

THE CHURCH OF SCOTLAND
COUNCIL OF ASSEMBLY
20 February 2017

MINUTES

The Council of Assembly met within the Church Offices, Edinburgh, on Monday 20 February, and was constituted with prayer. A list of those attending is attached to this Minute as Appendix I.

63. APOLOGIES

Apologies were noted.

64. DECLARATIONS OF INTEREST

There were no new declarations of interest.

65. COUNCIL MEMBERSHIP

The Convener reported that Mrs Hilary Cameron had resigned her membership of Council. Dr Bonnar would write to Mrs Cameron thanking her for her involvement and service.

66. LEGAL QUESTIONS COMMITTEE

Rev George Cowie, Convener, Legal Questions Committee, joined the meeting and spoke to the written update report.

With regard to the proposed Registration of Ministries Committee, it was noted that the Overture had been approved by a majority of Presbyteries under the Barrier Act, and the matter would come back to the General Assembly for decision in May. The Legal Questions Committee had been responding to comments which had been submitted by Presbyteries, and a visit had been made to the annual conference for Chaplains to HM Forces to outline the proposals in more detail. It was noted that the enactment of this Overture would necessitate revisions to the Ministries Act (Act 2, 2000).

The forthcoming General Assembly would be asked to approve a set of underlying principles which would form the basis of revised discipline legislation for presentation to the General Assembly in 2018.

With regard to developing a Presbytery Review process, in line with an instruction from the General Assembly in 2016, it was noted that a pilot involving four or five Presbyteries was being explored, with one Presbytery having committed to the process. The Local Church Review framework had been used in the development of material. Mr Cowie explained that a team from one Presbytery would conduct a review of another Presbytery.

The Council noted the challenges of attracting nominations from the wider church to those committees dealing with a variety of legal matters. Discussions were to take place between the Council of Assembly, Nomination Committee, Legal Questions Committee and senior officials to consider whether a different process might be required for bringing forward nominations to those bodies as, at present, the onus was on the Legal Questions Committee to come up with the majority of names. Dr Bonnar highlighted that opportunity was currently given to every Council and Committee to submit names to the Nomination Committee in the autumn of each year, and that this facility was particularly helpful when specialist skills and experience were needed.

67. FORWARD PLANNING AND KEY PROJECTS

67.1 Annual Operational Plan

It was noted that many of the matters contained within the operational plan were covered within the draft Report to the General Assembly.

68. GENERAL ASSEMBLY

68.1 Draft Report to the General Assembly

Members considered the Council's draft Report to the General Assembly. The following matters were discussed in some detail:

Section 2 – Strategic Planning:

- Members were concerned that the table of statistics in section 2.2.2 portrayed the Church in decline, and a plea was made for a more positive approach to convey something of the significant impact of congregations in communities across the country. It was agreed to retain the table of statistics, as this section was a factual report on the roadshows and on the material used to encourage discussion, but to revise the text to reflect the Council's comments and to convey the need for action which had been articulated throughout the roadshow events.
- It was agreed that a clear call to the Church to pray would be best placed in the Council's Report, with cross-referencing to related sections in other Reports, including the Panel on Review and Reform and the Ministries Council Reports. This matter would be highlighted at the beginning of the Report and in section 2 of the proposed Deliverance.
- The Council discussed the reference in section 2.3.1 to a 'top-down approach' which reflected responses from the roadshows pointing to a gulf between the local church and the national functions. Members pointed out that, whilst there might be a perception in the wider Church of a 'top-down' approach, the national Councils and Committees were populated entirely by people from local congregations. The Council was keen to ensure that any strategic plan was fully owned at grass-roots level and that future work was genuinely collaborative. Resulting amendments to this section were agreed.
- Section 2.3.5 should include a reference to Jesus' instruction to love your enemies.

Section 3 – Review of Ecumenical Relations Committee:

- The Council had considered this section of Report at its meeting in December 2016. Further minor amendments were noted.

Section 4 – Stewardship and Finance:

- It was noted that the Investors Trust was intending to engage with the Council of Assembly to seek a comprehensive review of the Church's investment policy. As no approach had been made to the Council to date, it was agreed to remove section 4.4.4 of the draft.

Section 7.6 – Central Services Committee (CSC) Constitution and Remit:

- The Council considered a draft revised Constitution for the Central Services Committee which had been included in the draft Report in the interests of transparency. A number of concerns were raised in relation to the proposals and it was agreed that further work on this document was needed. It was noted that there was no obligation to report such changes to the General Assembly, as the CSC was now a sub-committee within the Council's remit. Section 7.6 would be amended to reflect this discussion, and Appendix 4 removed from the Report.

