

St Peter's Church Finance Committee

**Minutes of the meeting held at 7 pm on 17 January 2019
at 20 Blundells Avenue, Tiverton**

Present: Rod Hilton (Chairman), David Pope (Treasurer), Rev Robert Gordon, Catherine Makepeace, David Ricks, Helen Wakely, Roy Webber

Apologies: Gill Heard, Janet Rendle

1. Welcome and Apologies

The Chairman welcomed everyone and opened the meeting with a prayer.

2. Treasurer's Report

a. Budget 2019

The budget now included an actual figure for insurance. Planned maintenance included the stonework to be done on the pinnacles which is urgent. The estimate for gas is that expenditure will be higher than before as a new contract is currently being negotiated. An estimate of £3k has been included for the future parish administrator.

b. Bank accounts

DP after consultation with Chris Burford (who has looked after the Music account) proposed that all but the current account now be closed so that the Church operated with just one bank account. All at the meeting agreed.

c. Report of meeting held on 15 January 2019 with CCLA Representatives

DP presented the following report:

Rod and I attended a CCLA seminar in Exeter in late November and hosted a visit from two representatives on Tuesday this week: Daisy Mannifield, Client Relationship Manager and Andrew Hunter Johnston, Client Investment Director; this was the first time we have had a visit for 2 or maybe 3 years.

Daisy and Andrew came to give us a presentation which was very similar to the one we had in Exeter but was tailored to St Peter's and being one-to-one was more meaningful to us. The first part was mainly focused on the CBF Investment fund, in which our assets are held, appendix A shows our valuations at 02.01.19, explaining how the fund is managed to give the best possible return; the aim is inflation plus 5% per annum. Over the past 10 years it has achieved 10.32%, i.e. income plus capital appreciation, this compares with the ARC Steady Growth Charity Index at 7.65%. Objectives are set out in Appendix B which also shows how fund assets are allocated and appendix C shows Sector and Regional allocations. You will note a heavy weighting on Global Equities, particularly Americans where profits are being driven by Trump reforms.

The second part of the presentation focused on Outlook, see appendix D, and led to a detailed discussion on St.Peter's specific position especially in the light of our proposed spending requirements for reordering and completion of the Quinquennial repairs and of funding our annual deficit. We were asked to specify a cash requirement for the next 12 months and suggested a figure of £100,000. Although CCLA do not officially offer financial advice, Andrew suggested that we should realise that sum now because of the likelihood of a rather bumpy ride in stock markets during the current political uncertainty.

So as a committee we need to decide 1. whether the figure of £100k is realistic, and 2. should we put the money 'in our back pocket' now.

Following advice from David Ricks on likely reordering expenditure in 2019 the committee resolved to realise £50,000 now from our CBF Investment Fund Income shares account and place it in our CBF Deposit account.

3. Parish Giving Recorder's Report

The year end totals are as follows:

Cumulative totals		2018 to Dec 18	2017 to Dec 17	Difference
Parish Giving Scheme	£ NGA	3173.04	31961.43	1105.3
	£ GA	23919.26		
	£ GA tax	5974.43		
Average No		43.4	40.9	2.5
One off Gift Aid		£3,320.57	4152.42	-£831.85
Envelopes	NGA	£803.50	£1,437.50	-£634.00
	GA	£1,483.70	£1,526.50	-£42.80
Standing Orders		£1,314.00	£1,469.00	-£155.00
	Total	40031.92	40587.77	-555.85

The results are a little disappointing in their drop since 2017 however, the good news is that more people are gradually joining the PGS scheme which is much more effective in the long term.

The envelope givers tend to be of the older generation and HW did not approach any of them to transfer to the PGS scheme again as she had done so last year.

The good news is that HW's approach to those giving on a 'one off' basis, paid dividends with one of these letting her know that they were signing up. Unfortunately, one is moving away and will be cancelling their arrangement.

HW has followed up her two ideas from our last meeting and:

- i. Submitted an article to December's magazine offering a general thank you to all those who give through weekly and monthly donations by whatever method.
- ii. Obtained permission from Robert to go ahead with the idea to put a PGS application form in each pew with an explanatory note. Robert will read out a short message at the beginning of the service once I have done this. With the approach of Christmas, it seemed best to leave doing this until the New Year this will be arranged shortly.

A further gift aid claim has been made in the early new year for around £1100.

