

BISHOP'S DIOCESAN COUNCIL

comprising

**The Bishop's Council and Standing Committee
The Executive of the Exeter Diocesan Board of Finance Ltd.
The Diocesan Mission and Pastoral Committee**

**Draft minutes of the meeting held at the Old Deanery, Exeter
on Saturday 2nd December 2023 at 10:00**

Introductory worship

The Acting Bishop of Exeter in the Chair

I. Apologies and Notices

Apologies were received from the Revd. Ed Hobbs, Dr. Lystra Hagley-Dickinson, the Revd. Preb Samantha Stayte and the Revd. Canon Mike Williams

- Members were informed of the resignation of Mr. Julian Payne (Plymouth Archdeaconry) and the associated casual vacancy. The Acting Bishop of Exeter had written to thank Mr. Payne for his many years of faithful service on the Council, Diocesan Synod and many other boards and committees and the Council also agreed formally to record its thanks in the same terms.
- Members were informed that a request had been received for the deemed Report of the DBF Standing Committee to be brought on to the main agenda for discussion.
- Consideration was being given to activating the contingency date for Diocesan Synod on 15th June 2024 in order to provide the Synod with an opportunity to have formative and extensive input into the 2025 budget (for approval at the Synod's October meeting). It was noted that this would require some adjustments to the normal timetable for the drafting of the budget, and some additional work on the part of the Director of Finance, but that on this occasion given the emerging challenges, it would be an appropriate use of time and resources. On the basis of a straw poll, members informally expressed their support for the proposed additional meeting.

2. Declaration of any actual or potential conflict of interest arising from the agenda or accompanying papers.

The following members noted their involvement in parishes and benefices featuring within the business of the meeting: Mrs Laura Ford (the Netherexe benefice), the Revd. Preb. Rosie Austin (the parish of East Down with Arlington) and Mr. Nigel Price (the parish of Abbotsham).

3. To approve the minutes of the meeting held on 12th September 2023 **Paper BDC/44/23**

The minutes of the meeting held on 12th September 2023 were approved without amendment.

4. To receive verbal update relating to 'Living in Love and Faith'

The Right Revd. Jackie Searle, Acting Bishop of Exeter, reminded members of the substantial history that lay behind 'Living in Love and Faith' and recent debates and decisions at meetings of the General Synod. As a result, the 'Prayers of Love and Faith' would be commended by the House of Bishops before the end of the year, to be used locally in accordance with the Pastoral Guidance. The approval of stand-alone services would be subject to a formal process under Canon B2, including a period of consultation with dioceses. It was expected that this might take around 18 months, potentially starting in February 2024. There was the possibility of stand-alone services being trialled before the completion of the approval process but again any such trial would not commence immediately.

The position adopted in this Diocese was that the decisions made by individual clergy and licensed lay ministers in respect of the use of the 'Prayers of Love and Faith' would be supported. Consideration would be given in due course as to how to manage a process of consultation and in the meantime opportunities were being taken to communicate information and affirmation as appropriate.

In discussion members raised a number of practical concerns about the legal and financial implications of the decisions that had been made and also those issues that were still to be decided. It was suggested that some parishes might appreciate some communications support, particularly when it came to explaining their position in respect of the provision of the 'Prayers of Love and Faith'. In terms of the timetable it was noted that the General Synod still had a substantial role to play and it was thought that the process will have been completed before the end of the quinquennium in 2026.

The Chair of the Diocesan Board of Finance in the chair

5. To note independent financial advice concerning the adoption of Total Return, to approve the application of Total Return accounting to both asset classes of the Diocesan Stipends Capital Fund, to confirm the use of the Consumer Prices Index (CPI) for the purpose of calculating the current value of the Base Investments and to confirm that a maximum of 20% of the Unapplied Total Return Fund will be taken as income to support the Energy Performance Certificates and Net Zero Carbon upgrade works to clergy housing **Paper BDC/45/23**

Mr. Giles Frampton, Chair of the Diocesan Board of Finance, reminded members of their initial discussions and the decisions taken at their previous meeting, which had included agreement in principle to the adoption of Total Return in respect of the Diocesan Stipends Capital Fund, subject to further detailed work and independent advice from the DBF's auditors, Bishop Fleming. He emphasised that the Board was now being given the opportunity, in the light of that advice and further work undertaken, to extend the application of Total Return to the DSCF and glebe property. This would lead to the release from the endowment of a proportion of the super-profits (ie in excess of inflation) that had accrued in the last 20 years, for expenditure under the terms of the Fund. Mr. Frampton directed members' attention to the Auditors' report and noted that their assessment was broadly supportive, with some matters of detail still to be determined.

There were a number of recommendations for decision and these were set out in detail in the supporting paper. It was noted that once the approach had been adopted, it would be possible for some elements of it to be reviewed and its application amended over time in the light of circumstances as they developed.

