THE REPRESENTATIVE BODY OF
THE CHURCH IN WALES

Minutes of the meetings of
The Representative Body
held on
16 November 2017
8 March 2018
and 7 June 2018
THE REPRESENTATIVE BODY OF THE CHURCH IN WALES

A meeting of the Representative Body of the Church in Wales was held at 2 Callaghan Square, Cardiff on 16 November 2017

**Present:**

*Ex officio members*

The Archbishop of Wales
The Most Reverend J D E Davies

*Chair of the Standing Committee*

Mrs E M Perkins

*Chairs of the Diocesan Boards of Finance*

St. Asaph: Mrs H R Jones
Bangor: Vacant
St. Davids: Mr N C P Griffin
Llandaff: Mr M A Lawley
Monmouth: Mr P E Lea
Swansea &: Sir E P Silk
Brecon

*Elected members*

St. Asaph: The Venerable R H Griffiths
Bangor: Mrs M A West
St. Davids: Mrs J Heard
Llandaff: The Venerable C B W Smith
Monmouth: Miss P R Brown, the Venerable J S Williams
Swansea &: Mr T J P Davenport, the Venerable A N Jevons
Brecon

*Nominated members*

Mr J J Turner (Chair)
Mr T O S Lloyd OBE
Mr D G Myrddin-Evans (item 17/47 onwards)

*Co-opted members*

Mr L James
Mr P D Kennedy

**Apologies:**

Apologies were received from Mr R Davies, Mr G I Moses, the Venerable R P Davies, the Venerable D M Wight and Mr L T W 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 Human Resources, the Head of Legal Services, the Head of Secretariat and the Review Support Officer.

**Prayers:**

Opening prayers were led by the Archbishop.

**Conflicts of interest:**

Mr Michael Lawley declared an interest in item 17/48 as he was the Chairman of Cooke & Arkwright, the firm it was proposed
the Representative Body engaged to provide professional advice on the disposal of the site of the former provincial office at Cathedral Road, Cardiff. It was agreed Mr Lawley would leave the meeting for that item.

Mr Lawley also declared a general interest as Cooke & Arkwright undertook a considerable amount of professional work on behalf of the Representative Body.

The Chair welcomed Mrs Helen Jones, Mr Michael Lawley, Sir Paul Silk and Mr Peter Kennedy to their first Representative Body meeting.

The Chair then welcomed all members to the first meeting of the Representative Body to take place at the new provincial office. The Provincial Secretary spoke about the move to the new premises and the new working environment, noting that the open-plan arrangement had already brought considerable benefits to working relationships and efficiency. The new staff room had proven to be an excellent facility for staff.

Co-ordinating and preparing for the move had brought with it a considerable amount of additional work but provincial staff had managed the process very well and worked together in an admirably team-spirited manner.

The Provincial Secretary noted there were some minor matters that needed attention, particularly the sound-proofing of meeting rooms and some problems with the layout of furniture. These matters were being given attention.

Minutes of the meeting of 6 June 2017

Subject to the correction of a typing error on page 10 the minutes of the previous meeting were agreed as a true record and signed by the Chair.

Membership

The Head of Secretariat informed the Representative Body of five changes to its ex officio membership that had occurred since its last meeting:

i. The Archiepiscopal Electoral College had met in September and elected the Right Reverend John Davies, Bishop of Swansea & Brecon, to be Archbishop of Wales.
ii. Mrs Helen Jones had been appointed Chair of the St. Asaph Diocesan Board of Finance.
iii. Mr Michael Lawley had been appointed Chair of the Llandaff Diocesan Board of Finance.
iv. Sir Paul Silk had been appointed Chair of the Swansea & Brecon Diocesan Board of Finance.
v. Mrs Jennifer Evans had resigned as Chair of the Bangor Diocesan Board of Finance so was no longer a member of the Representative Body. The diocese intended to appoint a replacement in due course.
The Head of Secretariat also confirmed that the Archdeacon of Bangor, the Venerable Paul Davies, had recently been appointed Archdeacon of Surrey in the Diocese of Guildford. While he had already moved in readiness to take up this post he remained a member of the Representative Body until his clerical appointment in the Church in Wales officially ended on 30 November. The Archdeacon was the elected clerical member for the Diocese of Bangor and, as the end of the current triennium of Representative Body membership was approaching, the diocese would soon be in a position to confirm its elected members for the next triennium.

Both Mrs Evans and the Archdeacon of Bangor were thanked for their service to the Representative Body during their time as members and for the contributions they had made.

Risk management
17/43

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 were exposed, together with details of the measures in place to mitigate those risks. It was confirmed the risk register had been reviewed by all members of provincial departmental staff and the senior staff team prior to detailed review by the Audit Committee.

The Head of Finance also talked in detail about a sophisticated attempt at payment fraud in August 2017 to which the Representative Body had almost fallen victim, and the resulting changes to internal controls and procedures to mitigate this risk in future. Staff training on cyber fraud had taken place and dioceses and the wider Church in Wales had been made aware of the risks of cyber fraud. It was also confirmed the details of this matter and the measures put in place by way of mitigation of future risk had been specifically considered by the Audit Committee.

Some detailed points arising from the risk register were discussed. It was noted that the assessment of only one risk (risk 1) had changed between 2016 and 2017; that some controls referred to within the register were outdated (risk 22); and that the residual assessment of one risk (risk 25) was higher than the inherent assessment of that risk. It was suggested also that the effectiveness of the risk management process might be compromised by the number of risks included in the risk register (a total of 128 risks), with the resulting danger that the monitoring and management of the risk register could become an administrative exercise rather than a risk management exercise.

Alternative ways of managing the risk register were discussed, including the possibility of forming a separate committee to specifically oversee registering and monitoring risks. It was felt it was timely to refresh the risk management policy and review the approach taken to it. Provincial staff would take this matter forward.

Following discussion the Representative Body noted the risk register.

Budget 2018
17/44

The Head of Finance introduced the proposed budget for 2018 (see annex 1) and talked through the 2017 financial position, the five-year forecasts and the total return projections.
It was noted the revised forecast for 2017 suggested that the budgeted deficit would reduce by almost £1 million to £2.2 million as a result of higher-than-expected income and additional, unbudgeted, income from special dividends and the recovery of overseas tax.

The budget for 2018 forecast a deficit of almost £2.8 million but members were reminded that carrying a deficit was an intentional and strategic decision by the Representative Body to support the function of the Church in Wales; and, that any income and expenditure budget must be viewed in the wider context of the capital growth of the Representative Body’s total assets, in line with its total return approach to financial planning. An expenditure level of 3.5% was deemed to be sustainable. It was noted that inflation was currently above 3.5% and that if this were to increase further future expenditure may be affected.

When projected capital growth was taken into consideration the five-year forecasts indicated that the budget deficit would reduce over the next five years, but members were reminded of the latent unpredictability in the stock market. Income was however noted as being as secure as it was possible to be due to the Representative Body’s investments being in good stock securities.

In his absence a statement from Mr Geoff Moses, Chair of the Audit Committee, was read by the Head of Finance, confirming the 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.

It was noted that, in order to comply with Financial Reporting Standard 102, it would now be necessary to account for the rent-free period in the lease for the new provincial office over the whole term of lease. This would mean that expenditure on the office would be higher in 2017 and 2018 than had previously been budgeted, although overall expenditure over the course of the lease would be unchanged. In his statement, Mr Moses noted that the Audit Committee was comfortable with this approach. The Committee had also endorsed the introduction of a new accounting software package for use in the provincial office, and the associated costs of this. (See minute 17/53.)

The Representative Body endorsed the draft budget for 2018 for submission to the Standing Committee for approval and noted the revised forecast for 2017, the five-year forecasts and the total return position.

Application for use of the Transformation Fund
17/45

The Provincial Secretary informed the Representative Body that the Bishop of Bangor had requested a grant from the provincial allocation of the Transformation Fund to fund a Welsh translation of the ‘Twelve’ DVD which was produced by the dioceses of Llandaff, Monmouth and Swansea & Brecon. It was currently available only in English.

‘Twelve’ was a series of twelve short films each focussing on one person who talked about their faith through the prism of a particular aspect of their life. One of the films was shown to members. The films engaged in an open manner with those who may wish to think about spiritual matters but without presupposing familiarity with the Christian faith. The potential for evangelism was recognised but a version which included a Welsh voice-over would be helpful to ensure this resource was relevant to all communities in Wales, including those that communicated most naturally through the medium of Welsh. The translation and production of a voice-over was estimated to cost £10,000.
The Provincial Secretary confirmed £23,000 remained the provincial allocation of the Transformation Fund.

The Representative Body agreed to £10,000 being made available from the provincial share of the Transformation Fund to fund Welsh translation of the ‘Twelve’ DVD as requested by the Bishop of Bangor. Reports on the use of the Transformation Fund during 2017 (the final year of the Fund) would be presented to the Representative Body at its meeting in March 2018.

**Fund to support evangelism and church growth**

17/46

The Provincial Secretary reminded members that at its meeting in June 2017 (minute 17/21) the Representative Body agreed to the principle of establishing a £10million fund specifically to support projects which focussed on evangelism and church growth. He went on to introduce a paper setting out proposals for the terms of use and management of this fund. Members were also reminded of the newly-articulated sense of energy and urgency within the Church in Wales of confronting decline, prioritising evangelism and explicitly working towards growth, as highlighted during debates at the Governing Body meetings in September 2016 and April 2017 and by the Archbishop at his presidential address at the September 2017 meeting.

In recognition of this the following details were proposed:

i. The fund would operate by providing grants for projects following applications made by dioceses, rather than allocating each diocese a share of the £10million total.

ii. Each application should include an element of funding from the diocese concerned.

iii. All applications should be supported by the relevant diocesan bishop, diocesan Standing Committee and Diocesan Board of Finance: applications could be made jointly by two or more dioceses.

iv. Grants of between £250,000 and £3million would be awarded from the fund.

v. During the first eighteen months of the scheme the award of a grant would preclude a diocese from bidding again. After that time had elapsed there would be no bar to the number of bids which may be made.

vi. Due to the scale of the projects and the level of funding involved all applications to use this fund must include the cost of employing a project manager.

vii. The fund would be launched at Pentecost 2018.

**Principles**

The fundamental principle of the fund was that it would be used to support projects that were working specifically towards numerical growth amongst people in age groups under-represented within the Church in Wales. The fund was not intended to be used to fund works to buildings, other than where building alterations were demonstrably supportive of the aims of the overall project and represented a small element of the total cost: such costs should be met via the element of funding provided by the diocese.

Discussion followed during which the principle of the Representative Body committing funds specifically to promote evangelism and church growth was strongly supported. It was acknowledged that providing money alone would not necessarily solve the problem of church growth, but it would encourage dioceses to be bold and to think of new ways of stimulating church growth and promote evangelism.
The strategic integrity of the fund awarding grants on the basis of applications from dioceses was queried and discussed as there was some concern that the fund should respond to an overall and integrated Church in Wales strategy for evangelism and church growth rather than to individual dioceses’ strategies. This point was discussed, concluding that to be at its most effective the fund must be able to respond to the individuality of dioceses which have correspondingly different strategies shaped by their specific contexts: if the fund were dictated by a provincial outlook this may not be fully effective in some local contexts.

Administration and oversight

It was recognised that while the application process should be robust it must also realise that new ventures come with risk. Risk must be assessed and appropriately managed but not necessarily feared and prevent projects receiving grants. It was proposed that the fund be overseen by a committee formed specifically for that purpose which would also assess applications made, and award grants. Annex 2 sets out how it was proposed this committee’s membership would be made up.

Some practical administration matters were discussed also. Given the proposed range of grants (£250,000 to £3million) some concern was raised that it was feasible for the fund to be spent very quickly: it was possible three £3million grants could be awarded, reducing the remaining fund to just £1million to be divided between three dioceses. It was suggested that the committee monitored the awarding of grants and funding levels with the Representative Body being kept abreast of awards made: if additional funding became necessary the Representative Body would be informed with any additional funding requests being assessed in the wider financial context of that time.

The level of diocesan funding contributions to projects, and what type of funding these contributions may be was also discussed. The possibility of funding in kind by perhaps allocating diocesan employees’ time to assisting with the development of projects, would be assessed and managed by the committee.

Conclusion

Following discussion the Representative Body agreed:

i. To designate £10million from its reserves to form the Church in Wales Strategy Enablement Fund.

ii. The fund would be administered by a Strategy Enablement Fund Committee, the membership of which would be made up in line with that set out in annex 2. This committee would consider applications to use the fund and would agree the level and type of funding contributions from the diocese concerned.

iii. That any staffing implications in order to support the Strategy Enablement Fund would be communicated to the Human Resources Committee by the Provincial Secretary: the Human Resources Committee would be empowered to approve additional staffing resources with any budgetary implications requiring the authority of the Representative Body Chair.

It was agreed that the bishops and diocesan secretaries would be asked to comment on the paper prepared by the Provincial Secretary and asked to suggest names of people to be approached to sit on the committee overseeing use of the fund and assessing applications received.
Separation of the Clergy Pension Scheme

17/47

The Representative Body reviewed the position of the Clergy Pension Scheme within the Representative Body’s general funds on a triennial basis, following each actuarial valuation.

The Head of Finance set out the background and history to the present situation, including the reasons for and against separating the Scheme: the Church in Wales Review had recommended (recommendation XXXIX) an independent review into separation of the Clergy Pension Scheme from the general fund in the interests of clarity and good governance; however the costs of separating, managing, governing and administering a separate scheme (one-off and ongoing costs) would not be inconsiderable, particularly the investment managers’ assessment that the reduction in the total return from a more bond-orientated pension fund would equate to between £1.25million and £2.8million per annum.

It was confirmed the legal position was unchanged since the last time this matter had been considered by the Representative Body in November 2014: there was no legal imperative to separate the Scheme from the general fund. Also, the Scheme liabilities were effectively covered three times over: at 31 December 2016, the pension liability was valued at £187.6million out of a total investment portfolio of £605million. It was also noted that the Investment Committee’s advice was for the Scheme to remain part of the general fund.

After discussion the Representative Body agreed that the Clergy Pension Scheme should continue to be held as part of the general fund, but it was emphasised that this arrangement should continue to be reviewed on a triennial basis. Further, it was recognised that it may be necessary for the Representative Body to review this matter again in the light of the recommendations of the planned clergy remuneration review, which may make specific observations about the benefits of and funding arrangements for the Clergy Pension Scheme.

The long-established principle that the liabilities of the Clergy Pension Scheme were the first call on the overall general fund was also emphasised.

