



SCOTTISH EPISCOPAL CHURCH DIOCESE OF EDINBURGH

DIOCESAN OFFICE • 21A GROSVENOR CRESCENT • EDINBURGH • EH12 5EL

A meeting of the Edinburgh Diocesan Synod will be held on **Thursday 3rd November 2016**. The Synod Meeting will take place in Palmerston Place Church, Edinburgh starting at 6.45pm (5.30pm Synod Eucharist in St Mary's Cathedral)

SIMON FILSELL

Diocesan Administrator

EDINBURGH DIOCESAN SYNOD

Thursday 3 November 2016

AGENDA & TIMETABLE

Palmerston Place Church, Edinburgh

(Directions page 2)

5.30pm	Synod Eucharist (at St Mary's Cathedral)
6.00pm	Refreshments available (Palmerston Place Church)
6.45pm	Welcome and Apologies
6.50pm	Bishop's Opening Remarks

7.05pm

ADMINISTRATION

- Synod Minutes – *to confirm the minutes of the meeting held on 12 March 2016 - p5*

FINANCE & MANAGEMENT *(Nigel Cook, Diocesan Treasurer)*

- Diocesan Accounts for 2015: *Paper attached, p14*
Motion: This Synod notes the Diocesan Accounts for 2015
 - Diocesan Financial Position 2016
 - Diocesan Budget for 2017: *Paper attached, p22*
Motion: This Synod approves the Diocesan Budget for 2017
 - Administrative Scheme: *(David Palmer, Diocesan Secretary) Paper attached, p34*
Motion: This Synod approves the proposed changes to the Administrative Scheme
 - Information & Communications – *to introduce the Communications Coordinator, Siân Harris.*
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7.50pm

MISSION & MINISTRY (*Revd John Conway, Convenor, Diocesan Mission & Ministry Committee*)

- Bishop's Enabler of Mission - *to introduce The Revd Annie Naish*
- Adventures in Faith Coordinator - *to introduce Elizabeth White*

8.50pm

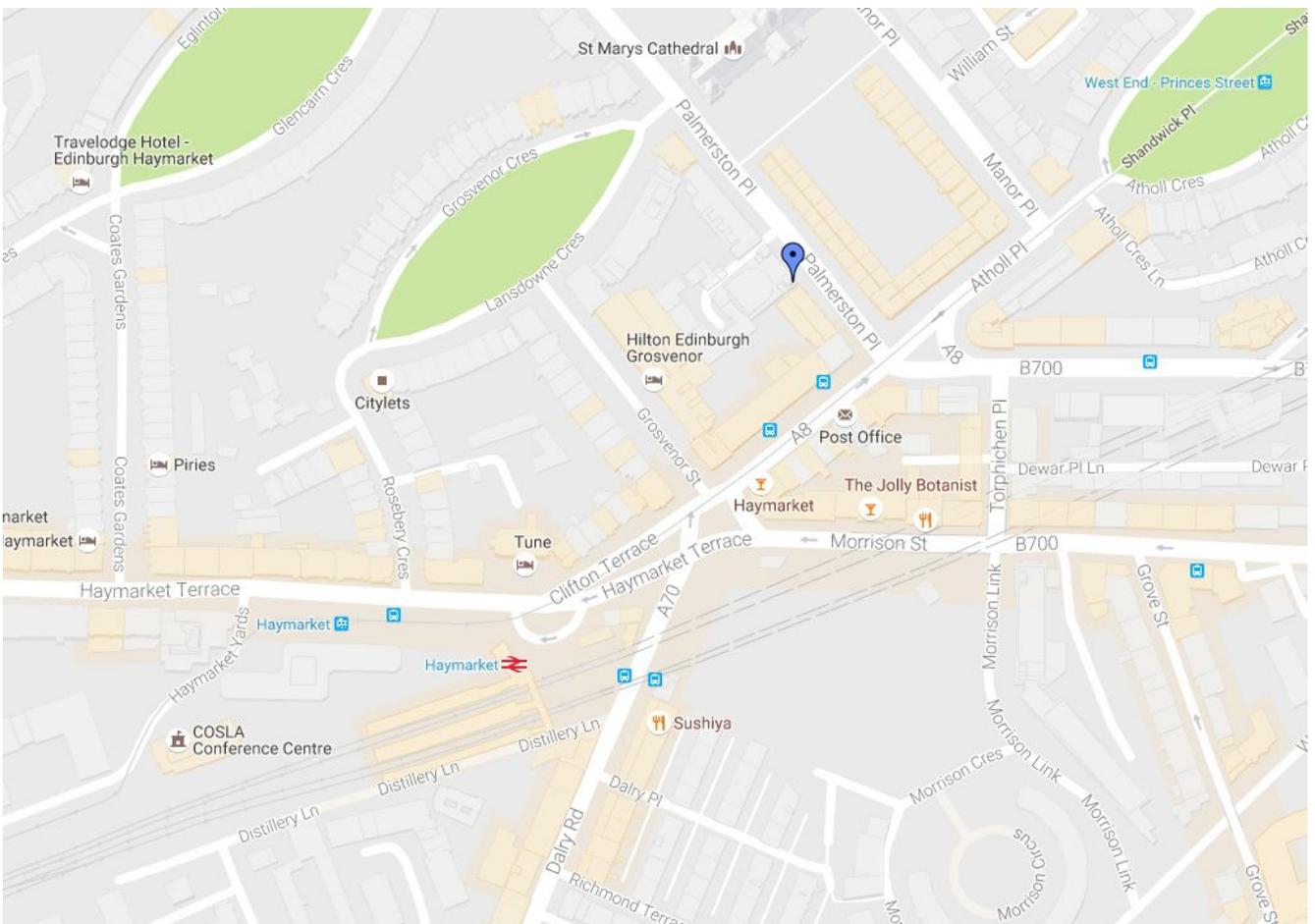
Any Other Business – *any items must be notified to the Diocesan Administrator before the start of Synod proceedings*

The Bishop confirms the Acts of Synod

Date of next Synod:

Saturday, 11th March 2017 at 9.30am • St Paul's and George's Church, Edinburgh

PALMERSTON PLACE CHURCH is very close to Haymarket rail station and the West End Princes Street tram stop (Shandwick Place). There is free evening on-street parking on the roads around St Mary's Cathedral, and at the Airport Park & Ride, where you can get on a tram.



Minutes of the Edinburgh Diocesan Synod held on 12 March 2016 at St Paul's & St George's Church, Edinburgh

APOLOGIES AND WELCOMES

The Revd Canon Fred Tomlinson welcomed the following newcomers to synod:

- Stephen McLachlan – *Lay Rep St John's, Jedburgh*
- Mrs Gillian Little – *Alt Lay Rep St James the Less, Penicuik*
- Stewart Smith – *Lay Rep St Michael & All Saints, Edinburgh*
- Duncan Sinnet – *Lay Rep St Columba's, Bathgate*
- The Revd Andy Reid – *Rector St Peter's Musselburgh*
- The Revd Libby Talbot – *Associate Rector St Paul's & St George's, Edinburgh*
- Mrs Shirley Green – *Lay Rep St David's Pilton, Edinburgh*
- Stephen Denning – *Lay Rep St Mungo's, Balerno*
- The Revd Grace Redpath – *Curate Christ Church, Duns*
- Rilza Rodrigues Montgomery- *Children's Worker St Margaret's, Edinburgh*

There were 120 Attendees (59 Clergy - 60%; 61 Lay - 98%) With Apologies from 4 Clergy and 3 Lay Members

Elspeth Davey was also welcomed, as the representative of the General Synod Office.

BISHOPS ADDRESS

Bishop John began by asking for some moments of silence to remember those who had died since the previous synod:

Freda Alexander

John Pelham

Hester Martineau

David Garside

Jean Graham

Bishop John noted that Canon Malcolm Round had written a film review in the last edition of *The Edge*, admitting an enthusiasm for the Star Wars franchise. Bishop John admitted to being a Star Trek fan, where war was no more, and humanity was united in its mission to tame aggression. During the 1975 European Referendum he had two blue stickers on his motorcycle helmet proclaiming 'Say Yes to Europe'. This was borne out of a sense that humanity was meant to be one. As another European Referendum was due, he reflected that his 'Trekky-IsM' had been superseded by a belief that God recognised no national boundaries and challenged us to use our differences to make

peace with one another. The plight of refugees accentuated this, and he reflected that hopes for the grand European Project were in the balance. With the additional approach of the Scottish Parliamentary Elections, he wanted to affirm that Christians were required to look beyond self-interest to God's interest. We should vote for the option that moved us closer to a world in which God's Kingdom may come and God's will was done. It was a principle that he felt would have animated the Primates Meeting in Canterbury in January. There was a unanimous decision to walk together although, in the next breath, there was a decision that the Episcopal Church in The USA must walk at a distance, due to the decision to allow same-sex marriages. Politics was the art of the possible, and living in a world that was not predictable was an accommodation the Primates felt they had to make, to continue to walk together and witness unity. He saw this as a cause for hope, not just for the church but for the world, as we looked forward to the Lambeth Conference In 2020.

He felt that we could now be clear about the consequences of pursuing the path to change the Canon on marriage. He asked that we kept prayerfully in mind that there were diverse opinions on same-sex marriage in our church, a diversity representative of the communion as a whole. He was aware that many shared his concern that strong safeguards must be in place for those whose consciences might be disturbed by whatever the General Synod's decision might be.

The theme of unity and walking together was an aspect of the joint Columba Declaration made by the Church of England and the Church of Scotland. There had been a communications mess by the release of the report before our own church had seen it in its final form, let alone discuss it. A level of sharing already existed with the Church of Scotland, being historically two peas from the same pod of the Scottish Reformation. Nevertheless, he would enormously regret the Columba Declaration distracting the Scottish church from its trajectory.

This was the context in which synod occurred, in which we were called to join the mission of God. The tectonic plates of faith were on the move and we saw god blessing the emergence of new forms and styles of church. This was why the mission strategy was so important and he invited members to take a full part in the discussion and the hard questions asked in the paper. He felt that we should be inspired by it, with no need to be downhearted. The challenges were also faced by Christians at other times and places. God led us to follow Christ Jesus along new pathways and into an unknown future. A church which was truly Catholic and Evangelical was an identity that could contain us all.

