

## **Finance & Support Services Committee Meeting - 17th April 2021**

### **Held on Zoom.**

<b>Present</b>	<b>Representing</b>	<b>Participant Observers</b>	
Peter Butler	Chair	Mark Tucker	Operations Manager & Company Secretary
Gerry Simonis	CF in Scotland		Financial Controller
Sue McFarlane	CF in Wales	Gary Baker	Property Manager/Finance Officer
Michael Hockaday	East Midlands	Philip Stainer	General Secretary
Susan Austin	North East	Yvonne Campbell	
Tim Bateman	North West Midlands		
Jennie Blake	South East	<b>Apologies</b>	
Nicola White	South West	Sonia James	CF in Wales
Barbara Bridges	South West Midlands	Janet Wootton	President

### **1. Welcome (Paper A)**

The welcome was given by the Chair, Peter Butler.

### **2. Opening Devotion**

Devotions were led by Chair, Peter Butler, including a reading from Isaiah.

### **3. Apologies**

Apologies were noted and are recorded above.

### **4. Declarations of Interest**

Peter Butler declared an interest as CFL Director and in COI at Greenacres, Oldham.  
Barbara Bridges and Sue Austin declared an interest as Trustee of Memorial Hall.  
All declared interest in Area Funds.

### **5. Minutes of Previous Meeting – 10<sup>th</sup> October 2020 (Paper B)**

The minutes were agreed by the Committee and signed by the Chair as a correct record.

### **6. Matters Arising not elsewhere on the Agenda**

There were no matters arising.\_

### **7. Investment Trust & Trading Board Peter Butler**

#### **a. Minutes of meeting – 20<sup>th</sup> November 2020 & 17<sup>th</sup> Mar 2021 (Paper C, C1)**

The sale of Heaton Park has now gone through.

**Paper C1 – point 2 - correction. Should read NW Area.**

The total returns include assets, returns on capital and income and therefore a deceptive figure. The timing of property sales will be important for cash flow.

Trading losses this year are due to the pandemic, less student accommodation occupation, and no rental from the Conference Centre.

ITTB have been sent the Draft revised HRM policy and asked for comments and recommendations. It was noted that both the CWM and Memorial Hall swapped to Ethical investments and this had not been detrimental.

A working party looking into reviewing the CF Ethical Investments is taking place in May 2021.

The Committee accepted these minutes with the above correction.

## 8. CF Accounts 2020, Budgets/Forecasts 2021 & 2020 (Paper D, D1,D2,D3, D4)

The year 2020 will always be remembered as pandemic year and where many organisations were affected, some closing for good. From a financial perspective, I am pleased to report that CF has managed to weather the year extremely well. Staff were able to work from home for the most part and a lot of CF activities, including committee meetings went online.

Income held up quite well, however there was some reduction in investment income and trading income. Expenditure fell considerably and by much more than the fall to income. The capital investment recovered a lot of the initial fall and reported a modest loss of 5% in valuation by the year end. A Closed Church receipt came in towards the end of the year as well as significant grants, mainly from local and national authorities as a result of Covid including several grants from CWM.

Total deficits for the year came to £633,530 and this was comprised as follows:

Operations	Forecast 2020	Budget 2020	Actuals 2020
Core	(288,230)	(374,726)	(213,871)
Additional	(83,050)	(114,742)	(52,937)
PPF	275	275	133,624
<b>Sub Total</b>	<b>(371,005)</b>	<b>(489,193)</b>	<b>(133,184)</b>
Gains/(Losses)	0	0	(500,346)
<b>Total</b>	<b>(371,005)</b>	<b>(489,193)</b>	<b>(633,530)</b>

The Financial Controller invited questions and comments from the committee.

NW Midlands rep. asked why the figure for non-current property assets on D2 hasn't changed. They were informed that there has been no significant change; taking all properties into account the charities properties are all valued at cost and won't change, investment properties are valued at market value which is a best estimate as they can only be valued when actually sold. The Auditors are happy for the properties to not be depreciated and they are never overvalued.

### 2021 Forecast

The Core deficit is forecast at (£336,025), Additional Operations at (£162,283) but when including Closed church receipts and realised gains on the sale of Heaton Park a total surplus for the year is expected of £61,792. There is still significant levels of historic depreciation included within that.

Some expenditure relating to Heaton Park is also included before the sale and No 4 Castle Gate remains empty.

