

COUNCIL OF ASSEMBLY MAY 2019

Proposed Deliverance

The General Assembly:

1. Receive the Report.
2. Approve for implementation the following elements of the Radical Action Plan as set out in the Report (*Section 3*):
 - a) the establishment of a Growth Fund of £20-£25m for the period 2020-2026 (*Section 3.4.1*);
 - b) the establishment of a total of around 12 regional Presbytery structures by the General Assembly of 2024 (*Section 3.4.2*);
 - c) the preparation of draft legislation for the General Assembly of 2020 to enable the establishment of networks, hubs and other additional forms of local church (*Section 3.4.3*);
 - d) a review of the size and responsibilities of Kirk Sessions (*Section 3.4.4*);
 - e) co-operation with other denominations in the provision of territorial ministry in accordance with section 3 of Act V, 2010 (*Section 3.4.5*);
 - f) the creation of a single, easy and accessible platform of faith and nurture resources (*Section 3.4.6*);
 - g) a flexible education, training and support programme for every person in the Church including material on leadership (*Section 3.4.7*);
 - h) initiatives to help the Church to engage those aged 40 and under (*Section 3.4.8*);
 - i) a reconfiguration of Ministries and Mission contributions (*Section 3.4.9*);
 - j) the exploration of changes to the current vacancy allowance, including the discontinuing of the current system of vacancy allowance for congregations and making this available to Presbytery along with the Presbytery Discretionary Allowance (*Section 3.4.10*);
 - k) the development of new ways to support congregations in long-term vacancies (*Section 3.4.10*);
 - l) the support of the General Trustees' initiative entitled 'Well-equipped Spaces in the Right Places' (*Section 3.4.11*);
 - m) the exploration of whether proceeds from the sale of redundant buildings following adjustment processes might in certain circumstances be applied for the benefit of a congregation other than the united or linked congregation concerned (*Section 3.4.12*);
 - n) the provision of support at a regional/local level to congregations including (*Section 3.4.13*):
 - i) buildings expertise
 - ii) safeguarding
 - iii) financial accounting
 - iv) local staff employment
 - v) developing effective partnerships
 - o) developing the most appropriate relationship between CrossReach and the broader work of the Unincorporated Councils and Committees (UCC) and the local church to enable this work to be sustainable and to flourish (*Section 3.4.14*); and
 - p) a refocus of the national office staff team so that there is a focus on equipping and supporting local churches, including accessing the Growth Fund. (*Section 3.4.15*)
3. Instruct the Council to draw together a cross-departmental team to ensure that the Action Plan is implemented. (*Section 3.4.16*)
4. Instruct the Council to report annually to the General Assembly on the delivery of the Action Plan. (*Section 3*)
5. Encourage all General Assembly Councils and Committees to focus their activities from June–December 2019 on an effective implementation of the Action Plan. (*Section 3.4.17*)

6. Encourage a 'season of prayer and preparation' across the Church from September – December 2019. (*Section 3.4.17*)
7. Note that further work has been undertaken by the Council on the National Offices Buildings Project and instruct it to present a further report to the General Assembly in 2020, taking into account the outcome of decisions around the Action Plan and the Report of the Special Commission. (*Section 4*)
8. Note the continuing work of the Gaelic Group. (*Section 7*)
9. Approve changes to the membership of the Ecumenical Relations Committee. (*Section 14.1.1*)
10. Approve the revised remit of the Church Art and Architecture Committee as set out in Appendix I. (*Section 14.1.2 and Appendix I*)

Report

1. INTRODUCTION

1.1 The last year has been a challenging one for the life of the Church of Scotland, including for members of the Council of Assembly. Across its broad remit, it has sought to focus energy around three main areas: ensuring the best possible standards of governance, including calling for the establishment of a Special Commission; maintaining scrutiny of the Church's overall finances; and the development of the Radical Action Plan as instructed by the 2018 General Assembly. In carrying out this work to the very best of its ability, the Council has sought to faithfully follow Jesus and to listen to the Holy Spirit prompting us to move and travel in fresh directions. The Council is grateful to the many people who have supported this work and have remembered it in prayer.