In discussion members sought clarification about the implications of deciding to take different levels of the Unapplied Total Return as income, particularly in respect of risk and

intergenerational equity. It was noted that it would be possible to return to this question and adjust the percentage of the UTR taken as income on a future occasion, should this be felt to be appropriate. Clarification was also sought concerning the selection of the base date for the calculation and why 1st January 2001 was thought to be more appropriate than, for example, ten years earlier or later. It was noted that in part the decision had been based on the quality of data available and also on the position of the base date relative to the macroeconomic cycle.

Consideration was given to the main inflation indexes that could be used to calculate the current value of the base investments. It was noted that over the long term there was relatively little difference between CPI and CPIH, with in this case the use of CPI resulting in a marginally more conservative approach. It was also noted that RPI was falling out of favour in the compilation of government statistics and policy development and would be phased out by 2030. It was therefore not generally recommended for use unless there were specific reasons for doing so.

In terms of the purposes to which the funding was to be put, it was noted that there were a range of possibilities within the terms of the Fund. Members had previously indicated that their intention was to prioritise one particular area (the improvement of the energy performance of clergy housing, in the context of the achievement of net zero carbon by 2030) at this point; it was noted once again that this decision could be reviewed in future and some or all of income available at that point attributed to other qualifying activity (such as meeting some part of the deficits caused by the pandemic through the payment of stipends).

Mr. Frampton then directed members' attention to paragraph 2.2 of the advice provided by Bishop Fleming concerning the responsibilities and duties of trustees (as set out in the Charities Act 2011). He noted that these were relevant for all trustee business but that it was appropriate to have them explicitly stated before deciding on the recommendations as set out in the paper.

Members were then asked to consider the recommendations in turn and voted to:

- (1) approve the application of Total Return accounting to both asset classes of the Diocesan Stipends Capital Fund, as identified in Table 1 of the paper;
- (2) agree that the valuation date to be used will be 1 January 2001;
- (3) note that the Base Investments value at 1 January 2001 is £12,684,171;
- (4) confirm the use of the Consumer Prices Index (CPI) for the Diocesan Stipends Capital Fund (investments) (A) for the purpose of calculating the current value of the Base Investments;
- (5) confirm the use of the Consumer Prices Index (CPI) for the Glebe Property (Investment Property) (B) for the purpose of calculating the current value of the Base Investments;
- (6) confirm that a maximum of 20% of the Unapplied Total Return Fund will be taken as income to support the EPC/NZC upgrade works to clergy housing; and
- (7) note the financial advice received from Bishop Fleming, as attached at Appendix B of the paper.

The Acting Bishop of Exeter in the chair

6. To receive an update on the Parish Giving Scheme and the implementation of the Diocesan Giving Strategy

Paper BDC/46/23

Mrs. Brigit Kiyaga, the Diocesan Mission Resources Adviser, introduced the report and provided additional information about the Digital Giving roll out in particular as an example of a tool that made the process of giving more accessible and straightforward for some people. The roll out had included an application process, an evaluation (of whether a digital giving device would be effective and, if so, which one would be most suitable for the particular context), training, installation and technical support. Weekly reports were being received from the national giving team as to how much the devices are being used. It was noted that payment was sometimes subject to delay, which meant that the use of the devices during services needed to allow sufficient time for the operation to be completed.

Mrs. Kiyaga also highlighted work that had been undertaken on a new explanatory booklet on the Common Fund and also the partnership working with the Church Grants organisation, which was proving a helpful addition to the resources being made available to parishes.

In discussion members expressed their thanks and appreciation for all of the work that had been done to launch the digital giving platforms and also to support parishes in their operation once they had been installed. Examples of good practice and encouraging stories were shared from around the Diocese. One minor concern was that the use of the QR codes in this context was subject to a small administration charge (although this was not thought to be the case in other contexts), which might merit further investigation. The on-going and growing value of the Parish Giving Scheme was also commended.

7. To approve revised Terms of Reference for the Environment Working Group

Paper BDC/47/23

Dr. Ed Moffatt, the Assistant Diocesan Secretary, reminded members of Council's previous consideration of the Terms of Reference of the Environment Working Group (EWG) and noted that circumstances were continuing to develop quickly. The current, interim, terms of reference were thought to need strengthening, given the Group's expanding range of responsibilities, not least those relating to decisions taken by the Diocesan Synod (principally around Net Zero Carbon) during 2023.

In discussion it was noted that the synodical representatives would need to be able to demonstrate relevant expertise and experience and that accordingly a selection mechanism involving the submission of expressions of interest might be preferable to an election. Minor textual amendments (relating to the quorum of the working group and the arrangements and timing of future reviews of the terms of reference) were also requested.

The proposed Terms of Reference for the EWG were approved, subject to the Group agreeing the minor amendments as requested.

