staff, it was evident that the site was not generating the income revenue required to make it a viable business. It was noted that in 2017 a deficit of £34,000 had been forecast: additionally, a restructure of staffing resources at the Centre was projected to cost approximately £35,000.

It was recommended that the public-facing conference centre enterprise operating from St. Michael’s Centre cease from 1 January 2018 and that the site provided residential accommodation and catering facilities for students at St. Padarn’s Institute only. Catering and cleaning functions would be provided by external agencies under the authority of the Director of Operations at St. Padarn’s. The Representative Body was reminded that, as discussed at its meeting in March 2017 (minute 17/08), it was intended that St. Padarn’s Institute’s ongoing use of the site would be reviewed in light of its own development and function.

It was noted that the closure of St. Michael’s Centre would result in a number of staff redundancies and that consultation on this would being imminently, overseen by the Head of Resources and the Provincial Secretary.

The Head of Property Services informed the Representative Body that a property agent and planning consultant had already been engaged to provide initial advice on options for the site.

Following brief discussion the Representative Body noted the situation and endorsed the recommendation that the conference centre activity at St. Michael’s Centre ceases from 1 January 2018: the Representative Body would be kept abreast of developments.

**Yew trees**

17/32

The Head of Property Services explained that the Ancient Yew Group organisation had undertaken a survey of yew trees and had identified 334 ancient (those over 800 years old) and veteran yew trees (those over 500 years old) within churchyards owned by the Representative Body, something of significant importance to the cultural and historical landscape in Wales.

The Property Committee had addressed this matter in order to improve protection for these trees and presented a number of recommendations to the Representative Body accordingly.

It was noted that at present the Constitution of the Church in Wales required all works to trees to have the consent of the respective archdeacon (in addition to any tree preservation order consent that may be necessary). The archdeacons would be provided with information to confirm the locations of the ancient and veteran yew trees, as identified by the Ancient Yew Group. All parishes with management responsibilities for ancient or veteran yew tree had been informed.

In line with the advice of the Property Committee the Representative Body agreed:
To arrange for the Constitution to be amended so the Representative Body’s consent must be given to any proposed works to ancient or veteran yew trees, in addition to that of the archdeacon and any necessary statutory consent.

To prepare a panel of approved arboriculturalists, in consultation with the Ancient Yew Group, to undertake works to ancient or veteran yew trees.

That prior to approving any proposed works to ancient or veteran yew trees advice from a consultant arboriculturist (approved by the Representative Body) should be received.

That guidance be circulated to parishes and ministry areas with information about the revised rules and procedures surrounding works to ancient or veteran yew trees.

To establish an annual budget of £5,000 to provide financial assistance for parishes and ministry areas needing arboricultural advice for works to ancient or veteran yew trees.

**Sales of consecrated property**

17/33

In accordance with Chapter III, section 23(2) of the Constitution, the Representative Body authorised the sale of the following consecrated property:

D.870 Meline, former St. Dogmael’s church
D.879 Marros, former St. Lawrence’s church
M.320 Tredegar St. George and St. James, former St. James’s church
M.613 Gwernesney, former St. Michael’s church

The Head of Property Services informed the Representative Body that the former St. Dogmael’s church, Meline and the former St. Michael’s church, Gwernesney were both to be transferred to the care of the Friends of Friendless Churches organisation.