4. General Fund Raising

RW reported that two concerts are now booked for 2019 – in March the Exeter Chamber Choir and in June a mixed concert for the Air Ambulance. It is hoped that the Cologne Philharmonic choir will return in August. RW plans to approach those who have previously undertaken – Choir safari supper, Churchwarden's lunch, Bellringers' summer fair and the November coffee morning.

5. Update on Financial Aspects of Reordering

DR reported to the Committee that Mid Devon Council had been approached for planning permission for the toilet block at a cost of £254. They had required an ecological survey, and this had been undertaken for £350 + VAT but no bats found! The Church has outline permission and a final result is anticipated within three months.

RW raised the possibility of having income from a mobile phone mast on the Church roof. DR will approach the Diocese to discuss the idea.

6. Consideration of employees' salaries

a. Parish Administrator

RG proposed that a Parish Administrator rather than a Rector's PA be appointed to replace Sheila Taylor. He is in the process of drawing together a small group to consider the terms and job description based on the information that Sheila left. The group will consist of RG, Gill Heard, Catherine Makepeace and Rod Hilton. It is hoped that on an interim basis the new person could work at RG's flat in Tiverton but then move to a newly designed parish office in the current Church library following reordering.

b. Director of Music

Within the 2019 budget, the Director of Music's salary had included an estimated inflationary rise to apply from April. Andrew Curtis had explored himself whether he qualifies as a 'professional' under the RSCM rules but found that he does not.

The Committee agreed that RG would report to Andrew the proposed inflationary rise and if necessary meet with Andrew to check that this will be sufficient to retain his services. Andrew is self-employed so that if he wishes to propose an additional increase, he would be asked to put forward an alternative proposal. DP will avail RG of the correct figures for the inflationary rise.

Note: Andrew will receive an additional £70 fee for weddings or funerals as from the start of 2019.

7. Any Other Business

There was none.

8. Date of Next Meeting

Thursday 28 February 2019 at 7 pm at 20 Blundells Avenue.

The meeting ended at 8.30 pm with the Grace.

Rod Hilton
Chairman
18 January 2019

PORTFOLIO VALUATION

CCLA

Holdings	Market Value	Income yield	Annual Income
CBF Church of England Investment Fund (Acc)	£819,750	N/A	N/A
CBF Church of England Investment Fund (Inc)	£406,080	3.47%	£14,080
CBF Church of England Deposit Fund	£17,119	0.75%	£128
Total portfolio	£1,242,949	1.14%	£14,208

Annual income figures from long-term Funds are based on current Fund share holdings and forecast dividends declared per Fund share in calendar year 2019. Annual income figures for The CBF Church of England Deposit Fund balances are based on the current declared interest rate which is subject to change. Please note that this portfolio valuation is not intended for audit purposes. Please see valuation risk warning at the end of this presentation. Source CCLA as at 2nd January 2019

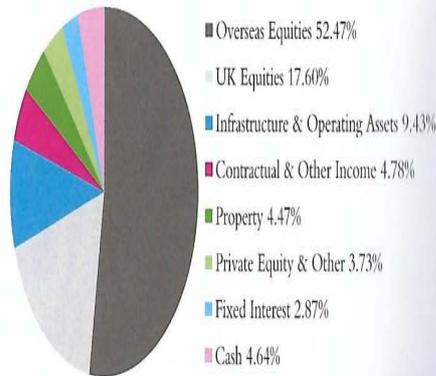
Appendix A

THE CBF CHURCH OF ENGLAND INVESTMENT FUND



- A suitable multi-asset, long-term fund for most Church charities
- Designed to help meet growth and income requirements
- Seeks to provide highly diversified and well balanced spread of investments
- Focus on delivering attractive, growing income
- Steady income, current yield 3.15%*
- Fund size £1,429m

Asset Allocation



Overseas Equity	%
North America	34.8
Europe ex UK	10.1
Asia Pacific ex Japan	3.9
Japan	3.7
	52.5