Cathedral Road site

17/48

In line with his declared interest, Mr Michael Lawley left the meeting for this item.

The Head of Property Services informed the Representative Body that an appraisal report had been prepared by Cooke & Arkwright chartered surveyors advising on the future of the site of the former provincial office at 37-39a Cathedral Road. Additional advice had also been received from Cluttons LLP, the Representative Body’s investment property adviser.

Six options for the future of the site had been put forward, which were:

1. To sell the site with the benefit of the existing planning permission which would allow development of the site for mixed office and residential use. It was noted this option would produce a negative land value.
2. To sell the site with full planning permission for residential conversion of the site. While this option would result in a residual land value of almost £767,000 it would involve significant additional cost and delay in order to achieve the necessary planning permission for residential development.
3. To sell the site inviting conditional bids on the basis of the new buyer securing its desired planning permission. This option would maximise the site’s value (circa £1.6million), provide transparency and minimise both delay and risk.

4. To develop a scheme for residential conversion of the site prior to sale. It was noted that this option would involve considerable risk without resulting in significantly higher value for the site, after costs, than option 3, above.

5. To develop a scheme for residential conversion of the site which would then be let, either in full or in part. This option would cost approximately £1.56million and generate an income of around £129,992 per annum (an 8.3% return on cost) and result in an asset worth £2.3million. Under this option the site of 39a Cathedral Road would be retained, for future realisation.

6. To seek a joint venture partner to develop the site.

The Head of Property Services explained that, following a request from the Property Committee, additional information on selling the 37-39 Cathedral Road section of the site and retaining the 39a Cathedral Road section of the site for future use or sale had been obtained. The advice provided indicated that this arrangement was likely to realise a value of around £1million and that the necessary reserved access rights to the retained 39a site would not be attractive to buyers.

The Head of Property Services confirmed that all six options for the future of the site, and the additional information provided, had been reviewed and considered by both the Property and Investment committees.

Following the advice of the Property and Investment committees the Representative Body agreed:

i. That, in line with option 3 above, the entire site of the former provincial office at Cathedral Road should be marketed for sale on the basis of inviting conditional offers. Prospective purchasers would be required to secure planning permission for their own desired future use of the site. It was possible that overage provisions could be included in any contract of sale to secure the Representative Body’s interests.

ii. That Cooke & Arkwright chartered surveyors be appointed to market the site and act as the Representative Body’s agent.

One member noted the importance of careful and sensitive handling of any communications relating to the sale of the Cathedral Road site, both to the public and to the wider Church in Wales.

Mr Michael Lawley returned to the meeting.

**St. Padarn’s longer-term property requirements**

17/49

The Head of Property Services updated the Representative Body on options being considered for the future physical location of St. Padarn’s Institute, options that were being considered in the context of the key functional requirements of St. Padarn’s.

At present, the property-related options being explored included:

- Continued use of the current site, the former St. Michael’s Centre;
- The purchase of a new site;
• A multi-site arrangement for the provision of training by St. Padarn’s;
• Shared premises.

It was noted that St. Padarn’s Institute was still in its infancy and that training and development strategies were still evolving, so there was time to explore and consider the various options.

St. Padarn’s Council would oversee the establishment of what the key longer-term property requirements for St. Padarn’s were in order to best provide training, and the Property Committee would oversee how these requirements were best met: the Representative Body would be updated on progress as necessary at future meetings. Members were reminded that the Representative Body had oversight of human resources and budgetary matters at St. Padarn’s: responsibility for all strategic matters rested with the Bench of Bishops.

The Representative Body noted the current position.

Sales of consecrated property
17/50

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

A.640 Llawrybetws, former St. James’s church
A.670 Ysbyty Ifan, former St. John the Baptist’s church
B.212 Plwyf Bueno Sant, Uwch Gyfrai, former St. George’s church, Trefor
B.213 Plwyf Dwylan, former St. Seiriol’s church, Penmaenmawr
B.224 Bro Cyfeiliog a Mawddwy, former St. Cadfarch’s church, Penegoes
B.234 Bro Eryri, former St. Mair’s church, Llandinorwig
B.237 Bro Arududwy, former St. Philip’s church, Bontddu
D.889 Llangynfelyn, former St. Cynfelyn’s church
D.897 Silian, former St. Sulien’s church
L.114 Roath, St. Anne’s church, part curtilage
L.140 Ynyshir, former St. Anne’s church
L.715 Eglwysilian and Caerphilly, former Ss. Peter and Cennydd’s church, Senghenydd
M.611 Raglan Group, former St. Michael’s church, Llanfihangel Gobion

The Head of Property Services explained that at present the Cathedrals and Churches Commission was not involved in decisions relating to the sales of consecrated property: Diocesan Advisory Committees were involved in the church redundancy process. Recognising that the Commission’s advice would be helpful, particularly in cases where a building required specific protection or where a perspective on a building’s heritage was needed, it was intended that plans would be explored to enable the Commission to have a role in the church redundancy process. The Commission’s comments on plans to sell parts of churchyards would also be helpful.

Closed churches
17/51

The Head of Property Services reported the Property Committee had discussed in some detail the Representative Body’s growing portfolio of redundant churches and the many challenges management of these properties presented. An event focussing on closed and redundant churches and the associated issues had recently taken place in Abergavenny.
It was noted that, at present, the Representative Body was responsible for 77 redundant churches and 66 sites and ruins, which represented a significant liability. It was also stressed that seeking outcomes for redundant church buildings that were positive for the mission and ministry of the Church in Wales was important but, given the number of properties in question, these possibilities could not always be fully explored due to limited staff resources.

The Property Committee had made three recommendations to help address the administration and management problems associated with closed and redundant churches. The Representative Body was asked to endorse these proposals in principle prior to additional work being undertaken to put them into action.

During the following discussion it was noted that the effectiveness of ministry areas depended on some structural reorganisation at a parochial level in order to effectively fulfil the mission and ministry requirements of a particular area. An improved strategic awareness of property resources in order to fulfil these requirements, often with fewer church buildings being required (leading to further church closures), was imperative.

In line with the Property Committee’s recommendations the Representative Body supported:

- The exploration of the employment of two full-time members of staff, who would be mobile workers, to cover the geographical areas of north and south Wales: these members of staff would report to an officer based at the provincial office. Approval for these appointments would be sought via the Human Resources Committee: the costs of these posts would be partly offset by the recent retirement of a member of staff in the provincial property department, who would not be replaced.
- The principle of increasing from 10% to 20% the share of the proceeds of sale of redundant churches retained by the Representative Body to help fund the management of sites, ruins and unsaleable redundant churches.
- The undertaking of an exercise to assess the feasibility of establishing a fund for ‘pilgrim’ (or ‘festival’) churches, possibly in partnership with the Friends of Friendless Churches organisation.

It was noted the Cathedrals and Churches Commission endorsed these recommendations. The Representative Body would consider further developments with these matters as necessary at future meetings.

**Investment Committee**

17/52

The Representative Body noted the matters arising from the Investment Committee’s meetings held on 20 July 2017 and 2 November 2017.

i. **Summary activity reports**

The total value of the investment fund at 30 September 2017 (after the first three quarters of 2017) was £617.5million. It was noted that this figure represented an increase of 8% when compared to the value of the fund at the end of 2016, as shown in the table below:
The returns on the total fund to 30 September 2017 were reported as shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2016</th>
<th>30 September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Newton portfolio</td>
<td>254.8</td>
<td>272.9</td>
</tr>
<tr>
<td>Sarasin portfolio</td>
<td>258.0</td>
<td>272.3</td>
</tr>
<tr>
<td>Property portfolio</td>
<td>72.5</td>
<td>72.3</td>
</tr>
<tr>
<td><strong>Total investment fund</strong></td>
<td><strong>585.3</strong></td>
<td><strong>617.5</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:

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>% p.a.</td>
<td>% p.a.</td>
</tr>
<tr>
<td>CinW fund</td>
<td>1.84</td>
<td>10.35</td>
<td>10.83</td>
<td>11.59</td>
</tr>
<tr>
<td>Benchmark</td>
<td>1.46</td>
<td>9.41</td>
<td>7.60</td>
<td>9.54</td>
</tr>
</tbody>
</table>

### ii. Property management tender process

The Investment Committee had, following a full tender process, reappointed Cluttons LLP as the manager of the investment fund’s property portfolio.

### iii. Treasury management policy

The Investment Committee had adopted a new treasury management policy which was to invest up to £4million in any one institution with a credit rating of A or above, as designated by Moody’s Investors’ Service.

The report of the Investment Committee was noted.

### Audit Committee

17/53

The Representative Body noted the matters arising from the Audit Committee’s meeting held on 27 September 2017.

#### i. 2 Callaghan Square - rent-free period

The new Financial Reporting Standard (FRS 102) required any rent-free periods during the term of a lease to be spread across the entire term of a lease rather than expressed during the rent-free period only. This meant that the 15-month rent-free period negotiated as part of the lease of 2 Callaghan Square, for accounting purposes, must be spread across the 15-year term of the lease, rather than the period during which no rent was to be paid.
This had the effect of increasing the revised forecast for 2017 from £0 to £148,622, and the budget for 2018 from £138,972 to £254,781; however, the rent costs included within the five-year forecast, from 2019 onwards reduced. It was emphasised that this was an accounting entry only and had no effect on cash flow.

ii. Accounting software

The Committee had agreed to a proposal to invest in accounting software Xledger to replace the current, outdated, Pegasus Opera accounting software. Xledger was the most appropriate alternative to Opera and was a modern cloud-based system that was robust and secure with a detailed audit facility. Implementation costs would be approximately £24,000 with ongoing costs of £19,000 per annum. The system would provide considerable efficiencies and was largely paperless.

The report of the Audit Committee was noted.

Property Committee
17/54

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

i. Emergency Aid Fund

The Emergency Aid Fund continued to be under considerable pressure although it was hoped this would ease over the next year. The Fund continued to be closely monitored.

ii. Penarth and Llandough

Based on a specific case in the parish of Penarth and Llandough the Committee had developed a policy for transferring certain redundant churches to suitable preservation trusts, by way of a leasehold arrangement. This was felt to be a beneficial use for some redundant churches, which could benefit and further the mission and ministry of the Church in Wales.

The report of the Property Committee was noted.

Cathedrals and Churches Commission
17/55

The Representative Body noted the Cathedrals and Churches Commission had met at Brecon Cathedral on 5 October 2017 and had been involved in discussions relating to a project to install a west door at the cathedral, a project the Commission supported.

Church Heritage Record and online faculty system

This project had progressed well and was ready for launch, subject to the advice of the Rule Committee on some aspects of the faculty application system. A Welsh language system was under development.

The report of the Cathedrals and Churches Commission was noted.
St. Padarn’s Council  
17/56

The Representative Body noted the St. Padarn’s Council had met on 21 September 2017. No particular matters were highlighted for the Representative Body’s attention.

**Allocation of Block Grant**  
17/57

The Representative Body noted the Block Grant allocations for 2018, which had been amended in line with the resolutions passed by the Representative Body at its meeting in June 2017 (minute 17/21). It had been agreed in June to increase the Block Grant by 5%, but to deduct a total of £450,000 which would represent the diocesan contributions to the costs of St. Padarn’s Institute. (This £450,000 would be split equally and deducted equally from all diocesan Block Grant allocations.) The total Block Grant for 2018 was calculated to be:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
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<tbody>
<tr>
<td>Original Block Grant for 2018</td>
<td>6,293,300</td>
</tr>
<tr>
<td>Add: 5% one-off inflationary increase</td>
<td>314,665</td>
</tr>
<tr>
<td>Less: Contribution to St Padarn’s</td>
<td>(450,000)</td>
</tr>
<tr>
<td><strong>New Block Grant for 2018</strong></td>
<td><strong>6,157,965</strong></td>
</tr>
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</table>

The total Block Grant had been allocated among dioceses on the basis of the established Block Grant formula.

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>S &amp; B</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised 2018 allocation</td>
<td>1,041,278</td>
<td>704,899</td>
<td>1,142,192</td>
<td>1,489,781</td>
<td>929,152</td>
<td>850,663</td>
<td>6,157,965</td>
</tr>
</tbody>
</table>

It had been agreed that the Block Grant should remain at this level for the years 2018, 2019, 2020 and 2021 and that the Block Grant formula should not change during that period.

The Representative Body noted the Block Grant allocations for 2018.

**Use of the Representative Body Seal**  
17/58

It was reported that the Representative Body Seal had been used from numbers 35942 to 36074 inclusive. The Seal Register was present for members’ inspection and thanks were extended to those members who had witnessed sealing.
Next meeting and meeting dates for 2018
17/59

The Chair confirmed the Representative Body would next meet on Thursday 8 March 2018 in Wrexham. Members were asked to note the provincial meeting calendar for 2018 which had been circulated.

Closing prayers

The Archbishop closed the meeting with prayer.
### Summary Revenue Account

#### Gross Income:
- **Stock Exchange**: £10,437,722
- **Property**: £2,395,105
- **Other Income**: £175,250

**Total Gross Income**: £13,016,077

**Investment Management Costs**: £1,024,275

**Total Net Income**: £11,991,802

#### Expenditure:

**Support for Ministry**
- **Bishops' Costs**: £716,797
- **Clergy Pension Allocation**: £3,553,735
- **Sundry Clergy Benefits**: £74,776
- **Bishops' Adversis**: £207,993
- **Diocesan Inspectors Costs**: £320,250
- **Publications**: £35,527
- **Safeguarding**: £153,857

**Total Support for Ministry**: £4,952,354

**Ministry Training**
- **St Padam's**: £1,407,320
- **Contribution from Dioceses**: £1,876,426

**Total Ministry Training**: £3,283,746

**Support for Dioceses and Parishes**
- **Block Grant**: £4,719,975
- **Transformation Fund**: £750,000

**Total Support for Dioceses and Parishes**: £5,469,975

**Other Financial Support**
- **Anglican and Ecumenical Activities**: £141,348
- **Archbishop's Registry**: £3,750
- **Vocations and Disenchantment**: £14,250
- **Cathedra Commission & DACS**: £64,075
- **Clergy Tribunal Costs**: £37,500
- **Emergency Aid Fund**: £75,000
- **DPF Interest**: £2,250
- **Redundant Churches Mechanism**: £30,000
- **Other Church Properity**: £23,500
- **ICSA Entury (Safeguarding)**: £75,000

**Total Other Financial Support**: £467,048

**St Michael's Centre**
- **PC**: £4,104

**Total Support Costs**: £2,176,268

**Contingency**: £37,500

**Total Expenditure**: £14,050,237

**DEFICIT FOR THE PERIOD (E&I)**: £2,044,347

### Capital Gains

**Assumptions:**
- Inflation (RPI)
- Inflation (CP)
- Stipend and Salary Increases
- Interest Rates

*Based on a total Return of 6.5%*
Strategy Enablement Fund Committee

The Strategy Enablement Fund Committee would have responsibility for the construction and approval of the application process for the awarding of grants from the Strategy Enablement Fund, and for the consideration and approval of grant requests.

