

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 Tuesday 21st May 2024 at 18.00**

Introductory worship

The Acting Bishop of Exeter in the Chair

I. Apologies and Notices

- Apologies for absence were received from the Bishop of Plymouth, the Archdeacon of Barnstaple, the Archdeacon of Plymouth, the Archdeacon of Totnes, Mrs. Laura Ford and Dr. Lystra Hagley-Dickinson.
- Mr. Ian King, DBF finance consultant, and the Revd. Preb Ian Bussell, Director of Mission and Ministry were welcomed to the meeting for items 6 (Budget strategy) and 10 (Lay training) respectively. It was noted that a request had been received for the deemed item on lay training to be brought on to the main agenda for discussion and it was agreed to take it at item 4.

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

No declarations of actual or potential conflict of interest were made.

3. To approve the minutes of the meeting held on 27th January 2024 **Paper BDC/13/24**

The minutes of the meeting held on 27th January 2024 were approved without amendment.

4. To receive an update on proposals for the delivery of lay training **Paper BDC/20/24**

The Revd. Preb. Ian Bussell, the Diocesan Director of Mission and Ministry, explained the context of the training review that had been carried out by Professor Andrew Village and noted that it had been wide ranging, encompassing the Diocese of Exeter and Truro as well as the primary training institutions in the two dioceses and the services that they provided for clergy and lay training. A significant amount of consultation work had been undertaken to provide evidence for the review. He noted the main recommendations arising and then set out the actions that had followed in this Diocese, including the creation of three small working groups on discrete areas, with oversight provided by the Bishop of Plymouth. The groups had reported and those that related to lay training were informing the proposals that were now being brought forward and implemented. Included in the proposals was a new oversight and delivery

model for the initial training programme 'Foundations in Christian Ministry' (henceforward to be known simply as 'Foundations') as well as the development of training to support a number of commissioned lay roles, to include some that were already well co-ordinated (such as Anna Chaplaincy) and others that existed in mission communities without clear support networks. It was noted that the training for Licensed Lay Ministers (Readers) would still be provided by the South West Ministry Training Course but by making the changes to 'Foundations' it was hoped to increase the number of people coming forward for LLM training.

In discussion, concerns were expressed about the relative lack of lay representation on the working groups and about the lack of connection to existing networks of lay expertise, such as the deanery lay chairs. It was suggested that the paper be revised prior to its circulation to Diocesan Synod, to provide a fuller explanation of the process, and also that further reflection take place on how to increase the involvement of lay members in the development and implementation of the proposals.

5. To receive a report on women in ordained ministry

Paper BDC/14/24

The Revd Preb. Samantha Stayte, Dean of Women in Ministry, introduced the annual report and supporting data analysis. She noted that on this occasion the opportunity had been taken to get some external perspectives on the perception of the Diocese of Exeter in relation to its approach to women in ordained ministry and there had been significant encouragement to be taken from the responses received, particularly in terms of policy development. In particular, there had been praise for the diocesan maternity policy and menopause policy. Statistically, there remained some significant challenges (some of which were specific to Exeter and others more general in nature) but it was recognised that the conditions were in place for increased range and seniority of ordained ministry by women. There were also clear opportunities in the stated ambition to be a leading diocese for the development of rural ministry, where there is already a significant track-record of effective leadership by female clergy.

In discussion, members expressed encouragement for the continuing development of policy to enable the ordained ministry of women in the Diocese. It was noted that there remained a number of barriers, some which might be addressed by changes for everyone (clergy and laity, male and female) that better responded to contemporary challenges, for instance in relation to the modes of delivery of training, or the timing and frequency of meetings. Existing modes of operation might be thought to suit older participants, of whichever status or gender, especially in a societal context when two incomes are needed to support and resource a young family. Plans were being developed for a digital learning hub that would allow for training to be delivered more flexibly and in tune with contemporary demands. Continued and intentional focus would still be needed in some areas, particularly around incumbencies, training incumbencies and leadership of larger urban churches.