## **2022 Budget**

These have been prepared on the basis of a more normal year. Depreciation levels are now starting to fall, as predicted, where £60k has been provided. The Core operations have a budget deficit of £375k and this includes the depreciation and with No 4 still empty. Adjusting for these items would leave a deficit of around £265k and CF have operated at these levels now for quite a number of years. During the “for such a time as this” deficit levels were much higher but these were being financed from very large capital receipts.

It was noted that Paper D4 was again a clean audit.

Thanks were expressed from the Committee to the Financial Controller and Team.

Papers D, D1, D2, D3 were all accepted and recommended to Council, including **the 2020 accounts, 2021 forecasts, 2022 budgets and the annual audited annual accounts.**

**Agreed: Unanimous**

**Action: Chair of FSSC to take to Council.**

**Timescale: April 2021**

## **9. CF Assembly Report.**

**(Paper E)**

Chair of Committee asked for comments from the committee reporting that the film has already been produced and forwarded to the Website and Social Media Officer.

Clarification on what is PPF was requested (Protected Program Fund).

## **Recommendations**

**That Council of the Federation approves the following:**

- 1. Accounts for the year end 31 December 2020.**
- 2. Budget for 2022.**
- 3. Re-appointment of UHY Hacker Young as the Federation’s auditors.**
- 4. Affiliation fees for 2022 will be £160.00 per church and £8.50 per member.**
- 5. Personal Membership/Associate for 2022 will be £42.00.**

## **10. Finance Strategy and Operating Deficit**

**(Paper F)**

Financial Controller reported that Finance and Strategy will be on the Council forthcoming agenda. The report is a 3-year strategy including Key Performance Indicators with annual review.

All indicators show a solid and robust financial position.

## **Recommendation:**

**FSSC unanimously recommends to Council the following Finance strategy from 2021:**

**To continue to operate at the same levels of operations and budget deficits for the next three years whilst monitoring annually the KPI’s remain within acceptable levels. That the level of operations be reassessed towards the end of this three-year period.**

**Paper F to also be shared with Council.**

**11. Terms of Reference Review**

**Action:**

**General Secretary to arrange a meeting to review the terms of reference after Assembly (8 May 2021).**

**12. CFL – Accounts**

- a. Statutory 2020 Accounts (Paper G)**

**Agreed: Unanimous**

**Action: Chair of FSSC to take to CFL Directors.**

**Timescale: 24 April 2021**

- b. CFL – Closed Church Distributions (Paper G2)**

The Finance & Support Services Committee to note the transfers made to the Congregational Federation during **2020**.

	£
<b>Interim Distribution</b> of Ipswich St Clements Manse Fund	148,000

**The Committee Agreed the above transfers.**

- c. John Dorsett Accounts 2020 (Paper G3)**

The Committee accepted report **(Paper G3)**.

- d. CUC Accounts 2020 (Paper G4)**

The Committee accepted report **(Paper G4)**.

**13. CF Area Grants (England & Wales) (Paper H)**

The Financial Controller asked all Area Reps. to check the status of their Area funds and get grants out to the churches when required. The next quarter statements will be available to Area Treasurers in the next couple of weeks.

NW Midlands Area raised the fund at their last meeting and currently have 1 grant for training in progress.

NW Area also have something going through that will reduce their area fund.

All Areas are expected to receive requests when buildings begin to open again.

**14. New church application to join CF from Law CC (Paper I)**

This is a church plant from Esk CC, there was much discussion from the committee, the consensus being that more information is required before a decision can be made.

**Recommendations:**

- **Council to reply to the request following the meeting 25<sup>th</sup> April 2021**
- **More detailed guidelines be produced for the application form and process.**
- **Progress with caution to encourage not deter.**

**Agreed: *Unanimous***

**Action: *Chair of FSSC to take to Council.***

**Timescale: *April 2021***

**15. Memorial Hall Report**

**(Paper J)**

Margaret Morris retired as a CF representative. Sue Austin was welcomed in her place to join Chris Damp (chair of the Trust) and Barbara Bridges.  
The Library is currently closed whilst work is completed, all books are stored offsite. The website has been launched to enable quicker searching.  
There will be an exhibition of Portraits in September 2021.

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|----------------------------------|---|
| <b>16. Date of next meetings</b> | <b>2021</b> 2 October (FSSC)            |
|                                  | <b>2021</b> 1 October (Area Treasurers) |

**17. Closing Prayer – the meeting in the sharing of the grace.**

Signed: .....

Dated: .....