

THE ASSEMBLY TRUSTEES OF THE CHURCH OF SCOTLAND

MAY 2020

Introduction

The following is an abbreviated account of the work carried out by the Assembly Trustees in the year since their appointment at the General Assembly of 2019. In part it records the trajectory being set by the Trustees prior to the outbreak of the COVID-19 Pandemic. But the work of the Trustees has had to respond to the new challenges and opportunities which the Church now faces.

Much of our original planning is being set to one side in order to address the changed scale of present economic challenges. In the absence of a General Assembly the Trustees offer this report to indicate where and how investment may now be required if we are to emerge from the present crisis in a fit state to develop our ministry and mission in the “new normal” of a post-corona world.

EXECUTIVE SUMMARY

- **In his first six months, the Chief Officer has added significantly to the ability of the Church to respond to current challenges.**
- **The pandemic results in the need to find new ways of working for the new Forums and the central organisation within a radically different approach to budgeting.**
- **The financial impact of the pandemic means that work must support the local church and be systematically appraised through an operational plan:**
 - **recruiting and forming a new generation of Ministers capable of working within different patterns of ministry;**
 - **incentivising the development of Presbytery Plans reducing dependence on buildings and majoring on fresh expressions of church, networks, hubs and team ministries both online and in community;**
 - **scaling back or stopping work better done by working in partnership with charities or agencies already working in specialist areas; and**
 - **stopping areas of work where there is no clear benefit to the life of the local church.**
- **CrossReach will require substantial support.**
- **Advances in HR, IT, Communications and Data Protection are vital to the development of the Church in the 2020s.**

REPORT

1. Introduction

1. The Assembly Trustees were appointed by the General Assembly of 2019 to be the Charity Trustees of the Church of Scotland Scottish Charity No. SC011353 with the duty of supervising the day to day management of the work of the General Assembly's standing committees.

2. Charitable Governance

1. We meet monthly and wish to pay particular tribute to the clarity of the support given to us from the outset by the Solicitor of the Church, the General Treasurer and the Head of Human Resources, together with the Interim Head of Staff.

2. Each trustee undertakes liaison duties in order for us better to understand the development needs of each part of the central work of the Church.

3. At an early stage we took time to discuss issues on which vision would be required. Topics covered included:

- An overview of the accounts and the financial challenges facing the church.
- Local financing and congregational need.
- The challenge of addressing rural poverty as well as the needs in other identified priority areas.
- The skill-set required of incoming trustees when the first four trustees retire in 2020.

4. Staff safety is given the highest priority and a set of values has been introduced for the central office. The Convener, Vice-Convener and Administrative Trustee act as the executive group of the Central Services Committee which is an employing agency for central staff.

5. Our first appointment round for new trustees had to replace those initial trustees whose term of office expired after one year: Sandra Carter, Gary Macfarlane, Iain Torrance and David Watt. Each will be sorely missed for their enthusiasm, clarity and kindness. We were saddened that the ill health of one of our number, George Cowie, forced us to accept his resignation. The wide experience which he brought and his direct knowledge of the issues facing Presbyteries are a significant loss. Guided by the Head of Human Resources, we engaged in a public appointments approach and consulted with the Nomination Committee. We have determined to appoint the following individuals:

Jean Couper CBE, a member at Cathcart Trinity Church, Glasgow, and previously an elder at Orchardhill Parish Church, is a management consultant specialising in strategic HR, with board experience of numerous public, private and third sector organisations.

David Harrison, an elder at Garelochhead, is currently Deputy Chairman of Loganair, with significant experience as a Finance Director, Chief Executive and Executive Chairman.

Linda Irvine, an elder at Dalziel St Andrew's Parish Church, Motherwell, is Deputy Chief Executive and Director of Membership and Engagement with the Royal College of Physicians and Surgeons of Glasgow.

Geoff Miller, an elder at St Margaret's, Glenrothes, is Group Finance Director for Tullis Russell Group Limited.

Separately, in order to complete the term of office of George Cowie which expires in 2021, Ann Nelson, a member at Davidson's Mains, Edinburgh and previously an elder, has high level legal experience in the Civil Service and of service on a number of national church boards and committees.