Section 8.1 – Benchmarking of Salaries:

- The Council considered this draft section of Report which had been prepared in response to an instruction by the General Assembly in 2016 to review the salary policy

in relation to senior posts within the Central Services Committee. It was decided that the emphasis towards the conclusion of this section should be modified, and alternative wording was agreed.

Section 9 – Appointment of Principal Clerk:

- It was noted that General Assembly approval was being sought for the Council, in co-operation with the Assembly Arrangements Committee and the Legal Questions Committee, to review the terms and processes relating to the future appointment of a Principal Clerk and to report to the 2019 General Assembly.

Section 10 – Interfaith Relations:

- It was noted that the Council of Assembly had, in June 2015, agreed to a temporary post to review this area of work, having been of the view that the scale of the interfaith challenge required a strategic approach. The report now under consideration was the culmination of that review.
- Section 10.4 of the draft suggested that a permanent Interfaith Officer be engaged to co-ordinate and support the work at all levels going forward. Dr Chalmers spoke in favour of having a permanent post, referring members to Appendix 6 which listed potential outputs from the initial phase of work envisaged for an Interfaith Officer. The Staffing Group had considered a request for such a post at its most recent meeting on 13 February but had raised concerns in relation to the budget which had previously sat within the Mission and Discipleship Council. Following a full discussion, the Council confirmed that: (i) interfaith work was an important issue for the Church; (ii) it was supportive, in principle, of having an Interfaith Officer and that the Finance Group should seek to include costs in the staffing budget from 2018.
- It was noted that the current contract was due to expire at the end of May 2017. The Finance Group would take forward discussions with Councils to explore funding options.
- The current review of the Department of the General Assembly would include consideration of the line management arrangements relating to the proposed post.
- A number of additions to Appendix 6 were agreed to indicate that this work would be consistent with the Church's message and ethos. The heading at section 10.2 was amended to avoid pre-empting the outcome of the strategy review and the setting of priorities.

Section 11 – Future of National Church Offices:

- In addition to the draft Report, the Council noted a summary report from the Secretary and the draft Minutes of the Finance Group's Extra-Ordinary Meeting held on 14 February when it had considered in detail the financial aspects of the options in relation to the property review.
- Concern was expressed that the property review was based on existing structures and staff numbers and was not informed by the strategy work going on in parallel to this project. The Convener advised that the General Assembly had instructed the property review; that the options were, in places, flexible; and that the full plan would go to the 2018 General Assembly at the same time as the strategy review report, so there would be opportunities for synergy. The Council was also made aware of the backlog of repair work which had to be addressed.
- The Council accepted the advice of the Finance Group to retain the following options for further consideration:

Option 1: Do nothing other than basic maintenance to ensure buildings continue to function.

Option 2: Separate 123 George Street from 117-121 George Street and lease 123 building on a long term basis, retaining a reconfigured and refurbished 117-121 as the national offices, with some additional alternative use of space within 117-121.

Option 2a: Redesign of use of the Assembly Hall in order that the National Church can use space within those premises (including the ancillary rooms) alongside commercial rental opportunities. It was agreed that Option 2a should be included in the report going forward.

Option 3: Treat 117-123 George Street as one building and sell in order to rent or buy space elsewhere. It was agreed that Option 3 should be included in the report going forward.

These options would be set out more fully in the Council's Supplementary Report to the General Assembly, with a fully costed plan to be prepared for the 2018 General Assembly.

Section 12 – Membership of Councils and Committees:

- The Council agreed section 12 of the draft Report, which was seeking adjustments to Standing Orders to reflect the proposed changes to the Ecumenical Relations Committee's way of working. This would result in one additional 'ordinary member' for the Church and Society, Ministries, Mission and Discipleship, Social Care and World Mission Councils and for the Theological Forum.

It was agreed to add a new section of Report in response to the 2016 General Assembly's instruction to the Council to work with the Principal Clerk's office to facilitate greater cooperation between Presbyteries. Additional minor amendments to the draft Report and proposed Deliverance were noted.

68.2 Joint Report on Local Church Review

The Council considered a brief interim Joint Report from the various agencies tasked with taking forward the General Assembly's instruction concerning local church review. Following amendment, the Council approved the Joint Report, noting that Dr Scott would circulate the updated draft to the other reporting bodies for their approval also.

68.3 Heart and Soul

The Convener confirmed that the Council would have a marquee at the Heart and Soul event in Princes Street Gardens, Edinburgh on Saturday 21 May 2017 and that volunteer Council members were needed to staff this. Visitors to the tent would be invited to 'Come and have your say', and their contributions would be added to those coming out of the *On the Road* events.

