

LEEDS DIOCESAN BOARD OF FINANCE

COMPANY NUMBER: 8823593

MINUTES OF A BOARD MEETING OF LEEDS DIOCESAN BOARD OF FINANCE

Held on 9.30am on Wednesday 10 June, 2015 at St Mary's Street, Leeds LS9 7DP

Present: The Rt Revd Dr Tom Butler (Chair), The Rt Revd James Bell, The Rt Revd Tony Robinson, The Ven Paul Slater, Mrs Debbie Child, Mr Ashley Ellis, Mr Simon Baldwin, Mr Raymond Edwards, Mrs Angela Byram and Mrs Ann Nichol.

1 Introduction and welcome

The Chair opened the meeting with prayer and welcomed Mrs Angela Byram to the meeting.

2 Apologies

The Revd Martin Macdonald
Bishop of Leeds
Mrs Marilyn Bannister

3 Declarations of interest

There were no declarations of interest.

4 Minutes of the meeting of the Board held on 23rd March, 2015

Minutes of the meeting held on the 23rd March, 2015 were approved with no amendments.

5 Matters arising (not already on the Agenda)

5.1. Appointment of legal adviser to the Company

Ashley Ellis reported that the Board had already approved the appointment of Lupton Fawcett Dennison Till as the legal advisers to provide all legal advice to the diocese. The fee structure had been considered by the Finance Review Group and a document had been circulated to the Board of the agreed fees and level of work to be provided. This would come in to effect on 1st July, 2015. All outstanding work would remain with the existing legal firms and all new work would be referred to LFDT. The agreement was subject to a review after 6 months.

5.2. Bedale Allotments

The matter was discussed by the Board.

Additional matters arising:

Job Descriptions of the Joint Diocesan Secretaries

It was reported that the Job Descriptions of the Joint Diocesan Secretaries had been agreed and were available for Diocesan Synod on request.

Item 11 *Confidential item redacted.*

6 Items in Minutes of 23rd March, 2015 to remain confidential in the online publication

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

7. Audit Findings of hayesmacintyre

Simon Baldwin reported that the Audit Committee members Martin Macdonald, Ashley Ellis, Simon Baldwin and Sharron Arnold had met with the auditors, hayesmacintyre. (Raymond Edwards was also a member of the Audit Committee but hadn't been able to attend the meeting.) The audit had been a clean audit report with a number of recommendations for example, future compliance with FRS 102 and also a tightening of controls and consistency of approach from the previous three dioceses. The Board should note that resourcing of the teams effectively so that they can support the senior officers was highlighted. The auditors also raised the issue of conformity the biggest area being valuation processes but the diocese was aware of this already. They have made recommendations for the 2015 audit. They also highlighted the implications of the Energy Act eg how it affects the DBF and rental properties and compliance. (this wouldn't apply to clergy occupation of vicarages.)

After discussion the Board acknowledged receipt of the report and asked the Audit Committee to follow any items from the Report that needed auctioning.

8. Approval of Annual Accounts of the Leeds DBF for 2015

Ashley Ellis gave an outline of the Annual Accounts a copy of which had been circulated to the Board members. Although the company had been formed in December 2013 the figures related to an 8 months period from the end of April. He highlighted pg 18 the Consolidated Statement of Financial Activities. The expenditure was £432k more than budgeted income. This included £491k of re-organisation costs and these had not been budgeted for by any of the three former dioceses, so on the budgeted figures there would have been a surplus of around £59k for the 8 months period. On the balance sheet the total assets were shown as £187m. The major proportion of this was property.

In discussion it was noted that pg 18 needed to record that the figures were thousands.

It was proposed by The Rt Revd Tony Robinson and Seconded by Mrs Ann Nicholl that the Accounts be approved.

Agreed unanimously.

9. Appointment of Auditors

Simon Baldwin explained that the auditors needed to be appointed each year by the Board. A tender process had been followed to appoint hayesmacintyre for an agreed fee scale for three years and it was proposed that hayesmacintyre be re-appointed as the auditors of the company.

Agreed unanimously.

10. Parish Share Report/Share monitoring

A copy of the parish share report to the end of May 2015 had been circulated to the Board members. Ashley Ellis reported that at the same time period in 2014 28% of the assessed amounts had been paid and that for 2015 30% had been received and this was £300k more than in 2014. In addition, every episcopal area had increased its share payments.

In respect of the Share Management Policy, a proposal for managing parish share in the future had been circulated to the senior staff and the Finance Reference Group and this had been circulated to the Board too.

The proposal was to have a Diocesan Share Strategic Group looking at the overview and for Diocesan Share Management Groups in the episcopal areas to look at individual parish contributions.

The Board discussed the proposals and it was thought that although each area could decide how to manage the Strategic group for its area, a suggestion could be made that one of the members be a Deanery Lay Chair.

In addition there was a group (Ashley Ellis, Simon Baldwin, the Archdeacon of Halifax, The Revd Nigel Wright and The Revd Ian Robinson) looking at the new share system. They had met with John Preston the National Stewardship adviser who has carried out a review of every parish share system. Over the next few months proposals for the share policy would be finalised. This would be for the Board to discuss along with the senior staff and in October and November there would be 11 consultation meetings for feedback. Further changes would be made and then the proposal would be taken to the March 2016 Diocesan Synod. Modelling would be carried out to see what type of impact any particular policy might have.

11. Transformation Update

A paper had been circulated to the Board members. Debbie Child reported that the transformation update paper was for the Board's information only. It would be circulated to staff members, Diocesan Synod and also go on the diocesan website. Debbie highlighted that the Mission review was going to be an extensive piece of work as it covers so many aspects of diocesan life.

The Ven David Lee was resigning as Archdeacon of Bradford and would be carrying out a piece of work on a building audit. It was agreed that a trained statistician should be engaged to assist the Archdeacon and that this could be funded from the Transition costs. It was agreed that Debbie Child would discuss this with Simon Baldwin who has suggested a possible solution would be for a university student might be able to provide the support under a properly defined work role.

12. Diocesan Office

The matter was discussed by the Board.

13. Correspondence

13.1 National Stipends Benchmark from 1 April 2016

A paper had been circulated to the Board members for their information and this was noted.

14. Any other business

Raymond Edwards had asked to discuss the building audit resource for data collection and this was deal with in Item 11 above.

15. Date of the next meetings:

Monday 7 September, 2015	(2pm – Wakefield office)
Thursday 19 November, 2015	(9.30am – Hollin House)