It was proposed the committee was made up of the following members:

- A Chair drawn from the lay members of the Representative Body who is not Chair of a Diocesan Board of Finance.

- A second member of the Representative Body.

- The bishop whose portfolio includes mission and evangelism (to be replaced by an alternate bishop if an application from his/her diocese was under consideration).

- A cleric who had led at least one growing church.

- A lay person who was involved in the leadership of a growing church.

- A lay person with experience in assessing business venture proposals.

- A lay person who was fluent in Welsh.

The committee membership would reflect the diversity of tradition within the Church in Wales, and would aspire to be gender balanced.
A meeting of the Representative Body of the Church in Wales was held at Glyndwr University, Wrexham on 8 March 2018

Present:  

*Ex officio members*  
The Archbishop of Wales  
The Most Reverend J D E Davies  

*Chair of the Standing Committee*  
Mrs E M Perkins  

*Chairs of the Diocesan Boards of Finance*  
St. Asaph: Mrs H R Jones  
Bangor: Vacant  
St. Davids: Mr N C P Griffin  
Llandaff: Mr M A Lawley  
Monmouth: Mr P E Lea  
Swansea &: Sir E P Silk  
Brecon  

Elected members  
St. Asaph: Mrs H M Wiseman, the Venerable R H Griffiths  
Bangor: The Very Reverend K L Jones  
St. Davids: Mrs J Heard, the Reverend Canon P R Mackness  
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 R Davies  
Mr P D Kennedy  

**Apologies:**  
Apologies were received from Mr L James, Mr T J P Davenport, Mr T O S Lloyd OBE and Mrs M A West.  

**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 Head of Secretariat and the Review Support Officer. The Principal of St. Padarn’s Institute attended the meeting for item 18/14 only.  

**Prayers:**  
Opening prayers were led by the Very Reverend Kathy Jones.  

**Conflicts of interest:**  
Mrs Jane Heard declared an interest in item 18/11 as it was proposed the Representative Body appointed her as Chair of the committee tasked with oversight of the Strategy Enablement Fund.
Election of Chair
18/01

The Archbishop took the Chair for this item.

As this was the first meeting of the new triennium it was necessary for the Representative Body to elect a Chair for the new triennium. The Archbishop informed members that Mr James Turner was willing to be considered for re-election as Chair and proposed the Representative Body re-elected Mr Turner accordingly. No further nominations for Chair were made and none had been received in advance of the meeting. Mr Turner withdrew from the meeting while the Representative Body discussed his proposed re-election as Chair.

It was agreed unanimously that Mr Turner be elected Chair for the triennial term of membership 1 January 2018 to 31 December 2020.

Mr Turner returned to the meeting and took the Chair for the remainder of the meeting.

Deputy-chair

Due to the number of new Representative Body members (three at this meeting and four at the meeting in November 2017) it was agreed that the Representative Body defer election of a Deputy-chair until its meeting in June 2018.

Representative Body membership
18/02

The Chair introduced and welcomed three new members to their first Representative Body meeting:

- Mrs Hilary Wiseman (lay elected, St. Asaph);
- The Very Reverend Kathy Jones, Dean of Bangor (clerical elected, Bangor)
- The Reverend Canon Paul Mackness (clerical elected, St. Davids).

Co-opted membership

The Representative Body was able to co-opt up to two members for the new triennium.

It was agreed Mr Lyn James, who had served as a co-opted member during the previous triennium, be co-opted to the Representative Body for the triennium. Mr James had registered his apologies for the meeting but had confirmed in advance he was willing to stand for co-option.

It was noted a vacancy for another co-opted member remained: the Representative Body agreed this would be left vacant at present should there be need to co-opt another person with specific skills or knowledge for a particular purpose in the future.

Other membership matters

The Representative Body was informed that there continued to be a vacancy within its ex-officio membership category as the Diocese of Bangor had not yet appointed a new Chair of its Diocesan Board of Finance.
The minutes of the previous meeting were agreed as a true record and signed by the Chair.

Legal status and functions of the Representative Body

As this was the start of a new triennial term of membership, the Head of Legal Services provided a briefing on the legal status of the Representative Body. The following points were drawn to members’ attention:

- The Representative Body was a registered charity with the Charity Commission being its principal regulator.
- The Representative Body was incorporated by Royal Charter on 24 April 1919 under section 13(2) of the Welsh Church Act 1914 and was a legal body in its own right.
- Members of the Representative Body were charity trustees and the interests and functions of the Representative Body must be paramount in members’ minds when making decisions, irrespective of other roles members may have elsewhere in the Church in Wales.
- The functions of the Representative Body were set out in its Charter, Supplemental Charter, the Welsh Church Acts and the Constitution of the Church in Wales.
- The relationship between the Representative Body and other church bodies was regulated both by charity trust law and (particularly in relation to the Governing Body) by the Constitution.

Staff were asked to provide an organisation chart for the Church in Wales showing the relationship between its various bodies.

Conflicts of interest

The Head of Legal Services introduced the Representative Body’s conflicts of interest policy, reminding members of the functions of the Representative Body and trustees’ responsibilities. A register of members’ interests was maintained and members were asked to declare any potential conflicts of interest at the beginning of each meeting.

If members were unsure whether they were conflicted they were encouraged to err on the side of caution and disclose the possibility of an interest and to discuss any concerns with the Head of Legal Services.

All members had been contacted to either declare any conflicts of interest relevant to their membership of the Representative Body, or to update those conflicts of interest declared previously and held within the register of members’ interests.

Financial briefing

The Head of Finance provided a briefing on current financial issues facing the Representative Body, drawing attention to the five-year forecasts and talked through the principal areas of the Representative Body’s income and expenditure, providing an explanation of the following:
The Representative Body was similar to an endowment charity as its primary source of income came from its investments, which was used to meet expenditure.

The investment policy of the Representative Body was to optimise total returns generated by the investments, regardless of whether this was obtained by way of income or capital gains.

Since 2014 the Representative Body had planned its expenditure on a total return basis in line with its investment policy. This approach allowed a proportion of the market value of the total investment to be spent, meaning both income and capital returns could be used to assess funds available for spending, whilst preserving the value of the Representative Body’s assets for the future.

The annual funding arrangements for dioceses, the Block Grant, the levels of which were protected until 2021.

The funding of the Clergy Pension Scheme, which was held as part of general funds and not as a separate fund. Approximately a third of the general fund was currently set aside to cover the Scheme’s pension liability. The Scheme was actuarially valued on a triennial basis.

The budget for 2018, latest five-year forecasts and the projected annual deficits for the Representative Body, were explained.

The Representative Body was responsible for the financial arrangements of St. Padarn’s Institute and its budget. In June 2017 the Representative Body had agreed it would take full financial responsibility for the operation of St. Padarn’s from 1 January 2018 with an adjustment made to the Block Grant accordingly to constitute the dioceses’ contribution to the provision of theological training.

Property briefing
18/07

The Head of Property Services provided a detailed briefing on the ownership and management arrangements for the various property assets vested in the Representative Body, lines of responsibility for these various properties and how proceeds of sales are administered, explaining the following:

• Upon redundancy the Representative Body assumed responsibility for closed churches, of which there were around 80 within the province. Sales of these properties were usually sought although there were often difficulties associated with sale. Proceeds of any sale were administered in line with the rules within the Constitution of the Church in Wales which allowed 10% of proceeds of sale (net of costs incurred during the sale process) to be withheld by the Representative Body to contribute towards the management of unsaleable former church buildings. The remaining proceeds were available to works to churches within the parish or group of the sold church.

• Parsonages were managed by individual dioceses in line with their clerical deployment. Any proceeds of sale were held for the improvement or purchase of other parsonages within the diocese, or the creation of parish offices within other property owned by the Representative Body.

• Glebe land was owned by the Representative Body for the benefit of the whole province. Proceeds of any sales were invested, the income from which was used to fund the Representative Body’s scheme to provide grants for improvements or adaptations to church buildings around the province.
Training for members
18/08

The Head of Secretariat reminded members that the Representative Body was keen to ensure all members had the opportunity to receive training on their role and responsibilities as charity trustees, and also in any more specialised or technical areas relating to their membership of the Representative Body’s committees.

Provincial staff would notify members of suitable courses that may be helpful either as an introduction to the role of a trustee or as a refresher course for returning members. The Charity Commission’s guidance note for trustees would also be circulated to all members.

Arrangements would also be made for new members to spend a day at the provincial office to meet staff and receive an introduction to the work of the various departments.

Representative Body committees
18/09

The Head of Secretariat introduced a comprehensive paper setting out the membership, membership criteria, powers and duties of each of the Representative Body’s six committees. The Representative Body was invited to review the composition, powers, duties and membership of its committees at the beginning of the new triennium.

To assist governance a template proforma had been devised to set out the membership, membership criteria, powers, duties of each committee as well as a summary of the working methods, provincial staff support, quorum and any action delegated to the Chair. This proforma was discussed and the Representative Body agreed that this would be used as the basis for tabulating the details of committee governance, membership, powers and duties.

i. Powers and duties

The Head of Secretariat confirmed the Representative Body had been asked by two committees to amend some aspects of their respective powers and duties following developments during the previous triennium:

- Human Resources Committee

The Committee proposed a number of amendments to its existing powers and duties. These proposals clarified some aspects of its remit and specified to which groups of people within the Church in Wales the Committee’s work related, namely all clergy office-holders, volunteers and employees of the Representative Body. The Committee’s proposed amendments were discussed and approved by the Representative Body as follows:

1. Use of the term 'lay staff' within the powers and duties was felt to be inappropriate and that this should be replaced with 'employees of the Representative Body’. The Committee was responsible only for employees of the Representative Body: the wider term 'lay staff' would include diocesan employees, for whom the Committee was not responsible, but would exclude the small but increasing number of ordained clergy who had taken up employment roles, for whom the Committee was responsible.

2. The Committee would have overall responsibility for all policies affecting clergy office-holders, volunteers and employees rather than responsibility for ‘policies and procedures’. The existing reference to the Committee’s responsibility for
procedures was felt to be unsatisfactory as the development of procedures to implement and undertake the policies adopted by the Committee was best done by provincial staff.

3. Responsibility for the provincial office work programme should be removed from the Committee’s duties. The annual work programme for provincial staff was agreed between the Provincial Secretary and the Representative Body Chair.

4. The Committee’s existing responsibility for the provision of provincial office accommodation should be transferred to the Property Committee.

5. All matters relating to the cost of training ordinands, including setting the levels of bursaries and grants, should be the responsibility of the St. Padarn’s Council rather than the Human Resources Committee.

Some concern was raised at the possibility of dioceses losing the professional support of the provincial human resources department on account of the restriction of the Committee’s role to employees of the Representative Body only. Clarification of the work of the provincial human resources department and its capacity to provide professional support for diocesan staff would be provided for consideration by the Representative Body at its next meeting.

Market Supplement Pay Policy

The Human Resources Committee had recently devised a Market Supplement Pay Policy to provide greater flexibility to attract and retain employees in specific roles where there was evidence of higher salaries in the external labour market. (See minute 18/13) for further information.) To reflect this, the Representative Body approved the following addition to the Committee’s duties:

To make recommendations to award a market supplement allowance under the Representative Body’s Market Supplement Pay Policy.

The policy would be shared with the Representative Body at its next meeting.

Safeguarding

The Representative Body agreed that the work of the Safeguarding Committee be incorporated into that of the Human Resources Committee to ensure that safeguarding considerations were embedded in all arrangements affecting the Church in Wales’s people-related policies and work. This would also ensure that training, the raising of complaints, vetting and discipline were all aligned.

(The Provincial Safeguarding Panel, at which all safeguarding-related casework was considered, and any necessary recommendations made, would remain entirely separate.)

Name of the Human Resources Committee

Following discussion the Representative Body agreed the name of the Human Resources Committee would be changed to the ‘People Committee’ in order to reflect the wider scope of the Committee, particularly its absorbing of the work of the current Safeguarding Committee: it was also felt this would appeal to those who were engaged with the Church in Wales in a voluntary capacity.
• **Audit Committee**

The Representative Body agreed two additions to the Audit Committee’s duties, relating to risk management and monitoring the financial risk posed by cases being considered by the Safeguarding Panel where litigation was a possibility.

**Risk management**

The Representative Body agreed to extend the duties of the Audit Committee so ongoing monitoring of risk management, and how best to do so, was undertaken by the Committee and accordingly agreed to add the following clause to the duties of the Audit Committee:

*Assess on an annual basis the policies and overall process for identifying and assessing business risks and managing their impact on the organisation.*

One member noted that while the Audit Committee oversaw the monitoring of identified risks and how they were managed, everyone involved in the function of the Representative Body and its work (both employees and trustees) were responsible for being aware of and managing risk.

**Name of the Audit Committee**

To reflect the fact that the monitoring of risk management was a fundamental part of the duties of the Audit Committee the Representative Body agreed to change the Committee’s name to the ‘Audit and Risk Committee’.

**Safeguarding**

Despite having in place robust safeguarding-related systems, policies and procedures, the Representative Body employing a dedicated team of professional safeguarding staff to devise policy and handle case work, and a historic cases review having been undertaken, there remained a risk of claims of cases of abuse being made against the Church in Wales. Such cases could lead to litigation and exposure to significant financial liability, both in terms of legal costs and any sanction imposed by the courts.

The Representative Body agreed to expand the Audit and Risk Committee’s duties to allow it to consider the potential financial risk to the Representative Body of safeguarding-related cases that may reach a litigation stage. The following clause would be added to the Committee’s duties accordingly:

*Consider potential financial exposure to the Representative Body created by the current caseload within the Safeguarding department and any matters that have reached litigation.*

It was noted that the Audit and Risk Committee would review the potential financial risk of relevant cases only and the confidential details of the cases would not be shared.

ii. **Composition of committees**

The composition of the Representative Body’s committees was noted and endorsed:

- Investment
- Property
- Audit and Risk
• People
• St. Padarn’s Council
• Cathedrals and Churches Commission.

iii. Committee membership criteria

The Head of Secretariat confirmed the Representative Body had been asked by two committees to amend some aspects of their respective membership criteria in order to better suit the practical realities of the work of the committees concerned.

