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Diocese of Leeds – Leeds Board

Minutes of the Leeds Board held on 17 September 2018 at Church House, 17/19 York Place, Leeds LS1 2EX.

Present:

The Rt Revd Nick Baines (Chair), The Ven Paul Ayers, Mr Simon Baldwin, Mrs Marilyn Banister, Ms Kay Brown, The Ven Dr Anne Dawtry, Mrs Jane Evans, The Rt Revd Dr Helen-Ann Hartley, The Rt Revd Toby Howarth, The Ven Andy Jolley, Mr Andrew Maude, Canon Ann Nicholl, The Rt Revd Tony Robinson, The Rt Revd Paul Slater, The Ven Peter Townley, Mrs Jane Wardman, Jane Evans and The Revd Nigel Wright.

In Attendance:

Mrs Debbie Child, The Revd Canon Andrew Norman, Mr Geoff Park, Mr Chris Tate and Mr Irving Warnett.

Item Number	Minute
1	<p>Opening Prayers.</p> <p>The Rt Revd Tony Robinson led the opening prayers.</p>
2	<p>Welcome and Apologies.</p> <p>The Bishop of Leeds welcomed the members to the meeting. A list of the current Leeds Board members and those in attendance had been tabled. The Chair reported that Archdeacon Andy Jolley (wef 11.9.18) and Canon Ann Nicholl (wef 20.8.18) were now elected members and Matthew</p>

	<p>Ambler, newly elected Chair of the House of Laity of the Diocesan Synod was now an ex-officio member (wef 28.8.18). (The ballot for the Chair of the House of Clergy was in hand and either The Revd Canon Sam Corley or The Revd Canon Kathryn Fitzsimons would be joining the Leeds Board ex-officio on 27.9.18. Dean John Dobson had been re-elected as the elected Dean (wef 12.9.18).</p> <p>Following the recent elections to the Diocesan Synod and Leeds Board, Archdeacon Anne Dawtry (wef 11.9.18), Mjr Geoffrey Berry (wef 01.8.18), The Revd Canon Simon Cowling (wef 20.8.18) and The Revd Canon Tony Macpherson (wef 01.8.18) were no longer ex-officio/elected Leeds Board members. However, Archdeacon Anne remained a member a Leeds Board as a DMPC member. Archdeacon Bev Mason would soon be leaving the diocese in readiness for her consecration as Bishop of Warrington on 18 October 2018.</p> <p>Apologies had been received from: Bishop Jonathan Gibbs Mr Peter Foskett Mr Matthew Ambler Dean John Dobson.</p> <p>It was noted that Item 11 Nomination of Leeds Board Trustees would be dealt with last and that Item 12 “Any other business” would be considered immediately before Item 11.</p> <p>Leeds Board members who were members for only DMPC items (for items other than DMPC agenda items) and those in attendance (for all agenda items) were reminded that they need to obtain the Chair’s permission to speak.</p>
3	<p>Declarations of conflicts of interest.</p> <p>There were no declarations of conflicts of interest concerning any items on the Agenda.</p>
4	<p>Minutes of the Leeds Board held on 11 July 2018 LB18 09 02 (Short version) and LB18 09 02 (Full version)</p> <p>The draft Minutes of the Leeds Board held on the 11 July 2018 had been circulated in two versions for approval. The two versions were a full version, which included a sensitive confidential item (Item 12 “Diocesan Finance”) which had been considered by and circulated to the full voting members of the Leeds Board present on 11 July 2018, and a short version, which did not include Item 12, which had been circulated to the non-elected Archdeacons and those in attendance.</p>

	Both the short version and the full version of the Minutes were approved unanimously.
5	<p>1) Matters arising from the Minutes of the meeting on 11 July 2018</p> <p>2) Item 9 Finance Report</p> <p>Geoff Park reported that Paul Gibbons has stepped down from the Audit Committee. The remaining members were Stephen Hogg and Simon Baldwin. The Revd Nigel Wright and Mr Irving Warnett had agreed to join the Audit Committee but the Finance Assets and Investments Committee recommended that an independent Chair be appointed and proposed Simon Dennis, (A Reader, former employee of the Audit Commission and Director of Finance at Bradford Cathedral). Simon Dennis had been approached but he had not been able to reply in time for the meeting. A meeting of the Committee was needed before the next Leeds Board meeting. The Board members were asked to approve the proposal that if Simon Dennis was content to be Chair of the Audit Committee he be appointed to the role.</p> <p>Approved unanimously.</p>
6	<p>Safeguarding update LB18 09 05</p> <p>Members had been circulated with a Safeguarding report. Debbie Child confirmed there was nothing to add to the report.</p> <p>No questions were raised on the report.</p>
7	<p>Finance Report LB18 09 06; LB 07 06 01</p> <p>A copy of a Finance Report from Geoff Park and Irving Warnett and a copy of the Parish Share payments to the 31.7.18 had been circulated to the Board members.</p> <p>Irving Warnett, (Chair of the Finance, Assets and Investments Committee), commended Debbie, Geoff and the Finance team for the work they had done to reduce the deficit. He emphasised there was still a challenge to plan the management of the diocesan finances to 2022.</p> <p>Geoff gave an overview of the Finance report. He highlighted:</p> <ul style="list-style-type: none"> • The figures were based on the July 2018 results