3. Appointment of the Chief Officer

1. The General Assembly of 2019 had agreed that there was an incontrovertible need for employees undertaking the core work of the central functions of the Church to be professionally managed and led by a Chief Officer with oversight of staff and budgets as set by the trustee body.

2. Whilst our Constitution gave us power to appoint transition management consultants, the Acting Secretary of the Council of Assembly, Martin Johnstone, had indicated that he was prepared to be Interim Head of Staff until autumn 2019, and this offer of continuity was accepted.

3. A public recruitment process was taken forward and resulted in twenty-six applications. We looked particularly for experience of leadership at a senior level, experience of leading and implementing transformational change, financial acumen, ability to communicate effectively at all levels, and empathy with the purpose and vision of the Church of Scotland. We invited seven applicants to first stage interview; which included meeting individually with a stakeholder panel including the Principal Clerk, Convener of the Assembly Business Committee, Convener of the Nomination Committee, Convener of Ecumenical Relations, Secretary to the General Trustees and a representative from the Guild.

4. The four candidates selected for second stage interviews reflected a range of church and career backgrounds, and there was diversity of gender. Each made a presentation on their vision for the Church and its core functions before a panel comprising four trustees and an expert in recruitment external to the Trustees and the central

organisation of the Church, with the Head of HR in attendance. The panel were unanimous in their view that the appointment should be offered to Dave Kendall BSc., FRSC, an elder and worship leader at West Kirk, East Kilbride, whose career has taken in a wide range of senior management roles in the power industry and university sector and who also has voluntary chair experience in a charitable organisation. Mr Kendall was able to take up post on 1 November and before that was able to start to identify potential priority areas for his work.

5. The input and operational expertise of the Chief Officer has been crucial in setting the direction of travel towards a smaller central administration. His understanding of how the central support work of the church can be delivered more efficiently and more effectively has contributed significantly to the Trustees' approach to their work.

6. In addition, the expertise and professionalism of Mr Kendall have been crucial in our responding to the changed circumstances as a result of the pandemic. His skills bring the Church into a strong position to meet current challenges.

4. The creation of the new Forums

1. Immediately after the Assembly of 2019 Martin Johnstone, as Interim Head of Staff, and John Chalmers, as Convener of the Trustees, arranged an all-staff meeting to reflect on the Assembly instructions and the need for dialogue on changes and cost savings.

2. After much work at numerous meetings with Council representatives, the agreed changes were presented to the Commission of Assembly in November 2019. The merger of the work of the Ministries Council with the work of the Mission and Discipleship Council under the working title Faith Nurture Forum was approved. Separately, the merger of the work of the Church and Society Council with the work of the World Mission Council under the working title Faith Impact Forum was approved.

3. In the time available it had not been possible to agree remits, and the Trustees were instructed to bring to the 2020 General Assembly detailed remits setting out those parts of the work of the relevant former Councils which should be carried out by the respective Forums, those parts which should be carried out by Presbyteries, those parts which it is no longer necessary to carry out and how the work of each Forum should be prioritised. As joint work proceeded it became clear that comprehensive ways of delivering the work which remains core to the life and witness of the Church was needed.

4. Given the social and economic turmoil of the pandemic, our most significant task now is to identify quite new ways of working for the Forums and central organisation within the context of delivering essential services as efficiently as possible and within a radically different approach to budgeting.

5. Critical to this will be identifying the work necessary to sustain the life the local church. Different options need to be costed, and account taken of the opportunities which could arise if certain activities ceased. Nonetheless, a church with a national profile is still required to pursue some pieces of work which cannot be done locally and, in addition, the Church cannot become so inwardly focussed that it loses its connections with the wider church and community. Of central importance, in our view, is the development of an overall Faith Action Plan.

5. Determining Priorities for the Future

1. For the foreseeable future the Trustees will be focussed on understanding the longer-term impact of the pandemic on the life of the local Church. Our vision will have to respond to this and our recommendations in the future will have to respond to what will be a permanent change in circumstances.