8. To approve a scheme of amendment to the 'Model Rules for PCCs' in respect of the Conventional District of Cranbrook

Paper BDC/48/23

The Ven. Andrew Beane, Archdeacon of Exeter, introduced the proposed scheme of amendment to the 'Model Rules for PCCs' (as set out in Part 9 of the Church Representation Rules) which had the purpose of giving the governance arrangements for the newly approved Conventional District of Cranbrook an ecumenical character. This was the first such scheme of amendment to come forward for approval in the Diocese and was the fruit of a great deal of preparatory work, including an ecumenical partnership in and for the new town of more than 10 years' standing. The partnership that supported the project (comprising the regional

representative bodies for the United Reformed Church, the Methodist Church and the Church of England) had provided the funding to resource the work and the project had now reached a point whereby a clear, local and ecumenical governance arrangement was needed.

In discussion it was noted that a legal agreement was in place between the partner denominations that regulated other aspects of its life and that work on the ground was progressing well. In due course, a suitable arrangement would be agreed for the local church to start making financial contributions along the lines of the Common Fund, although the precise arrangement would need to recognise that all three of the partner denominations had made significant investments into the project. It was also noted that some members of the PCC would always be among those with an Anglican denominational identity since the lay representatives to the deanery synod would have to be drawn from those on the parochial electoral roll. Finally, it was noted that one possible destination for the Conventional District in the long term would be a fully-fledged parish but that it would remain essential under all circumstances to retain the founding ecumenical character of the local church, including in its governance arrangements.

The scheme of amendment to the 'Model Rules for PCCs' in respect of the Conventional District of Cranbrook was approved.

9. To approve a Joint Council scheme for the parishes of Brampford Speke, Newton Saint Cyres, Rewe with Nether Exe, Stoke Canon with Huxham, Thorverton and Upton Pyne in the Netherexe benefice **Paper BDC/49/23**

The Ven. Andrew Beane, Archdeacon of Exeter, introduced the proposed full transfer joint council scheme, noting that the proposals had emerged from the local context in the hope of bringing about significant simplification. The scheme was the most comprehensive joint council scheme for a large multi-parish benefice yet in the Diocese and had required a great deal of officer support, as well as a positive approach by the parishes concerned; support would continue to be provided to implement the scheme and in particular to resolve some of the remaining practical issues to do with finances.

In discussion members expressed their support for the scheme and their hope that it could potentially act as a model for other multi-parish benefices.

The Joint Council scheme for the parishes of Brampford Speke, Newton Saint Cyres, Rewe with Nether Exe, Stoke Canon with Huxham, Thorverton and Upton Pyne in the Netherexe benefice was approved.

10. To consult the Diocesan Mission and Pastoral Committee concerning the nomination of a member to the Church Buildings Strategy Committee **Paper BDC/50/23**

Mrs. Laura Ford, Chair of the Church Buildings Strategy Committee explained that there was a vacancy on the Committee for a member nominated by the Diocesan Bishop. In accordance with the Committee's constitution, such a nomination was to be preceded by a consultation between the nominating Bishop and the Diocesan Mission and Pastoral Committee. The Acting Bishop of Exeter therefore wished to consult the DMPC on the potential nomination to the CBSC of Mr. Andrew McSmythurs.

Mrs. Ford noted that the independent members of the Committee had an important role to play, bringing their own relevant expertise and experience in the field, but also providing

external scrutiny and accountability to the work of officers and to the decision-making of ex officio members with established diocesan positions and perspectives.

In the absence of any discussion, it was confirmed that the DMPC would support the proposed nomination.

11. To receive a report from the DBF Standing Committee **Paper BDC/54/23**

Mrs. Anne Foreman had requested that the deemed report from the DBF Standing Committee be discussed. She noted that paragraph 3.14 of the paper suggested a potential way of ensuring the presence of priests who are female amongst the members of the Vacancy in See Committee (ViSC) elected to the Crown Nominations Commission (CNC), to enable a fair representation of the diocese. However, the relevant regulations (which were subject to General Synod approval in 2022) did not allow for the introduction of an additional constraint into the electoral process. It was noted that the regulations could only be changed in General Synod and to start that process would require a motion from the Diocesan Synod.

In discussion it was noted that the voting for the diocesan representatives to the CNC had been carried out according to the required process and with prayer. It was also noted that the CNC itself had considered whether to co-opt a female clergy member from the Diocese and had decided against this. It was observed that two of the six nationally elected representatives to the CNC (from the General Synod) are female members of the clergy, although the imbalance on the CNC overall was also recognised. It was further noted that concerns about the process regarding the membership of the ViSC, the election of the CNC members and the overall process of appointing diocesan bishops, is a national church matter. Locally, a commitment to diversity and equality, communication about the process, encouragement of a variety of people to stand for elections, and the willingness of individuals to put themselves forward, are matters for further thought.

Deemed Items

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| 12. To receive an update on Common Fund received for the year to date | Paper BDC/51/23 |
| 13. DMPC Secretary's report | Paper BDC/52/23 |
| 14. To receive a report from the Assets Group | Paper BDC/53/23 |
| 15. To receive an update on operational reporting | Paper BDC/55/23 |