• Investment Committee

Members were reminded that current membership criteria for the Investment Committee required that a majority of the members of the Committee were also members of the Representative Body: the Investment Committee proposed that this requirement was removed.

It was noted that the primary role of the Investment Committee was to assess and scrutinise the performance of the investment managers and property advisers engaged by the Representative Body to manage its investment portfolio and, consequently, it was particularly helpful for members of the Committee to have current experience and understanding of financial and property markets. Such members, who may be able to commit time to membership of the Committee, were often less able to make the additional commitment to membership of the Representative Body as well, thus making it harder to satisfy the criteria that a majority of members of the Committee should also be members of the Representative Body.

Following discussion the Representative Body agreed that the requirement for a majority of members of the Investment Committee to also be members of the Representative Body should be removed, but there would instead be a requirement that a minimum of two members of the Committee should also be members of the Representative Body and that these members should be the Chair and Deputy-chair of the Committee.

To ensure that the Representative Body retained clear lines of responsibility for all significant decisions relating to management of the investment fund in line with the advice of the Charity Commission, some minor amendments to the Committee’s powers were agreed (amendments in italics):

[Subject to overall policies, objectives and budgets set by the Representative Body, the Investment Committee shall have the following powers:]

1. With advice from the Representative Body’s appointed advisers, to determine the investment strategy for approval by the Representative Body.

2. With advice from the Representative Body’s appointed advisers to recommend to the Representative Body for approval, all decisions necessary to manage the investments of the Representative Body, within the Committee’s set strategy and the policies of the Representative Body, including the purchase and sale of Stock Exchange investments, property (directly-held and indirectly-held), gilts, bonds and money market deposits.
Property Committee

The Representative Body was reminded that the membership criteria for the Property Committee allowed the Bench of Bishops to nominate a bishop to attend meetings as an observer so the bishops had a presence if matters affecting bishops’ houses were to be discussed. It was proposed that this criterion be removed as a more suitable way of liaising with the bishops on bishops’ houses would be for the Head of Property Services to discuss a matter with the relevant bishop and to report to the Property Committee accordingly. If necessary, a matter could be discussed at a meeting of the Bench of Bishops with comments and observations reported to the Property Committee.

The Representative Body agreed to the removal from the membership criteria of the Property Committee of the provision for a bishop nominated by the Bench of Bishops to attend Property Committee meetings as an observer.

iv. Membership

The Head of Secretariat set out the proposed membership for each of the Representative Body’s committees for the triennium: it was noted that some committees had proposed to retain vacancies in case a need for specific expertise was identified in the future.

The membership provision for each committee was agreed with the following members, including the Chairs, were agreed and appointed to each committee. Each committee was invited to appoint its own Deputy-chair.

Investment Committee (up to 9 members with a minimum of 2 RB members)

- Chair: Mr James Turner
- Other RB members: Mrs Jane Heard
- Others: Mr David Myrddin-Evans
- Vacancy None

(The Audit and Risk Committee Chair also had the right to attend as an observer.)

Property Committee (up to 11 members with an RB majority and at least one member per diocese)

- Chair: Mr Rod Davies
- Other RB members: The Dean of Bangor
- Archdeacon of Wrexham
- Archdeacon of Morgannwg
- Archdeacon of Newport
Archdeacon of Brecon

- Others: Mr Edgar Jones
  Mr D Anthony Williams
  Ms Menna Gerrard

- Vacancy Two

**People Committee** (up to 9 members with RB and lay majorities)

- Chair: Mr Peter Kennedy

- Other RB members: Mr Nick Griffin
  Archdeacon of Wrexham
  Mr Tim Davenport
  Mrs Margaret West

- Others: Bishop of St. Asaph
  Mrs Barbara Harding

- Vacancy Two (one to be kept *pro tempore*)

**Audit and Risk Committee** (up to 5 members with at least one RB member)

- Chair: Mr Geoff Moses

- Other RB members: Sir Paul Silk
  Mr Michael Lawley

- Others: Mr Vaughan Jones
  Ms Laura Jones

- Vacancy None

**Cathedrals and Churches Commission**

Unlike the other committees, membership of the Cathedrals and Churches Commission was appointed on a five-yearly basis (in accordance with the Cathedrals and Churches Commission Rules).

**St. Padarn’s Council**

It was noted that the membership criteria of the St. Padarn’s Council was different to that of the Representative Body’s other committees with most members being appointed *ex officio* on the basis of other roles or via co-options by the Council itself; only two members of the Council were appointed by the Representative Body.

Following the recent retirement of the Venerable Dennis Wight, there was a vacancy in the Representative Body’s representation on the Council. The Representative Body agreed to re-appoint Miss Paulette Brown to the St. Padarn’s Council and would consider appointment of the other representative at a future meeting.
v. **Delegation of authority to committee Chairs**

The Representative Body agreed to invite all committees to consider what, if any, authority they wished to delegate to their respective Chairs for approval by the Representative Body at its next meeting.

vi. **Quorum**

The quorum that the Representative Body had previously set for itself – ‘over 50% of members’ – was reaffirmed, and it was agreed that the same principle should apply to its committees.

**Draft outturn 2017**

18/10

The draft outturn for 2017 was introduced by the Head of Finance.

It was reported that the expected income and expenditure deficit for 2017 was £1.6million, compared to the original budget of £3.2million. The total return for 2017 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 the reclaiming of overseas withholding tax, for which it was not possible to budget with certainty.

Total expenditure for 2017 was reported to be higher than the original budget (actual expenditure of £18.9million compared to an original budget of £18.5million). Major variances to the original budget included:

- An increase of £619,000 on the clergy pension contributions. Contributions to the Clergy Pension Scheme were calculated as a percentage of income and because income had increased so had the contributions to the Clergy Pension Scheme.
- A saving of £321,000 in ministry training, due largely to the significant number of variables built in to the budgeted expenditure for St. Padarn’s for 2017.
- An increase of £75,000 on bishops’ costs due to the number of Electoral College meetings and new bishops.
- An increase of £232,000 on budgeted support costs as accounting regulations required the rent-free period for provincial office accommodation to be amortised across the entire term of the lease, rather than accounted for within the rent-free period itself.
- The £100,000 allocated within the 2017 budget for the Church in Wales’s participation in the Independent Inquiry into Child Sexual Abuse had not been used during 2017 due to changes in the Inquiry’s timetable.

The Representative Body noted the draft outturn for 2017: final figures would be presented to its next meeting, in June.

**Strategy Enablement Fund**

18/11

The Provincial Secretary reminded the Representative Body that at its meeting in November 2017 (minute 17/46) it agreed to create a Strategy Enablement Fund of £10million to help dioceses put into practice their strategies for evangelism and church growth and updated the Representative Body on preparation work for the launch of the Fund at Pentecost 2018.
Following this consultation two amendments to the principles underpinning the Fund’s
development had been suggested: these were discussed by the Representative Body.

i. **Name of the Fund**

The Bench of Bishops had proposed the fund should be renamed the Evangelism Fund to
more clearly reflect the purpose of the fund.

ii. **Change to the principles of the Fund**

To allow for projects that would meet the terms of the Fund but which were currently at an
advanced stage of planning and may be introduced prior to the launch of the Fund, it was
proposed the following new principle be introduced to allow these pre-existing projects to
apply for funding:

*Funding may be provided for projects which are already operational provided that they meet the
terms of the Fund.*

**Strategy Enablement Fund Committee membership and terms of reference**

When it approved establishment of the Fund the Representative Body agreed that a
committee should be appointed to oversee the operation of the Fund and to assess grant
applications from dioceses. Membership criteria for the committee had been agreed by the
Representative Body at its meeting in November 2017: it was also agreed that the
committee would be chaired by a lay member of the Representative Body who was not a
Diocesan Board of Finance Chair.

The Provincial Secretary informed the Representative Body that due to her professional
experience and her knowledge and understanding of the Representative Body as well as the
wider Church in Wales, discussions had been held with Mrs Jane Heard (lay elected member
representing the diocese of St. Davids) to explore the possibility of her becoming the
Committee’s Chair. Mrs Heard confirmed her willingness for the Representative Body to
consider appointing her as Chair.

The Provincial Secretary also informed the Representative Body that, following the
Representative Body’s meeting in November 2017, dioceses had been asked to suggest
possible appointees to the oversight committee and had been provided with the agreed
categories of membership. In the light of this consultation appointees in each of the agreed
categories were proposed which the Representative Body discussed.

Also, to ensure the Representative Body and the wider Church in Wales could be confident
the application process for grants was suitably rigorous with good levels of independent
scrutiny, it was felt a second lay appointee to the committee with experience in assessing
business venture proposals would be beneficial. The appointed membership of the
Committee is set out in annex 1.

Terms of reference for the Committee were proposed and discussed: the agreed terms of
reference are set out in annex 1.
Summary

Following discussion the Representative Body:

i. Approved the change of the name of the fund from the Strategy Enablement Fund to the Evangelism Fund;

ii. Approved additional provision within the principles of the Fund’s operation to allow the awarding of funding to existing projects to be considered. The full principles of the Fund are set out in annex 2;

iii. Approved the terms of reference for the Evangelism Fund Committee, as set out in annex 1;

iv. Approved the proposed membership of the Committee (as set out in annex 1), including the appointment of a second lay person with experience in assessing business venture proposals;

v. Appointed Mrs Jane Heard as the Committee’s Chair: the Committee was invited to appoint a Deputy-chair on a meeting-by-meeting basis;

vi. Endorsed continuing plans to formally launch the Evangelism Fund on Pentecost Sunday 2018.

Transformation Fund

18/12

The Head of Secretariat introduced the report on 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 2017

The third and final annual allocation of the Transformation Fund (£1 million) had been distributed equally among the dioceses in 2017 and each diocese, with the exception of St. Davids, had provided a report on how this money had been used during 2017. (It was explained the absence of a report from the diocese of St. Davids was due to the recent appointment of a new diocesan secretary: a report would be prepared and provided in due course.) 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.

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 2017. It was agreed a further report would be presented to the Representative Body at a future meeting to continue to monitor the unspent monies and to formally evaluate the Fund. It was also felt that it would be useful for staff to explore with diocesan secretaries lessons learned from the experience of this project to inform the work of the Evangelism Fund.
Mr Peter Kennedy, Chair of the Human Resources Committee, introduced the minutes of the Committee’s meetings which had taken place since the last meeting of the Representative Body, on 29 November 2017 and 13 February 2018.

i. **Maintenance of Ministry Scheme**

Mr Kennedy informed the Representative Body that the Human Resources Committee had discussed and reviewed the processes for clergy stipends and pensions and had identified the need to update the Maintenance of Ministry Scheme within the Constitution which currently included references to outdated, and now obsolete, practices.

Mr Kennedy also reminded the Representative Body that the Clergy Pension Scheme was embedded within the Constitution as part of the Maintenance of Ministry Scheme, meaning it was a difficult and time-consuming process to make changes to the Clergy Pension Scheme either to reflect changing needs of the Church in Wales or changes to statutory legislation.

To allow the Clergy Pension Scheme to be updated more efficiently in future the Human Resources Committee proposed that detailed reference to the Clergy Pension Scheme was removed from the Constitution. A reference to the Clergy Pension Scheme would be retained to the effect that the Church in Wales would provide a pension scheme for its clergy and any changes to the terms of that scheme would be determined following consultation with the scheme’s members.

In line with the advice of the Human Resources Committee the Representative Body agreed that the Maintenance of Ministry Scheme be updated and that detailed reference within the Constitution to the Clergy Pension Scheme be removed. The most suitable legislative mechanism for undertaking this work would be reviewed in detail by provincial staff.

ii. **Clergy Ill Health Retirement Scheme**

As part of its wider review of processes relating to clergy stipends and pensions the Human Resources Committee had also considered the Clergy Ill Health Retirement Scheme.

The Committee proposed that the Clergy Pensions and Gratuities Scheme be changed to raise the upper age limit for *ex gratia* enhancements to the pension allocation of clergy retiring due to ill health from age 65 to age 67 in order to bring this facility in line with the minimum retirement age for clergy.

Following discussion the Representative Body approved the proposed amendment.

To help understanding of the impact this change would have on pension allocations explanatory communication with the clergy would be considered by the Human Resources Committee.
iii. **Clergy remuneration review**

Mr Kennedy updated the Representative Body on work to review the clergy remuneration package in its entirety, reminding members that the Representative Body had commissioned this review at its meeting in June 2017 (minute 17/21).

By way of preparatory work the Human Resources Committee had sought further information on the budgetary challenges faced by the dioceses and the views of the Bench of Bishops. The Committee was mindful that while the undertaking of such a review had the potential to unsettle members of the clergy who had recently experienced a period of change with the transition to ministry areas, there was a need to review aspects of the remuneration package to tackle perceived unfairness and concerns that the financial cost of some aspects of the package could not be sustained.

During the following discussion one member noted that during the review sensitivity with terminology used was vital and reference to a ‘reward package’ was not appropriate.

The Representative Body discussed and endorsed the Human Resources Committee’s vision for the completion of the clergy remuneration review as follows:

1. The review would be concerned with the remuneration of future members of the clergy, and not affect current clergy (unless current clerics wished to opt in to any new arrangements);
2. The working group undertaking the review would be chaired by a senior, independent figure;
3. The working group would comprise of a senior cleric (possibly an archdeacon), a cleric with recent experience of secular employment, and a lay person;
4. The working group would invite evidence from independent sources and from other Anglican provinces;
5. Data collected as part of the review of the allocation of parochial fees in 2015 would be referred to as part of this review.

The Representative Body also approved a budget of £20,000 for the procurement of professional advice or other support when needed by the review working group.

It was agreed provincial staff would prepare draft terms of reference and proposed membership for the working group which would be agreed by the Representative Body by correspondence.

The Representative Body would be kept updated with the review’s progress.

iv. **Market supplement pay policy**

The Representative Body noted that the Committee had devised a Market Supplement Pay Policy to provide greater flexibility to attract and retain employees in specific roles where there was evidence of higher salaries in the external labour market. Any market supplement applied to a salary would be based on a sound business case for the supplement being prepared by the Provincial Secretary and the relevant head of department for consideration by the Human Resources Committee. The new policy would be reported in full to the Representative Body at its meeting in June 2018.

The report of the Human Resources Committee was received.
The Chair welcomed the Reverend Professor Jeremy Duff, Principal of St. Padarn’s Institute, to the meeting.

