

LEEDS DIOCESAN BOARD OF FINANCE

COMPANY NUMBER: 8823593

MINUTES OF THE BOARD MEETING OF LEEDS DIOCESAN BOARD OF FINANCE

held on Monday, 17th March, 2014 at 2pm at Kadugli House, Elmsley Street, Steeton, Keighley BD20 6SE

Present: The Rt Revd Dr Tom Butler (Chair), Mr John Tuckett, The Rt Revd Tony Robinson, Mrs Debbie Child, Mr Ashley Ellis , Mr Raymond Edwards and Mr Simon Baldwin.

In attendance: Mr Michael Lindley (Acting Diocesan Secretary, Diocese of Ripon & Leeds)

1 Introduction and welcome

The Rt Revd Dr Tom Butler welcomed the Board members and opened the meeting with prayers.

2 Apologies

Bishop James Bell

The Ven Paul Slater

The Revd Martin Macdonald

3 Minutes of the Meeting of the Board held on 3rd March, 2014

A copy of the minutes of the meeting of the Board of the Company held on 3rd March, 2014, had been circulated to the Board members prior to the meeting.

A query was raised on a proposal mentioned at the meeting for each of the current dioceses to outline its financial processes at a subsequent meeting and which was not contained in the minutes. The Company Secretary outlined that a minimalist approach had been taken for the minutes but that the comment was noted for future minutes. How the Board dealt with the review and bringing together of the three dioceses' policies and procedures would be dealt with later in the meeting.

No other amendments were raised and the Minutes were approved.

4 Matters arising (not already on the Agenda)

- i)** Letter to existing Boards of Finance from Bishop Tom: John Tuckett was drafting this letter.
- ii)** It was reported that the Dioceses Commission had approved the Leeds DBF as the Transitional Board under the Scheme.
- iii)** It was noted that approval from the Dioceses Commission would also be needed for the DAC, Diocesan Mission and Pastoral Committee too.
- iv)** The appointment of the Chair of the Inglefield Committee would be dealt with at the Board meeting on 31st March, 2014.

5 Charity Trustee responsibilities

It was noted that a link to the document “The Essential Trustee – what you need to know (CC3)” had been circulated to the Board members for their information. There were no comments on this matter.

6 Declarations of interest

None were disclosed.

7 Management/Employment Committee report

The Committee was to meet immediately after the Board meeting so the report was brief: the job descriptions for the two Chief Officers had been in principle agreed by the non-executive directors for review by Debbie and Ashley.

The terms of reference of the Committee were also being worked on and these would be brought to the next meeting for the Board’s approval

8 Finance matters

8.1 Balance Sheet/SOFA 2013

A summary 2013 document had been circulated to the Board prior to the meeting. This was a composite for the three current dioceses. Ashley Ellis reported on this, explaining that although this was a composite document each of the three dioceses presented its financial information in different ways. This was not unusual, as the national guidelines to dioceses outlining how they could present this information did not recommend one method alone and, to a certain extent, the presentation of financial information was always subjective.

For the 2014 Leeds DBF accounts, the DBF would need to decide what policies and procedures it wanted to adopt for the production of its accounts. For example, at the moment, the three dioceses value their properties in different ways: Bradford do not revalue their properties in their accounts; Ripon and Leeds revalue every property; and Wakefield re-values “Beacon Houses” eg 10 across the dioceses and applies these values to all the properties. The production of the new policies and procedures would be a big task as it would require every figure in the three sets of accounts to be reviewed to see if policies and procedures were the same and if not, for a new policy choice to be made.

The cash and working capital items in the Balance Sheet should have the same policies across the three dioceses. Using the current varied valuations, there seemed to be £169m of assets of which £31m was unrestricted income funds, however £14m of this was designated. It was confirmed that the Bradford creditor figure included the mortgage to the Skipton Building Society.

The Estimated Statement of Financial Activities for the 12 months to 31st December, 2013 summarised what would have been the position if accounts were produced for the 12months to the end of 2013. Although it should be borne in mind that the way assets and liabilities are dealt with will affect the figures.

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It was noted that the Archbishops' Council Grant may be reviewed in the future as the total figure over the three dioceses was significantly more than the then next largest grant.