	<ul style="list-style-type: none"> • Following a detailed review at the end of June 2018 the forecast deficit was now £2m+ • Savings had resulted from: <ul style="list-style-type: none"> ○ Expenditure on property ○ Reduction in support costs ○ Higher than expected returns on investments • Parish share: Each parish was given a R/A/G rating and Geoff, John Knox (Director of Parish Resourcing) and Chris Tate were meeting regularly to review communication with parishes. • Two property sales (at Exelby and Long Preston), had been sold which has reduced by half the proposed assistance required from the National Church. If a third proposed sale is successfully completed there may be no need to seek any national assistance. <p>The Chair confirmed he was continuing to pursue with the Archbishop of York and the Church Commissioners the matter of the monies received by the Church Commissioners following the sales of the diocesan bishops' houses after the creation of the diocese. He also highlighted that the monies received by the diocese from All Churches Trust was to decrease following a change to their criteria for making grants.</p> <p>The Board members discussed the report and commented that the R/A/G rating might be useful at deanery level too.</p>
8	<p>Appointment of Auditors</p> <p>Motion: "That hayesmacintyre be appointed as auditors for the Leeds Diocesan Board of Finance for the audit period ending 31 December 2018".</p> <p>GP spoke to this item. He explained that it was proposed that a review be carried out in Spring 2019 whether to put in hand a tender process for the 2019 audit and that hayesmacintyre be appointed for the 01.01.18 to 31.12.2018 audit period.</p> <p>The Leeds Board members voted on the motion:</p> <p><i>"That hayesmacintyre be appointed as auditors for the Leeds Diocesan Board of Finance for the audit period ending 31 December 2018".</i></p> <p>Agreed unanimously.</p>

Motion: “That the Leeds Board approves and recommends the strategy for the Diocese contained in LB18 09 07 to the Diocesan Synod”.

A draft Strategy document from the Strategy Group had been circulated. Bishop Paul Slater, Chair of the Diocesan Strategy Group, introduced the item. He said the Strategy document was now in its final draft form. Debbie explained that it would be for each parish to consider how to implement the Strategy in its own context and a toolkit would be developed to assist parishes with this. A review of all central diocesan roles and implementation of restructuring was being carried out. Ten members of staff had applied and been accepted for voluntary redundancy (Property department: 3; Resourcing Parishes: 4; Education: 2 and Communications: 1) and, as explained earlier, job evaluation, salary harmonisation and changes to the pensions scheme were being implemented which, after taking in to account that some posts would need to be refilled, resulted in £460k of savings. In the Resourcing parishes team (which covers accountancy services and stewardship), in addition to the team members who would be taking voluntary redundancy, two other team members had left to take up roles in York diocese. The current team is running a pilot scheme, funded with restructuring monies from the Church Commissioners, to provide a paid for book keeping support to parishes. The pilot scheme will continue to until March 2019 when there will be a review of how this has worked. In addition, a colleague from the National Church Institutions is working with us to assist with a review of property services. All staff have been asked to review what they do and consider how to make savings. It was important not to rush to make decisions now but to consider carefully what was needed to implement the strategy proposal and formulate clear proposals by the end of January 2019.

(Alison Bogle left the meeting).

The strategy group members confirmed that was a need to monitor implementation of the strategy and oversee Strategic Development Fund bids. It was emphasised that this was a direction of travel, that parishes were not expected to do everything contained in the strategy but to consider what they needed to do in their context.

The Board members discussed the proposal. Debbie outlined the staff response to the voluntary redundancy process and the next steps. She confirmed that there was a mixture of responses. However, the cost to staff members of making these decisions was not underestimated and she confirmed some staff members had been supportive during this difficult and demanding process. She confirmed that the cost of the financial cost to the diocese of the redundancy process was not yet reflected in the financial reports.