At its meeting in November 2017 (minute 17/49) the Representative Body had noted that consideration was being given to the future physical location of St. Padarn’s Institute. Currently, St. Padarn’s operated from the St. Michael’s Centre site in Llandaff which, since the closure of the St. Michael’s Conference Centre business operation in June 2017, was now occupied exclusively by St. Padarn’s Institute.

The Principal explained that since that meeting property matters had been explored with the Head of Property Services and other provincial staff and educational matters had been worked through with the ministry bishop and diocesan directors of ministry. St. Padarn’s longer-term property requirements had been discussed by the St. Padarn’s Council and the Bench of Bishops.

These explorations had acknowledged that total premises costs must not exceed existing costs and must be led by the educational and training needs of the Church in Wales. Also, that considerations of where St. Padarn’s should be based must be on the basis of at least a ten-year timeframe to allow for a period of stability and certainty which would allow for all concerned to concentrate on the delivery of training.

Having explored a range of options including use of a different building (either one newly-built or one redeveloped), sharing a building with another organisation and a multi-site arrangement for the operation of St. Padarn’s, none of these options provided a financially or logistically sound alternative to the current base at the St. Michael’s Centre site. Following the closure of the conference centre business the St. Michael’s Centre site was now working well as a base for St. Padarn’s and suited the Institute’s needs. (It was noted that the function of St. Padarn’s was not restricted to this site and increasing use was being made of dispersed and digital learning at locations across Wales.)

Following these explorations it was proposed that St. Padarn’s Institute remained based at its current location, the St. Michael’s Centre site in Llandaff, until at least 2029 with arrangements to be reviewed in 2026.

This proposal was discussed and approved by the Representative Body.

Sales of consecrated property
18/15

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

B.212 Plwyf Beuno Sant, Uwch Gwyrfai, former St. John’s church, Talysarn
B.230 Bro Padrig, former St. Rhuddladd’s church, Llanrhuddlad
D.654 Llanwnda and Goodwick St. Peter, former St. Peter’s church, Goodwick
M.606 Lower Islwyn, former St. Catherine’s church, Crosskeys
M.606 Lower Islwyn, former St. John the Evangelist’s church, Cwmcarn.
**Deemed business**

The following items were noted without discussion.

**Investment Committee**

**18/16**

The Representative Body noted the matters arising from the Investment Committee’s meeting on 8 February 2018.

i. **Summary activity report**

The total value of the investment fund at 31 December 2017 was £633.3million. It was noted that this figure represented an increase of 8.2% when compared to the value of the fund at 31 December 2016, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2017 £m</th>
<th>31 December 2016 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newton portfolio</td>
<td>278.1</td>
<td>254.8</td>
</tr>
<tr>
<td>Sarasin portfolio</td>
<td>280.8</td>
<td>258.0</td>
</tr>
<tr>
<td>Property portfolio</td>
<td>74.4</td>
<td>72.5</td>
</tr>
<tr>
<td><strong>Total investment fund</strong></td>
<td><strong>633.3</strong></td>
<td><strong>585.3</strong></td>
</tr>
</tbody>
</table>

The returns on the total fund to 31 December 2017 were reported as shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017 %</th>
<th>1 year %</th>
<th>3 years % pa</th>
<th>5 years % pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>CinW fund</td>
<td>3.07</td>
<td>11.91</td>
<td>10.66</td>
<td>12.00</td>
</tr>
<tr>
<td>Benchmark</td>
<td>3.43</td>
<td>10.07</td>
<td>8.38</td>
<td>9.09</td>
</tr>
</tbody>
</table>

The Representative Body also noted the performances of the stock exchange portfolios managed by each of the investment fund managers:

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017 %</th>
<th>1 year %</th>
<th>3 years % per annum</th>
<th>5 years % per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newton</td>
<td>2.5</td>
<td>12.0</td>
<td>10.6</td>
<td>12.3</td>
</tr>
<tr>
<td>Sarasin</td>
<td>3.8</td>
<td>12.2</td>
<td>10.4</td>
<td>11.2</td>
</tr>
<tr>
<td>Benchmark</td>
<td>3.4</td>
<td>10.1</td>
<td>8.4</td>
<td>9.1</td>
</tr>
</tbody>
</table>

ii. **Investment property portfolio**

To appoint the firm to undertake the independent valuation of the investment properties the Committee would arrange a tender process during the spring of 2018. Previously this valuation had been provided by Cushman and Wakefield.

The report of the Investment Committee was noted.

17
Property Committee
18/17

The Representative Body noted the following items arising from the Property Committee’s meeting held on 6 December 2017:

i. Closed churches

The Committee had discussed changes to the regulations within the Constitution relating to the use of proceeds from the sales of redundant churches. The Committee’s work on this matter was ongoing and would report further developments to the Representative Body at future meetings.

The report of the Property Committee was noted.

Cathedrals and Churches Commission
18/18

The Representative Body noted the Cathedrals and Churches Commission had met on 16 February 2018, a meeting which was attended by others to discuss draft guidance issued by the Welsh Government concerning ecclesiastical exemption. This guidance introduced a new code of practice for ecclesiastical exemption.

It was not expected that this new code of practice would necessitate fundamental changes to the Church in Wales’s processes, but the faculty system would need to evolve in order to reflect some principles of the code of practice, including:

- Being bound to secular policies such as Cadw’s Conservation Principles;
- Improved openness and transparency of the system with the ability for the public to view applications;
- The publication of an annual report of the faculty system.

It was noted these changes were subject to ongoing clarification but the online faculty system would help compliance with the code of practice.

Clarification was also being sought on how the ecclesiastical exemption would be affected by draft proposals from the Law Commission on Planning Law in Wales to merge planning permission and listed building consent.

The report of the Cathedrals and Churches Commission was noted.

St. Padarn’s Council
18/19

The Representative Body noted the St. Padarn’s Council had met on 26 February 2018. No particular matters were highlighted for the Representative Body’s attention.

Use of the Representative Body Seal
18/20

It was reported that the Representative Body Seal had been used from numbers 36074 to 36134 inclusive. The Seal Register was present for members’ inspection and thanks were extended to those members who had witnessed sealing.
**Next meeting**

18/21

The Chair confirmed the Representative Body would next meet on Thursday 7 June 2018 in Cardiff which would be preceded by the annual Joint Finance meeting with the Bench of Bishops and diocesan secretaries.

**Closing prayers**

The Archbishop closed the meeting with prayer.
Annex 1

Evangelism Fund Committee
Membership and terms of reference

Terms of reference

The Evangelism Fund Committee shall:

i. Establish procedures for the operation of the Church in Wales Evangelism Fund, including a grant application process, within the parameters set by the Representative Body in the document Principles of the Fund (March 2018);

ii. Liaise with dioceses to encourage and provide advice on applications;

iii. Meet up to three times each year to consider and approve applications for grants;

iv. Report to each meeting of the Representative Body on the operation of the Fund, and to make an annual report to the Representative Body giving details of all grants made and applications under consideration/review.

Membership

The Committee shall appoint its own Deputy-chair.

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs Jane Heard (St. Davids)</td>
<td>Chair</td>
</tr>
<tr>
<td>Sir Paul Silk (Swansea &amp; Brecon)</td>
<td>Second member of the Representative Body</td>
</tr>
<tr>
<td>The Right Reverend Andrew John, Bishop of Bangor (Bangor) *</td>
<td>Bishop who holds portfolio responsibility for mission and evangelism</td>
</tr>
<tr>
<td>The Reverend Dr Trystan Hughes (Llandaff)</td>
<td>Cleric who has led at least one growing church</td>
</tr>
<tr>
<td>Ms Becky Ratcliffe (St. Asaph)</td>
<td>Lay person involved in the leadership of a growing church</td>
</tr>
<tr>
<td>Dr Mike Nussbaum (Monmouth)</td>
<td>Lay person with experience in assessing business venture proposals</td>
</tr>
<tr>
<td>Mr Geraint Davies</td>
<td>Lay person with experience in assessing business venture proposals</td>
</tr>
<tr>
<td>Dr Cass Meurig Thomas (St. Asaph)</td>
<td>Lay person fluent in the Welsh language</td>
</tr>
</tbody>
</table>

* - if an application from this bishop’s diocese is due to be considered by the Committee another bishop will be temporarily appointed to the Committee in order to consider that application.
Principles of the Evangelism Fund

The Representative Body has agreed the following principles and proposals relating to the creation of an Evangelism Fund.

- The purpose of the fund is to help dioceses enact their strategies on evangelism and church growth.

- The fund should operate by giving grants in response to well-constructed bids rather than allocating a share of the total to each of the dioceses. In making grants, it will be recognised that with new ventures comes risk and that risk must be assessed and managed, but not feared.

- Every project supported by the fund should include an appropriate element of funding from the diocese.

- The aim of this fund is to enable work by people with people. It is not a building fund. Any funding of work to buildings would need to be both demonstratively supportive of the aims of the project and also be a small element of the total cost. Funding of work to buildings would need to come exclusively from the diocesan element of the funding.

- Applications may be made by dioceses and must be formally supported by the Diocesan Board of Finance, the diocesan Standing Committee and the diocesan bishop. Applications may also be made jointly by two or more dioceses.

- The projects funded should be those which if successful will:
  - Create numerical growth amongst people in age groups under-represented in our churches.
  - Create new forms of ‘church’ which will be attractive to those who our existing churches are not currently attracting.
  - Create significant positive changes in church culture across an entire diocese.
  - Impact an entire diocese and provide learning for the whole province.

- The grant application process should be robust and ask searching questions but not be so tough that a small diocese with limited resources is put off from applying. It may be that we may need to provide provincial assistance in strategy development and grant application writing.

- The fund will be created at Pentecost 2018 and will run in its first phase until the full £10million has been allocated.

- During the first eighteen months of the scheme the award of a grant will preclude a diocese from bidding again. After that time has elapsed, there will be no bar to the number of bids which may be made.

- The minimum bid level will be £250,000 and the maximum £3million. Truly outstanding proposals above the maximum level will be considered.
• All bids to include the cost of employing a project manager.

• A committee (the Evangelism Fund Committee) be formed which will be responsible for the construction and approval of the application process and the consideration and approval of grant requests. The membership of this committee to be:
  
  o A Chair drawn from the lay members of the Representative Body who is not Chair of a Diocesan Board of Finance.
  
  o A second member of the Representative Body.
  
  o The bishop whose portfolio includes mission and evangelism (to be replaced by an alternate bishop if an application from his/her diocese is under consideration).
  
  o A cleric who has led at least one growing church
  
  o A lay person who is involved in the leadership of a growing church
  
  o A lay person with experience in assessing business venture proposals.
  
  o A lay person who is fluent in Welsh

• The committee will aspire to be gender balanced and to reflect the diversity of tradition within the Church in Wales.

March 2018
A meeting of the Representative Body of the Church in Wales was held at 2 Callaghan Square, Cardiff on 7 June 2018.

**Present:**

*Ex officio members*
- The Archbishop of Wales
- The Most Reverend J D E Davies

*Chair of the Standing Committee*
- Mrs E M Perkins

*Chairs of the Diocesan Boards of Finance*
- St. Asaph: Mrs H R Jones
- St. Davids: Mr N C P Griffin
- Llandaff: Mr M A Lawley
- Monmouth: Mr P E Lea
- Swansea &: Sir E P Silk
- Brecon

*Elected members*
- St. Asaph: Mrs H M Wiseman, the Venerable R H Griffiths
- Bangor: Mrs M A West, the Very Reverend K L Jones
- St. Davids: The Venerable P R Mackness
- Llandaff: Mr G I Moses
- Monmouth: Miss P R Brown, the Venerable J S Williams
- Swansea &: Mr T J P Davenport, the Venerable A N Jevons
- Brecon

*Nominated members*
- Mr J J Turner (Chair)
- Mr R Davies
- Mr P D Kennedy

*Co-opted members*
- Mr L James

**Apologies:**

Apologies were received from Mr T O S Lloyd OBE, the Venerable C B W Smith and Dr H Parry-Smith.

**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 Head of Secretariat
- The Deputy Head of Human Resources
- The Review Support Officer
- The Principal of St. Padarn's Institute was present at the meeting from items 18/22 to 18/26

**Prayers:**

Opening prayers were led by the Venerable Bob Griffiths, Archdeacon of Wrexham.

**Conflicts of interest:**

Mr Michael Lawley declared an interest in item 18/34 as he was the Chair of Cooke & Arkwright, the firm acting on behalf of the
Minutes of the meeting of 8 March 2018
18/22

Subject to one correction in the list of attendees at the meeting the minutes of the previous meeting were agreed as a true record and signed by the Chair.

General Data Protection Regulation (GDPR)
18/23

The Head of Legal Services informed the Representative Body of the work that had been undertaken to ensure the Representative Body was compliant with the GDPR which had come into effect on 25 May 2018. Geldards LLP had been engaged to provide training to provincial staff, senior diocesan staff and the bishops and their secretaries.

The Head of Legal Services confirmed a number of policies and documents had been drafted, including:

- Data Protection Policy
- Personal data sharing guidance
- Privacy notices
- Subject Access Request Policy
- Individual Rights Policy
- Retention Policy
- Data Breach Policy.

Having such policies and guidance in place demonstrated that the Representative Body was committed to data protection and took the matter seriously.

It was explained that while the constituent parts of the Church in Wales (the Representative Body, the dioceses, parishes and bishops’ offices) were all individual data controllers it was possible for these to share data between each other as it was within the legitimate activities of the macro Church in Wales organisation, allowing a pragmatic and realistic approach to data handling under the Church in Wales ‘umbrella’.

The approach taken to the enforcement of GDPR by the Information Commissioner’s Office would be monitored with updates made to the policies and guidance as required.

Representative Body membership
18/24

The Head of Secretariat informed the Representative Body of some changes to its membership that had occurred since its last meeting.

i.  *Ex officio* membership

It was confirmed that the Bangor Diocesan Board of Finance had, in March 2018, appointed Dr Hywel Parry-Smith as its new Chair, filling the vacancy arising following the resignation of Mrs Jennifer Evans in June 2017. Upon his appointment as DBF Chair, Dr Parry-Smith had become a member of the Representative Body *ex officio*. 
ii. **Elected membership**

**St. Davids**

The Chair informed the Representative Body that Mrs Jane Heard, lay elected member for the Diocese of St. Davids, had taken the decision to stand down from the Representative Body for personal reasons. Mrs Heard had also ceased to be a member of the Investment Committee and the Evangelism Fund Committee.

The Chair paid tribute to the contribution Mrs Heard had made to the Representative Body and its work during her time as a member.

The diocese would arrange an election to appoint a replacement lay member.