69. REPORTS FROM COUNCILS

69.1 World Mission Council Presentation

The Council noted the written report. Mr Cunningham spoke of the apparent move in society away from globalisation towards a more insular ethos. This shift was at odds with the World Mission Council's efforts to make connections and to help people see a more complete picture of the world, recognising that what happened in one place had an impact in other places. Building connections across this global community continued to be central to the Council's ethos, as borne out by its partnership work; twinning relationships; joint working with Christian Aid; involvement in the training and formation of ministers; exchanges; and grants for study leave. Mr Cunningham believed that this engagement was more vital than ever in the current climate.

With regard to the arrangement in place for the rental of the 123 George Street ground floor space by Hadeel, it was agreed that the World Mission Council should speak to the Facilities Manager in the first instance.

It was noted that the Designated Supervisory Group set up to monitor and oversee the project to renovate the Tiberias church building had met and considered input from the professional project managers. On the basis of the information and plans submitted, the Group had recommended to the World Mission Council that the tender process could commence, and the World Mission Council had agreed. The Council of Assembly concurred with this decision, noting that the tender document would include a maximum spend limit and that the funding package would require to be submitted to the Finance Group for consideration.

69.2 Social Care Council Update

Mr Steele spoke to the written update report. Members acknowledged the major challenges faced by the Social Care Council in relation to a number of its care homes and the action taken to date. The social care environment was fast moving, with recruitment difficulties, the Scottish Living Wage and financial pressures on local authorities all significant factors across the sector. The business strategy review undertaken by the Social Care Council had concluded in January and a number of key issues were now being addressed, including the use of agency staff and the recruitment policy. The report to the forthcoming General Assembly would set out the detail.

69.3 Ministries Council Update

The Council noted the written update report.

70. MINUTES

The Minutes and Records Apart of the meeting held on 19 December 2016 were approved, subject to the following amendment:

Amend Minute 56.3 to read: “The Council considered the proposed detailed budget for 2017 with accompanying summary. As with any budget, it was predicated on a number of key assumptions and therefore risks, particularly around income from congregations, investment returns and, for CrossReach, local authority support. Achieving the budget for both income and expenditure would require close monitoring and discipline. The deficit to be met from reserves totalled £4,686k, compared to the earlier indicative budget deficit of £1,302k following changes in assumptions in the timing of expenditure. Much of this was considered to be non-recurring for 2017 only. In developing the budget, Councils and Committees had been and would continue to be encouraged to ensure that the use of existing restricted funds was given priority in planning work. Concern was expressed about the projected overspend position and the substantial use of reserves to support ongoing work. Attention was drawn to the implications for changes in the historical disposition of resources in the event of reductions in congregational income and ministry numbers from current levels. The Council noted that a financial strategy, which would seek to dovetail with the Strategy Group’s report, was being developed to provide context to the overall financial position. The current evaluation of reserves and the forthcoming workforce plan would also feed into the financial strategy. The Council approved the detailed 2017 budget.”

71. MATTERS ARISING

71.1 Ministries Council – Safeguarding (Min 49.2)

Mr Glover reported that the Protecting Vulnerable Groups (PVG) scheme forms which had been outstanding at the time of the December meeting had now been submitted. A number

of new names had, however, come to light and forms were now being sought from those individuals.

71.2 Church of Scotland Guild (Min 50)

It was noted that Dr Scott would arrange to meet with the General Secretary of The Guild to further consider the points raised at the December meeting.

72. FINANCE

72.1 Minutes of Finance Group

The Council received the draft Minutes of the Finance Group meetings of 6 February (FG6 (2016-2017)) and 14 February (FGExtra1 (2016-2017)).

72.2 Finance Group Report

The following matters were highlighted:

- a) Management Accounts to 31 December 2016: The Council noted the management accounts to 31 December 2016.
- b) Ministries and Mission Contributions: Mr Duffin noted the potential impact of the revised Regulations around the use of the 5% Presbytery Allowance. These Regulations (Regs 1, 2012 as amended in 2016) now indicated that any outstanding debts on Ministries and Mission Contribution should be deducted (up to 50% of the Allowance). While he accepted that this change was agreed by the General Assembly in 2016, he was concerned as to the effect which this might have on the missional activities of Presbyteries and asked if this had yet been quantified. The General Treasurer advised that it had not yet been possible to do so.
- c) CrossReach Pension Deficit: The Council noted the Group's detailed consideration of a number of options in relation to assisting the Social Care Council in dealing with its pension deficit and the resulting draft proposal. Mr Watt reported that CrossReach had requested an early meeting with representatives of the Group to discuss this complex matter further, and this was to be arranged. The Council, therefore, held off from taking a decision on the funding proposal.

