

# Minutes of the Edinburgh Diocesan Synod held on 27 October 2022

at St Paul's & St George's Church, York Place, Edinburgh

*The meeting was in-person as well as being live-streamed*

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## Synod commenced with Eucharist at 8.30am

Clergy (72 Members)	Lay (63 Members)
• Attended – 30 (42%)	• Attended – 35 (56%)
• Apologies – 13 (18%)	• Apologies – 5 (8%)
• Total – 43 (60%)	• Total – 40 (63%)

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## STANDING ITEMS

The Rev Canon Sarah Shaw, Synod Clerk, introduced members new to Diocesan Synod:

- Revd Joanna Twigg – Curate, St Paul's and St George's, Edinburgh
- Brother Joseph Emmanuel - Holy Cross, Edinburgh
- Valerie Cameron - Curate, St Mary's Dalkeith & St Leonard's Lasswade
- Revd Ross Jesmont - Holy Cross & St Salvador's, Edinburgh
- Frank Strang - Alternate Lay Representative St James's Leith, Edinburgh
- Revd Joanne Henderson - Associate Minister, St James's Leith, Edinburgh
- Robin Quinn - Lay Representative, Christ Church Morningside, Edinburgh
- Revd Janet Spence - Chaplain St Mary's Cathedral, Edinburgh
- Miranda Heggie - Diocesan Communications Officer
- Ceri Bareford - Assistant Diocesan Administrator

The Bishop led a moment of silence in remembrance of those who had died since Synod last met:

- Canon Ruth Innes
- Revd Margaret Pedersen
- Revd Peter Brand
- Revd Richard Burn
- Mrs Margaret Grover
- Graham Watt
- Colin Heggie

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*The Bishop then handed the chair to the Dean*

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### **BISHOP'S ADDRESS**

*Bishop John started with a reflection on two significant events since the March Synod. The first was attendance at the Lambeth Conference. The second was the subsequent visit to the Diocese of Archbishop Nathan of Papua New Guinea, to offer thanks For the Province; and particularly for St Anne's Dunbar for their support to ordinands on his Diocese.*

*This led Bishop John to reflect on our global interdependence as a church, in the service of Christ. In some parts of the world, this service and witness was especially demanding and dangerous. But we needed to bear in mind also the many global threats facing us all – the threat of expanding war, the energy and general cost of living crises, the consequences of domestic political upheaval, the environmental challenges, and the poverty among many of our own people. By our faith, none of us is excused from playing our part in addressing these issues.*

*Bishop John also asked for prayer for Bishop Anne and her Diocese. As acting Bishop of that Diocese pro tem, he would be spending some regular time there, and so not always immediately available to us. This seemed likely to go on for several months. He asked for understanding for himself, and also for Diocesan staff and officials who would as a result be under additional pressures.*

*Looking ahead to the rest of the evening's agenda, he noted that budgeting and finance matters were essential to enabling the Church to pursue its mission. We are seeking to release 'rainy-day' funds to open up new possibilities and to invest in the future of our church. Key to all this will be prayer. God answers prayer, but prayer is never a passive thing. The whole armour of God doesn't attach itself to us by magic, we have to put it on and use it. And if ever there was a time when the world needed a fully equipped peace-making force dedicated to the Prince of Peace who came not to be served but to serve then, surely, this is that time... this is that moment.*

## ADMINISTRATION

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### **Minutes of the meeting of Diocesan Synod held on 12 March 2022.**

The minutes were subject to one or two minor factual amendments and then approved unanimously - proposed by the Rev Canon Robert King, and seconded by the Hon Barnaby Miln.

### **Environmental Group**

Bethany Nelson, convener of the Group, updated Synod on the work of the Group following her presentation at the Diocesan Synod meeting in March 2022. At that point, the Group had not been formed for very long, and she noted that it was therefore a good moment to report back. The Provincial Toolkit had been launched in March 2022, and she thanked those charges which had sent in data to the province. The Provincial Group had now met and analysed the data, and feedback was anticipated soon. The Provincial Group was now looking to meet with representatives in each diocese.

It was confirmed that the Diocesan Buildings Committee's proposal had been approved, to provide funds for all vestries to commission an Energy Performance Certificate (EPC) survey on the rectories, as an encouragement to implement energy-saving measures. Each vestry would be reimbursed £80 towards the cost of producing the certificate. It was envisaged that, in future, rectory energy efficiency would be an integral part of the quinquennial report.

The diocesan environmental webpage was being updated with signposts to resources, including one which provided volunteer engineers to help vestries improve energy efficiency and thermal comfort within their buildings. The Group was now looking to expand the network of eco-representatives in each church, and would encourage cooperation between congregations, especially where smaller charges lacked manpower and resources themselves.

Synod thanked Bethany Nelson for leading the Group and for the valuable work that was being undertaken.

