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Future of the Investment Committee Resources Committee

Basic Information

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Action required	Note
Draft resolution(s)	Resolution 29 General Assembly determines that following the buyout of the Ministers' Pension Scheme, a different style of committee is required and that the URC Investment Committee (URCIC) will cease to exist. Resolution 30 General Assembly determines that a new Investment Committee will be created as a sub-committee of Resources Committee, reporting to the URC Trust. Resolution 31 General Assembly approves the Terms of Reference for this new subcommittee.

Summary of Content

Subject and aim(s)	To create a differently configured Investment Committee following buyout of the Ministers' Pension Scheme which meets the changed investment requirements.
Main points	The buyout of the Ministers' Pension Scheme changes the context of the current Investment Committee. As such a new approach is required from the buyout of the Ministers' Pension Scheme. The proposal contained in this paper has been drawn up in consultation with URC Trust.
Previous relevant documents	
Consultation has taken place with...	URC Trust

Summary of Impact

Financial	There is no cost to the associated resolutions but having appropriate investment expertise is vital to ensure appropriate management of the financial assets.
External (e.g. ecumenical)	N/A

1. Background

- 1.1 The URC Investment Committee (URCIC) has played a vital and significant role in ensuring the performance of investments on behalf of the URC Trust but also the

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- substantial portfolio which underpinned the Ministers' Pension Fund.
- 1.2 Once the Ministers' Pension fund moves to buyout, the basis of and level of need changes, which directly impacts URCIC, which currently relates to the Ministers' Pension Trust board and the URC Trust board. Following buyout of the Ministers' Pension Scheme, investment support will relate to the investments of the URC Trust only.
- 2. Proposed Way Forward**
- 2.1 The Resources Committee has a clear remit on how it supports the URC Trust in exercising their oversight of the finances which the URC Trust manages on behalf of the Church. The investments held by the URC Trust play an important part in the budgeting and financial planning necessary to meet the needs of the Church. As such, there does need to be a specialist group to continue to work to ensure the effective management of the investment portfolio.
- 2.2 The size of the portfolio as compared to that currently in the remit of URCIC is much smaller as a consequence of the pension buyout. This therefore changes the nature and operation of any future investment committee.
- 2.3 To ensure an effective relationship between operational finance matters, the working of the Resources Committee and the oversight of the URC Trust, it is proposed that a new investment committee is established which is a subcommittee of Resources Committee, with reporting obligations to the URC Trust.
- 2.4 There would be crossover of membership with members of Resources Committee and the URC Trust, with staff members with financial and overall budget responsibility in attendance.
- 2.5 The proposed terms of reference are provided in Appendix 1 for the approval of General Assembly.

Appendix 1

Investment Committee Terms of Reference

Committee	Investment Committee
Convenor	Appointed by General Assembly
Secretary	TBC from within the staff team
Ex Officio Members	Treasurer or Deputy Treasurer Investment Specialist Director of URC Trust Chair of URC Trust Chief Finance Officer
URC Trust Appointed Members	Three further members with investment knowledge and experience
Length of Term	Initial term of four years, which may be extended by up to two years.
In Attendance when required (to cover their areas of expertise)	Chief Operating Officer Other members of the Finance or People and Benefits teams.
Minute Secretary	TBC from within the staff team

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Meeting Frequency	Minimum twice per annum but up to four times per annum.
Connected Boards and Committees	Investment Committee is a sub-committee of the Resources Committee but reports to the URC Trust also.
Quoracy	Four members, to always include the Treasurer or Deputy Treasurer.
Accountability & Reporting Duties	General Assembly as part of Resources Committee and URC Trust reporting on financial matters in terms of the budget and annual accounts. The Committee will provide an update report to each meeting of the URC Trust. Responsibility for the implementation of policies and decisions of the Investment Committee rests with the CFO.
Terms of Reference Review	At least every four years, in consultation with the Trust. In addition, a full review in consultation with the Trust and the operational team will take place 18 months after its first meeting to ensure its effectiveness.

Responsibilities

The Investment Committee (the Committee) supports the Resources Committee in its financial responsibilities by ensuring the relevant investments are effectively managed. Given the Resources Committee acts under the authority of the URC Trust, then so too does this Committee.

The Investment Committee will ensure that:

- an appropriate investment strategy is in place to meet with financial needs of the URC, based on the recommendations and requirements of Resources Committee and the URC Trust
- appropriate investment policies are in place meeting the requirements of the Trust and that they are, as far as possible, in keeping with the ethical standards set by General Assembly
- performance of the investments is monitored throughout the year and recommendations are made to Resources Committee and the URC Trust based on said performance.

The Investment Committee will be the main point of contact with the current investment managers and the committee will:

- meet the managers as necessary in order to meet the Committees responsibilities
- tender for new investment managers if the need arises

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- monitor the performance of the investment managers, raising any issues with the URC Trust and Resources Committee.

The Investment Committee may be able to support synods in relation to their investments, but the Committee cannot give Regulated Financial Advice.

Risk Management

The Committee will review the Risk Register as it relates to its key responsibilities at least once per year but will add additional risks as and when they arise.

Conducting Business

Additional meetings can be scheduled, with reasonable notice, if business requires it. Decisions can be taken via email with the same rules of quoracy applying. Such decisions will be recorded by the CFO and noted at the next meeting with updates on progress as needed.

Expertise from outside its membership can be utilised for projects and task groups from beyond its membership instructed to develop specific pieces of work. The Committee has the power to seek external professional advice if it deems it necessary, with reference to the Chief Operating Officer for unbudgeted professional fees.

The Committee has discretion to seek input from the wider staff team as deemed necessary.