1.2 In terms of staffing at a senior level, the Council Secretary, the Rev Dr Martin Scott left the employment of the CSC in January 2019 after a period of some twenty years' service with the Church of Scotland. Since September 2018, the Rev Dr Martin Johnstone, Secretary to the Church and Society Council, has been providing cover as Acting Secretary to the Council of Assembly over this period of significant change.

2. SPECIAL COMMISSION

2.1 One of the Council's most significant decisions in the year was to ask for an independent review of current governance structures. A Commission of Assembly was called to consider this request and a Special Commission of five people was subsequently set up to take forward the review and bring a report to this General Assembly. The Council welcomes the review, acknowledging the need to ensure that the Church's structures and processes are lean and fit for purpose to lead reform at a time when change is needed.

2.2 The Council is grateful for the thorough and diligent way in which the Special Commission has gone about its complex and difficult work. It wishes to record its appreciation to the Commission's five members and, in particular to the Rev Professor David Fergusson for the humble, incisive and committed way in which he has gone about the task.

2.3 The Council has been keeping the Special Commission informed of its work as part of the

Commission's wide consultation process, particularly in relation to the work of the Radical Action Plan. In doing so the Council and Special Commission have sought to ensure that their respective proposals to the General Assembly stand the best possible chance of complementing one another, presenting the Church the opportunity to move forward at the speed and in the spirit required. At the time of preparing this Report, the proposals coming out of this work are awaited.

3. RADICAL ACTION PLAN

3.1 Introduction

3.1.1 "Jesus said to them, 'Follow me and I will make you fish for people.' And immediately they left their nets and followed him" (Mark 1:17-18). From that moment at the edge of a Galilean lake, this call has encapsulated what Christian discipleship means: it is about following Jesus.

3.1.2 Following Jesus takes us in two directions at the same time. When asked what the greatest commandment was, "Jesus said, 'Love the Lord your God with all your heart, with all your soul, and with all your mind.' This is the greatest and the most important commandment. The second most important commandment is like it: 'Love your neighbour as you love yourself'" (Matthew 22:37-39). These two commandments cannot be separated from one another. In the life of Jesus, we see him living out his love and passion for God at the same time as he lives out his love and passion for God's world.

3.1.3 The call of the Church is to encourage people to follow Jesus: to discover for themselves the life-transforming power of the Gospel; to know what it is to be loved by and to love God; and to share that love with all those who we meet and with all of creation. The 2001 Report of the Special Commission on the primary purposes of the Church (*A Church without Walls*, stated^[1]):

'Follow me.' These two words of Jesus Christ offer us the purpose, shape and process of continuous reform of the Church at the beginning of a new Millennium and at any other time. The Commission has joked about making these two words the report to the General Assembly. The Church of Jesus Christ is about nothing more and nothing less than this. Like a computer icon, the words 'Follow me' carry within them the complex and comprehensive process of being God's people in God's world.

3.1.4 *A Church without Walls* influenced a generation of congregations across Scotland and indeed helped to pioneer reform in other parts of the world. However, a number of the recommendations made within *A Church without Walls* for structural change and realignment of resources at a national level were never fully implemented. The Radical Action Plan should be seen, in part, as an attempt to correct that imbalance.

3.1.5 Much has changed in the almost 20 years since *A Church without Walls* was written. Church life in Scotland, at least amongst most mainstream historical denominations, has become more precarious and fragile. There is increasing recognition that we simply cannot continue the way that we have been. Radical change is essential. However, this change must not be seen, first and foremost, as plotting a survival route for the Church but must focus instead on how we can, with others, share the Good News of Jesus Christ much more effectively.

3.1.6 One of the ways in which things have changed markedly over the last two decades is that the centre of the Church as a movement has shifted from the largely rich north to the global south.^[2] When we talk of the Church getting smaller, it is important to remember that we are talking about what is happening in our part of the world. This means that our links to our sisters and brothers in faith in other parts of the world, and to the poorest and most marginalised, will be critical to our future. The World Mission Council *Special Report on Lessons for Scotland from Christian Faith in Africa*^[3], General Assembly 2018, provides some of that essential learning.