2. We will continue to appraise the work that will be necessary to support local congregations through the next few years. Radical measures will be required and current arrangements on budgeting are no longer sustainable. Budgetary control must now be in the direct control of the Chief Officer. The Chief Officer will provide mid-month briefings to the Trustees.

3. Given the likely financial impact on the Church of the pandemic, palpable savings will have to be made and this makes the business of prioritising even more complex. For the time being we propose to operate by reference to a number of significant principles which should govern the implementation of this work and which should also guide the implementation of the operational plan:

- i. Investing in the ministries of the Church with an emphasis on recruiting and forming a new generation of ministers capable of working within different patterns of ministry.
- ii. Revisiting the work of presbytery planning, by incentivising the development of Presbytery Plans which reduce the Church's dependence on buildings and which majors on the creation of fresh expressions of church, the building of networks, hubs and team ministries which integrate the need for a vital presence both online and in community. There are many lessons to be learned from the way in which our church life has developed during the period of the pandemic and we believe that we must leave behind some old practices while fully developing the best of the new things that have been bubbling up in every part of the Church.

The Trustees have, therefore, strengthened the Presbytery Planning Implementation Group and established a partnership with the General Trustees to produce Presbytery Plans which specify the number of ministries required

and which buildings should be retained for the purposes of delivering the priorities of a missional church.

This work must be carried out urgently and the operational plan which underpins the Faith Action Plan will take into account the need to resource this work. The Trustees expect to report on outcomes at the General Assembly 2021.

- iii. In respect of all areas of work covered by the new Forums the Trustees, in consultation with the Forums, will:
 - Scale back or stop work where it is clear that there would be greater benefit through working in partnership with charities or agencies already working in specialist areas.
 - Stop areas of work where there is no clear benefit to the life of the local church.
 - Stop work which does not provide some clear measure of support to those in the ministries of the church or to those engaged in resourcing the life of the local church.
 - Examine the outcomes in relation to all projects and partnership work and scale back or stop work which does not justify the current resource allocation.
- iv. As an overall yardstick the Trustees have had in mind the need to appraise work by reference to one or other of the first three of the five marks of mission which have gained widespread ecumenical acceptance. The fourth and fifth marks are of great importance but, especially in a time of crisis, only in conjunction with the first three:
 1. To proclaim the Good News of the Kingdom.
 2. To teach, baptise and nurture new believers.
 3. To respond to human need by loving service.
 4. To seek to transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation.
 5. To strive to safeguard the integrity of creation and sustain and renew the life of the earth developed.

When measuring the value and the outcomes of the work for which the Forums are responsible, there ought to be a fusion of proclamation and practice, such as leads to the spiritual or numerical growth of the Church.

4. It should be noted that the criteria above were set out before the advent of the pandemic; consequently, the challenges and opportunities are now of a different

magnitude. In this regard, the Trustees have given consideration to the changing variables which are being faced as a result of lockdown. The Trustees estimate that congregational income could be reduced by £30m in 2020, representing one-third of that income, through the absence of Sunday services, weddings, hall lets and fundraising. This is however very much dependent on the length of lockdown and how any phased easing of lockdown affects Church activities and how members and others respond in support of their local congregation. Each congregation is likely to be impacted differently. An element of this income, as yet unknown, will be a permanent loss, impacting on activities in 2021 and beyond.

5. Of the reduced income of congregations in 2020, it is estimated that possibly £20m may not be received in Ministries and Mission contributions. The scale of the reduction in national income will depend on those congregations which have reserves using them to continue to support payments through the Ministries and Mission contributions scheme, 85% of which goes in ministries payments. There will also be reduced income from investments, in CrossReach's activities and from those trading activities currently shut down, including those in Israel. CrossReach is facing additional costs as it seeks to meet the demands placed on the care sector to support the most vulnerable. The investments represented by the various reserves held by the Trustees are currently significantly lower than before the crisis; careful monitoring of the cash position is ongoing so that the investment losses, so far unrealised, are not unnecessarily realised. The budget for 2020 – approved before the responses to the pandemic – was for a significantly reduced deficit of £1.8m.

