

LEEDS DIOCESAN BOARD OF FINANCE

COMPANY NUMBER: 8823593

MINUTES OF A BOARD MEETING OF LEEDS DIOCESAN BOARD OF FINANCE

Held on 7th September, 2015 at Church House, 1 South Parade, Wakefield WF1 1LP

Present: The Rt Revd Dr Tom Butler (Chair), The Rt Revd Nick Baines, The Rt Revd James Bell, The Rt Revd Tony Robinson, Mrs Debbie Child, Mr Ashley Ellis, Mr Simon Baldwin, The Revd Martin Macdonald, Mrs Angela Byram, Mrs Marilyn Banister and Mrs Ann Nichol.

1. Introduction and welcome

The Chair opened the meeting with prayer.

2. Apologies

The Rt Revd Paul Slater
Mr Raymond Edwards

3. Declarations of interest

There were no declarations of interest.

4. Minutes of the meeting of the Board held on 10th June, 2015

The minutes of the meeting held on 10th June, 2015 were approved with no amendments.

5. Matters arising (not already on the Agenda)

Page 2 Item 5 *Confidential item redacted.*

Page 3 item 11 – Debbie Child reported that she had now met with Simon Baldwin and the diocese would be buying in expertise as previously discussed subject to agreeing terms.

6. Items in Minutes of 10th June, 2015 to remain confidential in the online publication

The Board discussed and agreed which items were to remain confidential in the online publication.

7. Finance update (Parish Share report and Outturn)

Ashley Ellis reported that overall the Parish Share receipts were 2% up on the same time the previous year with the exception of Ripon episcopal area – though this trend didn't apply to the whole episcopal area, only some specific parishes.

It was agreed that future Parish Share reports circulated to the Board wouldn't include the historic diocese information.

Outturn

An outturn projection forecast for the year at 31st July, 2015 had been circulated to the Board.

Ashley reminded the Board that the Diocesan Synod had approved the current Budget and agreed a deficit of £200K but on the basis of a 100% share collection. Synod had been alerted to the fact that if the Parish Share collected was only 90% of the assessment, this would add another £1.5m to the deficit. In addition, Diocesan Synod had been provided with a note of the Transformation budget and had agreed the use over next 3 years of £8m from reserves with the possibility that in 2015 there would be a deficit of £2.1/£2.2 m. With this in mind, it would be expected

CONFIDENTIAL

that the forecast outturn would be nearer £2m deficit. However, the actual forecast is a £871k deficit. This was positive but the biggest impact on the figures was that the diocese currently had approximately 25 stipendiary posts in vacancy and so the ministry costs were significantly below budgeted cost. The forecast was also for a 93% share collection by the end of the year.

The Board discussed the Outturn, noting that:

- the work of the Area Bishops and Archdeacons seemed to have had an impact on Parish Share payments;
- substantial savings had been made as Project office staff had left
- the funding from the Church Commissioners would only be from when the application was approved.

Ashley also reported that the Finance department had now moved to the WYAD Leeds office following the introduction of the new accounting system. This meant that there was one integrated reporting system and not the three separate ones as in the past. In addition, the Finance department were streamlining 100 different CCLA funds and were going out to tender for a new banking services provider so that in the next two or three months they would operate only one bank account.

A query was raised concerning the two deficits in the July cumulative year to date columns and the projected deficit and it was noted that this would be checked.

The Board recorded its gratitude to Ashley and the finance team for the work they had done in bringing the three accounting systems together.

8. Parish Share System review

Ashley Ellis reported that proposals were being finalised and there would be 13 consultation meetings between October and early November with the parishes. In addition, the proposals would be circulated for consideration at the Bishop's Staff meeting. Broadly, the proposal was based on the cost base of ministry in every parish this would be allocated per parish and then adjusted to reflect social deprivation and attendance. Simon Baldwin explained that the formulation of a model had been quite challenging. In particular, looking at current clergy deployment and its impact and that large growing churches may not be wealthy churches.

The Board discussed the outline.

It was noted that there could be some changes to the proposals following the consultation meetings. The final proposal was to be taken to Diocesan Synod in March.