3.1.7 Concern about the future of the Church of Scotland, and of the church in Scotland, should not blind us to the amazing and faithful things that occur in every part of the land and in those other places across the UK and across the world. However, we need to be honest and say that too much of that wonderful work is happening despite our systems and structures rather than because of them. The Radical Action Plan hopes to help to reverse that reality.

3.1.8 An effective implementation of the changes which are needed will require courage, collaboration and generosity. It will involve an effective sharing of our resources and an ongoing commitment to stewardship. We need to do better both with what we have and to increase what is available by encouraging one another to give all that we can for the building up of the Kingdom of God. We believe in a God of abundance.

3.2 Background

3.2.1 The 2018 General Assembly was clear that radical change is necessary and instructed the Council of Assembly to return to the 2019 Assembly with a three-year Radical Action Plan. In October 2018, a Commission of Assembly was called in order to request a Special Commission to review the charitable governance structures of the Church. As a result this Action Plan has been developed in a manner that ensures that the Special Commission has full jurisdiction over the governance and structural elements of the Church. What follows is a Plan that has as its central theme the purpose of releasing resources to, and supporting, the local church, with the tasks presented below considered to be of the highest priority for action at this time. This is not a Strategic Plan; that may come out of the work of the Action Plan and will be the responsibility of any new governance structure approved by the 2019 General Assembly. It is rather a series of activities which are designed to enable the Church of Scotland to create a more stable platform over the next three years. Due to the nature of the tasks identified, it is acknowledged that some of these activities will take longer than three years to implement fully. As the Action Plan goes to print, the work of the Special Commission continues. Therefore the timescales presented within this report are proposals, which could be subject to change dependent upon the conclusions reached by the Special Commission.

3.2.2 The Action Plan is designed to: liberate the local church to be as effective as possible; build the capacity of the church at a regional level to support local churches; and to streamline the national structures of the church, fulfilling tasks and functions which cannot sensibly and reasonably be undertaken locally or regionally.

3.2.3 In the development of the Action Plan, the Council has sought to be driven by a set of core values. These are: boldness, compassion, faithfulness, forgiveness, humility and kindness. The Council hopes these are evident both in the proposals which are being brought to the General Assembly for their consideration and decision and also in the spirit in which the Plan has been put together. The Plan is not perfect and, indeed, cannot be perfect: perfection belongs to God alone. It is, however, an attempt to address many of the blocks which have prevented, or held back, transformational change within the Church.

3.2.4 Consideration has also been given to the fact that we are dealing with an existing system and that it is imperative that the Action Plan does not cause more harm

than good in terms of outcomes. In order to take the Plan forward there needs to be effective co-ordination between the Councils, Departments and Committees of the Church where many of these activities currently sit. Within the remit of work conducted at a national level, if an area or activity of a Council's or Department's work does not appear explicitly within this Plan, that does not mean that it is not considered of importance or value to the Church. Individual meetings with representatives from Councils, Departments and Committees have helped to refine and inform the Plan.

3.2.5 Drafts of the Action Plan have been shared with the Special Commission throughout its development process and final drafting to seek to ensure that the Radical Action Plan is consistent with the recommendations of the Special Commission. This has been done in an effort to ensure that the General Assembly is able to make choices which allow us to move forward together.

3.2.6 As well as expressing its appreciation to the members of the Special Commission, the Council would also wish to put on record its thanks to all those who have worked together in the drafting and re-drafting of the Plan over the last year. The work did not get off to a good start. The first Presbytery conference in October was a difficult and painful experience. Since that moment, however, people have come together to work for change and the second Presbytery conference (January 2019) had a markedly different atmosphere and tone. Particular thanks should go to the Reference Group, bringing together people from across presbyteries, whose valuable work and insight has helped to shape what is now presented to the General Assembly.

3.2.7 The Council is also grateful for the many helpful and constructive comments about the Action Plan which it has received over the past year and, in particular, would wish to thank people for the prayers and spirit of generosity expressed by many which have carried us through some challenging times. What is offered now, is offered in a spirit of humility and collaboration.