LENT APPEAL

Bishop John reported that two causes were being supported. Faith in Older People had been at the heart of the diocese for some time and he supported their work of educating and informing. He then invited Elspeth Strachan to speak about the other beneficiary, the Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI)

Elsbeth Strachan reported that she had visited Bethlehem the previous month, which had been both a privilege and life transforming. It was a World Council of Churches programme, begun in 2002. People had been feeling isolated and abandoned, and the program provided a protected presence to enable people to get to church, schools and other key places. They were working with peace groups to end the occupation of the west bank. She reflected that there were no simple two sides in the issue and EAPPI ensured that it did not take any side, but surely wished to see international law upheld, whilst remaining impartial.

ADMINISTRATION

SYNOD MINUTES

Synod approved the minutes of the meetings held on 7 March 2015 and 29th of October 2015.

The Bishop then handed the chair to the Dean

DIOCESAN STANDING COMMITTEE ANNUAL REPORT

David Palmer highlighted that there had been 3 St Hilda's fund grants of £5000 for local mission work awarded to Edinburgh St David's, Edinburgh St Margaret's and Dunbar. The revised Diocesan Administration Scheme had been approved by OSCR. Elizabeth White had been appointed to the Adventures in Faith Coordinator temporary post and Gillian McKinnon had been awarded a 12 month contract as Communications Coordinator.

The motion that synod approved the report of the Standing Committee was proposed by David Palmer and seconded by The Dean

THE MOTION WAS CARRIED UNANIMOUSLY.

DIOCESAN FINANCE AND MANAGEMENT COMMITTEE ANNUAL REPORT

David Palmer reported that the 2015 Accounts had recently been audited, and the auditors were very content, subject to very minor changes. These would be uploaded to the diocesan website to be ratified at the autumn synod. The budget for 2016 had included further St Hilda's Fund grants of £20,000. There had been the successful introduction of direct debiting for payroll and this was now to be rolled out for quota as well. The Cathedral Accounts were available for inspection. He reminded members to complete the provincial questionnaire regarding the clergy remuneration package. Pensions auto enrolment details had been sent out to all charges, who were reminded of their obligation to provide a pension scheme to all employees and to complete an online declaration of compliance for the Pensions Regulator. This was required, even where employees were already in the SEC or other pension schemes, and would incur a fine if not completed.

The Revd Peter Harris - he welcomed the questionnaire but was disappointed with the lack of questionnaires regarding clergy housing.

David Palmer agreed to take this comment back to the working group.

The motion that synod approved the report of the Finance & Management Committee was proposed by David Palmer and seconded by The Dean

THE MOTION WAS CARRIED UNANIMOUSLY.

SAFEGUARDING

Simon Filsell emphasised that it was an area in which good practice had to be demonstrated, to ensure the protection of children and vulnerable adults in our congregations. There had been a greater level of contact from PVG coordinators, which had been encouraging. There had also been a significant improvement in the level of reporting to vestries, and the return rate of annual checklists, with only 3 outstanding. Nevertheless, complacency should not be allowed and the consequences of incidents in the ecclesiastical world were well known. The provincial website had a very good set of resources, and those responsible for safeguarding were encouraged to familiarise themselves with the content.

Bishop John added that even having 3 checklists outstanding was shocking, as this area of work was not optional, and was central to the Gospel. He challenged every charge to check that they had a PVG Coordinator appointed, that they reported to the vestry and completed the annual checklist.

INFORMATION AND COMMUNICATIONS WEBSITE LAUNCH

The Rev Dr Sophia Marriage reported that the information and communications committee had appointed Gillian McKinnon as communications coordinator in order to rationalise communications in the diocese and to progress several areas including social media. It was recognised that the diocesan website needed attention, as it was difficult to update and required advanced technical knowledge to adjust any design elements. Gillian McKinnon had spent time revising the site using the WordPress, and had produced a site with improved design and navigation and which had more affinity with the look of the sec site. There had been some recent technical issues which meant that the site could not be launched immediately, mainly associated with domain administration issues. There had been an aim to tie in with the mission priorities and to provide more active and up-to-date topical information. The key content areas were also being rewritten. There had been a deliberate change to use the term our more frequently, to emphasise ownership. A request was made for contributions towards content, especially photographs to show the active living diocese.

ST ANDREW'S FUND

Alex Stewart explained that, despite being a well-resourced diocese, there had been no specific support for buildings, and this had been an issue when charges applied for provincial grants. It was hoped that the fund, established from the sale proceeds of St Andrew's, Prestonpans, could be built up in the future. At present the funds were limited, and there was an aim to assist the smaller charges in the first instance. A list of criteria had been produced but it was emphasised that applications did not have to meet all of them.

The motion that synod approved the criteria for the distribution of monies from the St Andrew's Fund for emergency building grants was proposed by Alex Stewart and seconded by David Palmer

THE MOTION WAS CARRIED UNANIMOUSLY.

CATHEDRAL STATUTES

Bishop John reported that the change to Section IX of the Cathedral Statutes had been agreed by the Episcopal Synod (as required in the Statutes themselves). They had, further, been notified to the Charity Regulator who had agreed the change. Section IX was now in operation.

The Bishop then presented changes to the statutes that would render them gender-inclusive. These included, in Section 14, the updating of the term Choirmaster to Director of Music.

The motion that synod approves the changes proposed to the Cathedral Statutes was proposed by Bishop John and seconded by The Revd Canon Ian Paton

THE MOTION WAS CARRIED UNANIMOUSLY.

Following consultation with the Cathedral Chapter, Bishop John announced those who would be made Honorary Canons, to mark their significant contributions to the life of the diocese:

- The Revd Marion Chatterley
- The Revd Paul Foster
- The Revd Carrie Applegath
- The Revd Canon Fred Tomlinson
- David Palmer
- Helen Hood

In addition, he would confer the status of Lay Reader Emeritus on:

- Colin Finlayson
- Bernard Hill
- Sari Salvesen

The Dean then handed the chair to the Bishop

ELECTIONS

David Palmer introduced the paper detailing the election of members to General Synod and Provincial Committees, along with the election of officials and members to Diocesan Committees. There were several vacancies for which no nominations had been received by the deadline, including 3 vacancies for clergy members of General Synod. The following were elected:

- The Rev Jenny Wright - House of Clergy, General Synod
- The Rev Canon Ian Paton - Edinburgh East Area Council, General Synod
- The Rev Canon Malcolm Round - Edinburgh South West Area Council, General Synod
- Mrs Janet McKinnell - House of Laity, General Synod
- Mr Chris Johnston - House of Laity, General Synod
- Ms Zoe van Zwanenberg - House of Laity, General Synod Alternate Representative
- Mrs Pat Boyd – Alternate Representative, House of Laity, General Synod
- The Revd Pip Blackledge – Provincial Information and Communications Board
- Mr Ian Kerry - Provincial Administration Board
- the Rev John Conway - Provincial Panel for Episcopal Elections
- Lord Bannatyne – Lay Member, Cathedral Board

The Dean then introduced the election of Synod Clerk, following the Rev Canon Fred Tomlinson stepping down after completing two five-year terms of office. There was a requirement under Canon 44 for a Synod Clerk to be appointed by every diocese. There had been two nominations and ballot papers had been issued to all members of the house of clergy. Votes would be cast over the lunch period and a count would be held at the start of the afternoon session.

CANONS

The Diocesan Registrar, Colin Heggie, reported that the proposed revisions to 4 of the Canons were primarily a matter for General Synod, but any opinions of Diocesan Synods had to be considered. The revisions related to the reduction in age qualifications for certain offices, from the age of 18 to 16. These were designed to encourage young people to take a more active part in the formal structures of the SEC.

The Rev Pip Blackledge. In Canon 57 there was a phrase that “words importing the masculine gender shall include the equivalent words importing the feminine

gender". He felt that it was time for the wording to be altered in such a way that this phrase was no longer needed.

Matthew Pemble. The reference in Canon 57 to "adult or full age" was a term that should be established in the preamble to the Canons, rather than residing in individual Canons, so that the reference was universal.

The Motion That Synod approves the revision to Canon 52 was proposed by Colin Heggie and Seconded by David Palmer

THE MOTION WAS CARRIED UNANIMOUSLY IN THE HOUSE OF BISHOPS, THE HOUSE OF CLERGY AND THE HOUSE OF LAITY

The Motion That Synod approves the revision to Canon 57 was proposed by Colin Heggie and Seconded by David Palmer

THE MOTION WAS CARRIED UNANIMOUSLY IN THE HOUSE OF BISHOPS, THE HOUSE OF CLERGY AND THE HOUSE OF LAITY

The Motion That Synod approves the revision to Canon 60 was proposed by Colin Heggie and Seconded by David Palmer

THE MOTION WAS CARRIED UNANIMOUSLY IN THE HOUSE OF BISHOPS, THE HOUSE OF CLERGY AND THE HOUSE OF LAITY

The Motion That Synod approves the revision to Canon 63 was proposed by Colin Heggie and Seconded by David Palmer

THE MOTION WAS CARRIED UNANIMOUSLY IN THE HOUSE OF BISHOPS, THE HOUSE OF CLERGY AND THE HOUSE OF LAITY

DEAN'S REPORT & BOUNDARIES COMMITTEE

The Dean related that she had seen another year of visitations, visits and vacancies. Canon 38 required all charges to have a district, and that should influence our congregational structures, life and mission. All charges will have members who will come from outside those boundaries but it is important that we know what is happening within our own. When a church closes questions arise as to how the area should be reassigned. St Hilda's Oxfangs, which was closed, was formerly a part of St Cuthbert's Colinton, so it is logical that the area should be returned to St Cuthbert's. It was also proposed that the recently closed church of St Andrews Prestonpans should have its district incorporated into the neighbouring charge of St Peters Musselburgh.

The motion that Synod approves the incorporation of the areas formerly covered by St Hilda's Edinburgh and St Andrews Prestonpans into St Cuthbert's Edinburgh and St Peters Musselburgh respectively was proposed by The Dean and seconded by David Palmer.

THE MOTION WAS CARRIED UNANIMOUSLY

The Bishop then passed the chair to David Palmer

MISSION & MINISTRY

MISSION & MINISTRY COMMITTEE ANNUAL REPORT

The Rev John Conway brought synod up-to-date with the appointment process for a Bishop's enabler of mission. The job had been advertised in January and a number of applications had been received. However it was not felt that any applicants could be shortlisted. Some minor reworking of parts of the advert and job description were being undertaken and it was planned to re-advertise after Easter. The Adventures in Faith Coordinator post had been offered to Elizabeth White. She had accepted the offer and would start on 1st May. He encouraged everyone to engage in the new programme that would follow. The St Hilda's Fund had distributed 3 grants to encourage local mission. The committee was looking for expressions of interest for 2016 grants by Easter. It was noted that although £5,000 was the usual sum awarded, it was always possible to consider small grants. He then invited the 2015 the grant recipients to report on the work enabled.