6. In the immediate short-term, many staff have been furloughed, savings are being made as travel costs are greatly reduced, printed publications are suspended, and the General Assembly has been cancelled. Overall, however, the response in financial terms cannot be limited to these actions and a short-life Task Group has been formed to support the Chief Officer and senior staff as they form a strategic plan which takes account of the new economic landscape. This plan will supersede the Radical Action Plan, while picking up those elements of the Radical Action Plan appropriate to the new landscape, and will accelerate the process of structural reform.

7. In the absence of a General Assembly, the Trustees will do all that we can to keep the Church informed of the necessary steps which are being taken to meet not only the instructions of the General Assembly of 2019, but also the new challenges which have arisen in the meantime. An immediate issue has been the emerging Seeds for Change Growth Fund. The Church's finances are much altered from 2019 and local congregations will now have needs of a different order. Much valuable work has been carried out by the Implementation Group and will be used elsewhere but the anticipated work of this separate Fund has to be set aside for the moment and reviewed in early course to dovetail with the new operational plan.

8. The challenges of the pandemic have presented the Church with a period of significant opportunity in the array of talent for sustaining and developing church life in new ways. The Trustees have therefore formed Task Groups to support the Chief

Officer. They will not have delegated powers but will operate flexibly and report regularly to the Trustees, probably at specially convened meetings. Each will be comprised of senior staff, trustees with relevant experience and experts from other parts of the Church.

- One group, noted above, will look at the economic and financial changes which are required for the ongoing sustainability of the Church. An essential element would be to consider how Ministries and Mission contributions should be arranged, in order to provide a sustainable system in the changed circumstances which have emerged.
- A second group will look at IT and Communications issues, as new ways of communicating will be vital as the Church responds to whatever the future holds.
- The third group will look at new ways of presbytery planning and involve the Faith Nurture Forum and both the General Trustees and the Principal Clerk.

9. All work on consideration of the likely requirements for the National Offices in the future is on hold.

6. CrossReach

1. Special mention must be made of CrossReach. We were instructed by General Assembly 2019 to initiate discussion of ways in which the Social Care Council and CrossReach could become a more self-sustaining and financially viable organisation at “arm’s-length” within the Charity, and to report progress to the General Assembly 2020. Since June 2019 we have met regularly with Viv Dickenson, CEO of CrossReach, and the Social Care Conveners, the late Bill Steele and now Thom Riddell. These meetings covered a number of issues in addition to those related to finance.

2. By January it had become clear that levels of deficit and unpredictable budgeting would make it impossible at this time to achieve a more self-sustaining and financially viable organisation. A far-reaching review was agreed but has been overtaken by the impact of the pandemic. We record our admiration for the depth and commitment of service given by all CrossReach management and staff during the pandemic, in circumstances which are both demanding and distressing. Here again the Trustees with the Social Care Council will have to undertake further review, given that the implications of COVID-19 will affect the elderly more than any other sector in society.

3. Clause 22 of the Constitution gives to the Trustees the responsibility of oversight of the work of the Agencies, including Social Care, to ensure accordance with General Assembly policies, priorities and strategic objectives. CrossReach has been reviewing its current governance model and concluding that both model and size were an obstacle to streamlined decision making on a day to day basis for the types of matters in which CrossReach is involved; nor did they allow for critical issues around performance or strategy to be properly interrogated with the degree of knowledge often

required. The Council brought these concerns to the Trustees and the Trustees agreed that it would be appropriate for the Council to review its Governance model. It may be fair to say that these issues are now exacerbated by the pandemic. The Trustees' principal obligation is to maintain and use the trust estate for the trust purposes and avoid jeopardising the attainment of the Charitable Purposes and, in particular, what must be read as the principal purpose of offering Christian service. The Trustees at their February meeting agreed the governance proposals submitted by the Social Care Council and recommend their acceptance by the Commission of Assembly.