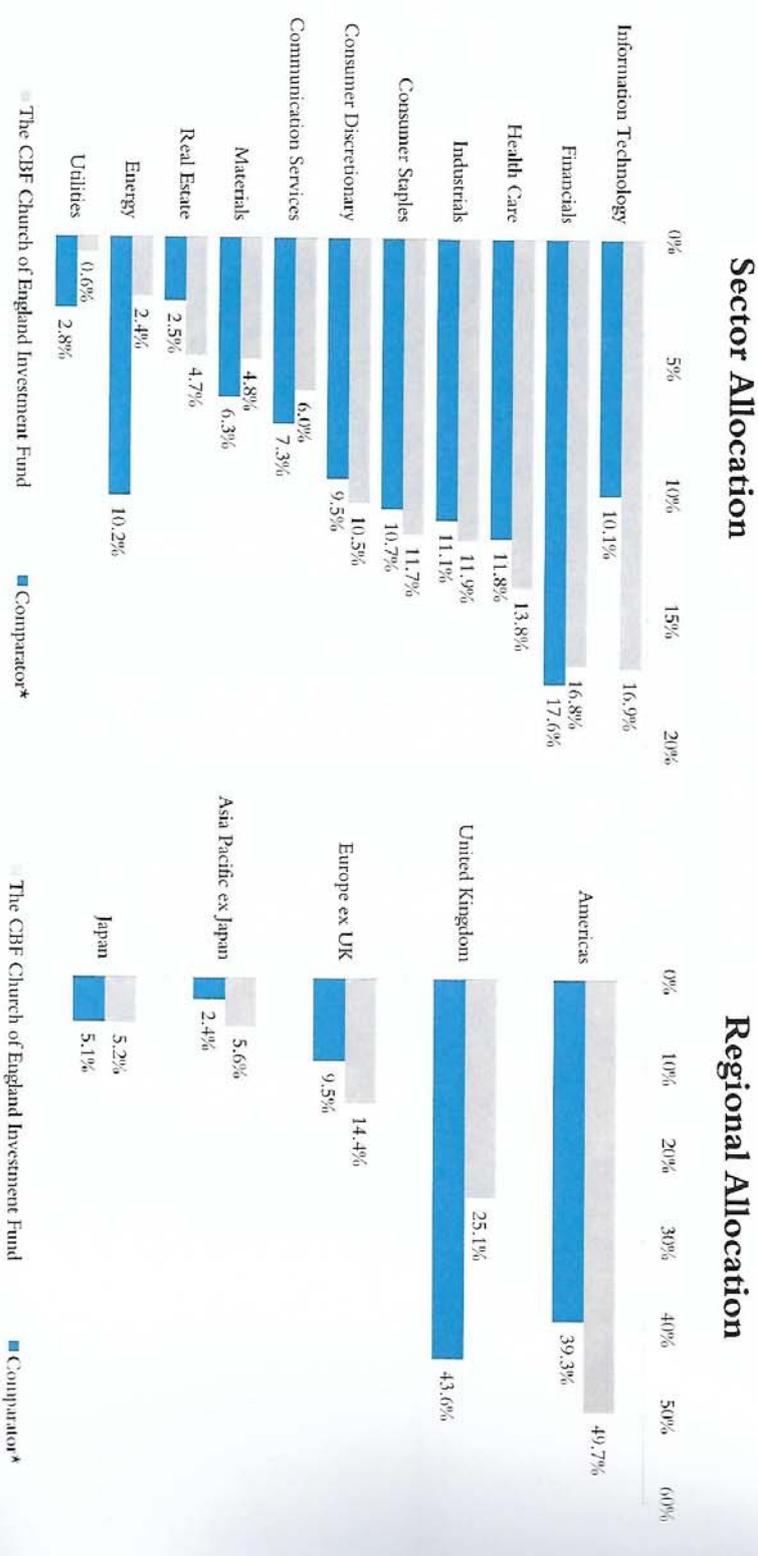
Source: CCLA as at 30 September 2018

*Based upon mid-market price as at 30 September 2018 and a projected annual distribution of 54.89p per unit.

Asset allocation is subject to change.

Appendix B

THE CBF CHURCH OF ENGLAND INVESTMENT FUND – EQUITY POSITIONING



Source: CCLA as at 30 September 2018
 *Comparator – Equity Composite: MSCI World ex UK Index, 60%; MSCI UK Investable Market Index, 40%
 Sector and regional allocation is subject to change.

ECONOMIC AND MARKET OUTLOOK

- Global economic growth positive: some slowing, but little evidence of impending recession
- Trump reforms boosting profits – still rising strongly
- Monetary policy
 - policy becoming tighter, which will impact markets
 - inflation low so far, despite tighter labour market
 - debt levels high, esp. in Emerging Markets
- Geopolitics
 - persistent uncertainty
 - protectionism unhelpful
- Markets
 - high valuations may dampen forward returns
 - investors optimistic so scope for disappointment
- Portfolio focussed on quality stocks with sustainable growth