St Margaret's Easter Road, Edinburgh. Claire Benton-Evans, Diocesan Youth and Children Officer, reported that she had been working with St Margaret's, which had a growing toddler group. A conversation led to an application to the St Hilda's Fund. The toddler group had started 2 years previously in order to find space for both toddlers and parents. After opening for one morning per week, 30 children were attending, and it was decided to open for a second morning. The parents had expressed how important it was to them, and 13 families had then expressed an interest in a Sunday School. St Hilda's fund money is now funding a Children's Leader for one year to establish this Sunday School. Two members of the toddler group team, Alison Cuddeford and Krystyna Retecka, and the Children's Leader, Rilza Montgomery, related their perspectives on the project, saying that it is proving to be a life-changing experience for themselves, local families and many in their congregation.

St Anne's Dunbar. The Rev Andrew Bain reported that the funding was being used for creating a film about the effect of World War I on families in Dunbar. One of their chapels had a window dedicated to the mothers of those who died in the conflict, and the film would be shown there, as it was also much visited by school groups. This work tied in with the Peace Pole which had been dedicated previously, by Bishop John. This had been an important aspect of the witness and gospel at St Anne's.

St David's, Pilton, Edinburgh. The Rev Ruth green reported that new kitchen equipment, toys and a sound system had now been purchased. Some money had been used to improve the entrance to the church, which had allowed the creation

of a new meetings room. This had been much used already, as it was now a brighter and much warmer environment. There were plans to extend the use of the facility, with an enquiry from local midwives already. There were also expressions of interest from old people's clubs and a history group. The triptych in the church had been cleaned and remounted. The result had been that the members of the church no longer felt 'forgotten', and that was worth a huge amount within the church community.

YOUTH AND CHILDREN OFFICER REPORT

Claire Benton-Evans emphasised that work with children and young people was a part of mission, and the work of a church in any community. There had been cause to reflect on what that mission could look like. The work at St Margaret's Easter Road had been described as 'growing a church from the bottom up'. Their whole enterprise had started from a small Dunderdale Fund grant to provide toys. New mothers were now coming to the church and many had attended their first Mother's Day service.

There was also a plan to develop a Play Church. The concept had started in Sweden, inviting children into the church to learn about liturgy and worship, which brought them into the heart of the congregation. The vision was for the diocese to have its own portable Play Church. She had spoken to a joiner and work was due to start soon. There was a list of items to equip the Play Church and an invitation was issued for offers to donate specific items.

The annual Glenalmond Youth Camp had been very successful, and had produced the concept of 'Glen-bombing'. This involved a group of delegates turning up to a church unannounced, in order to participate in the worship. A paper detailing a 'ladder of participation' was produced to help congregations understand the place of their young people within the life and work of the Church. There was an encouragement to identify the obstacles and opportunities associated with youth participation. Consideration needed to be given to who the gatekeepers were, such as the people who draw up intercession rotas. Do they ask their young people to be on the rota? The participation ladder had been used during Glenalmond, to demonstrate the engagement principles. The result had demonstrated the reward for promoting the engagement of young people.

The Rev Jim Benton-Evans. In order to overcome one of the obstacles in finding out what young people want, St Peter's Peebles had held an Epiphany Party, with invitations sent out as widely as possible. The questions were asked "what can St Peter's do for you?" and "what can you do for St Peters?". The very insightful responses were all written on a huge sheet of paper, and many of them had now been acted upon.

The Rev Lynsay Downs. They had held the same consultation at Penicuik, but it had been difficult to get young people to turn up as the numbers were very small. She felt that the 'Glen-bombing' concept would help by drawing those few young

people into the services, as they would then be part of a larger group, and feel more confident.

The Motion That Synod approves the reports of the Mission & Ministry Committee and its pendant committees was proposed by The Revd John Conway and seconded by The Revd Jim Benton-Evans

THE MOTION WAS CARRIED UNANIMOUSLY.

TOWARDS A DIOCESAN MISSION STRATEGY

The Revd John Conway introduced the paper produced by the Diocesan Mission and Ministry Committee, as a discussion paper to stimulate debate and an exchange of views on local and wider mission in the diocese. Discussion continued around tables, and feedback was then given.

The Rev Dave Richards. They welcomed the paper but felt that it should not focus on finance and structures, but where there was fire in the heart. They also felt that a productive question would be “what has your congregation let go of?”, i.e. what was holding back mission? They felt that congregations were not there to look after buildings.

The Rev Marion Chatterley. They felt that there should be an emphasis on the importance of training, both ordained and lay, and a discussion of how training fed into the mission strategy and process.

The Rev Pip Blackledge. They felt that it was sometimes not identifiable why churches grew and shrank. A question ought to be how resources could be shared already, with an emphasis on getting to know our immediate neighbours much better. The Interim Pastor role was currently limited, and consideration could be given to its expansion. Overall, it was felt that the questions posed were excellent.

Ian Kerry. They felt that lay resources had not been highlighted sufficiently.

The Rev Ken Webb. They were encouraged by the questions, though they saw them more as diocesan rather than congregational questions.

The Rev Lynsay Downs. They felt there was a need to see clergy as a wider diocesan resource, which was difficult when congregations justly felt ownership of their clergy member, through paying their stipend. Partnerships between contrasting congregations worked well, with the ability to organise exchanges to give congregations experience of both churches, and the challenges they faced.

The Rev Jim Benton-Evans. They were looking to see a strong diocesan mission vision come out of the discussions. There should be a perspective of looking at what the needs of the community were.

The Rev Nicola Moll. Ten years was a long period of time in which to predict any process of change. Many creative things were already happening. Maybe the diocese should consider providing a mobile church?

The Rev Christine Barclay. It was felt that ways should be found, in each context, of loosing the bonds of the past and having the courage to look forward.

The Rev David Dixon. There were issues raised by the small charges within Edinburgh. They felt that, on the retirement of their clergy, succession planning needed to happen in advance. More thought should be given to working ecumenically. It was felt important that the SEC had a presence in all parts of the diocese.

The Rev David Sceats. They noted that an approach to leadership often saw leaders imported from outside the diocese and even the SEC. Where local leadership was encouraged there was often more engagement and congregations were energised.

The Rev Peter Harris. There had been discussion about the survival of the SEC and the importance of the young people of the church. At [the first] Pentecost there was no mention of not having the right resources to enable mission.

The Rev John Conway thanked the individual groups for all the feedback, which presented much to digest. He was aware that many congregations were facing the fundamental questions already. He hoped that the Mission and Ministry Committee could be seen as a support body for congregations and he encouraged contact to be made in that context.

Bishop John concluded that we were a diocese that shared each other's burdens, and he was pleased to see signs of resources being shared across boundaries.

Before the conclusion of business, the Dean announced that The Rev Frances Burberry had been duly elected as the new Synod Clerk. She thanked both Ruth Innes and Frances Burberry for standing in the election.

The Bishop confirmed the Acts of Synod

The next meeting of Synod would take place on
THURSDAY 3 NOVEMBER 2016 venue tbc



Diocese of Edinburgh
Scottish Episcopal Church

SUMMARISED FINANCIAL STATEMENTS

Year ended 31 December 2015

The summarised financial statements on the following 7 pages are not the statutory accounts of the Diocese, but a summary of information relating to both the statement of financial activities and the balance sheet. The full accounts from which the summarised financial statements are derived have been externally scrutinised, and the report of the auditors contained no concerns regarding the accounts.

The full annual accounts, auditors' report and trustees' annual report can be obtained from the Diocesan Office. The annual accounts were approved by Standing Committee on 12 March 2016, and were accepted by the Office of the Scottish Charity Regulator on 18 March 2016.

The accounts were for the first time prepared in accordance with the new Financial Reporting Standard FRS102 introduced on 1 January 2015. The layout, construction and terminology set out here are in compliance with the new standard.

The budget agreed for 2015 set an operating deficit of around £19k. This maintained provision for the increased staffing provided in 2014, and a further increase in provincial quota. The outcome for the year reflected a number of exceptional or unforeseen items not reflected in the budget:

- proceeds from the sale of the former St Andrew's Church, Prestonpans (£93k);
- legacy income of £16.5k;
- early receipt of grant income (£10k);
- office cost savings (£20k)
- underspent grant funds (£8k);
- departure of the mission officer, and deferred appointment of the communications co-ordinator (£6k)

The Prestonpans receipt has been used to create fund to provide emergency building grants for charges, and the legacy income, originally bequeathed to the former St Hilda's Church, has been added to the St Hilda's fund for mission.