3.2.8 Whilst plans (and strategies) are important to set the tone, to give direction and to remove key impediments to effective mission, any real change must be rooted in prayer and in listening, humbly, to the Spirit of God. It is about responding to the call to follow Jesus, to go where Jesus would go and to encourage others to do the same.

3.3 Tasks

	Task
(Deliverance 2. a) and Section 3.4.1)	To establish a Growth Fund of £20-£25m for a 7-year period to enable the local church to support new ways of doing church, deepening faith, sharing faith and engaging in the transformation of our communities.
(Deliverance 2. b) and Section 3.4.2)	To introduce new regional Presbytery structures which provide leadership and focus alongside practical support for local congregations, freeing them for mission and ministry.
(Deliverance 2. c) and Section 3.4.3)	To deliver new forms of church structures through new ways of doing church, including Presbytery Mission Initiatives through to Hub-Style ministries.
(Deliverance 2. d) and Section 3.4.4)	To review the size and responsibilities of Kirk Sessions with the aim of optimising them to a proportionate and effective number.
(Deliverance 2. e) and Section 3.4.5)	To work in collaboration with others, including other churches and organisations which share our values, to ensure that we work ecumenically in meaningful ways.
(Deliverance 2. f) and Section 3.4.6)	To create a single, easy and accessible platform of faith and nurture resources, beginning by drawing together what already exists before creating any new materials.
(Deliverance 2. g) and Section 3.4.7)	To co-ordinate flexible education, training and support programmes for all, covering the recognised ministries (Ministers of Word and Sacrament, Ordained Local Ministers, Auxiliary Ministers, Deacons and Readers), elders, volunteers, interested attenders etc. This will include work around leadership within the Church.
(Deliverance 2. h) and Section 3.4.8)	To develop a deliberate focus on engaging with/supporting those aged 40 and under.
(Deliverance 2. i) and Section 3.4.9)	To reconfigure Ministries and Mission contributions.
(Deliverance 2. j) and k) and Section 3.4.10)	To introduce changes to the current vacancy allowance, including: Discontinuing current system of vacancy allowance and adding aggregate value of vacancy allowance to Presbytery Discretionary Allowance (known as the '5%'). Re-imagining how vacancies are supported if a vacancy becomes more of the norm for a large percentage of congregations.
(Deliverance 2. l) and Section 3.4.11)	To support the General Trustees' initiative ' <i>Well-equipped Spaces in the Right Places</i> '.

(Deliverance 2. m) and Section 3.4.12)	To consider whether sale proceeds of redundant buildings arising out of unions or linkages to congregations might in certain circumstances be applied for the benefit of a congregation other than the united or linked congregation concerned.
(Deliverance 2. n) and Section 3.4.13)	To offer support at a regional/local level to congregations including: <ul style="list-style-type: none"> - buildings expertise - safeguarding - financial accounting - local staff employment - developing effective partnerships
(Deliverance 2. o) and Section 3.4.14)	To establish the most appropriate relationship which could exist between CrossReach and the broader work of the Unincorporated Councils and Committees (UCC) and the local church to enable this work to be sustainable and to flourish.
(Deliverance 2. p) and Section 3.4.15)	To refocus the national staff team to focus on equipping and supporting local churches, including accessing the Growth Fund.
(Deliverance 3. and Section 3.4.16)	To draw together a cross-departmental team to ensure that i.) a research and development function exists for the Church of Scotland and ii.) the Action Plan which stems from the General Assembly is delivered.
(Deliverance 5. and 6. and Section 3.4.17)	To encourage all national Councils and Committees to focus their activities from June – December 2019 on an effective implementation of the Action Plan; and To encourage a ‘season of prayer and preparation’ across the Church from September– December 2019.

3.4 Expanded explanation of tasks

3.4.1 2.a) To establish a Growth Fund of £20-£25m for a 7-year period to enable the local church to support new ways of doing church, deepening faith, sharing faith and engaging in the transformation of our communities.