7. The Salvesen Trust

1. The Salvesen Trust was set up by the will of Mr Frederick Gulov Salvesen who died in 1933 leaving a large bequest to the Church as a whole, including 1/10 of the residue of his estate to the Colonial Schemes of the Church of Scotland. As the Church handed over responsibility for "colonial" churches to indigenous churches, opportunities for using the fund decreased. In 1991, following an application by the Board of World Mission and Unity to the Court of Session for variation of its terms, the court approved the proposal to allow the fund to "provide the ordinances of religion to Scots in any part of the world outwith the United Kingdom of Great Britain and Northern Ireland".

2. Although administered by a separate group of trustees, latterly members of the World Mission Council, the funds have always been treated as part of the Church's charitable funds. As part of the merger and reorganisation of Councils, the Commission of Assembly approved the Trustees' proposals that the members of the Faith Impact Forum should constitute the trustees of the Salvesen Trust and should exercise trusteeship in accordance with restated operational provisions as set out in the remit of the Forum.

3. Having regard to the further changes which have taken place since 1991 in the ways that the Church operates outside Scotland, the Trustees propose to discuss with the Salvesen Trustees, the Faith Impact Forum and the Solicitor whether consideration should be given to obtaining approval for a further variation of the trust purpose from that set out in paragraph 1 above.

8. The Housing and Loan Fund

1. In March the Convener, at the request of the Chair and Deputy Chair of the Trustees of the Housing and Loan Fund, met with them to discuss future plans for the Fund and an appropriate level of reserves. These discussions will be taken forward.

9. The Central Services Committee

1. The Central Services Committee (CSC) oversees the delivery of central services to departments within the Church Offices, to Councils and Committees, and now the new Forums of the General Assembly and, where appropriate, to the statutory corporations, presbyteries and congregations of the Church. These include Estates management, Information Technology (IT) services, Communications, Human Resources (HR), Legal and Financial services. The Committee acts as one of the Employing Agencies of the Church and oversees all aspects of staff appointments and staff terms and conditions of service and monitors staffing levels on behalf of the Council. It is also responsible for negotiating with the Employee Council Committee and bringing forward to the Assembly Trustees recommendations in respect of staff remuneration. The Committee comprises the Convener, Vice-Convener and Administrative Trustee of the Assembly Trustees and two other Assembly Trustees. Meetings are attended by the Chief Officer, the Solicitor and the Head of HR, and budgetary and financial advice is given by the General Treasurer.

10. Data Protection

1. The Church's data protection compliance regime was strengthened in the course of the year with the creation and appointment to the post of a Data Protection Officer. Since taking up post Allan Simpson has built on previous work to develop a manageable and sustainable privacy management structure.

2. The online threat is constant. Evidence suggests that office-bearers and officials are identified and especially targeted. These attacks are becoming more sophisticated.

11. Communications

1. During the last year the Communications department has worked to respond to a range of requests for support from Forums, committees, presbyteries and local churches seeking strategic communications advice, media relations, social media, design work, website support and training. The department also responds to hundreds of media enquiries about the Church of Scotland every year.

2. The Church's complex communications landscape can result in initiatives competing against one another and the high volume of content from a myriad of different sources can confuse and over-burden our audiences. Over the last year the Communications team has been advocating a more collaborative and considered approach that will reduce duplication, information overload and costs, and ensure the work produced is of a high quality and has longevity.

12. Information Technology

1. Improvements to the IT infrastructure were completed in 2019. Further improvements are scheduled to take place this year.
2. The roll out of Microsoft updates and the infrastructure improvements will result in systems being unavailable temporarily to allow the changes to be made.
3. In line with other organisations, the Church of Scotland IT department is constantly reviewing and updating its approach to Cyber Security issues which continue to evolve rapidly. The IT department is aware of the risks that this form of criminality can pose to users of the network and is taking all appropriate precautions. Regular invitations to take part in Cyber Awareness training will be made. The aim of this investment is to improve Cyber Awareness to increase the security of the Church of Scotland's IT systems.

13. HR and the Payroll Project

1. Stage 1 of the project was completed between October 2019 and January 2020 when payment arrangements for over 4,000 individuals (CSC employees, Ministers and pensioners) were transferred to a new integrated HR/Payroll system. The switchover involved data transfer and cleansing, designing new systems and controls, and parallel running with the legacy payroll system. Stage 2 of the project is due to be completed during 2020 and will include providing for payslips to be accessed by individuals on a 'self-service' basis. Further information will be provided at the time of transition to the new system.