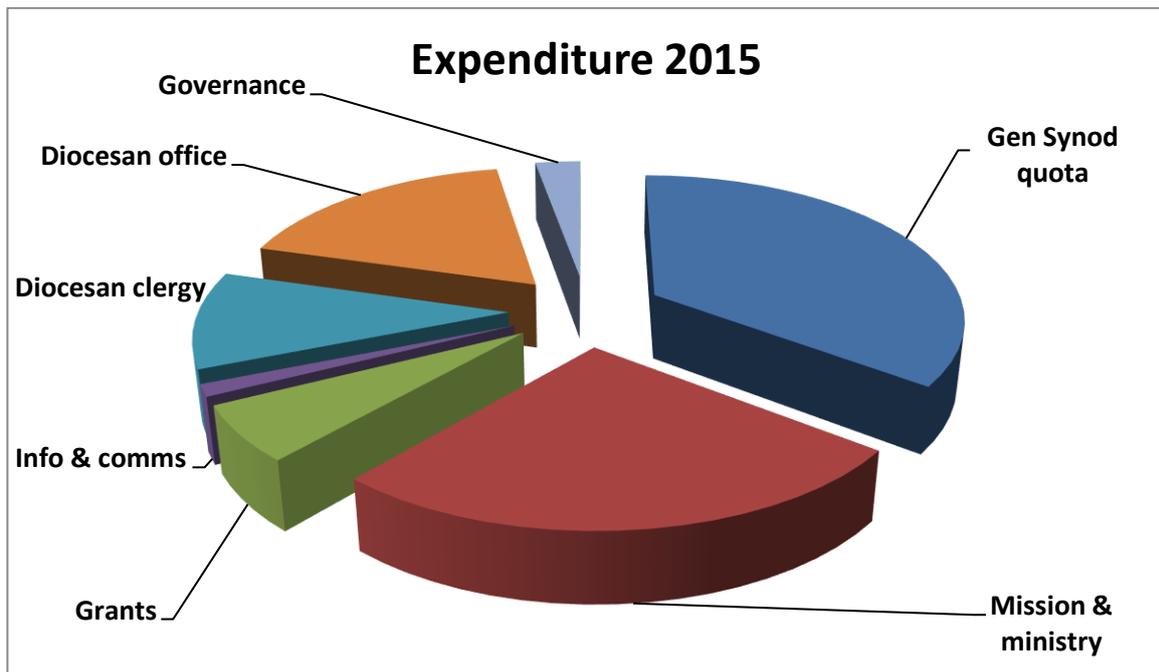
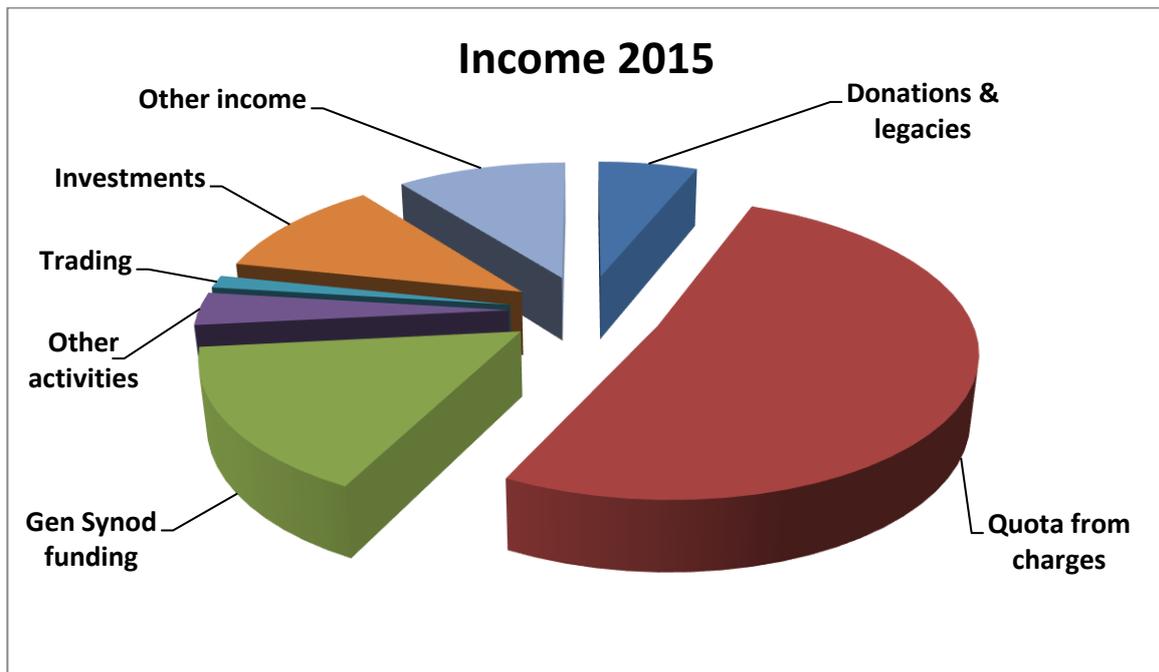
The resulting surplus was £151k, of which £125k is attributed to restricted and designated funds and £26k to the general fund. Income had been budgeted at £771k; setting aside the Prestonpans and legacy income, actual income was slightly higher at £779k; expenditure had been budgeted at £791k, but with staffing and other cost savings turned out lower at £738k.

BUDGET SUMMARY 2015

	Budget <i>£'000</i>	Actual <i>£'000</i>
Donations and legacies	21.6	54.4
Charitable activities:		
Quota from charges	457.9	456.9
General Synod funding	160.9	142.4
Other funding	18.8	19.9
Other charitable activities	9.0	10.2
Other trading activities	8.3	12.5
Investments	95.0	99.5
Other income		93.0
Total income	771.5	888.8
Investment properties	0.5	-
Charitable activities:		
Quota to General Synod	260.8	260.8
Mission and ministry	216.6	192.4
Grants and bursaries	53.0	45.0
Information and communication	13.3	9.6
Central clergy	83.6	78.8
Diocesan office	142.9	130.4
Governance	20.0	20.5
Total expenditure	790.7	737.5
Net (deficit) / surplus	(19.2)	151.3

The foregoing statement excludes gains on sale or revaluation of properties and investments.

INCOME AND EXPENDITURE CHARTS



The foregoing charts exclude gains on sale or revaluation of properties and investments.

Statement of financial activities

Year ended 31 December 2015

	Note	Unrestricted funds			Total funds	
		General fund	Designated funds	Restricted funds	2015	2014
		£	£	£	£	£
Income and endowments from						
Donations and legacies	1	33,404	16,468	4,520	54,392	24,720
Charitable activities						
Quota receipts due from Charges	2	456,907	-	-	456,907	435,823
General Synod grant funding		-	-	142,334	142,334	132,032
Other grants and funding		-	-	19,937	19,937	23,841
Other charitable activities		10,224	-	-	10,224	9,259
		467,131	-	162,271	629,402	600,955
Other trading activities	3	12,452	-	-	12,452	14,013
Investments	4	59,737	34,650	5,146	99,533	97,858
Other	5	-	92,987	-	92,987	10,877
Total income and endowments		572,724	144,105	171,937	888,766	748,423
Expenditure on						
Raising funds		-	-	-	-	(433)
Charitable activities						
Quota paid to General Synod	6	260,787	-	-	260,787	249,765
Mission and ministry activities		53,997	15,244	123,134	192,375	180,378
Grants and bursaries		2,655	10,000	32,391	45,046	50,303
Information and communication		9,649	-	-	9,649	7,009
Diocesan clergy		68,459	-	10,300	78,759	81,029
Diocesan office		130,385	-	-	130,385	132,855
Governance		20,501	-	-	20,501	26,437
		546,433	25,244	165,825	737,502	727,776
Total expenditure		546,433	25,244	165,825	737,502	727,343
Net operating income		26,291	118,861	6,112	151,264	21,080
Gains on investment assets		9,230	96,639	6,283	112,152	130,051
Net income		35,521	215,500	12,395	263,416	151,131
Transfers between funds		(10,500)	10,500	-	-	-
Net movement in funds		25,021	226,000	12,395	263,416	151,131
Reconciliation of funds						
Total funds at 1 January 2015		113,883	3,162,781	179,522	3,456,186	3,305,055
Total funds at 31 December 2015	7	138,904	3,388,781	191,917	3,719,602	3,456,186

All incoming and outgoing resources derive from continuing activities.
The Diocese has no gains and losses other than those recognised above.

Balance sheet 31 December 2015

	Total funds 2015		Total funds 2014	
	£	£	£	£
Fixed assets				
Tangible assets		936,462		913,774
InvestmentS		2,651,199		2,439,097
		<u>3,587,661</u>		<u>3,352,871</u>
Current assets				
Debtors	95,219		53,922	
Cash at bank and in hand	102,800		127,519	
		<u>198,019</u>		<u>181,441</u>
Liabilities				
Creditors: amounts falling due within one year	66,078		78,126	
		<u>131,941</u>		<u>103,315</u>
Net current assets				
		<u>131,941</u>		<u>103,315</u>
Net assets		<u>3,719,602</u>		<u>3,456,186</u>
Funds				
Restricted income funds		191,917		179,522
<i>Unrestricted funds</i>				
Designated funds		3,388,781		3,162,781
General fund		138,904		113,883
Total funds	7	<u>3,719,602</u>		<u>3,456,186</u>

The accounts were approved for issue by the Standing Committee (Trustees) on 11 March 2016 and signed on their behalf by David Palmer (Vice-convenor, Standing Committee).

Notes to the accounts: Year ended 31 December 2015

1. Income from donations and legacies

	General fund	Designated funds	Restricted funds	Total funds	
	£	£	£	2015	2014
	£	£	£	£	£
Donations and gifts					
AllChurches Trust	28,651	-	-	28,651	17,585
Other donations and gifts	4,753	-	4,520	9,273	7,135
Legacies	-	16,468	-	16,468	-
Total income from donations and legacies	33,404	16,468	4,520	54,392	24,720

2. Income from charitable activities

	General fund	Designated funds	Restricted funds	Total funds	
	£	£	£	2015	2014
	£	£	£	£	£
Quota receipts due from Charges	456,907	-	-	456,907	435,823
General Synod grant funding					
Curate support grants	-	-	65,033	65,033	60,665
Stipend support grants	-	-	21,151	21,151	14,877
Travel grants	-	-	3,300	3,300	3,300
Ministry development service	-	-	36,450	36,450	36,450
Dunderdale funds:					
Endowment of bishoprics	-	-	8,400	8,400	8,320
Endowment of charges	-	-	5,600	5,600	5,440
Dean's allowance	-	-	1,900	1,900	1,880
Other funding	-	-	500	500	1,100
	-	-	142,334	142,334	132,032
Other grants and funding					
Walker Trust	-	-	19,937	19,937	18,818
Stipend support for Charges	-	-	-	-	5,023
	-	-	19,937	19,937	23,841
Other charitable activities					
IME course fees	1,896	-	-	1,896	-
Clergy conference	5,410	-	-	5,410	5,270
Adventures in Faith	1,893	-	-	1,893	1,017
Diocesan retreat	880	-	-	880	2,370
Youth and children's events	145	-	-	145	602
	10,224	-	-	10,224	9,259
Total income from charitable activities	467,131	-	162,271	629,402	600,955

3. Income from other trading activities

	General fund	Designated funds	Restricted funds	Total funds	
	£	£	£	2015	2014
	£	£	£	£	£
Office earnings	12,452	-	-	12,452	8,408
Miscellaneous income	-	-	-	-	5,605
Total income from other trading activities	12,452	-	-	12,452	14,013

Notes to the accounts (continued): Year ended 31 December 2015**4. Income from investments**