3.4.1.1 Why this issue needs to be considered within the Action Plan

3.4.1.1.1 The focus of the Action Plan is about supporting the whole Church, especially at a local level, to do the new things which we believe God is calling us to. It has to be about supporting, encouraging and learning from what is working (and what is not). *A Church without Walls* notes:

‘The Church ‘works’ where people join together, building relationships with each other and the community in which they belong. It is through these relationships that the Gospel is spread. In each place the Church is different. There is no one model that fits all. We rejoice in the diversity within Church. We celebrate and encourage it. This allows Church to be correctly resourced locally rather than ‘top down’ projects being implemented.’

3.4.1.1.2 *A Church without Walls* envisaged the establishment of a £7.5million *Community and Parish Development Fund* over a five-year period from 2002 to help to support the local church in this endeavour. The *Parish Development Fund* and its successor, the *Go For It Fund*, have both made a significant and positive contribution to the life of many churches and communities.

3.4.1.1.3 The Growth Fund is intended, in the spirit of *A Church without Walls*, as well as learning from the Church of

Scotland's own experience and those of our ecumenical partners (such as the Church of England, the Methodist Church and the Presbyterian Church (USA), and others), to continue and expand this process, deliberately using the Church's limited reserves to encourage greater faith-sharing, innovation and creativity at local and regional levels. Jesus says: "For where your treasure is, there your heart will be also" (Luke 12:34). There are those who will caution that we need to keep hold of these reserves for a rainy day. The reality is, as many would point out, the roof is leaking and the rain has been coming in for some time in the life of the Church of Scotland.

3.4.1.2 The impact we hope to achieve in delivering this

3.4.1.2.1 Between May 2012 and February 2019, the *Go For It* Fund has supported 214 congregations in their mission, representing 16% of congregations. The projects funded are engaging churches in addressing the needs of their local communities and/or encouraging new ways of being church, with many examples of nurturing faith among young people, children and families. Through the duration of the Growth Fund, it would be planned to at least double the number of congregations being supported. This will help to support the reinvigoration of church life in every part of Scotland (and beyond), leading to greater community impact and church growth.

3.4.1.2.2 The number of applications in the specific sphere of Church planting has, however, been relatively few. The new Growth Fund will address this, allocating funds each year for initiatives to develop mission through new ecclesial communities and church planting. The Church needs to recognise that as many congregations are likely to become smaller and unsustainable in future years, we need to be committed to establishing new church communities, both geographical and around communities of interest, to take their place. Whilst match-funding will be a part of the overall criteria of the Growth Fund, in line with other similar funds, this will not be a pre-requisite in order to attract applications with proposals focused on evangelism and church growth which find it harder to attract external sources of funding.

3.4.1.2.3 The Church is facing an enormous challenge around engaging and attracting children, young people and those under 40. This must be addressed. It is proposed that the Growth Fund would have a specific commitment to this area, particularly during its initial three years.

3.4.1.2.4 The work that the Church does locally in communities across Scotland and other parts of the UK alongside its engagement with partners across the World Church, makes a huge difference to the lives of hundreds of thousands of people every year. Through its multiple activities, the Church is addressing loneliness, poverty, climate change and injustice in a myriad of ways. The Growth Fund will support and encourage local congregations in this vital and life-changing work. This work not only makes a difference locally and regionally. It also helps to ensure that the Church's voice, increasingly speaking alongside those who suffer injustice, has an impact at a national level.

3.4.1.2.5 In recent years, the Church has consistently recognised the need to encourage people to develop and exercise their ministries, including consideration of the recognised Ministries of the Church. The Growth Fund should include a commitment to support the nurture and development of these ministries. Work will continue in support of the Decade for Ministry.