## FINANCE & MANAGEMENT

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### **Diocesan Accounts for 2021**

Ian Lawson, Diocesan Treasurer, reflected that he had spoken at the March 22 Diocesan Synod about the 2021 Accounts, noting an operating surplus of £93k. At that point, there had been an investment value growth of £528k with a net asset value of £7.35m. Whilst the investment values remained relatively strong, they had eased since March, and it was difficult to predict the short to medium term performance.

### **Diocesan Financial Position 2022**

The significant surplus at the end of 2021 had enabled a budget to be set in 2022 with a planned deficit. However, based on the first 9 months, end year figures were likely to be in balance, or possibly marginally in surplus.

### **Diocesan Budget for 2023**

Ian Lawson reported that this enabled a deficit budget to be proposed once again. The reserves policy aimed at holding an equivalent amount to 3 months average expenditure. In 2019, the reserves available fell to the equivalent of 9 weeks average expenditure, but that had recovered to the equivalent of 22 weeks by the end of 2021. Significant challenges lay ahead, including continuing increase inflation and the 11.1% increase in stipend costs. There was to be a transitional stipend grant becoming available from the Province to help charges with the large stipend increase, and Finance & Management Committee would be considering deployment of this, the following week.

The 2023 budget proposed by the Standing Committee showed a 6% increase on the 2022 budget. Provincial Quota was being increased by 5%. Congregational quota was being restricted to an increase of 2.5%, based on the aim of a 6.5% increase in other income. Overall, it allowed for a £37k deficit for the year in 2023. The Designated Capital Funds were held in order to generate income to supplement quota, but the increases in value of the investments recently had provided potential for realising some of those funds to support growth projects in the diocese These would be for discussion later in the evening. Ian Lawson then invited questions.

## COMMENTS:

*Revd Diana Hall, Rector, St Anne's Dunbar. The vestry at St Anne's had commissioned a survey from engineers to upgrade the heating in the church, and it was estimated to cost £350k. At the March Synod she had raised the issue of how funds might be found to assist churches with the costs of becoming carbon neutral by 2030, and she reiterated that point.*

*Robin Quinn, Lay Representative, Christ Church Morningside, Edinburgh. Noting the 11.1% increase in stipends, and the prospect of a transitional grant, how should a church budget be presented whilst it was in vacancy?*

*Val Hale, Lay Representative, St Anne's Dunbar. It was noted that there was an ethical investment policy, and it was queried where that appeared in the 2023 budget? In addition, any funds to help with the upgrade of rectories to modern standards would be welcomed.*

*The Rev Philip Blackledge, Rector, Holy Trinity Melrose. He echoed the comments on rectories. In regard to the budget he was uncomfortable as a priest receiving a stipend which insulated him against the costs of inflation when diocesan staff did not receive the same level of salary increase. He felt that the staff were deeply appreciated and that they also should be insulated against the inflation that is hitting everyone.*

- *Helen Vincent, Lay Representative, St Marks Portobello.*
- *Victoria Elliott, Diocesan Standing Committee member and General Synod Representative.*
- *The Rev Canon Dave Richards, Rector, St Pauls and St George's Edinburgh.*
- *The Rev Peter Harris, Rector, St Mary's, Dalkeith & St Leonard's Lasswade*
- *The Rev Nick Wills, Rector, St Peter's Lutton Place*

*All supported a higher increase for staff.*

*The Very Rev John Conway, Provost, St Mary's Cathedral. He noted that all churches should be Real Living Wage employers, and the Cathedral had followed that principle with its lay staff salaries. The Real Living Wage increase for 2023 was 10.1%. However, he expressed concern at the risk of making such decisions "on the hoof".*

*The Rev Canon Bob King, Rector, St Andrews, Kelso. His vestry had not increased salaries by 10%, and recalled that he had argued successfully as a member of the Finance & Management Committee for a 2% increase in diocesan staff salaries 2 years ago, when there was no increase in stipends. He also expressed concern at the random figures which were being quoted, but he encouraged the Standing Committee to review the matter carefully.*

## RESPONSES:

Ian Lawson, Diocesan Treasurer. In answer to The Rev Diana Hall, funding big projects in churches would need to be looked at by the committees of the diocese and the province. In answer to Robin Quinn, he reported that charges in vacancy should assume they would receive the stipend support, once an appointee was in place. In answer to Val Cameron, he reported that Diocesan funds were invested in the SEC Unit Trust Pool and so were in step with Provincial policy on ethical investment. Funding for upgrading rectories would also need to be looked at by the diocesan committees. In response to comments on staff salaries, he noted that stipends were determined by the Province, while staff salaries took other considerations into account.

Bishop John noted that the 2023 stipend increase followed a long review of clergy terms and conditions by the Province. Levels had fallen behind in real terms compared to 2008 and the 11.1% increase was a first move to redress that position. It had been planned to do that in further stages, but the decision had been taken before the current financial difficulties, and he could envisage that Provincial Synod might need to look at the matter again. The original draft budget for the Diocese presented to the Finance & Management Committee had included a staff salary increase of 6%, but the Committee after discussion proposed it should increase to 8%, accepting the implication of a quota increase from 2% to 2.5%. This recommendation had been discussed again and agreed by Standing Committee.