**Investment Committee**

17/34

The Representative Body noted the matters arising from the Investment Committee’s meeting held on 4 May 2017.

i. **Summary activity reports**

The performance of the Representative Body’s total investment portfolio during the first quarter of 2017 was noted, as shown in the table below:

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>31 December 2016 £m</th>
<th>31 March 2017 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newton portfolio</td>
<td>254.8</td>
<td>265.0</td>
</tr>
<tr>
<td>Sarasin portfolio</td>
<td>258.0</td>
<td>268.1</td>
</tr>
<tr>
<td>Property portfolio</td>
<td>72.5</td>
<td>70.8</td>
</tr>
<tr>
<td><strong>Total investment fund</strong></td>
<td><strong>585.3</strong></td>
<td><strong>603.9</strong></td>
</tr>
</tbody>
</table>

The Representative Body also noted the performances of the stock exchange portfolios managed by each of the investment fund managers, as shown in the table below:
Following the closure of WM Company in March 2016 both the total return of the investment portfolio and the comparison of its performance to the charity benchmark remained unavailable. In place of WM the Committee had agreed that comparisons would instead be provided by the investment performance analysis firm Teknometry but it was noted that it was taking time for this firm to compile the relevant data in order to make meaningful comparisons. It was hoped this information would soon be available and that comparative data would be reported to the Representative Body, via the Investment Committee, at its next meeting.

The report of the Investment Committee was received.

**Audit Committee**

17/35

The Representative Body noted the matters arising from the Audit Committee’s meeting held on 4 May 2017.

**Internal audit reports**

Haysmacintyre had conducted internal reviews of both the payroll procedures and the ICT systems which had highlighted the need for staff training on data protection legislation. Work to address this was underway with staff training being arranged.

**Property Committee**

17/36

The Representative Body noted the following items arising from the Property Committee’s meeting held on 23 March 2017:

i. **Glantawe**

The Committee had authorised a licence (for a nominal licence fee) for the Swansea & Brecon Board of Social Responsibility’s Faith in Families initiative to use the vicarage in Bon y Maen as a family centre.

ii. **National Churches Trust**

The Committee approved involvement in the National Churches Trust’s Maintenance Booker facility to help parishes and ministry areas organise basic maintenance works. The Committee had also authorised financial assistance to be available to parishes as a contribution towards the cost of their commissioning asbestos surveys, an area of particular concern.
The report of the Property Committee was received.

**Cathedrals and Churches Commission**
17/37

The Representative Body noted the Cathedrals and Churches Commission had met at Newport Cathedral on 19 April 2017 and had been involved in discussion of ideas on future development of the building.

**Heritage Lottery Fund**

The Commission had been informed that the Heritage Lottery Fund (HLF) was to cease its Grants for Places of Worship scheme, a grant scheme dedicated to providing grants for works to places of worship, after the August 2017 application deadline. The budget allowance for places of worship would be transferred to the HLF’s Our Heritage (for grants up to £100,000) and Heritage Grants programmes (for grants over £100,000): HLF aimed to continue making grants to places of worship in line with current averages and trends.

It was hoped the Our Heritage programme would work well for churches due to its single stage application process. While the limit of this grant scheme was £100,000 it was noted that in Wales the average grant from the Grants for Places of Worship scheme was £90,000.

**St. Padarn’s Council**
17/38

The Representative Body noted the following items arising from the meeting of the St. Padarn’s Council which had taken place on 23 May 2017:

i. **Student grant levels**

St. Padarn’s Council had agreed to review the structure of the student grant every three years to ensure it remained appropriate and relevant to the realities of student life at St. Padarn’s Institute.

The Council had agreed the student personal allowance would increase by £22.50 per week, with a total personal allowance of £4,975 per student for the academic year 2017-2018.

ii. **Staff appointments**

Two members of staff had been appointed. Kathryn Delderfield had been appointed Director of Operations and the Reverend Dr Mark Griffiths had been appointed Tutor in Missional Research and Practical Theology.

**Use of the Representative Body Seal**
17/39

It was reported that the Representative Body Seal had been used from numbers 35882 to 35941 inclusive. The Seal Register was present for members’ inspection and thanks were extended to those members who had witnessed sealing.
Next meeting
17/40

The Chair confirmed the Representative Body would next meet on Thursday 16 November 2017 at the new provincial office, 2 Callaghan Square, Cardiff.

Closing prayers

The Bishop of Swansea & Brecon closed the meeting with prayer.