

THE REPRESENTATIVE BODY OF THE CHURCH IN WALES

A meeting of the Representative Body of the Church in Wales was held via video conference on 26 January 2021.

Present: Ex officio members
The Archbishop of Wales
The Most Reverend J D E Davies

Chairs of the Diocesan Boards of Finance
Bangor: The Venerable M K R Stallard
St. Davids: Mr N C P Griffin
Llandaff: Mr M A Lawley
Monmouth: Mr P E Lea
Swansea & Brecon: Sir E P Silk

Elected members
St. Asaph: The Very Reverend N H Williams, Mrs H Wiseman
Bangor: The Very Reverend K L Jones, Dr H Parry-Smith
St. Davids: Mrs J A P Hayward, the Venerable P R Mackness
Llandaff: Mr G I Moses, the Venerable M Komor
Monmouth: Miss P R Brown, the Venerable J S Williams
Swansea & Brecon: The Venerable A N Jevons, Mr J M Watson

Nominated members
Mr R Davies

Co-opted members
Mr J J Turner (Chair)
Mrs J Heard

Apologies: Apologies were received from Mrs Lis Perkins, Mrs Helen Jones, Mr Tom Lloyd and Mr Peter Kennedy.

In attendance: The following members of staff were present for the whole meeting: The Chief Executive, the Head of Finance, the Head of Legal Services, the Head of Property Services, the Governance Officer and the Executive Assistant.

By invitation: The six diocesan secretaires were present for item 21/01 and for the initial discussions for item 21/02.

Prayers: Opening prayers were led by the Venerable Mary Stallard.

Conflicts of interest: All clergy present declared that they had an interest in the Clergy Remuneration Review (item 21/01). It was noted that all DBF Chairs present had an interest in the provision of financial support to dioceses in relation to the continuing COVID-19 pandemic (item 21/02). The Chair explained that for that item he would allow an initial discussion during which the formal meeting of trustees would be suspended to allow the DBF Chairs to exercise freedom in

discussing their respective dioceses' financial situations: after this discussion the formal meeting would resume and all decisions made as trustees acting in the best interests of the Representative Body alone.

Welcome to new Representative Body members

This meeting was the first of the new triennium and the Chair welcomed three new trustees: Mrs Jane Heard had been co-opted by the Representative Body; the Venerable Mike Komor had been elected as the diocese of Llandaff's clerical representative; and Mr John Watson had been elected as the diocese of Swansea & Brecon's lay representative.

The Chair also expressed appreciation for all the work of the staff in the provincial and diocesan offices during the COVID-19 pandemic.

Clergy Remuneration Review and separation of the Clergy Pension Scheme

21/01

[Redacted from public minutes – confidential business]

COVID-19 financial support to dioceses

21/02

The Chair noted that the current COVID-19 pandemic was likely to continue for some time to come, and that because of this the Representative Body needed to consider whether there was a need to offer additional financial support to the dioceses.

The Chair further noted that it was important for the Representative Body to fully understand the financial position of each diocese, so the formal meeting was paused in order for the chairs of the Diocesan Boards of Finance to present their updates from their perspectives as DBF chairs, rather than as trustees of the Representative Body.

Diocesan updates and initial discussion

Each of the Diocesan Board of Finance chairs updated the Representative Body on the financial situation of their respective dioceses, including parish share receipts for 2020 and the steps taken to minimise the financial impact of the pandemic: discussion followed. The Representative Body was also updated on dioceses' use of the COVID-19 financial support provided during 2020.

While each diocese's position was distinct a number of common themes emerged. Parish share receipts were generally high but there was common concern that many parishes and ministry areas had drawn on their reserves to make such payments. The unsustainability of this and the significant risk it posed to the future financial resilience of parishes and ministry areas was a matter of concern the longer the pandemic continued. It was therefore felt that ongoing focus must be on recovery and reconstruction and, accordingly, it was noted that dioceses being able to plan financially further into the future would be helpful and would in turn allow assistance to parish and ministry areas to be orientated towards post-pandemic recovery.

Applying any future financial support on the basis of need was discussed with some dioceses noting that they had allocated an element of the financial support provided by the Representative Body during 2020 on a basis of need. Increased communication between dioceses and parishes and ministry areas during the pandemic, and the resulting development of relationships, had allowed dioceses to glean a good understanding of the areas of need within

dioceses. It was noted that the identification of need was subjective and that causes of anxiety were different in different contexts.