Ian Lawson commented that a further increase of 2% in staff salaries from 8% to 10% would add a further 1% to the existing 2.5% quota increase.

The Motion that Synod noted the Diocesan Accounts for 2021 was proposed by Ian Lawson and seconded by Godfrey Robson. **The motion was APPROVED unanimously.**

As regards the Diocesan Budget for 2023, and on proposal by Ian Lawson seconded by Godfrey Robson

- Synod should approve the budget as presented, but subject to the condition that
- Standing Committee consider further the views expressed in Synod on staff salaries, and so if necessary on quota requirement, and that
- Standing Committee should take a final decision, which would be reported back to Synod in February 2023.

**The above Motion was APPROVED, on a show of hands, by a majority with two abstentions.**

Synod thanked Ian Lawson for his hard work in presenting the financial information and keeping the diocesan finances in good order.

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*The Dean then handed the chair to the Bishop*

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## **Diocesan Strategy & Investing in the Future**

Godfrey Robson, Diocesan Secretary, presented two papers.

The first, by way background but also in response to questions at the March 2022 Synod on what strategy or direction the Diocese had, set out the Diocese's current objectives, listed significant current initiatives to support clergy, to assist Vestries, and to develop the Church through investment in supporting particular charges and developing new mission initiatives. It was hoped this demonstrated a consistence and coherence in approach which would keep the Diocese on a reasonable course and offer some confidence in its future.

The second paper set out in more detail the thinking behind the major mission development proposal, which would involve

- Commitment to draw down up to £750k of current invested funds
- Using these to support existing charges with significant development prospects,
- Embarking on new projects e.g. in areas of new housing development and population growth and
- Bearing in mind the need to sustain charges in areas of special social need (recognising that this might be a different kind of issue).

The paper also examined the financial consequences and identified the need for further work on identifying projects (though some were already self – identifying),

designing appropriate monitoring arrangements, and finding volunteers with appropriate skills to assist with larger projects.

#### QUESTIONS & COMMENTS:

*The Rev Rosie Addis, Associate Rector, St John's Princes Street, Edinburgh welcomed this initiative. It recognised the problems of charges, as independent charities, operating more or less in isolation from one another. She recalled the demise of St Andrew's in Prestonpans as a sobering moment in the life of the Diocese. This initiative could be a major turning point. She encouraged cooperation between the Finance & Management Committee and the Mission & Ministry Committee in carrying it forward.*

*The Rev Mike Parker, Interim Pastor, Priory of St Mary, South Queensferry. It was the right thing to be doing, and we should be imaginative with funds. The Priory was developing new energy and working well with other local churches. This was a significant moment for the charge, which would be hoping for support for its future development in an area of population growth.*

*The Rev David Dixon, member of the Standing Committee and Priest in Charge, St Barnabas, Edinburgh. He was pleased that Prestonpans had been mentioned as a turning point. He hoped that this new thinking would represent a sea-change in the support for smaller congregations and those with limited financial potential. He held a hope for places to be evangelised in new parts of the diocese.*

*Andrew Milner, Lay Representative, St Vincent's, Edinburgh. How would we judge success? How would Synod be kept informed? The stock market had performed well, but Unit Trust Pool income losses would be permanent once capital was realised, and this needed to be considered.*

*James Bryce, Alternate Lay Representative, St Pauls & St George's. Success was reliant on those running and reviewing the projects. How had the sum of £750k been arrived at?*

*Revd Diana Hall, Rector, St Anne's Dunbar thanked Synod for past funds, which had supported St Anne's Dunbar, and which showed how they had transformed its mission and ministry. We needed to continue to learn from past lessons. There was*



*also a need to look beyond traditional models of church, acknowledging that some expenditure would not produce financial return.*

*Helen Vincent, General Synod Member/Lay Representative, St Mark's Portobello, Edinburgh, welcomed the paper and the joined-up approach. There needed to be a good communications strategy alongside that and ensure that there was buy-in from the whole diocese.*

*Revd Peter Harris, Rector, St Mary's Dalkeith & St Leonard's Lasswade, noted that there had been a population rise of 13.5% in his local area, and he applauded the initiative.*

#### RESPONSES:

Godfrey Robson responded. £750k was felt to be the affordable amount which might manage to support up to five projects over five years, while managing prudently the financial disbursement and allowing some recovery in capital values.

There was still significant work to be done on review and monitoring, though that would in some measure have to respond to individual initiatives. The entire initiative would depend on experienced and qualified members of our charges coming forward and lending their support. Bigger projects could not simply rely on clergy, however able and committed. So, dreaming up the ideas and finding the money might be the easiest part.

He was not asking for any immediate decisions, but hoped for Synod's support in principle, and for their help in due course in encouraging practical help.

Synod welcomed and supported the initiative and looked forward to witnessing its progress.

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**Bishop John confirmed the acts of Synod.**

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