**St. Asaph**

The Chair also noted that the Archdeacon of Wrexham, clerical elected member for the Diocese of St. Asaph would retire on 31 July 2018. The diocese was arranging an election to appoint a replacement clerical member to fill the resulting vacancy.

The Archdeacon was thanked for his many years’ service to the Representative Body, including his service on the Property and People committees.

iii. **Representative Body Deputy-chair**

The Representative Body was reminded that at its meeting in March 2018 it had decided to defer the election of its Deputy-chair to its meeting in June. It was proposed that this election was further deferred until the Representative Body’s meeting in November 2018.

It was noted that nine of the Representative Body’s 24 members had been members for less than a year, a number which would increase to eleven following the elections of the replacement lay representative for St. Davids and the replacement clerical representative for St. Asaph. Delaying the election further would allow it to take a full membership into account.

The Representative Body agreed to defer the election of its Deputy-chair until its meeting in November 2018, by which time it was expected that a full membership would be in place.

**Representative Body committee membership, powers and duties**

18/25

The Head of Secretariat informed the Representative Body of a number of matters relating to changes to the membership, powers and duties of its committees.

Members were reminded that at its meeting in March 2018 the Representative Body had invited all committees to consider whether they wished to delegate any specific authority to their Chairs, for the Representative Body’s approval: the committees were also asked to appoint their own Deputy-chairs.
Chair’s action

The Property Committee had proposed three areas where authority be delegated to its Chair, proposals which represented a continuation of current, established practice within the working of the Committee. The Committee proposed its Chair be authorised to approve:

- Matters arising between meetings, where proposals were in-keeping with normal policy and custom and were therefore not controversial;
- Any matters that had already been approved by the relevant parish, ministry area or diocese; and
- Any matters where a decision was required for urgent reasons.

In line with established practice, any matters that were approved by the Chair would be reported to the next Property Committee meeting for confirmation.

Property Committee membership

The Representative Body was reminded that the Property Committee’s membership criteria stipulated that up to 11 members may be appointed and there must be at least one member from each diocese. The Committee had two vacancies and there was currently no member from the Diocese of St. Davids.

It was proposed that the Archdeacon of St. Davids, the Venerable Paul Mackness, be appointed to the Property Committee to fill one of the two vacancies and provide representation from St. Davids.

Isla Johnston Sub-committee

Members were reminded that the Property Committee was responsible for the Isla Johnston Sub-committee, which administered the Isla Johnston Trust and approved grants to eligible applicants. The membership of this sub-committee was drawn from the membership of the Property Committee and the Representative Body was informed the Committee had appointed the following members to the Isla Johnston Sub-committee:

- The Venerable Christopher Smith (Chair)
- The Venerable Bob Griffiths
- The Venerable Alan Jevons
- The Venerable Jonathan Williams
- The Very Reverend Kathy Jones
- Mrs Menna Gerrard
- Mr Anthony Williams.

The Property Committee proposed that the sub-committee’s remit be expanded to allow it to consider any other trust-related matters which came before the Property Committee, including the acceptance of any gifts, legacies and bequests and any applications that had been made to use capital or income from any other trusts held. The sub-committee would make recommendations for the Property Committee’s approval.

It was felt this change would enable closer scrutiny of such matters and help the efficiency of the Property Committee by freeing up space within its agenda allowing it to concentrate on
other matters. It was proposed that the sub-committee be renamed the ‘Trusts Sub-committee’ to reflect this change of remit.

Summary

Following discussion, the Representative Body approved:

- The Property Committee’s proposals for the delegation of authority to its Chair as outlined above;
- The appointment of the Venerable Paul Mackness to the Property Committee with immediate effect; and
- The renaming of the Isla Johnston Sub-committee the ‘Trusts Sub-committee’ and the expanding of this sub-committee’s role to include considering other trust-related matters, making recommendations accordingly to the Property Committee. This sub-committee would continue to administer the Isla Johnston Trust.

ii. People Committee

Chair’s action

The People Committee had proposed its Chair be authorised to approve matters within a total of eight areas, six of which represented a continuation of current, established practice within the working of the Committee. These six areas were:

- Approval of clergy retirements on the grounds of ill health;
- Payments of clergy death-in-service entitlements;
- Payments of clergy death-in-service entitlements where the cleric has additional voluntary contribution (AVC) benefits;
- Payments of lump-sums to clergy in cases of serious ill health;
- Authorisation of clergy housing loan payments; and
- Authorisation of pension enhancements to clergy under the ill health enhancement scheme.

In addition to these areas, the Committee proposed its Chair also be authorised to approve matters in the following two areas:

- In urgent circumstances, to approve changes to the Church in Wales’s Safeguarding Policy required to maintain compliance with statutory regulations; and
- To approve requests for application of the Market Supplement Pay Policy. (It was noted that, ordinarily, such requests would be raised with the People Committee when a job was designed but, in exceptional circumstances, if it became necessary during the course of negotiations with a successful candidate, the Chair would be approached to authorise any supplement to the advertised salary.)

Any matters approved by the Chair would continue to be reported to the next meeting of the Committee.

People Committee membership

The Representative Body was reminded that the membership criteria for the People Committee stipulated that up to nine members may be appointed, the majority of which must also be members of the Representative Body. The Committee had two vacancies, a
number that would increase to three upon the retirement of the Archdeacon of Wrexham on 31 July 2018.

The Committee had proposed that these vacancies were filled by former members of the Safeguarding Committee (which had recently been disbanded and its work incorporated into the work of the People Committee) to provide safeguarding-related expertise among the members of the Committee.

It was proposed that Mr Colin Francis and Mr David Halse, both of whom were former members of the Safeguarding Committee, be appointed to the People Committee with immediate effect.

It was also proposed that the Archdeacon of Brecon, the Venerable Alan Jevons, be appointed to the Committee from 1 August 2018, following the retirement of the Archdeacon of Wrexham. Mr Jevons was a member of the Representative Body and a former member of the Safeguarding Committee: his appointment would bring safeguarding-related experience and would restore the Committee’s required majority of Representative Body members.

Further, it was proposed that the Committee’s total membership be increased from nine members to ten members. It was not proposed that the criteria requiring majorities of lay and Representative Body members be changed.

Summary

Following discussion the Representative Body approved:

- The People Committee’s proposal for the delegation of authority to its Chair as outlined above;
- The appointment of Mr Colin Francis and Mr David Halse to the People Committee with immediate effect;
- The appointment of the Venerable Alan Jevons to the People Committee from 1 August 2018;
- The increase of the People Committee’s total membership from nine members to ten members.

iii. Other committees

None of the Representative Body’s other committees proposed the delegation of authority to their Chairs.

iv. St. Padarn’s Council

The Representative Body was required to appoint two of its members to the St. Padarn’s Council and members were reminded that there was currently one vacancy in the Representative Body’s appointed membership. No proposals for an appointment to fill this vacancy were made and members were invited to communicate to provincial staff any nominations for appointment. Any proposals for appointment would be circulated to members for approval by correspondence.
The Chair welcomed the Reverend Professor Jeremy Duff, Principal of St. Padarn’s Institute, to the meeting. The Principal reminded members that at its meeting in March 2017 the Representative Body approved a business plan for St. Padarn’s Institute for the period 2018 to 2020: this business plan was now in need of updating to reflect the development of St. Padarn’s since its launch in July 2016. A revised business plan for the period 2019 to 2021 was presented to the Representative Body.

The costings provided within the updated business plan are attached in annex 1.

Direction and activity

The activity of St. Padarn’s remained focussed on the areas of work set out in the strategic development plan which had been discussed by the Representative Body at its meeting in November 2016 (minute 16/53). Numbers of learners across most areas had been largely static with a significant increase reported in the Theology for Life course.

Costs

St. Padarn’s costs for 2017 were noted to be 19% below budget (£1,374,227 against a budget of £1,690,883); in addition, the budget for the first six months of operation of St. Padarn’s (1 July 2016 to 31 December 2016) had been 16% below budget. While these underspends were due mainly to the fact that not all areas of work had yet been established and not all staff included within the budgets had been appointed, the appointment of a Director of Operations had meant that St. Padarn’s was able to deliver as efficient an operation as possible across all its activities which had resulted in cost savings.

The Representative Body’s decision in June 2017 to cease the operation of the St. Michael’s Conference Centre (minute 17/31) had resulted in the costs of running the St. Michael’s site being transferred to the St. Padarn’s budget (the site would now be used exclusively for the operation of St. Padarn’s), rather than St. Padarn’s making a 69% contribution to the running of the site. As these site costs were now managed by St. Padarn’s costs had been reduced to a level equivalent to the 69% contributed previously: this had therefore been a cost-neutral change but had resulted in significant improvements for St. Padarn’s students and its wider operation.

Staff restructuring

The staff structure at St. Padarn’s had been remodelled to reallocate duties and reorganise lines of reporting. It was expected these changes would produce more efficient working and allow for staff progression.

Review of Continuing Ministerial Development (CMD)

A review of the CMD programme had been undertaken between February 2017 and February 2018 which had resulted in a new framework for CMD being formulated. The overall framework of the CMD programme had been approved by the Bench of Bishops in March 2018 and staffing priorities in the context of this programme were being considered.
Post-graduate programmes

The Representative Body was updated on developments in the post-graduate programmes at St. Padarn's:

i. **Masters of Theology in Chaplaincy Studies**
   St. Padarn's offered this well-established course. The Principal explained it was anticipated St. Padarn's was to be awarded the contract to provide training for all the Ministry of Defence's United Kingdom-based chaplains.

ii. **Youth and children**
   The Reverend Dr Mark Griffiths, an internationally renowned figure in youth and children’s ministry, had been recruited which had strengthened St. Padarn's ability to support the Church in Wales's development of youth and children's ministry. Accordingly, a Masters of Theology in Youth and Children's Ministry was to be launched.

iii. **Doctor of Ministry**
    Negotiations with the University of Wales Trinity St. David were well advanced to develop a new Doctor of Ministry programme, which would also include a post-graduate certificate, diploma and Master of Ministry qualifications. This programme would allow more higher-level, ministerial-focused work for ordinands as well providing more possibilities for CMD for clergy and lay leaders around the province.

Living and Learning

The Principal explained a new range of bilingual resources within the Living and Learning course had been launched in April 2018 as part of work at St. Padarn's to stimulate and resource lay discipleship and locally commissioned ministries. This ensured St. Padarn's was not solely focussed on licensed ministers but served the Church in Wales more broadly.

In response to a question by one member the Principal noted that at present it was not anticipated that these resources would be provided to non-licensed ministers free of charge, although the principle of the distinction St. Padarn's made between the commitment of financial resources for ministerial training and the commitment of resources for developing discipleship was a matter for the Church in Wales as a whole, something that may be reviewed as time passed.

Summary


The Representative Body acknowledged the significance of the role the Principal had played in the development and stabilisation of St. Padarn's Institute since its launch in 2016.

Transformation Fund

18/27

The Head of Secretariat reminded the Representative Body that at its meeting in March 2018 it had reviewed the latest set of reports on use of the Transformation Fund, agreeing it wished to receive further reports in March 2019 to review the money received by dioceses under the auspices of the Fund, but which had remained unspent.
The Head of Secretariat confirmed that, in line with the Representative Body’s wishes, provincial staff would discuss with the diocesan secretaries the dioceses’ uses of the Transformation Fund: anything that could be learned from these experiences would inform the administration and use of the Evangelism Fund. The outcomes of these discussions would be shared with the Evangelism Fund Committee at its first meeting which would take place in late July 2018.

Evangelism Fund
18/28

At its meeting in March 2018 (minute 18/11) the Representative Body had confirmed the terms of reference for the committee tasked with overseeing the administration of the Evangelism Fund and had appointed the members of the committee. Also, at that meeting, the Representative Body had appointed Mrs Jane Heard as Chair of the Evangelism Fund Committee. Since then, Mrs Heard had taken the decision to stand down from the Representative Body and would therefore no longer be able to Chair the Committee as intended.

Under the principles established for the Evangelism Fund (also confirmed by the Representative Body at its meeting in March 2018) the Chair of the Evangelism Fund Committee must be a lay member of the Representative Body who is not a Chair of one of the Diocesan Boards of Finance. The Provincial Secretary explained that a replacement Chair had not yet been identified, noting that while this was not an appointment that should be made in haste, delaying the appointment of a Chair for the Committee would, accordingly, lead to a delay in the work of the Committee getting underway. The first meeting of the Committee had been arranged to take place on 26 July 2018.

As a temporary solution it was proposed that the Bishop of Bangor, the bishop who had portfolio responsibility for mission, evangelism and church growth, be invited to Chair the Evangelism Fund Committee until the Representative Body was able to make a more permanent appointment. It was noted this would allow the work of the Committee to begin without delay.

The Provincial Secretary explained that interest in the Evangelism Fund had been intense following its launch at Pentecost and dioceses were hoping to receive details of the grant application process as soon as possible so formulation of bids could begin in earnest. The first meeting of the Committee (although it was acknowledged this may take more than one meeting) would work to establish the grant application process and agree guidance for dioceses.

It was proposed that the Chair of the Representative Body and the Archbishop consider possible appointees to the role of Chair of the Evangelism Fund Committee from within the Representative Body’s existing lay membership; or consider other possible appointees from outside the Representative Body’s current membership who may be co-opted to the Representative Body specifically to fulfil this role.

Following discussion, the Representative Body agreed to:

i. Temporarily suspend the agreed principle that the Chair of the Evangelism Fund Committee must be a lay member of the Representative Body;

ii. Invite the Bishop of Bangor to Chair the Committee until a new Chair had been identified and appointed by the Representative Body;
iii. Request the Archbishop and Chair of the Representative Body to work with provincial staff to consider a permanent replacement Chair for the Evangelism Fund Committee with the intention that a proposal be made to the Representative Body at its meeting in November 2018.

Audit Findings report
18/29

The Chair welcomed Mr Adam Halsey, Partner at Haysmacintyre, to the meeting, who delivered the Audit Findings report, noting the forthcoming change to new accounting software used by the provincial finance department was a positive development and would improve efficiency.

Mr Halsey noted that in recent months the Representative Body had been the target of a number of attempts to obtain money fraudulently. He explained that the Charity Commission had adopted extra scrutiny of charities' attitudes to fraud and security and monitored how they dealt with incidents of fraud or attempted fraud. The Charity Commission was keen for charities to take a proactive approach to monitoring and managing the risk of fraud.

Mr Halsey noted that while the level of security within the provincial office technological infrastructure was strong this became weaker at diocesan level which increased the risk of financial and reputational damage to the whole Church in Wales if a fraud attempt were successful. Haysmacintyre would undertake audits at diocesan offices to assess the robustness of technological security.