The provision of loans for future funding was not supported.

Following the conclusion of the initial discussions, the diocesan secretaries left the meeting.

Following discussion by the Representative Body

The Chair confirmed that the formal meeting of the Representative Body had now recommenced and all members should proceed as trustees of the Representative Body.

The following discussion pursued a number of details started during the previous discussion. Acknowledging the importance of dioceses being able to plan further into the future and therefore focus on recovery and reconstruction it was felt important that financial support over more than one quarter of 2021 was provided.

The Chief Executive noted that the Representative Body had set a budget for 2021 that conformed to the previously agreed distribution rate of 3.5%, which ensured a sustainable level of spending in the context of the Representative Body's practice of planning its expenditure on a total return basis. Any further spending authorised would result in the additional liquidation of investment assets. Any extra financial support the Representative Body provided to dioceses should therefore be on a time-limited basis so as not to undermine the principle of intergenerational fairness.

The Representative Body was conscious of the current situation and the remaining sense of anxiety within the province: support for the provision of further financial assistance to dioceses over the course of 2021 was expressed. Also supported was the principle that funding should be provided over a longer period of time (quarters 1 and 2 of 2021) but on a diminishing basis: further support for quarter 3 would be subject to application by dioceses and granted on the basis of need. The criteria for assessing that need would require careful thought, something the Representative Body would consider in detail at a future meeting.

Summary

Following discussion, the Representative Body agreed to set aside a total of £6.238 million to provide further financial support to the dioceses in 2021. This figure replicated the total support provided to dioceses during 2020 and would be allocated during 2021 as set out in detail in annex 1. The financial support provided during 2021 would continue to be in line with the six principles agreed by the Representative Body at its meeting in April 2020 (minute 20/32), which are appended to annex 1.

Minutes of the meeting of 12 November 2020

21/03

Subject to the correction of a typing error the minutes of the previous meeting were agreed as a true record. The minutes would be signed by the Chair as soon as possible after COVID-19 movement restrictions were eased. Various matters arising from the minutes were noted.

Chair of the Representative Body

21/04

The Chief Executive reminded the Representative Body that at its meeting in September 2020 (minute 20/69) it had discussed a general approach to the appointment of Mr James Turner's successor as Chair of the Representative Body, then introduced a paper setting out detailed proposals accordingly.

The Chief Executive explained that having sought initial advice from professional recruitment companies it had been suggested that it was becoming increasingly common for remuneration to be offered to people undertaking such roles. If remuneration were to be offered it would be necessary to seek the Charity Commission's consent.

During discussion concern was raised at the principle of offering remuneration to the Chair of the Representative Body. It was felt such an arrangement would lead to a disconnection forming between those taking on important responsibilities at parish and diocesan level and the Representative Body, as well as altering the relationship between the Chair and the other trustees. It was also noted that as well as having relevant experience and qualifications any candidate being considered for appointment should also demonstrate a clear vocation to fulfil the role and, through it, advance the mission and ministry of the Church in Wales.

Following discussion, the Representative Body agreed to form a small working group to oversee the appointment of the next Chair of the Representative Body. The working group would:

- i. Consist of Sir Paul Silk (who would Chair the working group), Mrs Hilary Wiseman, the Venerable Mary Stallard, Mr Peter Kennedy and the Archbishop. (It was noted that the Archbishop was due to retire in early May 2021, after which the senior bishop should assume the Archbishop's place on the working group.)
- ii. Consult the People Committee, the Standing Committee and the Bench of Bishops; and
- iii. Review the Chair's role description.

The Representative Body also agreed:

- iv. The Chair of the Representative Body should not be remunerated - this decision would be revisited should recruitment prove to be unsuccessful.
- v. The working group would be authorised to draw on the services of an external recruitment consultant should it see fit to do so.

It was noted the Chief Executive would support the work of the working group, providing advice as necessary, but the appointment of the Chair was a decision for the Representative Body alone.

The working group would keep the Representative Body meeting abreast of developments.

Next meeting

The Chair confirmed the Representative Body's next ordinary meeting was scheduled to take place on Thursday 4 March 2021.

Closing prayers

The Archbishop closed the meeting with prayer.