	General fund	Designated funds	Restricted funds	Total funds	
	£	£	£	2015	2014
	£	£	£	£	£
Listed securities and unit trusts	58,160	34,650	5,146	97,956	96,244
Cash deposits	77	-	-	77	114
Investment properties	1,500	-	-	1,500	1,500
Total income from investments	59,737	34,650	5,146	99,533	97,858

5. Other income

	General fund	Designated funds	Restricted funds	Total funds	
	£	£	£	2015	2014
	£	£	£	£	£
Funds transfer from former St Andrew's Church, Prestonpans	-	92,987	-	92,987	-
Edinburgh Diocesan Urban Trust funds	-	-	-	-	10,877
Total other income	-	92,987	-	92,987	10,877

6. Expenditure on charitable activities

	General fund	Designated funds	Restricted funds	Total funds	
Note	£	£	£	2015	2014
	£	£	£	£	£
Quota paid to General Synod	260,787	-	-	260,787	249,765
Mission and ministry activities					
Ministry development:					
Stipends and salaries	4,260	5,000	21,751	31,011	35,377
Other costs	10,951	-	19,328	30,279	26,500
Clergy conference	12,568	-	-	12,568	11,045
Diocesan retreat	1,019	-	500	1,519	2,725
Youth and children:					
Salaries	22,128	-	-	22,128	15,447
Other costs	819	-	-	819	1,432
International links	655	-	-	655	6,343
Curate stipends	-	-	65,033	65,033	60,893
Local ministry	-	10,244	9,115	19,359	11,316
Chaplaincies	1,597	-	7,407	9,004	9,300
	53,997	15,244	123,134	192,375	180,378
Grants and bursaries					
Grants for congregations	40	10,000	8,900	18,940	19,424
Walker Trust grants and bursaries	-	-	16,837	16,837	16,624
Other grants and bursaries	2,615	-	6,654	9,269	14,255
	2,655	10,000	32,391	45,046	50,303
carried forward	317,439	25,244	155,525	498,208	480,446

Notes to the accounts (continued): Year ended 31 December 2015

6. Expenditure on charitable activities (continued)

	Note	General fund £	Designated funds £	Restricted funds £	Total funds	
					2015 £	2014 £
brought forward		317,439	25,244	155,525	498,208	480,446
Information and communication						
Communications co-ordinator		3,875	-	-	3,875	-
The Edge (diocesan magazine)		4,705	-	-	4,705	5,646
Websites development and delivery		1,069	-	-	1,069	1,363
		9,649	-	-	9,649	7,009
Diocesan clergy						
Bishop:						
Stipend		40,419	-	8,400	48,819	47,880
Residence		9,543	-	-	9,543	13,048
Expenses		5,123	-	-	5,123	6,196
Dean (expenses and congregation allowance)		13,374	-	1,900	15,274	13,905
		68,459	-	10,300	78,759	81,029
Diocesan office						
Support staff salaries		65,489	-	-	65,489	62,839
Training and expenses		91	-	-	91	639
Premises costs		31,309	-	-	31,309	31,088
Administration		22,917	-	-	22,917	22,627
Equipment maintenance		9,327	-	-	9,327	15,662
Equipment depreciation		1,252	-	-	1,252	-
		130,385	-	-	130,385	132,855
Governance						
Synod and committee expenses		2,874	-	-	2,874	7,746
Honoraria to diocesan officials		8,000	-	-	8,000	8,000
Auditors' remuneration		3,677	-	-	3,677	3,494
Legal fees and expenses		5,950	-	-	5,950	7,197
		20,501	-	-	20,501	26,437
Total expenditure on charitable activities						
		546,433	25,244	165,825	737,502	727,776

Notes to the accounts (continued): Year ended 31 December 2015**7. Summary of fund movements**

	Brought forward £	Net operating income £	Gains / (losses) £	Transfers £	Carried forward £
Restricted funds					
Bishop's discretionary fund (including Pitcairn library)	107,767	942	3,755	-	112,464
Funds for the benefit of specific Charges	44,017	1,430	1,748	-	47,195
Walker Bursary Fund	17,237	3,656	678	-	21,571
Other restricted funds	10,501	84	102	-	10,687
	179,522	6,112	6,283	-	191,917
Unrestricted funds					
<i>Capital funds:</i>					
Home mission funds	1,345,667	-	61,374	-	1,407,041
Overseas mission funds	9,436	-	446	-	9,882
Episcopal residence fund	913,774	-	-	10,500	924,274
<i>Revenue funds:</i>					
Diocesan projects funds	893,904	118,861	34,819	-	1,047,584
	3,162,781	118,861	96,639	10,500	3,388,781
General fund	113,883	26,291	9,230	(10,500)	138,904
	3,276,664	145,152	105,869	-	3,527,685
Total funds	3,456,186	151,264	112,152	-	3,719,602

Restricted funds comprise income received that can only be spent on the purpose specified by the donor.

The Bishop's Discretionary Fund provides grants for the benefit of individual diocesan clergy and also assists other beneficiaries and projects. Funds for the benefit of charges relate to the Charges at Livingston and Rosslyn. The Walker bursary fund receives grants from the Walker Trust to provide bursaries for theological education. Other restricted funds represent a number of small disparate funds.

Unrestricted funds can be used for any purpose, as described below.

Home and overseas mission funds hold investments which provide income to support the mission of the Diocese. The Episcopal residence fund represents the value of the Episcopal residence. Diocesan projects funds represent funds accumulated to assist Charges within the Diocese with mission projects (the St Hilda's fund), and buildings maintenance (the St Andrew's fund).



Proposed Diocesan Budget 2017

Summary

The budget for 2017 proposed to Synod by Standing Committee reflects a time of settling in to new arrangements, following a period of transition in staffing and funding provision:

- the previous provincial ministry support grant has given way to the mission and ministry block grant (which is being phased in over four years to 2019)
- responsibility for delivery and funding of training for authorised ministry has ceased, coupled with the withdrawal of dispersed TISEC funding
- a full-time Enabler of Mission has been appointed, with 2017 being the first full financial year in post
- building grants for charges are now available, utilising income from the invested funds from the sale of St Andrew's, Prestonpans

The layout of the budget continues to follow the structure of the 2015 Charities Statement of Recommended Practice (FRS 102) (SORP), used for the first time for compilation of the diocesan report and accounts for 2015.

Preparation of the draft budget has been greatly informed by contributions from various parties within the Diocese, and gratitude is expressed for these contributions, and the resulting dialogues. The budget position currently drafted is as follows:

<i>£'000s</i>	Audited 2015	Budget 2016	Budget 2017
Total income	795.8	770.4	760.2
Total expenditure	737.5	775.1	782.5
Net income/ (expenditure)	58.3	(4.7)	(22.3)

For simplicity and clarity, the foregoing data exclude realised and unrealised gains on properties and investments, and the funds transferred from the former Charge of St Andrew's, Prestonpans in 2015. Additionally (and included above), the audited result for 2015 reflect a number of exceptional or unplanned items, including:

- early-timed grant from Allchurches Trust (£10.4k)
- unexpected legacy income (St Hilda's fund) (£16.5k)
- office savings (£14.6k)
- underspent grants (Walker Trust and St Hilda's fund) (£8.1k)
- deferred appointments (£5.7k)

The agreed budget for 2016 proposed a deficit of £4,720. It is too early to predict with reliability the outcome for the current year, although it is likely that there will be some improvement. The most recent management accounts (to 31 August 2016) show a net surplus of £8.1k compared with a budgeted deficit at that stage of £13.6k, an apparent improvement of £21.7k.

However, a principal provision for 2016 was to budget £33.6k for the appointment of the Mission Enabler, whereas the appointment was deferred from April to September. The likely cost in 2016 will now be £15.3k, a saving of some £18k. Other savings may emerge, of smaller value, but there have also been some increases, such as continued responsibility for non-budgeted ministry training weekends through to summer 2016. Quota from Charges was increased by 4.5% to provide for increased budgeted expenditure of £775k, compared with actual for 2015 of £737k.

General considerations

The proposed budget considers the following matters:

1. *The economy.* Predictions of increased interest rates before the end of 2015 and again in 2016 have not been fulfilled, and price indices remain relatively flat at around +0.5% change over 12 months. Many diocesan costs are not subject to changes in the price index, but where this is the case we continue to provide for an upward change of 2% in an uncertain economy.
2. *Provincial grant.* The new mission and ministry block grant is being phased in over 4 years 2016-2019. Allocation to dioceses is on the basis of distributing a fixed sum in proportion to average income and required stipendiary posts. The fixed sum increases each year by the percentage stipend increase. The original global target of £300k is therefore now £304.5k. Edinburgh's share will be £38,163, of which £27,493 is payable in 2017. The travel, youth and retreat grants previously given separately (totalling £4,500) have been rolled into the block grant. Curate grant, Dunderdale grants and Dean's expenses grant remain in place.
3. *Provincial quota.* General Synod again agreed an overall 3% increase in Provincial Quota for 2017. However, in contrast with previous years, Edinburgh will see only a 3% increase in its share. (Aberdeen & Orkney, and Brechin will see larger increases).
4. *Stipends and salaries.* It is confirmed that standard stipend will increase by 1.5% on 1 January 2017, and the pension contribution will continue at a rate of 32.2%. A similar increase is provided for office salaries, except for staff who qualify for an annual increment. Discussion between the Province and HMRC relating to the Employment Allowance remains unresolved. The Province has recently obtained legal opinion that each Diocese and Charge is entitled to the allowance; therefore, recovery continues to be reflected in the budget. If the Church's case with HMRC fails, the amount subject to repayment at 31 December 2017 would be £10k.