6. To receive the annual report of the Diocesan Church Planting and Revitalisation Group

Paper BDC/15/24

In the absence of the Bishop of Plymouth, members were invited to respond to the report.

In the absence of any discussion, the report was received.

7. To consider the 2025 Budget Strategy

Paper BDC/16/24

Mr. Giles Frampton, Chair of the Diocesan Board of Finance, reminded members of the broad financial context including the on-going impact of the pandemic on participation and giving. He noted that although assistance might still be received from the national Church of England, the quantum and timing of any such support was uncertain and, given the lengthy processes needed to implement any pastoral reorganisation that might be required, it was now necessary to plan to take actions internally to address the diocesan budget deficit and to maintain financial sustainability. He also noted that, in response to a concern raised by a member at the Council's last meeting, legal advice had been obtained and circulated in relation to the potential for 'wrongful trading' and the associated responsibilities of Directors. The advice was summarised and, while there was no immediate concern, members were reminded of the on-going need to act in good faith and to be active in monitoring the situation as it developed. It was confirmed that members would be advised if the legal position or the associated evaluation were to change. It was also confirmed that the liquidation of assets to manage a budgetary deficit was a legitimate approach to the situation; however, the situation was dynamic and evidently could not reasonably be pursued as a long-term strategy.

Mr. Neil Williams, the Diocesan Director of Finance, then thanked the members of the Budget Strategy Group and introduced the Budget Strategy. The data informing the key assumptions underpinning the strategy would continue to be revised and updated in preparation for the drafting of the Diocesan Budget for 2025.

Members then spent time in small groups considering the questions set out in the paper, followed by a plenary feedback session. The questions and summary group responses were as follows:

Is BDC content with the proposed assumption of no growth/decline in participant numbers in the period 2025 – 2027?	<i>The groups indicated that the no growth / no decline assumption was arguably at the more optimistic end of the range of likely outcomes. Two groups concluded no growth / no decline was acceptable but some members would be more comfortable assuming -1%pa.</i>
Is it reasonable to assume that the Common Fund collection level will be 96% (or better) in 2025?	<i>96% (or better) was thought to be a relatively optimistic assumption, but not wholly unrealistic and should be retained.</i>
BDC is asked to confirm that it is content with using 3% inflation for 2025 and 2% thereafter?	<i>The groups were content to confirm this assumption.</i>
What is BDC's view on the proposal to increase Common Fund for a three or five-year period at CPI +1%?	<i>Responses ranged from keeping increases in Common Fund request per participant to CPI, to increasing it by CPI plus 1% or even beyond.</i>
What is BDC's view on the proposal to reduce the number of FTE MC stipendiary posts to 150 over the next few years?	<i>The groups recognised with regret the need for an assumption of this kind but expressed the hope that its implementation could be avoided if at all possible. It would be very difficult to achieve (particularly in a strategic and timely manner) and would require some re-imagining of the current model of ministry.</i>
What is BDC's view on extending the vacancy period assumed with each	<i>There was no desire to see the length of vacancies increased intentionally. However, as a pattern had</i>

vacancy in a Mission Community?	<i>emerged of vacancies taking longer to fill, this should be recognised within the relevant budgetary assumption.</i>
What is BDC's view on the level of reduction that should be sought in diocesan-wide and central services?	<i>There was a recognition that a contribution would be necessary, along with a renewed drive to increase income brought in through the work of DBF staff. Planned reductions would be relatively small but the DBF should be alive to any opportunities. Service levels would reduce correspondingly as a result.</i>
What is BDC's view on the proposal to review the previous decision to use 20% of the Unapplied Total Return (UTR) and apply this to support EPC/Net Zero Carbon (NZC) upgrade works to clergy housing? What percentage is BDC comfortable in applying and over what period?	<i>The groups expressed a willingness to see a higher percentage of the UTR applied to support expenditure across the allowable categories (including stipends and housing). This might be as high as 50% if carefully planned and spread over a period of 5 - 10 years. A strong annual reporting regime would be required. The groups emphasised that this was not 'free' money and that the more that was used, the less income would be generated in the future.</i>
What is BDC's view on the allocation of future funds to support the delivery of Net Zero by 2030?	<i>The groups expressed a continuing aspiration concerning the delivery of the 2030 target and frustration at the lack of progress on the delivery of the national funding stream to support this work. In the circumstances, it was felt better to rein back on planned diocesan expenditure on Net Zero until the national picture had become clearer.</i>

