

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 Thursday 12th September 2024 at 18.00**

Introductory worship

The Acting Bishop of Exeter in the Chair

I. Apologies and Notices

Apologies were received from Mr. Giles Frampton, the Revd. Preb Mike Partridge, the Revd. C Canon Mike Williams, Mr. Nigel Price, the Revd. Tanya Hockley-Still, Mrs Anne Foreman, Mr. Keith Rushforth and the Very Revd. Jonathan Greener

The Acting Bishop of Exeter noted that this would be her final meeting as the Council's Chair and reflected on the work that it had accomplished over the previous year.

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 16th July 2024 **Paper BDC/38/24**

The minutes of the meeting held on 16th July 2024 were approved without amendment.

4. To approve the draft diocesan budget for 2025 and to give consideration to an indicative finance plan for 2026-27 for transmission to Diocesan Synod **Paper BDC/39/24**

Mr Bob Mills, Lay Vice Chair of the Diocesan Board of Finance, introduced the draft diocesan budget for 2025 and reflected on both the process by which it had evolved and been consulted upon and also the wider context within which it was set. In particular he noted the combination of challenges and opportunities that the budget represented throughout the Diocese. A great deal of work had been invested in the development of proposals to reduce initial deficit projections to a more sustainable level, the result of which he hoped was an increasing focus on the Diocese's primary calling and mission under God.

Mr. Neil Williams, the Diocesan Director of Finance, then presented the main provisions of the budget and he noted that it was something of a necessary stepping stone, without knowing with confidence where the following steps would need to land. There were two major,

potentially beneficial factors (an application in 2025 to the Strategic Mission and Ministry Investment Board and the conclusion and out-workings of the Diocesan Finances Review) that it was hoped might improve the situation, but carefully calculated action was still needed in 2025 in order to address the projected deficit and to position the Diocesan Board of Finance for a range of possible outcomes in the medium term.

Mr. Williams noted that since the Council's last discussion, a number of key factors had become less uncertain. Inflation had fallen further than expected and there was greater clarity about the national stipends benchmark for 2025 and associated level of stipend increase in this Diocese (4.3%, including a 0.8% catch up from 2024). Participant numbers for 2024 had been received and as anticipated were largely unchanged overall from 2023. The anticipated benefit arising from the closure of the lay defined benefits pension scheme (which was in surplus at the time of its cessation) and the way in which it could be applied, could also be factored into the budget with increased certainty. It had also been agreed that for the time being, the benefits arising from Total Return would be related to the payment of stipends, rather than to works to clergy housing in pursuit of the net zero carbon target. Along with work on stipendiary clergy deployment, sale of surplus housing stock and a decrease in the number of new stipendiary training curates, this had led to a significant decrease in the previously projected £2.5m deficit. Projected expenditure had been reduced by around £1m (a decrease of around 6.5% to £16.3m), and income increased such that the projected deficit now stood at £0.9m. Slightly smaller deficits were anticipated for 2026 and 2027, although much depended on the national funding context.

Finally, Mr. Williams noted that it appeared to be timely to give renewed consideration to the Common Fund scheme of assessment. It was hoped that the Chair of the Board of Finance would bring an initial discussion paper to the Council's meeting in January 2025.

In discussion members noted that a number of actions taken to reduce the deficit were temporary measures (eg in respect of the transfer from the closure of the pension scheme and the application of Total Return to support stipends) that would not address the underlying structural issues. It was hoped that it would be possible to do more than 'step back from the cliff edge' and use the time created to find solutions leading to long term sustainability. Concerns were expressed about the impact of withdrawing resources from work to achieve the adopted Net Zero Carbon target and more information was requested on the consequential impacts of this hopefully temporary adjustment in policy. It was noted that the Board of Finance was operating with recruitment restrictions in place and that it would not be possible to pursue all agreed areas of work to the extent that had previously been agreed. It was also noted that in spite of the difficulties being faced across the Diocese, overall parish general reserves were increasing; it would take a partnership between the national church, the diocese and the parishes to bring about fundamental change in the Board's financial situation and achieve sustainability.

The recommendations as set out in paragraph 16 of the paper were then voted on and approved as follows:

- to recommend that the Common Fund request per declared participant for 2025 is increased by 3.2% (over the 2024 figure).
- to recommend the use of a 4% figure for the Common Fund shortfall for 2025.
- to approve the provision for 197.1 whole time equivalent stipendiary clergy posts in the budget for 2025 (see the table at Section 7.7).
- to confirm the stipend that should be paid from 1 April 2025 (an increase of 4.3%)
- to recommend the budget for 2025 and indicative budgets for 2026 and 2027 to Diocesan Synod for approval.

5. To receive an update on Living in Love and Faith

The Ven Douglas Dettmer, Archdeacon of Totnes, presented a summary of the recent history of the 'Living in Love and Faith' process and in particular described actions taken to date by the General Synod (including motions passed in February and November 2023) and also by the House of Bishops. There had also been a wider, on-going set of conversations outside of the General Synod involving representatives of a wide range of viewpoints and organisations, that informed the more formal processes. He also set out the continuing importance of the 'pastoral principles' and described the decisions that had been taken in respect of the use of the 'Prayers of Love and Faith' within public worship as well as to the replacement of the long-standing teaching document 'Issues in Human Sexuality'. Further he noted the different aspects of Canon Law that applied to the on-going process and the potential for different understandings and interpretations of the parameters that applied.

Looking forward, there were three areas being given particular attention: whether it would be possible in future for the 'Prayers of Love and Faith' to be used in stand alone services (and if so with what constraints and protections for all parties of differing understandings); what will the pastoral guidance to replace 'Issues in Human Sexuality' include and how will it be used in the life of the Church; and what can be done to enable people of very different theological convictions on the topic of human sexuality to hold together within the Church. It was expected that there would be some consultation (although not a formal Article 8 reference) with diocesan synods on these issues early in 2025, and this would feed into the development of proposals for consideration by the General Synod in July 2025.

In discussion it was noted that the Church was yet to learn how to disagree well, to continue to love in spite of that disagreement and to relate well to each other regardless of differences of conviction. It was felt that there remained a need for kindness and generosity of spirit particularly when significant aspects of belief and practice were being strongly contested. It was also noted that an external perspective of the current situation (how it was understood by the public in general or by parishioners) was potentially very different from the internal perspectives of those with strongly held and closely argued convictions; it can be very difficult to explain the nuances in a pastoral ministry context, especially while the process is incomplete.

Deemed Items

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| 6. To receive a report from the Assets Group | Paper BDC/40/24 |
| 7. To receive a report from EDBF Standing Committee | Paper BDC/41/24 |