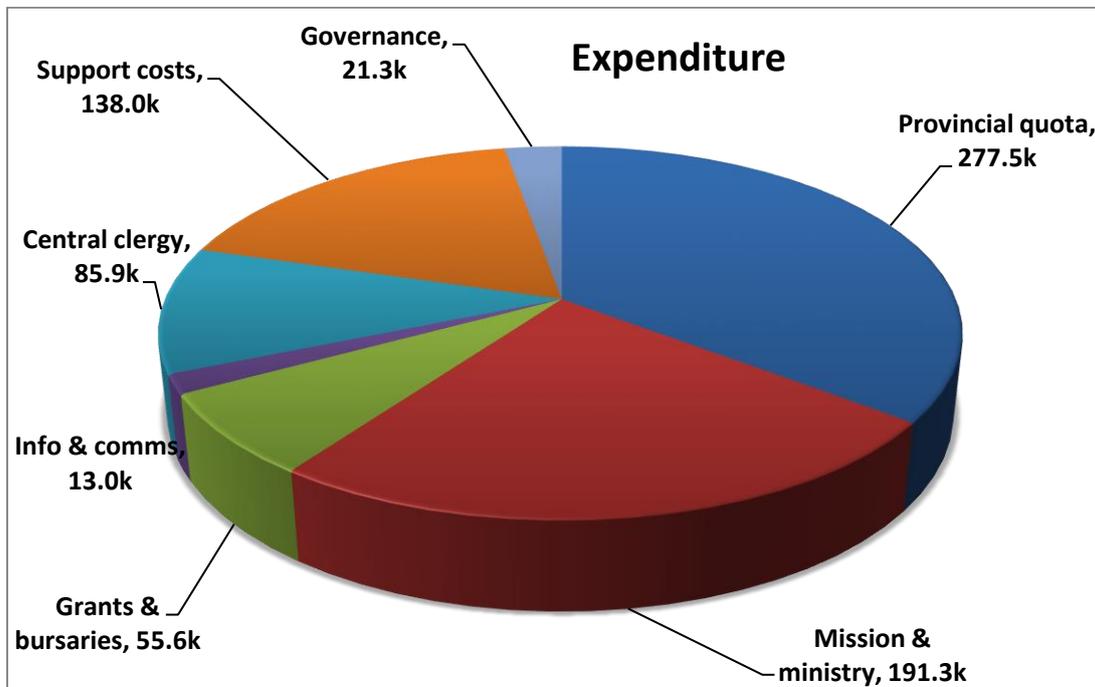
Expenditure

The major areas of change from the 2016 budget (\pm £5k) are as follows:

<i>£'000s</i>	Budget 2016	Budget 2017	Change
Mission enabler –full year cost (stipend + accommodation)	33.6	51.1	17.5
Provincial quota +3%	269.4	277.5	8.1
Adventures in Faith – permanent staffing provision	0.0	5.0	5.0
IME stipend reduces	14.2	4.2	-10.0
Curate stipends (grant funded) – reduced number of curates	74.3	54.6	-19.7
Other costs	383.6	390.1	6.5
Total expenditure	775.1	782.5	7.4

[Curate grant being directly funded on an equivalent £ basis, the change excluding curates is an expenditure increase of **£27.1k.**]

The following chart shows the relative composition of expenditure.



In percentage terms, expenditure breaks down as follows:

	%	2017	2016
Provincial quota		35.5	35.1
Mission and ministry		24.4	24.9
Support costs		17.6	17.5
Central clergy		11.0	10.8
Other costs		11.5	11.7

Provincial quota – the amount payable has increased by £8,083 to £277,461 (+3%)

Mission and ministry costs include ministry training (including discernment costs), the Enabler of Mission, conferences and retreats, youth and children’s officer, international activities, and local ministry support (including curate grants):

stipend payable to the IME officer has reduced to 25% and is payable only until June; this protects the position of the current post-holder until expected retirement;
 stipend and accommodation have been provided for the mission enabler on a full-year basis;
 MDS costs are largely similar to the current position, with the exception of funding for IME training;
 provision for curate grants is lower due to a lower number of funded curates (this is matched 100% by incoming grant from the Province);
 local ministry cost includes support for the Livingston ecumenical partnership (£5000), and the remaining period (9 months) of curate stipend for Colinton met from the St Hilda's fund; the agreement with Dunbar for stipend support ceases at the end of 2016.

Grants and bursaries include grants to congregations (by way of Dunderdale funding, travel grant, St Hilda's mission grants, St Andrew's building grants), disbursement of Walker Trust income, and disbursements from the Bishop's discretionary fund.

Information and communication includes the communications co-ordinator, production of *The Edge*, and maintenance of websites for the Diocese and congregations.

Edge production costs have fallen, but some communications training has been provided.

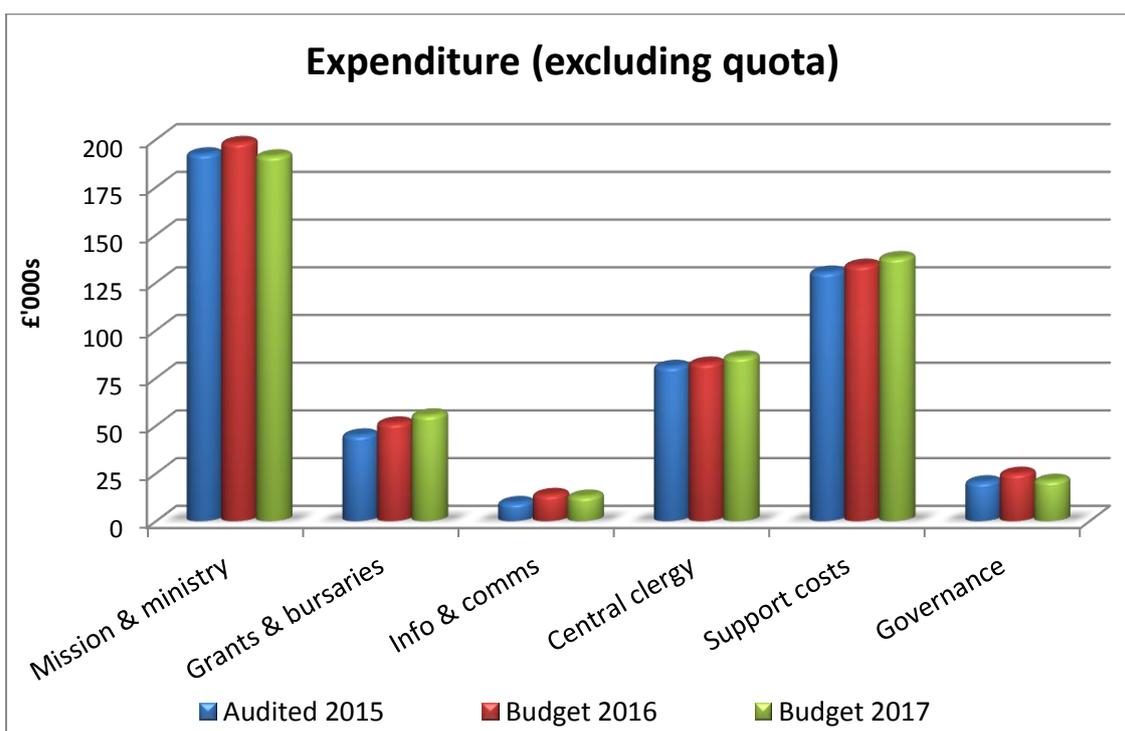
Central clergy comprises the Bishop's stipend, expenses and residence costs, and the Dean's expenses and an allowance paid to her congregation.

Additional provision has been made for buildings maintenance.

Support costs includes all administration staff salaries, and running costs of the office, its facilities and equipment.

Governance includes the costs of Synod meetings, committee meetings, honoraria to diocesan officials, and audit and legal fees and expenses.

Excluding provincial quota, the following chart shows the changing levels of expenditure.



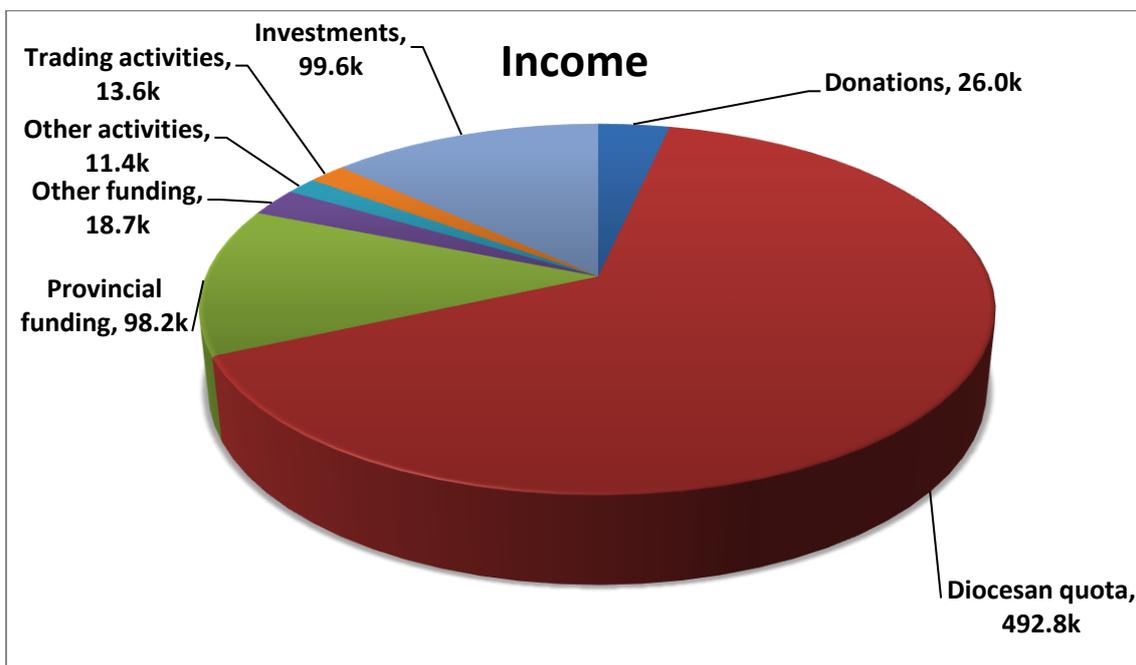
Income

The major areas of change from the 2016 budget (\pm £5k) are as follows:

<i>£'000s</i>	Budget 2016	Budget 2017	Change
Diocesan quota	478.5	492.8	14.3
Provincial funding (excl curates)	56.7	43.6	-13.1
Curate grants (fully disbursed)	74.3	54.6	-19.7
Other income	160.9	169.2	8.3
Total income	770.4	760.2	-10.2

[Curate grant being directly funded on an equivalent £ basis, the change excluding curates is an income increase of £9.5k.]

The following chart shows the relative composition of income:



In percentage terms, income breaks down as follows:

	<i>%</i>	2017	2016
Diocesan quota		64.8	61.7
Investments		13.1	12.9
Provincial funding		12.9	17.2
Other income		9.2	8.2

Donations and legacies – the main component is funding from Allchurches Trust; timing of payments currently seems uncertain.