Mr Halsey confirmed there were no matters to be raised without staff present. It was recommended that when the Representative Body next met to discuss the external audit (which was next due to be in June 2019) the agenda included an opportunity for the Representative Body to meet with the auditor alone and with no staff present.

The auditor was able to give an unqualified audit opinion.

Mr Geoff Moses, Chair of the Audit and Risk Committee, noted the Committee had reviewed the auditor's report and he had nothing to add.

The following two resolutions were proposed and passed unanimously:

That the Audit Findings Report be received.

That the Chair of the Representative Body and Chair of the Audit and Risk Committee be authorised to sign the letter of representation on behalf of the Representative Body.

Annual Report and Accounts 2017
18/30

The draft annual report and accounts for 2017 were introduced by the Head of Finance, noting the net movement in funds for the year was £47.7million, comprising net investment gains of £51.1million, offset by an operational expenditure deficit of £3.4million. At 31 December 2017 total funds were £720million.

Subject to the correction of a typing error on page 7 of the report, 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 2017 be approved and adopted.

Common Investment Fund
18/31

The Head of Finance presented the draft accounts for the Common Investment Fund for 2017, confirming the Fund was separate to the main investment fund and explaining that it was a fund in which parishes were able to invest any legacies or special trusts they held and use the income generated.

The following resolution was proposed and passed unanimously:

That the accounts of the Common Investment Fund for the year ended 31 December 2017 be approved and adopted.

People Committee
18/32

Mr Peter Kennedy, Chair of the People Committee, introduced the minutes of the Committee’s meeting which had taken place on 15 May 2018.

i. Stipend and salary award 2019

Mr Kennedy reported that the People Committee had discussed the annual stipend and salary award, reminding members that in June 2015 the Representative Body had introduced a policy of basing annual increases on the Consumer Prices Index (CPI) figure published for the April preceding the January in which the increase would be implemented, with the option of adding a discretionary 0.5% to this figure if necessitated by the prevailing financial situation of the time and following consultation with the dioceses.

Mr Kennedy confirmed the CPI for April 2018 was 2.4%: following consultation with the dioceses the Committee did not propose adding the discretionary 0.5% to this figure, resulting in a proposed total increase of 2.4% from 1 January 2019.

It was agreed that the Committee’s recommendation of a 2.4% increase to stipends and salaries be adopted from 1 January 2019, in line with the Representative Body’s policy.

ii. Vacancy fees

Mr Kennedy also reported the People Committee had undertaken its annual review of vacancy fees. As part of this review the Committee had considered the vacancy fee levels in the Church of England. The Committee’s recommendation to increase each category of vacancy fees in the Church in Wales by £1 was approved by the Representative Body.
iii. Parochial fees

The People Committee had reviewed the parochial fees for 2019, proposals which the Representative Body considered. During discussion one member asked whether it would be appropriate to pause any increases to the levels of parochial fees while the clergy remuneration review was being conducted but, following discussion, it was agreed that such a pause may be misinterpreted as an indication that the review was set to recommend the abolition of parochial fees as a fait accompli.

Following discussion, the Representative Body agreed to increase the parochial fees from 1 January 2019 in line with the advice of the People Committee as set out in following two tables. Members were reminded that the burial fees were subject to the approval of the Welsh Government, approval which would be sought.

<table>
<thead>
<tr>
<th>Funeral and burial fees</th>
<th>Fee from 1 January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry fee (payable to the officiating minister)</td>
<td>£85</td>
</tr>
<tr>
<td>Committal * (payable to the officiating minister)</td>
<td>£22</td>
</tr>
<tr>
<td>Church fee (payable to the PCC)</td>
<td>£106</td>
</tr>
<tr>
<td>Burial fee in Church in Wales burial ground</td>
<td></td>
</tr>
<tr>
<td>- Body</td>
<td>£473</td>
</tr>
<tr>
<td>- Cremated remains (payable to the PCC for the Churchyard Maintenance Fund)</td>
<td>£158</td>
</tr>
<tr>
<td>Memorial fee</td>
<td></td>
</tr>
<tr>
<td>- Plain wooden cross</td>
<td>£24</td>
</tr>
<tr>
<td>- Grave headstone</td>
<td>£179</td>
</tr>
<tr>
<td>- Cremated remains tablet</td>
<td>£95</td>
</tr>
<tr>
<td>- Additional Inscription (all payable to the PCC for the Churchyard Maintenance Fund)</td>
<td>£43</td>
</tr>
<tr>
<td>Search of burial registers (payable to the PCC)</td>
<td>£22 per hour (or part thereof)</td>
</tr>
</tbody>
</table>

* For a committal following a separate funeral service elsewhere, at which a different minister has officiated.
<table>
<thead>
<tr>
<th><strong>Marriage fees</strong></th>
<th><strong>Fee from 1 January 2019</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marriage service</strong> <em>(including fee for publication of banns)</em></td>
<td></td>
</tr>
<tr>
<td>Ministry fee <em>(payable to the officiating minister)</em></td>
<td>£190</td>
</tr>
<tr>
<td>Church fee <em>(payable to the PCC)</em></td>
<td>£250</td>
</tr>
<tr>
<td>(Total fee)</td>
<td>£440</td>
</tr>
<tr>
<td>Copy of marriage certificate <em>(payable to the PCC)</em></td>
<td>£10</td>
</tr>
<tr>
<td>Publication of banns <em>(to include certificate of banns)</em></td>
<td>£40</td>
</tr>
<tr>
<td><strong>For a marriage blessing</strong></td>
<td></td>
</tr>
<tr>
<td>Ministry fee <em>(payable to the officiating minister)</em></td>
<td>£190</td>
</tr>
<tr>
<td>Church fee <em>(payable to the PCC)</em></td>
<td>£210</td>
</tr>
<tr>
<td>(Total fee)</td>
<td>£400</td>
</tr>
</tbody>
</table>

iv. **Safeguarding Policy**

Mr Kennedy informed the Representative Body that the People Committee had received an update from the Head of Safeguarding on the ongoing review of the Church in Wales's Safeguarding Policy which had been adopted by the Governing Body in September 2016. Reviewing the Safeguarding Policy ensured it remained in line with statutory legislation and current best practice and the Committee had been informed that consideration was being given to a number of revisions to the Policy. It was anticipated that these proposals would be presented to the People Committee later in the year, which would be accordingly reported to the Representative Body for approval.

In the meantime, the People Committee had proposed that one small change was made to the Safeguarding Policy at this point. This proposed change was within the 'promoting safer practice' section of the Policy, whereby a minimum of two adults should be present for any activities involving children, and a ratio of one adult to ten children thereafter. Mr Kennedy noted that this proposal went beyond statutory requirements but was felt to be appropriate to ensure that children and the Church in Wales's many volunteers were adequately protected.

The Representative Body endorsed this proposed change, which would be reported to the Standing Committee for adoption within the Church in Wales's Safeguarding Policy.

v. **Other matters**

Mr Kennedy drew members' attention to the Market Supplement Pay Policy which had been provided to the Representative Body for its information, following a question raised at its meeting in March 2018. The People Committee had adopted this policy at its meeting on 28 November 2017.

The report of the People Committee was received.
The Head of Human Resources introduced a paper setting out proposed terms of reference for and membership of the Clergy Remuneration Review Working Group. At its meeting in March 2018 (minute 18/13) the Representative Body had endorsed the People Committee’s proposals of how the review would be conducted: the proposed terms of reference for and membership of the working group reflected this agreed methodology.

At the Joint Finance meeting with the bishops and diocesan secretaries which had taken place earlier in the day the Representative Body members had participated in a series of discussions focussing on various aspects of the clergy remuneration package, including stipends, pension, housing, parochial fees and stipend augmentation trusts. The data generated by these discussions would be reported to the working group to inform its work.

Terms of reference

The Representative Body agreed the following terms of reference for the Clergy Remuneration Review Working Group. The working group was asked to:

1. Undertake a review of all aspects of stipendiary clergy remuneration to ensure that arrangements were fair, affordable and fit for the future. The review would scope options which would support the models of ministry the Church in Wales required for future generations.
2. Liaise and consult with relevant stakeholders throughout the Church in Wales.
3. Gather evidence from the Church in Wales, other provinces of the Anglican Communion and other institutions.
4. Analyse and interpret information to devise and identify options and propose recommendations.
5. Monitor progress of the review against agreed timelines.

Membership

The Representative Body appointed the following members to the Clergy Remuneration Review Working Group:

- Dame Claire Clancy (Chair)
- The Venerable John Lomas (a senior cleric)
- The Reverend Steven Bunting (a stipendiary cleric from an urban parish - at team vicar level)
- The Reverend Hermione Morris (a stipendiary cleric from a rural parish - at incumbent level)
- Mary Carter (a remuneration consultant)
- Siôn Rhys Evans (a diocesan secretary)

It was also agreed the Reverend Dr Jordan Hillebert, a member of staff at St. Padarn’s Institute, would attend meetings of the working group. Dr Hillebert would act as a liaison between the working group and students in training at St. Padarn’s and would seek students’ views as necessary.

The Head of Human Resources noted that Dame Claire Clancy had considerable remuneration-related experience and was until recently Chief Executive of and Clerk to the
National Assembly for Wales; Mary Carter was a remuneration expert and had undertaken work with the Ministry of Defence on its remuneration review and restructuring.

**Cathedral Road site**
18/34

The Head of Property Services updated the Representative Body on the sale of the site of the former provincial office at Cathedral Road, Cardiff. Marketing of the site had ended on 31 May 2018 and twelve offers had been received. These offers were being analysed by the selling agent: some offers had been made subject to various conditions.

The selling agent's advice on which bid to accept would be reported to and considered by the Property Committee prior to any offer being accepted. The Representative Body would be updated accordingly.

**Church sales proceeds**
18/35

Mr Rod Davies, Chair of the Property Committee, informed the Representative Body of two recommendations made by the Property Committee which proposed three changes to the Church Sales Regulations within the Constitution. The Representative Body was asked to approve these changes.

The Committee had recommended that:

1. Regulation 2 (f) of the Redundant Churches Regulations be amended so 20% of proceeds from the sales of redundant churches was retained as a contribution to the provincial redundant churches fund. (This contribution was currently 10%.) This fund was held to pay for works to unsaleable redundant church sites or ruins and instances where the proceeds of sale were insufficient to recoup costs incurred by the Representative Body undertaking necessary maintenance or repair works to the building prior to sale.
2. The provincial redundant churches fund be used to contribute towards the costs of employing provincial staff whose role it would be to manage the Representative Body's growing portfolio of redundant church buildings.
3. The priority of permitted uses of proceeds from the sales of redundant church buildings was changed so current regulation 2 (h) (where remaining proceeds of sale could be used by the parish concerned to address public liability risks posed to persons or property by another church or churchyard) was prioritised above regulation 2 (g) (where remaining proceeds of sale could be used the parish concerned to provide or adapt another place of worship).

It was noted that the liability posed by the redundant churches for which the Representative Body was responsible was significant and it was hoped that the changes recommended by the Committee would contribute constructively towards the management and alleviation of those risks. It was also intended that two surveyors (one to operate in the north, the other in the south) would be recruited to manage the redundant churches and seek the most satisfactory outcome for the buildings. The costs of these roles would be partly funded by the increased contribution made to the provincial redundant churches fund by sales of redundant church buildings.

Following discussion, the Representative Body agreed to the Property Committee's proposals as set out above.
The Representative Body agreed to the Committee’s recommendation to increase Parsonage Board contributions by 4.2% to £5,322 per parsonage house from 1 January 2019.

**Sales of consecrated property**

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

D413  United Benefice of Greater Dewisland, former St. Margaret’s church, Ford
D.885  Strata Florida, former St. David’s church, Pontrhydfendigaid
D.888  Llanfihangel Genau’r Glyn, former St. David’s church, Talybont
L.140  Ynyshir, former St. Anne’s church.

**DEEMED BUSINESS**

The following items were noted without discussion.

**Investment Committee**

The Representative Body noted the following item arising from the Investment Committee’s meeting held on 10 May 2018.

**Summary activity report**

The performance of the Representative Body’s total investment portfolio during the first quarter of 2018 was noted, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2017</th>
<th>31 March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Newton portfolio</td>
<td>278.1</td>
<td>265.4</td>
</tr>
<tr>
<td>Sarasin portfolio</td>
<td>280.8</td>
<td>268.9</td>
</tr>
<tr>
<td>Property portfolio</td>
<td>74.4</td>
<td>75.0</td>
</tr>
<tr>
<td><strong>Total investment fund</strong></td>
<td><strong>633.3</strong></td>
<td><strong>609.3</strong></td>
</tr>
</tbody>
</table>

It was noted that when compared to the situation at the end of the first quarter in 2017 the value of the total investment fund had increased by 0.9%. (At 31 March 2017 the investment fund had a value of £603.9million.)

The returns on the total fund to 31 March 2018 were reported as shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</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>CinW fund</td>
<td>-3.2</td>
<td>3.9</td>
<td>7.5</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Benchmark</strong></td>
<td>-4.2</td>
<td>2.0</td>
<td>5.2</td>
<td>6.4</td>
</tr>
</tbody>
</table>

The Representative Body also noted the performances of the stock exchange portfolios managed by each of the investment fund managers:
<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</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>-3.9</td>
<td>3.0</td>
<td>7.4</td>
<td>8.9</td>
</tr>
<tr>
<td>Sarasin</td>
<td>-3.6</td>
<td>3.4</td>
<td>6.7</td>
<td>8.2</td>
</tr>
<tr>
<td>Benchmark</td>
<td>-4.2</td>
<td>2.0</td>
<td>5.2</td>
<td>6.4</td>
</tr>
</tbody>
</table>

The report of the Investment Committee was noted.

**Audit and Risk Committee**

18/39

The Representative Body noted the following item arising from the Audit and Risk Committee’s meeting held on 11 May 2018:

**Internal audit work plan 2018**

The Representative Body’s external auditor, Haysmacintyre, would visit each of the diocesan offices to review the ICT controls in place: these reviews would be consolidated into a single report which summarised the findings.

Haysmacintyre would also undertake a full review of the payments processes in operation at the provincial office following the introduction of new accounting software to ensure the internal controls were appropriate to a system that was highly automated and less focussed on paper documentation.

The report of the Audit and Risk Committee was noted.