72.3 Pensions – Defined Contribution Scheme Governance Group

The Council approved the Terms of Reference for the Pensions Governance Group set up to monitor the Group Personal Pension arrangements.

73. TRUSTEES' REPORT FOR THE ANNUAL ACCOUNTS

The draft Trustees' Report was tabled. Members were invited to submit any further changes to the Secretary by 3 March. The final document, incorporating the 2016 Accounts, would be submitted to the Council for approval in April.

74. GOVERNANCE

74.1 Minutes of Governance Group

The Council received the draft Minutes of the Governance Group meeting of 13 February (GG4 (2016-2017)).

74.2 Governance Group Report

The following matters were highlighted:

- a) Data Protection: The Council noted the Group's discussion of the new EU General Data Protection Regulation which was due to come into force on 25 May 2018. Regardless of Brexit, this Regulation would probably apply to the UK in order to ensure international consistency around data protection laws and rights and to enable organisations to continue to operate across borders. The Governance Group had agreed

that a Data Protection Working Group should be set up and the terms of reference had been approved.

- b) Complaints Handling Procedure: The Council noted that a Complaints Handling Procedure was being produced for possible use by the Unincorporated Councils and Committees and other relevant constituent parts of the Church. It was planned that the proposed procedure would come to the Council for approval in April.

74.3 Restricted Funds Reorganisation Application

The Trustees agreed the proposed application for a restricted funds reorganisation in relation to The Pettigrew Reward for Theological Scholarships, noting that the current purposes of this fund were outdated, accumulated income was significant and scholarships were restricted to a maximum of £30.

75. AUDIT COMMITTEE

The Council noted the Minutes of the Audit Committee meetings of 29 August (AC1 2016-2017) and 6 December 2016 (AC2 2016-2017). It was suggested that the style of the Minutes be reviewed, and the Secretary agreed to address this. The Council noted that Deloitte had issued a qualified internal audit report in light of there being a number of recommendations which were yet to be implemented fully.

76. COMMUNICATION

Mr Flett highlighted a number of positive pieces on the Church which had appeared in the media over recent weeks. He spoke of the importance of responding often and quickly to matters which arose so that the Church's perspective might not be lost in the midst of comments from the humanist and secular societies. Dr Ferguson suggested that the Communications Reference Group give thought to this matter.

It was noted that the Prime Minister had appointed a Special Adviser on Faith at 10 Downing Street and that he had met with the Moderator and other Church officials. Dr Johnstone also referred to the 'Meet Your MSP' initiative recently organised by the Scottish Churches Parliamentary Office, which had resulted in both encouraging contacts between congregations and politicians and further positive media attention.

77. STAFFING

77.1 Minutes of Staffing Group

The Council received the draft Minutes of the Staffing Group meeting of 13 February (SG5 (2016-2017)).

77.2 Senior Management Team

The Council noted the written update report.

78. CORRESPONDENCE

The Secretary reported on correspondence from the Rev Rosie Addis, Deaf Development Worker, Ministries Council, regarding the provision of advice and support for the Church on issues around access and disability. The letter suggested that there was an urgent need for a named contact within the staff to act as a first point of call for enquiries. It was agreed to remit this matter to the SMT to investigate and report back.

79. DATE OF NEXT MEETING

10.30am, Monday 10 April 2017. Members were reminded that this would be on the second Monday of April, outwith the normal pattern of meetings.

The Meeting was closed with Prayer.

APPENDIX I

COUNCIL OF ASSEMBLY

20 February 2017

Sederunt:

Rev Ian Alexander
Mr Peter Bailey
Dr Sally Bonnar
Rev Dr Alister Bull
Very Rev Dr John Chalmers
Mr John Corrigan
Miss Catherine Coull
Rev Iain Cunningham
Mr Roger Dodd (General Trustees)
Rev Graham Duffin
Rev Dr John Ferguson
Mr Rob Flett
Miss Elizabeth Fox
Rev Dr Richard Frazer
Rev Neil Glover
Mrs Isobel Hunter
Rev Dr Martin Johnstone
Ms Anne Lamont
Rev Prof Andrew McGowan
Mrs Anne Macintosh
Ms Mary Macleod
Rev Dr Martin Scott
Rev Norman Smith
Rev Alan Sorensen
Mr Bill Steele
Mr David Watt

Apologies:

Rev Dr John McPake
Very Rev Dr Angus Morrison
Rev Jayne Scott

In Attendance:

Rev George Cowie (*item 66*)
Mr David Plews
Mrs Pauline Wilson