In subsequent discussion it was noted that some of the measures identified above (such as the increase in the quantum of funds to be made available under Total Return and the purposes to which those funds were put) would in effect only delay the need for a sustainable solution, potentially reducing income in the longer term and ultimately making the situation more complicated to resolve. In effect, Total Return would buy time to find and implement a solution that would be a combination of structural reform and growth in participation. Requests were made for additional information around cashflow projections, direct communication with church members (for example via a pastoral letter) and for retaining a sense of positivity and hopeful realism, including in respect of the parish system, while grappling with a challenging set of circumstances.

8. To consider the Archbishop's Council's request for a 7% increase in clergy stipends for 2024
Paper BDC/17/24

Mr. Giles Frampton, Chair of the Diocesan Board of Finance, explained the context of Archbishop's Council's request that dioceses revise and increase the level of clergy stipend to be paid in 2024. Obviously, this intervention had occurred after dioceses had set their budgets for the year (in the Diocese of Exeter including a 5% stipends' increase, in line with the then national recommendation) and it was noted that any such in-year change to the budget would require approval by the Diocesan Synod. The issue would only be considered by the Synod if it were proposed to it by the Bishop's Council. In the event that the Council were minded to propose a change, it would also need to decide the level of the increase and whether that would also apply to DBF staff salaries (for which the budget had made provision of an increase of up to 5%). A total of 5 options had been set out in the paper. Finally, Mr. Frampton noted

that even if the recommendation to vary the stipend level in 2024 were not taken up, it could be considered again in the context of the budget setting process for 2025.

In discussion, members expressed concern about the financial pressures experienced by those in receipt of a stipend, particularly if there was no second income to support their household. Recent changes to the operation of the working tax credit system (transferring to the new Universal Credit arrangements) were also having a negative impact on many incomes. It was noted that the same could be said in relation to many members of the DBF's employed staff and lay people more generally. Concerns were expressed about the timing of the intervention from the Archbishop's Council and about the resulting potential disparities between dioceses that could result; it was noted dioceses were responding in a range of different ways. It was also noted that the budget setting process for 2025 was already underway and that the issue could be dealt with in a timely fashion as part of that process.

Mr. Frampton then asked members for their preferred option from the range set out in the paper. The most popular option of the 5 (supported by a majority of members expressing a preference) was that of retaining the existing, budgeted stipend increase for 2024. As a result, the Diocesan Budget would not be subject to variation and there would be no need for further consideration by the Diocesan Synod. It would, however, be important to consider how best to communicate the decision to the Synod, which was aware of the matter at hand, and to clergy in the Diocese more generally.

9. To agree items for inclusion of the agenda of the next meeting of the Diocesan Synod

Mr. Stephen Hancock, the Diocesan Secretary, proposed the following items for inclusion on the agenda of Diocesan Synod at its next meeting on 15th June 2024:

- Minutes of the meeting of 16th March 2024
- Presidential address
- To consider the 2025 Budget Strategy
- To receive an update on lay training and the authorisation of lay ministries
- To receive a report on women in ordained ministry
- Questions

The proposed agenda items were agreed.

Deemed Items

10. To receive reports from the Archidiaconal Mission and Pastoral Committees **Paper BDC/18/24**
11. To receive a report from the Assets Group **Paper BDC/19/24**
12. To receive a report from the DBF Standing Committee **Paper BDC/21/24**
13. To receive the Common Fund out-turn for 2023 and an update for 2024 **Paper BDC/22/24**

The meeting closed with prayer at 21.00.