Provincial funding includes the mission and ministry support grant, curate grants, and other provincial funding.

our mission and ministry support block grant increases to £27,493
 curate grant funding is lower due to a lower number of funded curates

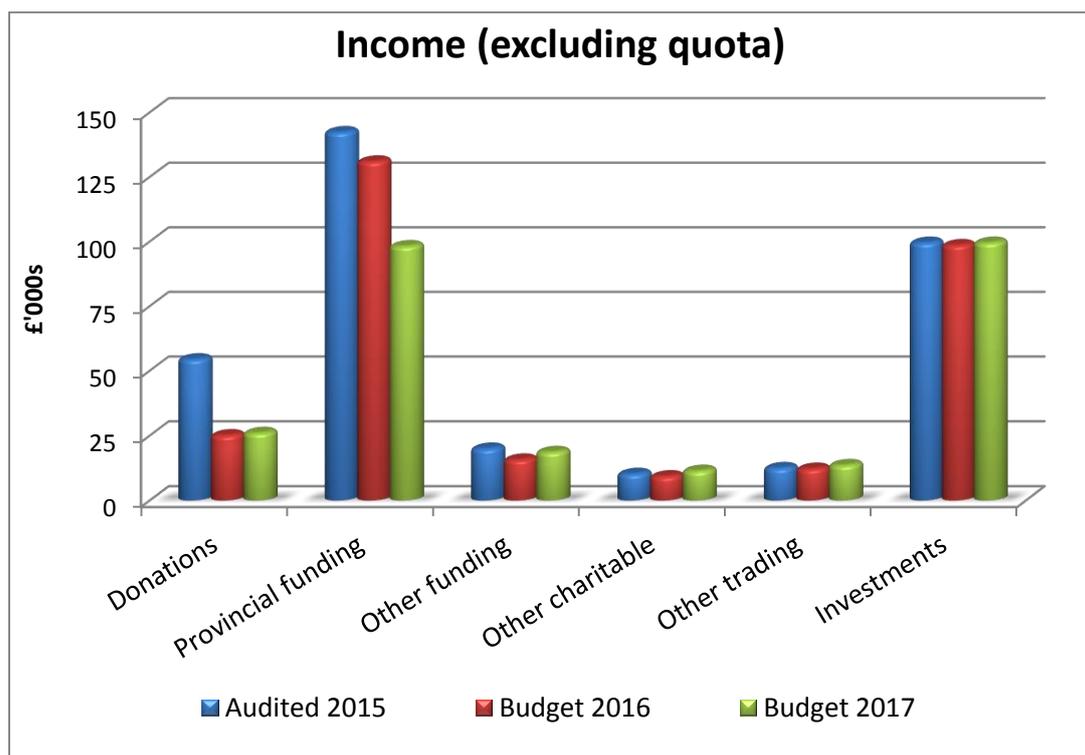
Other funding mainly comprises a Walker Trust grant, which is divided between the Cathedral and educational bursaries to ordinands.

Other charitable activities represent income from conferences, courses and retreats.

Other trading activities constitutes charges for use of office facilities by charges and other organisations, and income from the diocesan payroll service.

Investments comprises income from let property and from holdings in the SEC Unit Trust Pool.

The following chart details the changing levels of diocesan income sources (excluding quota).



Restricted purpose income

A significant portion of our income is restricted; it can only be expended for the purposes for which it is provided. Within the budget, this applies to the following items:

		£	
Provincial funding	Mission and ministry grant	27,493	see note on page 8
	Curate grants	54,647	support for curate stipends
	Dunderdale grants	14,140	support for bishop's stipend and needy charges
	Dean's allowance	1,920	Dean's expenses
Other funding	Walker Trust	18,665	£4,200 for bursaries; remainder to Cathedral
Investments	Securities income	5,146	relates to various restricted funds
Total		122,011	

A further £34,650 of investment income relates to designated funds, and provides the income to fund mission and buildings grants to congregations.

Dividing the proposed budget between the different categories of fund results as follows, indicating which items of expenditure are discretionary and which not:

Proposed budget 2017 by fund	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
<i>Income and endowments from</i>				
Donations and legacies	26,000	-	-	26,000
Quota from charges	492,818	-	-	492,818
Provincial funding	-	-	98,200	98,200
Other grants and funding	-	-	18,665	18,665
Other charitable activities	11,400	-	-	11,400
Other trading activities	13,600	-	-	13,600
Investments	59,754	34,650	5,146	99,550
Total income and endowments	603,572	34,650	122,011	760,233
<i>Expenditure on</i>				
Quota to General Synod	277,461	-	-	277,461
Mission and ministry	97,474	15,000	78,840	191,314
Grants and bursaries	3,144	19,650	32,771	55,565
Information and communication	13,000	-	-	13,000
Diocesan clergy	75,490	-	10,400	85,890
Diocesan office	137,990	-	-	137,990
Governance	21,300	-	-	21,300
Total expenditure	625,859	34,650	122,011	782,520
Net income / (expenditure)	(22,287)	-	-	(22,287)

Diocesan quota

Historically, diocesan quota has been increased by 3% each year, yet continuing to hold quota at around 10% of diocesan quota assessable charge income. Addressing anticipated cost increases, quota was increased, exceptionally, by 5% in 2015 and 4.5% in 2016. Although percentage increases in assessable income and quota have not maintained similar curves (in 2013/2014 DQAI was increasing by around 8% each year, but quota by 3%), the overall increase over 5 years is remarkably similar. Over the period 2012-2017 DQAI has increased by 22.95%, and diocesan quota by 22.23%. (Over the same period Edinburgh's share of provincial quota, with a peak increase of 6.66% in 2014, has risen by 21.91%.)

As a percentage of assessable charge income, approximately 10%, quota in Edinburgh Diocese has been consistently lower than elsewhere. The corresponding charge in other dioceses ranges between 13% and over 25%.

In recent years, cautious budgeting, careful cost monitoring, and other factors have combined to produce the result that the Diocese has not suffered the full amount of budgeted deficits. The budget for 2017 proposes that diocesan quota be increased by the customary 3%. This represents 10.3% of Charges' diocesan quota assessable income. The following table compares net expenditure before quota with quota.

<i>£'000s</i>	Audited 2015	Budget 2016	Budget 2017
Net budgeted expenditure before quota	398.6	483.2	515.1
Actual / proposed quota	456.9	478.5	492.8
Net surplus / (deficit)	58.3	(4.7)	(22.3)

Mission and ministry grants

Prior to 2016, ministry support grants were applied for in advance and based on approved spending requests. The resulting grant was required to be expended on the purposes for which it had been requested, any surplus grant being subject to repayment. The new mission and ministry support grant is calculated on the basis of two formulae: diocesan income shortfall compared with average, and agreed stipendiary posts requirement.

Each diocese has some flexibility in the use of the grant, provide that it is expended in one or more of the following areas:

- stipend support, travel grants, and related ministry costs
- mission development officers or equivalent
- “fresh expressions”/mission development
- youth work
- retreat

As a consequence of this flexibility dioceses will be required to account each year to the Provincial Mission Board for the effective use of their grant. An annual report describing support given set within the wider context will be required each December, followed by an itemised financial accountability statement in January. The Mission Board will provide feedback to dioceses and may decline to approve particular uses of the grant. However, dioceses are permitted to carry forward up to 50% of any year’s grant for use in the following year.

Conclusion

The new mission and ministry support grant provides an element of flexibility and security for the Diocese. Transitional provisions result in the amount offered increasing each year to 2019. After this, the principles on which the grant is calculated may be subject to review.

The budget for 2017 provides for the costs of a full-time Enabler of Mission, and all other required diocesan posts. One expectation of mission development is that it will improve the support for Charges and their increased effectiveness, with a potential increase in income leading to reduced pressure on resources.

Drafting this budget has enabled a return to the customary level of increase in diocesan quota (3%). This has come about partly through availability of the mission and ministry support grant, partly through a levelling off of the increase in provincial quota. The resulting budget deficit is £22k, which can be met from diocesan reserves.

Nigel Cook, Treasurer
5 October 2016

Proposed budget 2017

Audited 2015		Budget 2016	Actual 6 mths to 30 Jun 2016	Budget 2017
	<u>SUMMARY</u>			
	INCOME AND ENDOWMENTS FROM			
54,392	Donations and legacies	25,100	4,302	26,000
	Charitable activities			
456,907	Quota received from charges	478,465	229,872	492,818
142,334	Provincial funding	130,973	73,311	98,200
19,937	Other grants and funding	15,737	17,239	18,665
10,224	Other charitable activities	9,300	2,405	11,400
629,402		634,475	322,827	621,083
12,452	Other trading activities	12,200	5,690	13,600
99,532	Investments	98,600	49,262	99,550
795,778	TOTAL INCOME	770,375	382,081	760,233
	EXPENDITURE ON			
	Raising funds	500		
	Charitable activities			
260,787	Quota paid to Province	269,378	134,689	277,461
31,012	Mission and ministry (MDS stipends)	47,797	10,328	44,620
30,280	Mission and ministry (MDS costs)	15,800	12,398	33,700
131,085	Mission and ministry (M&M other)	134,687	50,420	112,994
192,377		198,284	73,146	191,314
45,046	Grants and bursaries	51,337	31,927	55,565
9,649	Information and communication	13,900	4,341	13,000
78,759	Central clergy	82,698	38,386	85,890
130,386	Support costs	133,998	66,564	137,990
20,501	Governance	25,000	4,522	21,300
737,505	Total charitable activities	774,595	353,575	782,520
737,505	TOTAL EXPENDITURE	775,095	353,575	782,520
58,273	NET INCOME / (EXPENDITURE)	(4,720)	28,506	(22,287)
	<i>Detail appears on the following pages.</i>			