9. Budget 2016

Ashley Ellis gave a presentation concerning the proposed 2016 Budget which was to go the Diocesan Synod in October for approval. A copy of the 2015 Budget had been circulated as Synod already approved £8m funding from reserves for next 3 years, with intention of breaking even after that. Ashley highlighted that preparing a 2016 budget was not easy as various diocesan departments were currently being reviewed and restructured and so it was unclear what would be needed in 2016. So it was proposed to adopt a stand still budget where it was known a review was still pending. The exceptions would be where reviews had already taken place for example, safeguarding staffing, Mission and Pastoral and DAC staffing and where staffing was no longer required eg the HR team was no longer in place. In addition it was proposed the 2016 Budget accommodate an increase in stipends. The national recommendation was a 1.5% increase and regionally the increase seemed to be 1.75%. This would add approx. £200k as an additional cost. Which in addition to the £800k deficit in the 2015 budget would be a proposed deficit of £1m.

CONFIDENTIAL

The only significant item was the review of the Education department. This was still out for consultation but recommendations in the report were for substantially increasing the Education 2015 budget by £700/£800k. There was some urgency for an increase in the budget for Education. It was suggested that there should be an initial increase of £250k with recognition that there might be further changes in future.

The Board discussed the proposal noting:

- there were significant changes in respect of s554 initial funding and within Local authority education departments. This might result in the Education department being able to require less funding from the DBF in the future
- total deficit in the budget outlined above ie £1m didn't include the proposal for the additional funding of £200k for Education.

The Board went on to discuss the proposal for the Stipend increase noting:

- the proposal was for a 1.75%
- the increase would have effect from April 2016

The Board agreed unanimously that it was content for a Budget for 2016 encapsulating the proposals that had been discussed to go to the Diocesan Synod for approval and that in principle the Board approved a proposal for an increase in Parish Share to be the same as the increase in stipend. In addition it agreed that the Finance Reference Group could approve the final Budget proposal to go to Synod.

10. Diocesan offices update

Debbie Child reported that completion of the purchase of the new diocesan office had not yet taken place. Assurances had been given that this was not a concern and merely a consequence of staff annual leave at the vendor's solicitors. It was hoped the move to the new offices would take place early in 2016. No decision had been made what the future use of the current diocesan offices would be.

11. Amendment to the Articles of Association

Ashley Ellis explained that a revised copy of the company's Memorandum and Articles of Association had been tabled. At the March Diocesan Synod approval had been given to a new governance model for the diocese. The proposed changes to the M&A were needed to reflect this. The main amendments were to the membership structure and Board structure. It was noted that since the Synod meeting the Bishop of Richmond had been appointed and would need to be added to the membership. Once the revised M&A was approved the current membership of the Board will cease. The Board was asked to consider the revised draft and let Ashley have any comments and then the finalised version could be circulated for approval.

After discussion it was agreed that to facilitate the populating of the new Board, which would involve elections, the new M&A would not come in to effect until the first board meeting of the new WYAD Board on 28th January, 2016.

12. Transformation update

A copy of a Transformation update had been given to the Board members who were asked for any comments/queries. Item 8 new data base - it was clarified that data had been migrated to the new database and staff training sessions had been offered. The database was a contact management system and was a national database which the diocese subscribed to along with other dioceses. Eventually parishes would be able to log on and there would be an online DAC system.

13. **Any other business**

Inglefield Funds Allocation

Simon Baldwin reported that the Inglefield committee existed for 5 to 6yrs to execute funds from old retreat house to support retreat costs. Returns on investment had fallen. The new diocese meant there were three times as many beneficiaries. The group had reviewed the fund and proposed that it be used only for clergy retreats for max £100 per year per person on first come first served basis. If accepted the fund would be administered the by diocese and committee would end. Previously Inglefield had matched the CME funding for retreats. It also helped with clergy and also the Lay conference funding.

The Board discussed the proposal and agreed that the fund would be administered centrally “for training purposes in the diocese”.

Bierley Vacancy

Debbie Child reported that the Bierley benefice was in vacancy and that a vacancy person was required from the Board of Patronage.

The Revd Martin Macdonald was proposed and this was agreed.

14. **Date of the next meetings:**

Thursday 19 November, 2015

(9.30am – Hollin House)

2016 WYAD BOARD

28th January, 2016 (pm – tba)

12th April, 2016 (pm - tba)

15th June, 2016 (pm - tba)

22nd September, 2016 (pm - tba)

16th November, 2016 (pm – tba)