Summary of decisions made by the Representative Body on 26 January 2021 for the provision of COVID-19 financial support to dioceses during 2021

The Representative Body met on 26 January 2021 to discuss the provision of further financial support to dioceses during the continuing COVID-19 pandemic. The discussion was informed by the dioceses' financial situations and reports about the collection rate of 2020 parish share.

The Representative Body is very mindful of the excellent work undertaken by dioceses during 2020 to encourage parishes and ministry/mission areas in effective stewardship and to establish alternative means of regular giving, particularly via electronic means. This work has led to strong parish share receipts during 2020 and the Representative Body is very grateful to those who have been able to show such generosity in continuing to give faithfully to the work of the Church during what are very challenging times for many people.

The pandemic continues and the Representative Body wishes to respond by doing what it can to provide constructive financial alleviation, both in recognition of the commitment being demonstrated around the province, but also to allow dioceses the ability to plan with some certainty at least for the first half of this year. At the same time, the Representative Body is very aware of its own duty as the trustee body charged with oversight of the provincial assets, so it must give careful thought to how its decisions which require capital to be drawn down via the sale of investments will affect its ability to generate investment income – and therefore adequately support the work of the Church in Wales - in the future.

Following these discussions, the Representative Body agreed to set aside a further sum of £6.238 million to provide further financial support to dioceses in 2021. To allocate this support the Representative Body will:

- i. In Q1 of 2021 absorb rather than recharge the following costs due: stipends, pension contributions, employer's national insurance contributions, council tax and Parsonage Board Scheme contributions. (Parsonage Board Scheme contributions will be paid to DBFs by bank transfer on or before 30 April 2021.) This absorption is conditional upon:
 - a. DBFs agreeing to forego payment of the Q1 2021 block grant.
 - b. DBFs continuing to support the six principles set out by the Representative Body in April 2020 (appended as an appendix).
- ii. In Q2 of 2021 absorb rather than recharge 50% of the costs set out in paragraph i above. (Parsonage Board Scheme contributions will be paid to DBFs by bank transfer on or before 31 July 2021.) This absorption would also be conditional upon:
 - a. DBFs agreeing to forego payment of 50% of the Q2 block grant.
 - b. DBFs continuing to support the six principles set out by the Representative Body in April 2020 (appended as an appendix).
- iii. In Q3 of 2021 invite dioceses to apply for further support, for which the balance of the funding will be available. The criteria and parameters for processing such applications will be agreed by the Representative Body in the coming weeks: these criteria are likely to include a clear demonstration of need and to support recovery and reconstruction in mission/ministry areas and parishes, in line with the principles agreed in April 2020.

Principles for the provision of COVID-19 financial assistance to dioceses, as agreed by the Representative Body on 27 April 2020

Principles

1. The Representative Body is mindful of the principle of inter-generational fairness and will carefully consider both the effect that releasing additional funds now could have on the ability to generate income in the future but also the pressing and exceptional needs of today's church.
2. The Representative Body will continue to invest on a total return basis and will instruct the fund managers accordingly.
3. The provision of additional financial support should conform to the principle of 'receiving according to need'. The RB must not be tight-fisted but neither must the DBFs gain additional reserves. We are all in this together as one Church and must be open with each other about financial matters.
4. Any additional support from the Representative Body should be conditional on DBFs committing to mitigation measures to minimise the difference between income and expenditure. These could include measures to ensure that levels of giving do not decline simply because our buildings are closed. An example would be active encouragement of online giving either through Gift Direct or alternative schemes. Dioceses are also encouraged to commit, both internally and as part of the provincial family, to interrogate costs and seek sustainable, innovative cost savings.
5. Acceleration of the pace of change. In its move to online services, the Church in Wales has shown it has the ability to implement rapid, radical, unplanned and unforeseen change – it is recognised that change is also needed in the way the Church in Wales is structured. Responsibility for the consideration and implementation of structural change rests with the Governing Body and its Standing Committee but the Representative Body recognises the benefits structural streamlining would offer both in terms of financial efficiency and in the Church in Wales's ability to respond more nimbly to crises. The Representative Body supports a further exploration of the relevant, currently unimplemented, structural recommendations in the 2012 Church in Wales Review report and would support the Standing Committee in this work. It would hope that the diocese would also actively support this work and engage in any discussions.
6. The funding provided by the Representative Body to the six cathedrals continues, for the time being, to be via the DBFs rather than by way of direct grant. The RB is mindful that a working group is currently interrogating the appropriateness of this arrangement and that recommendations are being prepared.