Proposed budget 2017

Audited 2015		Budget 2016	Actual 6 mths to 30 Jun 2016	Budget 2017
	<u>DETAIL</u>			
	INCOME AND ENDOWMENTS FROM			
	<i>Donations and legacies</i>			
	<i>Donations and gifts</i>			
28,651	Allchurches Trust	16,300		18,500
9,274	Other donations	8,800	3,802	7,500
16,467	Legacies		500	
54,392		25,100	4,302	26,000
	<i>Charitable activities</i>			
456,907	Quota received from charges	478,465	229,872	492,818
	<i>Provincial funding</i>			
	M&M support grant	22,570	11,912	27,493
65,033	Curate grants	74,278	32,974	54,647
21,151	Stipend support			
3,300	Travel grants			
36,450	Dispersed TISEC	18,225	18,225	
8,400	Dunderdale: bishoprics	8,400	4,240	8,480
5,600	Dunderdale: charges	5,600	5,000	5,660
1,900	Dean's allowance	1,900	960	1,920
500	Other provincial funding			
	<i>Other grants and funding</i>			
19,937	Walker Trust grants	15,737	17,239	18,665
	<i>Other charitable activities</i>			
1,896	IME course fees		265	
5,410	Clergy conference	4,900		5,500
1,893	Adventures in Faith	1,900	2,140	4,800
880	Diocesan retreats	2,400		900
145	Y&C events	100		200
629,402		634,475	322,827	621,083
	<i>Other trading activities</i>			
12,451	Office earnings	12,200	5,690	13,600
1	Miscellaneous income			
12,452		12,200	5,690	13,600
	<i>Investments</i>			
97,955	Securities and unit trusts	97,000	48,493	98,000
77	Bank deposits	100	19	50
1,500	Investment properties	1,500	750	1,500
99,532		98,600	49,262	99,550
795,778	TOTAL INCOME	770,375	382,081	760,233

Proposed budget 2017

Audited 2015		Budget 2016	Actual 6 mths to 30 Jun 2016	Budget 2017
	EXPENDITURE ON			
	<i>Raising funds</i>			
	Investment properties	500		
		500		
	<i>Charitable activities</i>			
260,787	Quota paid to Province	269,378	134,689	277,461
	<i>Mission and ministry (MDS stipends)</i>			
17,122	Initial ministerial education	14,200	8,435	4,200
12,902	Mission enabler	33,597		35,430
988	Adventures in Faith		1,893	4,990
	<i>Mission and ministry (MDS costs)</i>			
15,590	Initial ministerial education	1,400	7,139	1,600
5,911	Continuing ministerial development	6,000	619	6,000
4,000	DDO honorarium	4,500		4,500
298	Vocational discernment	500	290	500
248	Mission enabling			1,000
1,615	Adventures in Faith	2,400	1,084	3,400
	Staff accommodation & resettlement			15,700
2,618	Other costs	1,000	3,266	1,000
	<i>Mission and ministry (M&M other)</i>			
12,568	Clergy conference	11,000	22	12,600
1,519	Diocesan retreat	2,300		1,600
22,128	Y&C officer salary	22,300	11,066	22,800
694	Y&C officer costs	1,300	252	1,300
125	Y&C events	300		300
655	International	4,000		4,000
65,033	Curate stipends	74,278	32,974	54,647
19,359	Local ministry	17,410	5,200	14,347
9,004	Chaplaincies	1,799	906	1,400
192,377		198,284	73,146	191,314
	<i>Grants and bursaries</i>			
10,000	Grants to congregations (St Hilda)	15,000	11,000	15,000
	Grants to congregations (St Andrew)	3,500		3,500
5,560	Grants to congregations (Dunderdale)	5,600	5,000	5,700
3,380	Grants to congregations (travel)	3,300		3,300
1,100	Walker Trust bursaries	4,200		4,200
15,737	Walker grant to Cathedral	11,537	13,039	14,465
350	Grants for youth work	700	350	700
6,077	Clergy welfare	5,000	2,340	7,300
2,842	Other grants	2,500	198	1,400
45,046		51,337	31,927	55,565

Proposed budget 2017

Audited 2015		Budget 2016	Actual 6 mths to 30 Jun 2016	Budget 2017
	<i>Information and communication</i>			
3,875	Communications co-ordinator	7,000	2,400	7,500
4,705	The Edge	5,600	1,813	4,000
1,069	Websites	1,300	128	1,500
9,649		13,900	4,341	13,000
	<i>Central clergy</i>			
48,819	Bishop stipend	48,600	23,848	49,470
9,543	Bishop residence	11,698	3,682	15,000
5,123	Bishop expenses	7,300	3,925	6,500
12,345	Dean's congregation	12,500	6,265	12,720
2,929	Dean's expenses	2,600	666	2,200
78,759		82,698	38,386	85,890
	<i>Support costs</i>			
65,489	Support staff	66,300	33,190	70,400
91	Training and travel	1,000	207	1,000
20,189	Rent	20,200	10,095	20,190
1,638	Insurance	1,700	1,693	1,700
6,502	Heat/clean	6,299	3,386	6,700
2,981	Maintenance	3,200	1,159	2,200
11,760	Phone, post, stationery	12,600	6,687	13,200
4,834	Payroll processing	6,100	2,572	5,600
6,323	Sundry expenses	6,899	2,450	6,200
2,983	Equipment maintenance	2,500	1,214	2,600
6,344	IT maintenance	4,500	2,561	5,500
1,252	Depreciation	2,700	1,350	2,700
130,386		133,998	66,564	137,990
	<i>Governance</i>			
2,874	Synod & committee costs	6,300	1,493	2,700
8,000	Honoraria	9,000		9,000
3,677	Audit fee	3,600	29	3,600
5,950	Legal fees and expenses	6,100	3,000	6,000
20,501		25,000	4,522	21,300
737,505	Total charitable activities	774,595	353,575	782,520
737,505	TOTAL EXPENDITURE	775,095	353,575	782,520

58,273	NET INCOME / (EXPENDITURE)	(4,720)	28,506	(22,287)
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Diocese of Edinburgh

Administrative Scheme

Purpose

To invite Synod to agree three minor changes to the Administrative Scheme (the Diocese Constitution).

Background

The Synod agreed an update of the Administrative Scheme at its meeting of 7 March 2015. The revised version was subsequently approved by OSCR. The Standing Committee wishes to suggest three changes which will facilitate the smooth working of the Committee.

The first change is to include the Diocesan Treasurer as a member of the Standing Committee. The Treasurer plays an important role in managing and monitoring the finances of the Diocese. It is, therefore, felt that the Treasurer should automatically be a member of the Standing Committee. This will ensure that, in relation to any decisions reached regarding funds, the full facts and implications are provided. OSCR also normally expects the person mainly managing the funds to be a Trustee of the charity. The Standing Committee members are the charity trustees, so the amendment also meets this requirement.

The second change is to give the Standing Committee the power to co-opt people to the Committee. This will enable it to bring people on to the Committee with skills and experience which might not necessarily be available. A similar power is already included for the Mission and Ministry and the Finance and Management Committees.

The third change is to abolish the Diocese Audit and Governance Committee. Section IV.A.1 (b) provides for the membership of the Audit and Governance Committee. There is no other reference in the Scheme to this Committee. In reality this Committee never meets. The work it might undertake is carried out by the Standing Committee, which seems more appropriate given the need to consider all audit and governance issues very seriously and at the highest level. It is suggested that the Section is deleted. An addition is proposed at B.2. (g) to emphasis this role in the remit of the Standing Committee.

Recommendation

The changes proposed are shown in red in the Annex attached. Synod is invited to approve these changes, including the deletion of the Section on the Audit and Governance Committee.

Canon David J. Palmer
Diocesan Secretary
18 July 2016

IV. COMMITTEES of the DIOCESAN SYNOD

A. APPOINTMENTS TO COMMITTEES

1. All appointments to Diocesan Committees shall be made on the following basis:
 - (a) All Synod elections will be for 4 years, renewable for a further 4 years, with no further renewals except at the request of the Standing Committee.
 - (b) *Item deleted*
 - (c) Election of members need not be restricted to Synod members.
 - (d) The membership of the committees should provide the skills required and also cover the main geographical areas of the Diocese.
2. The representatives appointed by the Diocese to serve on the Provincial Boards and sub-committees will:
 - i. submit regular reports of meetings to the corresponding Diocesan Committees or sub-committees; and
 - ii. receive Agendas and Minutes of meetings of the Diocesan Committees or sub-committees; and attend meetings of the Diocesan Committees or sub-committees when appropriate.
3. There shall be the following Committees of the Diocesan Synod (which is shown in the diagram in Appendix B).

B. STANDING COMMITTEE

1. For the purposes of the 2005 Act, the members of the Standing Committee are the Charity Trustees.
2. The remit of the Standing Committee shall be:
 - (a) to be the Executive Committee of the Diocesan Synod and to act in the name and for the Synod between meetings of the Synod;
 - (b) to review on a regular basis all arrangements within its responsibility for risk management and internal financial control, to ensure that the Diocese operates effectively and responsibly
 - (c) to be responsible within the Diocese for the operation of all Committees of the Diocesan Synod and the communications between them;
 - (d) to ensure that items of business remitted by the General Synod, its Boards or Committees, are dealt with appropriately within the Diocesan structures;
 - (e) to act with the Bishop as a Committee of Appeal in hearing objections from Congregations or bodies within the Diocese to decisions taken by the Diocesan Committees;
 - (f) to appoint sub-committees or ad hoc committees, as it sees fit, with continuing or specific remits to deal with such matters as the Standing Committee feels necessary; and

- (g) to consider items of business relating to the Church raised by Congregations or Area Councils within the Diocese and where necessary, ensure that such items are again raised at the appropriate Provincial Board or Diocesan Committee.
3. Membership of the Standing Committee shall comprise the following:–
- (a) The Bishop who shall convene the Committee.
 - (b) A Vice Convenor who shall be a Lay person to be appointed by the Standing Committee from its membership.
 - (c) Two clerical and two lay members to be appointed by the Diocesan Synod.
 - (d) The Dean, Registrar, Diocesan Secretary, **Diocesan Treasurer** and the Convenors of the Mission & Ministry and Finance & Management Committees.
 - (e) **The Standing Committee shall have a power to co-opt up to three additional members. Such appointments will be subject to Section IV.A.1 (a).**
4. In the event of vacancies occurring in the elected membership of the Standing Committee or any other Committees appointed by the Diocesan Synod between meetings of the Diocesan Synod, the Standing Committee shall have power to fill them ad interim by appointment of suitably qualified members of the Diocesan Synod.
5. There shall be quorum of the Committee of five, of which at least two will require to be elected members.
6. The agenda for the Standing Committee shall be sent to Area Council Administrators immediately prior to Standing Committee meetings and likewise the minutes as soon as practical thereafter. Area Councils shall have the right to place an item on the agenda of the Standing Committee and shall have a right to attend the Standing Committee to speak to such items where necessary.
7. The Standing Committee may delegate its own powers on any specific matters to sub-committees as may be appropriate.