TRIBUTES

Martin Johnstone

In 2015 Martin Johnstone arrived in 121 as the new head of the Church and Society department, from leading the Priority Areas team in Glasgow. Martin brought with him his commitment and dedication to working with the church and people on the margins – those who are struggling against poverty, isolation and discrimination. He began by shaking up the ways that Church and Society operated, which might be characterised as moving away from producing worthy but little read reports for the General Assembly to one of getting out and about among churches and communities to listen to concerns and respond to people's priorities. The *10,000 Voices for Change* consultation which led to the *Speak Out!* programmes of themed work areas have transformed the relationship between the national office, local congregations and current issues of concern. Martin is also characteristically down to earth, someone for whom laughter comes easily and gives joy to others, with his kind words, notes and cards wishing folk well, and in the way he treats all people he encounters with respect.

Martin was missed when he was called to act as Secretary to the Council of Assembly and Interim Head of Staff, but his friends in Church and Society knew that their loss would be the Church's gain.

The Trustees are grateful for all the work that Martin undertook whilst acting as interim Council Secretary to the Council of Assembly and then latterly as Interim Head of Staff. Martin ensured close liaison through the development of the report of the Special Commission, ensuring that the voice of staff was heard during all stages of the reports production. Martin led and supported staff through a difficult time of transition for the Church and the Trustees send him every good wish in his new endeavours.

Jennifer Margaret Hamilton

It was with great sadness that on the 23rd October 2019 we learned of the death of Jennifer Margaret Hamilton, Depute Solicitor of the Church of Scotland.

Jennifer began her service in the Law Department as an Assistant Solicitor in January 1994. From the outset her primary areas of expertise were trust and charity law, so, following the creation of the Office of the Scottish Charity Regulator in 2005, Jennifer became the principal point of contact between OSCR and the Church and she was the main source of advice for congregations and Presbyteries in this area.

From 1995, she also served as the Secretary to the Church of Scotland Trust and no one has ever had such a comprehensive knowledge of the huge variety of funds held for a huge variety of purposes across the Church of Scotland. Successive Chairs, Vice-Chairs and members of the Trust came to appreciate not only her administrative competence but her inexhaustible knowledge of the property-related activities of the Church abroad. Jennifer also sat on the Law Society of Scotland's Charity Law Sub-Committee and was for six years the Secretary and Treasurer of the Iona Cathedral Trust. In that capacity she undertook a huge amount of work to support the Trust's successful application to the Heritage Lottery Fund for its library renovation project.

Jennifer became Depute Solicitor of the Church of Scotland in 2016 and in that role provided support and assistance to many across the Church in a wide variety of areas. Jennifer had absolute personal integrity and most of all she had the twin skills of the sharpest character assessment and good judgement. As a lawyer she was conscientious, meticulous and incisive and as a colleague she could be relied on whatever the circumstances.

Beyond the Law Department Jennifer gave endless hours of commitment to the Girlguiding with which she had a lifelong association. But her deepest love was for her family and it is to them that our sympathy and prayers go out.

Bill Steele

One of the events not foreseen towards the end of 2019, and which was greeted with immense sadness, was the sudden death of Bill Steele. Bill had served on the Social

Care Council for almost 10 years, taking up the role of Convener in 2016. He was a real asset to the Social Care Council with a wealth of experience in business and construction; and was a fantastic ambassador for CrossReach both within the Church of Scotland and more widely in the communities which he came into contact with. Bill was driven by a genuine interest in the people of all ages who look to CrossReach for help. He was always keen to ensure that as well as benefiting from the practical support required, they experienced something of the transformational power of Christ's love in their lives through their contact with the services. He was also hugely supportive of the staff team, understanding many of the pressures which they experience on a day-to-day basis, and keen to ensure that their real value was recognised. We will miss his boundless energy and commitment as well as his wry sense of humour.