Summary of Finance & Support Services Committee Meeting - March 2014

Christine Thomas welcomed Jane Fewkes, Property & Facilities Manager and Barbara Bridges, President Elect, to their first meeting.

Pension Reforms - The Federation had previously made a decision to provide a pension to all staff ahead of their staging date. Work is progressing to provide a suitable pension scheme, but it has proved to be quite a complex process, therefore it was agreed to allow more time. The sub-group's recommendations would be considered at the October F&SS Committee meeting.

Southam Church and Community Project Ltd - Terms have now been agreed by the Southam Community Centre Project.

CF Website and Social Networking Policy - The Committee were encouraged by the continuing use of the Federation's webpages and looked forward to the development of the separate website to help churches gain confidence to develop their own website and social media presence, which launches in March 2014.

Terms of Reference - Draft Terms of Reference for the F&SS Committee and the Investment Trust and Trading Board were discussed and amendments made.

Investment Trust and Trading Board

The Committee reviewed the Board minutes of November 2013 & February 2014 and considered the recommendations and referrals, appertaining to The Congregational Federation and The Congregational Federation Limited.

Memorial Hall Pool - It was agreed that it was no longer an operational requirement to hold a separate Memorial Hall Pool and that the Memorial Hall Pool should be merged with the Expendable Pool. The remaining pools, Permanent & Expendable, would continue to hold the equity holding and the fixed interest in a 21/75 fixed interest/equities split.

Property Repairs - The Committee agreed to carry out necessary repairs, renovations and improvements to a number of properties, including Cefn Vaynor, The Community House3, Student Accommodation and Heaton Park.

Finance Report – Gary Baker Financial Controller

During 2013 £761k was received into the Closed Church Fund from net receipts. There was £543k in unrealised investment gains.

The operating deficit from normal charitable activities was £219k; this included a legacy payment from the estate of Rita Constance French of £200k which had been designated to the Youth & Children's section for the purchase and provision of a Community House. There is a trading deficit of £17k and £294k deficit on the other and restricted funds, excluding the Closed Church receipts.

The Federation continues to enjoy at this time a privileged financial position, with the total assets continuing to increase. It is envisaged that our total asset base is perhaps coming to a peak. We have set aside significant funding amounts from Closed Church Funds towards additional programme areas over the next 4 years, some sooner than that.

This results in significant budget deficits for these years being set. It is therefore vitally important to understand that these levels of budget deficits are not sustainable long term.

The Closed Church Fund is precious and careful consideration needs to be given at a strategic level to identify how much might be available once the funding for each of these current programmes is deducted.

This should include identifying from the various Federation Committees their hopes and aspirations for the next round of funding considerations alongside Council's own desires and aspirations. We should also take into account any investment gains to both our money market ones and our property ones.

Financial Summary

The operating deficits from Charitable and Trading Activities will be about £428k in 2014 and £541k for 2015.

This will be partly made up from the five year programmes; £90k pa from CMC-LDG; £70k from CMC – Y & C along with funding for Congregational Distinctive and HR support and Website of almost £50k and there is a depreciation charge element of £106k pa.

The remaining £250k of the deficit represents around 2.5% to 3.5% of the corresponding total assets which could be covered by a corresponding increase in the investments.

As we have seen from 2013, our income received is only part of the whole picture and so it is right that we also take into account potential capital appreciation on both market investments and in property investments.