	<p>Andrew Norman then gave a short PowerPoint presentation and invited the Leeds Board members to consider the goals outlined in the Strategy document and consider what the diocese would look like in five years' time if the goals were delivered. Feedback included:</p> <ul style="list-style-type: none"> • There would be a more active and growing church • There would be a true partnership between the clergy and the laity • The clergy would build up and nurture discipleship through teaching of the Faith • Church members will know and understand what being a disciple involves • Every church will have a nurture course • A change in church culture <p>The Board members voted on the motion: <i>"That the Leeds Board approves and recommends the strategy for the Diocese contained in LB18 09 07 to the Diocesan Synod".</i></p> <p>All agreed.</p>
10	<p>Budget 2019 LB18 09 08</p> <p>A draft Budget 2019 document had been circulated to the Leeds Board members.</p> <p>Geoff Park gave a PowerPoint presentation. A lot of work had been done to reduce the deficit with a focus on support and property costs. It was difficult to forecast parish share receipts. If parish share receipts did not grow by 3% growth then the deployment of clergy would need to be reviewed. Geoff highlighted some of the key points in the proposed 2019 Budget:</p> <ul style="list-style-type: none"> • £900k of reserves would be used including a tapering of the use of s554 funding for statutory education ie a net increase of funding from the diocese • A higher figure for parish share receipts ie a collection rate of 90% • Any ongoing Strategic Development fund monies would be received • £454k lower expenditure • An increase in the contribution to national funding by the diocese

	<ul style="list-style-type: none"> • A 1% increase in staff salaries – Following the job evaluation process, some staff salaries were frozen or harmonized and in addition some staff had pension cuts. • The property costs of £3.7m included all clergy housing which included £3.4m of maintenance costs • The cost of a re-formed stewardship team was included. <p>The Board members were asked to consider whether clergy stipends should be frozen for one year. This would save c. £100k. (The Revd Nigel Wright declared an interest as a member of the diocesan clergy). On a national scale, the diocese paid the second highest stipend. It was confirmed that this would not have an impact on clergy pensions as these were based on the national minimum stipend. The Board members discussed this as part of the Budget discussion.</p> <p>A query was raised concerning a letter from the Diocesan Board of Education (DBE) about the DBE budget. IW confirmed that this had been discussed by the FAIC and a formal reply had been sent. More analysis was needed around statutory v discretionary provision of services by the Education department.</p> <p>Geoff expanded on the cash situation. The aim was to be in a good cash position by 2019. To do this the diocese would need to sell £1.5m of properties. Properties had been identified for sale but not marketed yet. The priority was to sell vacant properties, preferably not those with loans from the national church. Some properties in the Leeds EA were being used for interns. It was noted that work had already been carried out in some EAs to identify properties for sale.</p> <p>The Leeds Board members voted on the motion:</p> <p><i>“That the Leeds Board approves and recommends to the Diocesan Synod the draft Diocesan Budget 2019 (LB 18 09 08) and approves Stephen Hogg to move a money resolution at the Diocesan Synod ‘that the Diocesan Synod authorise (or direct) the diocesan board of finance to raise and expend a sum not exceeding £23,549,241 for the calendar year 2019’”.</i></p> <p>Agreed unanimously.</p>
12	<p>The Board next considered Item 12 Any other business</p> <p>Bishop Toby Howarth reported (for noting by the Leeds Board) that the joint venture between CUF and the diocese was close to being up and running. Three new trustees had been appointed to the board of the joint venture between the diocese and CUF. These were:</p>

	<p>Stewart Davies a business person from Harrogate Lydia Groenewald a solicitor now working with a charity The Revd Brunel James, Incumbent of Cleckheaton benefice.</p>
11	<p>The Board next considered Item 11 Nomination of Trustees for ratification by Diocesan Synod</p> <p>The Chair reported that the Board could nominate one clergy and four lay Trustees to the Leeds Board. The current nominee Trustees' term of office ended with the consideration of this item by the Leeds Board. Debbie had emailed the Leeds Board proposing that given the complexity of our current situation, it might be prudent to have some continuity among the Leeds Board members and that the "current" nominee trustees: Simon Baldwin, Marilyn Banister, Jane Evans and nominee-designate Irving Warnett be nominated again. This proposal received positive feedback from the Board members. Accordingly, Debbie contacted all four with this proposal and they have each confirmed they would be willing to be nominated.</p> <p>The Leeds Board members voted on the proposal:</p> <p><i>"That the nomination of Simon Baldwin, Marilyn Banister, Jane Evans and Irving Warnett as Trustees of the Leeds Board was approved and that these nominations be sent to the Diocesan Synod for ratification."</i></p> <p>Agreed unanimously.</p>
	<p>The Chair confirmed that the HR report and Diocesan Mission and Pastoral Committee Secretary's report were for noting only.</p>
13	<p>Close.</p> <p>The Bishop of Leeds closed the meeting with prayers and the Grace.</p>