**Property Committee**

18/40

The Representative Body noted the following items arising from the Property Committee’s meeting held on 22 March 2018:

i. **Redundant churches**

The Committee had initiated a wider discussion with dioceses about how the proceeds for the sales of redundant churches were distributed and used. (This discussion was in addition to the matters already brought to the Representative Body’s attention and dealt with under minute 18/35.)

ii. **Redundancy process**

Alongside the review referred to above, the Property Committee was also seeking views of dioceses on the process of making a church redundant and how this process should be conducted to best further the mission and ministry of the Church in Wales.

The report of the Property Committee was noted.
The Representative Body noted the St. Padarn’s Council had met on 22 May 2018. No particular matters were highlighted for the Representative Body’s attention.

**Use of the Representative Body Seal**

It was reported that the Representative Body Seal had been used from numbers 36135 to 36206 inclusive. The Seal Register was present for members’ inspection and thanks were extended to those members who had witnessed sealing.

**Next meeting**

The Chair confirmed the Representative Body would next meet on Thursday 15 November 2018 in Cardiff.

**Closing prayers**

The Archbishop closed the meeting with prayer.
## Costs

<table>
<thead>
<tr>
<th></th>
<th>2018 Budget</th>
<th>2019 Forecast</th>
<th>2020 Forecast</th>
<th>2021 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Salaries</td>
<td>940,678</td>
<td>1,032,218</td>
<td>1,063,484</td>
<td>1,095,693</td>
</tr>
<tr>
<td>Temporary Staff Salaries</td>
<td>10,000</td>
<td>10,300</td>
<td>10,609</td>
<td>10,927</td>
</tr>
<tr>
<td>Staff Pension Contributions</td>
<td>133,869</td>
<td>143,819</td>
<td>148,134</td>
<td>152,578</td>
</tr>
<tr>
<td>Staff Travel / Other Expenses</td>
<td>54,000</td>
<td>55,620</td>
<td>57,289</td>
<td>59,007</td>
</tr>
<tr>
<td>Staff Recruitment</td>
<td>2,500</td>
<td>2,575</td>
<td>2,652</td>
<td>2,732</td>
</tr>
<tr>
<td>Staff H&amp;S Matters</td>
<td>515</td>
<td>530</td>
<td>546</td>
<td>563</td>
</tr>
<tr>
<td>Staff Training</td>
<td>10,000</td>
<td>10,300</td>
<td>10,609</td>
<td>10,927</td>
</tr>
<tr>
<td>Visiting Lecturers</td>
<td>8,090</td>
<td>8,333</td>
<td>8,583</td>
<td>8,840</td>
</tr>
<tr>
<td><strong>Total Staff Costs</strong></td>
<td>1,159,652</td>
<td>1,263,695</td>
<td>1,301,906</td>
<td>1,341,267</td>
</tr>
<tr>
<td><strong>Core Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity and Marketing</td>
<td>5,000</td>
<td>5,150</td>
<td>5,305</td>
<td>5,464</td>
</tr>
<tr>
<td>ICT / VLE</td>
<td>22,000</td>
<td>22,660</td>
<td>23,340</td>
<td>24,040</td>
</tr>
<tr>
<td>Copyright License</td>
<td>1,030</td>
<td>1,061</td>
<td>1,093</td>
<td>1,159</td>
</tr>
<tr>
<td>Library Running Costs</td>
<td>5,150</td>
<td>5,305</td>
<td>5,464</td>
<td>5,796</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Books</td>
<td>10,650</td>
<td>10,970</td>
<td>11,299</td>
<td>11,987</td>
</tr>
<tr>
<td>St Padarn's Council Costs</td>
<td>6,000</td>
<td>6,180</td>
<td>6,365</td>
<td>6,753</td>
</tr>
<tr>
<td><strong>Total Core Costs</strong></td>
<td>49,830</td>
<td>51,325</td>
<td>52,865</td>
<td>52,865</td>
</tr>
<tr>
<td><strong>University Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trinity St David</td>
<td>24,000</td>
<td>24,720</td>
<td>25,462</td>
<td>27,012</td>
</tr>
<tr>
<td>Cardiff</td>
<td>2,575</td>
<td>2,652</td>
<td>2,732</td>
<td>2,898</td>
</tr>
<tr>
<td>External Colleges Fees</td>
<td>6,500</td>
<td>6,695</td>
<td>6,896</td>
<td>7,316</td>
</tr>
<tr>
<td><strong>Total University Fees</strong></td>
<td>33,075</td>
<td>34,067</td>
<td>35,089</td>
<td>35,089</td>
</tr>
<tr>
<td><strong>Course Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Course Materials - TFL</td>
<td>21,000</td>
<td>21,630</td>
<td>22,279</td>
<td>22,947</td>
</tr>
<tr>
<td>Course Materials - Chaplaincy</td>
<td>2,000</td>
<td>2,060</td>
<td>2,122</td>
<td>2,185</td>
</tr>
<tr>
<td>Living and Learning</td>
<td>3,300</td>
<td>3,399</td>
<td>3,501</td>
<td>2,606</td>
</tr>
<tr>
<td>Translation</td>
<td>12,000</td>
<td>12,360</td>
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<td>16,506</td>
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<tr>
<td><strong>Total Course Costs</strong></td>
<td>38,300</td>
<td>39,449</td>
<td>40,632</td>
<td>40,632</td>
</tr>
<tr>
<td><strong>CMD Course Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR and Comms</td>
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<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Resources</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Research</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Consultation</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Cont. Devel. - Spiritual Formation</td>
<td>13,000</td>
<td>13,000</td>
<td>13,000</td>
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</tr>
<tr>
<td>Cont. Devel. - General</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Newly Licensed Ministers</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
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<tr>
<td>Cont. Devel. - Senior Leaders</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Training (Compliance)</td>
<td>9,750</td>
<td>9,750</td>
<td>9,750</td>
<td>9,750</td>
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<tr>
<td><strong>Total CMD Course Costs</strong></td>
<td>102,750</td>
<td>102,750</td>
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</tbody>
</table>
## Associated Training Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeguarding Training</td>
<td>5,300</td>
<td>5,459</td>
<td>5,623</td>
<td>5,791</td>
</tr>
<tr>
<td>Welsh Classes</td>
<td>11,300</td>
<td>11,639</td>
<td>11,988</td>
<td>12,348</td>
</tr>
<tr>
<td>Singing Lessons</td>
<td>2,000</td>
<td>2,060</td>
<td>2,122</td>
<td>2,185</td>
</tr>
<tr>
<td>TFL Development</td>
<td>1,500</td>
<td>1,545</td>
<td>1,591</td>
<td>1,639</td>
</tr>
<tr>
<td>Teaching Costs - Assessment</td>
<td>1,000</td>
<td>1,030</td>
<td>1,061</td>
<td>1,093</td>
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<tr>
<td>Teaching Costs - QA</td>
<td>2,000</td>
<td>2,060</td>
<td>2,122</td>
<td>2,185</td>
</tr>
<tr>
<td>Chapel Costs</td>
<td>4,000</td>
<td>4,120</td>
<td>4,244</td>
<td>4,371</td>
</tr>
<tr>
<td>Research Costs</td>
<td>10,000</td>
<td>10,300</td>
<td>10,609</td>
<td>10,927</td>
</tr>
<tr>
<td><strong>Total Associated Training Costs</strong></td>
<td><strong>37,100</strong></td>
<td><strong>38,213</strong></td>
<td><strong>39,359</strong></td>
<td><strong>40,540</strong></td>
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</tbody>
</table>

## Candidate Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate Grants - FT</td>
<td>250,000</td>
<td>257,500</td>
<td>265,225</td>
<td>273,182</td>
</tr>
<tr>
<td>Candidate Rents</td>
<td>40,000</td>
<td>41,200</td>
<td>42,436</td>
<td>43,709</td>
</tr>
<tr>
<td>Candidate Grants - PT</td>
<td>21,250</td>
<td>21,888</td>
<td>22,544</td>
<td>23,220</td>
</tr>
<tr>
<td>Candidate Travel - FT</td>
<td>15,000</td>
<td>15,450</td>
<td>15,914</td>
<td>16,391</td>
</tr>
<tr>
<td>Candidate Travel - PT</td>
<td>18,000</td>
<td>18,540</td>
<td>19,096</td>
<td>19,669</td>
</tr>
<tr>
<td>Candidate Discret. Grants</td>
<td>1,000</td>
<td>1,030</td>
<td>1,061</td>
<td>1,093</td>
</tr>
<tr>
<td>Candidate Learning Needs</td>
<td>10,000</td>
<td>10,300</td>
<td>10,609</td>
<td>10,927</td>
</tr>
<tr>
<td><strong>Total Student Costs</strong></td>
<td><strong>355,250</strong></td>
<td><strong>365,908</strong></td>
<td><strong>376,885</strong></td>
<td><strong>388,191</strong></td>
</tr>
</tbody>
</table>

## Building and Venue Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Repair and Main.</td>
<td>35,000</td>
<td>36,050</td>
<td>37,132</td>
<td>38,245</td>
</tr>
<tr>
<td>Equipment Replacement</td>
<td>12,500</td>
<td>12,875</td>
<td>13,261</td>
<td>13,659</td>
</tr>
<tr>
<td>Gas</td>
<td>27,000</td>
<td>27,810</td>
<td>28,644</td>
<td>29,504</td>
</tr>
<tr>
<td>Electricity</td>
<td>21,000</td>
<td>21,630</td>
<td>22,279</td>
<td>22,947</td>
</tr>
<tr>
<td>Water</td>
<td>6,500</td>
<td>6,695</td>
<td>6,896</td>
<td>7,103</td>
</tr>
<tr>
<td>Council Tax</td>
<td>5,000</td>
<td>5,150</td>
<td>5,305</td>
<td>5,464</td>
</tr>
<tr>
<td>Cleaning, Laundry and Refuse</td>
<td>7,879</td>
<td>8,115</td>
<td>8,359</td>
<td>8,610</td>
</tr>
<tr>
<td>Garden &amp; Grounds Maint.</td>
<td>2,500</td>
<td>2,575</td>
<td>2,652</td>
<td>2,732</td>
</tr>
<tr>
<td>Catering Costs</td>
<td>55,000</td>
<td>56,650</td>
<td>58,350</td>
<td>60,100</td>
</tr>
<tr>
<td>External Venue Costs</td>
<td>84,000</td>
<td>86,520</td>
<td>89,116</td>
<td>91,789</td>
</tr>
<tr>
<td><strong>Total Building / Venue Costs</strong></td>
<td><strong>256,379</strong></td>
<td><strong>264,070</strong></td>
<td><strong>271,992</strong></td>
<td><strong>280,152</strong></td>
</tr>
</tbody>
</table>

## Office Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing &amp; Stationery</td>
<td>9,150</td>
<td>9,425</td>
<td>9,707</td>
<td>9,998</td>
</tr>
<tr>
<td>Postage</td>
<td>1,200</td>
<td>1,236</td>
<td>1,273</td>
<td>1,311</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,200</td>
<td>5,356</td>
<td>5,517</td>
<td>5,682</td>
</tr>
<tr>
<td>Insurance</td>
<td>22,500</td>
<td>23,175</td>
<td>23,870</td>
<td>24,586</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>8,000</td>
<td>8,240</td>
<td>8,487</td>
<td>8,742</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>15,000</td>
<td>15,450</td>
<td>15,914</td>
<td>16,391</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,000</td>
<td>5,150</td>
<td>5,305</td>
<td>5,464</td>
</tr>
<tr>
<td><strong>Total Office Costs</strong></td>
<td><strong>66,050</strong></td>
<td><strong>68,032</strong></td>
<td><strong>70,072</strong></td>
<td><strong>72,175</strong></td>
</tr>
</tbody>
</table>

## Total Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost 1</th>
<th>Cost 2</th>
<th>Cost 3</th>
<th>Cost 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Costs</td>
<td><strong>2,098,386</strong></td>
<td><strong>2,161,338</strong></td>
<td><strong>2,226,177</strong></td>
<td><strong>2,289,104</strong></td>
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</table>
Income

<table>
<thead>
<tr>
<th>Services</th>
<th>Income 1</th>
<th>Income 2</th>
<th>Income 3</th>
<th>Income 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiff University MTh</td>
<td>48,600</td>
<td>50,058</td>
<td>51,560</td>
<td>53,107</td>
</tr>
<tr>
<td>Beginning Chaplaincy</td>
<td>16,400</td>
<td>16,892</td>
<td>17,399</td>
<td>17,921</td>
</tr>
<tr>
<td>Chaplaincy Accommodation</td>
<td>16,608</td>
<td>17,106</td>
<td>17,619</td>
<td>18,148</td>
</tr>
<tr>
<td>Theology for Life Income</td>
<td>10,000</td>
<td>10,300</td>
<td>10,609</td>
<td>10,927</td>
</tr>
<tr>
<td>Living and Learning Income</td>
<td>6,000</td>
<td>6,180</td>
<td>6,365</td>
<td>6,556</td>
</tr>
<tr>
<td>Research Costs recovered</td>
<td>944</td>
<td>972</td>
<td>1,001</td>
<td>1,032</td>
</tr>
<tr>
<td>Other Income</td>
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<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
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<td><strong>101,509</strong></td>
<td><strong>104,554</strong></td>
<td><strong>107,690</strong></td>
</tr>
<tr>
<td><strong>Net Cost</strong></td>
<td><strong>1,999,834</strong></td>
<td><strong>2,059,829</strong></td>
<td><strong>2,121,624</strong></td>
<td><strong>2,181,414</strong></td>
</tr>
</tbody>
</table>

Notes

**External Colleges Fees**
Fees paid to other institutions when St Padarn’s sources training from them to meet particular needs.

**ICT / VLE**
One major IT project a year.
2016 Moodle Virtual Learning Environment.
2017 Student records database.
2018 amendments to website/additions to database.

**CMD Costs**
Figures represent a significant reduction in cash paid out to external providers, balanced by increased core staffing costs, as agreed in CMD new framework. Detailed budget figures to be produced by new team.

**Other venue hire**
Costs of venues other than the St Michael’s Centre. Hire necessary to ensure Padarn’s activity happens elsewhere than Cardiff, to achieve different types of accommodation (e.g. retreat venues) and for activities larger than St Michael’s can accommodate.

**Building Costs**
The St Padarn’s Budget now covers the general maintenance costs of the St Michael’s site.

**External Income**
Our main source of external income is through taught post-graduate programmes. We do not budget currently for other income though there is some erratically from work for the Diocese of Cyprus and the Gulf. There is interest in St Padarn’s from the Church of England, particularly from the dioceses along the border and some of our more specialist work. However, cultivating this will take effort and is not a priority before 2020.