

Meeting of:	Welsh Church Act Estate Committee
Date of Meeting:	Monday, 20 January 2025
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Professional Support Costs Welsh Church Acts
Purpose of Report:	To consider the proposal by the Vale of Glamorgan Council to charge the Welsh Church Act Estate for the cost of staff time to support the administration of the Charity.
Report Owner:	Tom Bowring, Director of Resources
Responsible Officer:	Matt Bowmer Head of Finance/ Section 151 officer
Elected Member and Officer Consultation:	Not applicable
Policy Framework:	Not applicable
Executive Summary:	<ul style="list-style-type: none"> • A saving has been identified by the Vale of Glamorgan Council as part of the 2024/25 budget in respect of charging the cost of staff support by officers of the Council to the Charity. • The charges are based on an hourly rate of direct staff costs (including on costs) for Property and Accountancy staff and the standard consolidated rate for legal staff that includes research time etc. • The Charity SORP makes provision for these types of charges as set out in the report • Whilst the original saving sum outlined was approximately £10k it is felt that a sum of £5k is more appropriate based on the time allocations set out in the report.

Recommendation

1. That Committee considers and approves the proposed 2024/25 charges and indicative 2025/26 charges set out in this report.

Reason for Recommendation

1. To ensure the support provided to Welsh Church Act Trust is sustainable and the Council is appropriately reimbursed.

1. Background

- 1.1 The Welsh Church Act Estate Committee has delegated authority to manage the Trust's affairs in accordance with "The Scheme" the Welsh Church Act Estate as vested in the Council.
- 1.2 Support for the operation of the Welsh Church Act Trust is provided directly by the Legal and Democratic, Finance and Property Services. This report includes costs for Legal, Finance and Property Services but excludes a recharge for democratic costs. This only includes direct costs to keep charges to the Trust to a minimum and ensure that grant making is maintained in accordance with the objectives of the Welsh Church Act Trust.
- 1.3 The Charity SORP makes provision for these costs under Governance Costs as follows.
- 1.4 Governance costs are the costs associated with the governance arrangements of the charity. These costs will normally include internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements, for example the cost of Trustee meetings and preparing statutory accounts. Included within governance costs are any costs associated with the strategic as opposed to day to day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees and the cost of any administrative support provided to the trustee.
- 1.5 A desktop review of the other Welsh Church Act Accounts has highlighted that these charges are charged to other Welsh Church Act Charity Accounts, for instance, Monmouthshire states that management and administration costs include expenditure on administration of the Charity and, an appropriate apportionment of overheads based upon a time allocation. The Welsh Church Act Accounts administered by RCT also states that the allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

2. Key Issues for Consideration

- 2.1 The time spent supporting the Welsh Church Act Estate has been estimated as follows.

Finance – Total Time (37 hours per annum)

Senior Accountancy Assistant

Time Spent Administering Grant Applications 5 hrs per report

Time Spent Reconciling Grants at Year End 3.5 hrs per annum

Time Spent Quality Assurance on Accounts 3.5 hrs a day per annum

Operational Manager Accountancy

Time Spent Preparing Accounts 7.4 hours per annum

Time Spent attending and preparing for Committee 11 hours per annum.

Time spent liaising with external audit 5 hours per annum

Property – Time spent estimated at 37 hours

Property Estates Team - Time spend estimated 12 hours

Support involves grazing licences, tenders and adverts, Completion of Heads of Terms, Licence Review, Completion of Asset Management system updates and maintenance of data, response to ownership queries.

Operational Manager Property-Time spent estimated at 25 hours

Attendance at Committee meetings, agenda conferences, response to emails, attendance at meetings, preparation of reports and updates, contribution towards asset valuation process.

Legal – Time spent estimated at 27.5 hours

This includes time spent in relation to meetings, agenda conferences, preparation and then additional time on preparing/checking reports and ongoing work on specific asset and legal queries.

- 2.2 Having considered these levels of effort for 2024/25 the following indicative costs have been calculated based on 1,620 hours for non-legal staff and 1,000 hours for the legal team.

Indicative Costs 2024/25 and 2025/26

	Support 2024/25	Indicative Sum 2025/26
	£	£
Finance Accounts and Other	1,010	1,079
Finance Grants Administration	697	732
Property	1,316	1,376
Property - Estates	400	420
Legal	1,898	1,988
Total	5,322	5,596

- 2.3 This sum could be funded from the surplus set out on the applications for financial assistance tranche 3 also included on this agenda and the reduced surplus in year would be (£18,020- £5,322) £12,698.
- 2.4 The indicative costs for 2025/26 reflect an assumed pay award of 3%.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The Trust's actions need to comply with Charity Law and its decisions are independent of the Council's obligations under the Well-Being of Future Generations Act.

4. Resources and Legal Considerations

Financial

- 4.1** As set out in the body of this report.

Employment

- 4.2** There are no direct employment implications arising from this report.

Legal (Including Equalities)

- 4.3** There are no direct legal implications arising from this report.

5. Background Papers