There followed questions on the presentation where it was clarified that:

- An area of risk was the parish contributions which amounted to around 75%/80% of total income, so this needed to be monitored carefully
- The percentage of parish contributions for the diocese was not unusual for a northern diocese
- A particular area of difference between the three dioceses was, as explained previously, the property valuations
- The Bradford diocese doesn't make a contribution to its retreat house – it is self sufficient
- Wakefield diocese currently charges Bradford and Ripon & Leeds for their share of the Joint HR team provision but this will subsequently be an inter-company transaction so will affect these dioceses expenditure figures.
- The standardisation of some policies would need to be completed in readiness for the 2015 Budget which was to be presented to the Leeds Diocesan Synod at its first meeting on 22nd November, 2014.
- A list of the differences in policies between the three dioceses would need to be drawn up for discussion by the Board and the starting point for this would be Ashley Ellis meeting with the three Chairs of the current DBFs and the three Finance officers of the dioceses to detail this, hopefully by the end of May.
- Whilst it was important to look at the whole picture in reviewing these policies it was also noted that each area may impact on other areas for example, a policy on surplus properties may have an effect on future clergy deployment for example.
- Some policies would need to be looked at by the end of the year so the accounts could be produced, whereas others were not such a priority – the list of those which needed to be addressed and those which were sensitive would assist the Board in identifying which it needed to address first.

8.2 Budgets 2014

A summary of the 2014 Budgets of the existing three dioceses had been circulated prior to the meeting. Ashley Ellis reported on the information in the composite budget document. It was again emphasised that the three dioceses present the information in different ways and again these approaches would have to be standardised for the 2015 Draft Budget to be presented to the first Diocesan Synod.

There followed questions on the presentation where it was clarified that:

- The burden of the parish share in each of the three dioceses was shown in the "income needed to balance the budget" line. It was noted that Bradford had the fewest number of parishes of the three dioceses and Wakefield the highest.
- Wakefield diocese includes the full Sheffield number allocation of clergy though over recent years the diocese has not had a full quota of stipendiary clergy. Ripon and Leeds in contrast budgeted for a set number of vacancies each year. The £2m increase in the figure expected from the parish share contributions from 2013 to 2014 was partly because Wakefield diocese had budgeted for under income collection and over budgeted for expenditure.

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- Ashley Ellis would be looking at monthly reporting with the Chairs of the current DBFs and the corresponding Finance manager
- At each Board meeting the members would receive a budget/outturn update and a parish share receipts update paper.
- It was noted that any stipend level review may result in an increase in parish share requests.
- The existing diocesan budget holders had been asked to keep their budgets to 2014 or below levels for the 2015 budget
- All major policy decisions were to go the Board where there are policy changes because some of these decisions may have political or pastoral consequences as well as financial ones. The technical detail could be done by a subgroup or committee but they would then make a recommendation which would be submitted for a decision by the Board. This was also important as it would protect the executive.

9. Stipend and Salary policy

It was reported that this item would be dealt with at the next meeting.

10. Transformation Programme – update on progress

John Tuckett gave a presentation on the progress of the work streams to the Appointed Day. (Copy of the presentation document is attached.) John particularly highlighted:

Item 4 – All existing resources were in budget. There was one major item of expenditure, £11k for the diocesan crest with the College of Arms but this wasn't optional.

Item 6 – there were some discussions continuing in Calverley, Armley, Birstall and Dewsbury deaneries where expectations and concerns were being managed.

Item 8 – there were risks, for example associated with these events eg who to invite and to which event. The inauguration and confirmation on 8th June would be a ticketed event.

Item 9 – there were issues remaining about the diocesan boards of education. Particularly there was conflicting legal advice about the planned unincorporated board and the transfer of assets from the incorporated Wakefield DBE to an unincorporated board.

Item 10 – there were ongoing issues to be resolved but a consultation process had been established, there were now employee representatives and the job descriptions for the two chief officers were being attended to. A process was in hand for placing displaced secretarial personnel.

Item 11 – there were continuing communications issues and more work would be done on this including at the Staff Day.

Item 12 – the management of the three offices including line management and changes was being addressed by the Executive group.

Item 13 – Hollin House was being revamped and after the three existing bishop's offices were closed this would open on 28th April, 2014 as the office.

Item 14 – a lot of this happens automatically though there were potential issues in respect of the interaction with company law but there were no major concerns.

Item 15 – Systems were being upgraded to accommodate a new domain for email address:

@westyorkshiredales.anglican.org. There would be auto-forwarding from old email addresses. In addition there would be a house style for letter heading which would be an interim measure.

Item 16 – the practical changes to the financial systems was on track

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There followed questions on the presentation where it was clarified that:

- The Archbishop of York has made transitional arrangement for the diocesan registrar already
- Bishop Nick Baines has indicated that he wishes to attend Leeds DBF meetings when acting diocesan bishop.

11. Any other business (to be referred to the Company Secretary)

None received.

12. Date of the next 2014 meetings and items already agreed for these meetings:

2pm 31st March, 2014 (Church House, Wakefield)

28th April, 2014 (Church House, Wakefield)

Further dates were being arranged.