3.4.1.3 How we are going to deliver this

3.4.1.3.1 The Growth Fund is planned to deliver over a seven-year period, making use of reserves. In the current economic environment, the Fund should be reviewed after three years. Work is being instigated, in conjunction with the Special Commission, in ensuring that the following proposals are affordable. In writing this Action Plan there is acute awareness of the Church's current financial picture and therefore due caution needs to be applied in terms of allocation of money. The Church cannot continue to operate with ongoing operational deficits and the viability of the Growth Fund will have to be predicated on the delivery of balanced operational budgets. Further, the Fund is entirely dependent on applications being of sufficient quality to make a recognisable difference. Therefore, currently it is envisaged that during the first three-year period, a grant allocation of up to £8million should be distributed, with the impact and sustainability of the Growth Fund evaluated at that stage. Funding over the 7-year lifecycle of the Growth Fund will be tapered, maximising grant allocation from the middle of the Fund's life (e.g. £1.5m in 2020; £2.5m in 2021; £4m in 2022; £5m in 2023; £4.5m in 2024 and 2025; £3m in 2026).

3.4.1.3.2 Funding will be allocated around a set of national criteria focused on growth, impact and sustainability with clearly agreed targets, learning closely from the Church of England's Strategic Development Funding. Regulations for

the Fund will be published in the Supplementary Report alongside initial criteria.

3.4.1.3.3 Applications can come primarily from individual congregations, groups of churches and from presbyteries. Collaboration with other partners, including specifically ecumenical co-operation, will be encouraged. As regional structures are established, and capacity is increased, co-ordination and facilitation will be devolved. Presbyteries will be able, if they so wish, to utilise all (or a proportion) of the Presbytery Discretionary Allowance (currently 5%) to augment the impact of the Fund within their bounds.

3.4.1.3.4 Alongside national criteria, specific (and time-limited) funding programmes will be established within the overall Growth Fund to encourage and ring fence work in areas which have been agreed as particularly significant. In the first three years, the Fund will aim to allocate 30% of the available funding to church-planting initiatives and 30% towards projects working with children, young people and families. The Growth Fund will also aim to ensure that there are successful applications from all areas where Church of Scotland congregations are active (throughout Scotland, the Presbytery of England and the Presbytery of International Charges).

3.4.1.3.5 Funding will be primarily revenue focused, with applicants able to apply for up to five years' funding. It is envisaged that capital support will be available in a number of cases as the work of the General Trustees progresses around developing 'well-equipped spaces in the right places' and how the sale of redundant buildings might best support the wider Church.

3.4.1.3.6 A national learning and training programme to assist potential applicants and projects in receipt of funding will be provided.

3.4.1.3.7 Staff currently employed nationally and regionally will be trained to support applicants. This will ensure that the Growth Fund does not result in increased national administration costs, and many church employed staff with a specific remit for supporting the Church's work at local and regional levels (including staff from all the current Councils as well as Stewardship and Finance and the General Trustees) will be better able to support innovative work.

3.4.1.3.8 In order to maximise the impact of the Growth Fund, it is essential that all initiatives build in a robust monitoring and evaluation plan which can measure progress against agreed goals and learn to develop and share its

experiences, positive and negative, with others. The Fund will encourage the sharing of resources and expertise. For Presbytery-level projects, it is intended to develop a peer review programme where a team from another Presbytery would help to review and support the work being done, thereby encouraging high quality sharing of experience and information.

3.4.1.4 Timescale

3.4.1.4.1 If plans for the Growth Fund are approved, a small team from across the Church will be established to lead on this work. Names will be brought by the Nominations Committee to a subsequent session of the 2019 General Assembly.

3.4.2 2.b) To introduce new regional Presbytery structures which provide leadership and focus alongside practical support for local congregations, freeing them for mission and ministry.

3.4.2.1 Background

3.4.2.1.1 Presbytery is the gathered life of the Church of Scotland in a particular area. It brings together, in a mutually accountable and supportive relationship, the recognised ministries and elders representing local Christian communities in parish, education, chaplaincy and national church administration. In Presbytery the leaders of the local church come together to:

- discern the Holy Spirit's leading of the Church in their context;
- respond appropriately to Christ's call to follow;
- oversee the work of the local church; and
- be responsible for discipline and good order.

3.4.2.2 Why this issue needs to be considered within the Action Plan

3.4.2.2.1 Over the last number of years there have been various debates around the need for Presbytery Reform, without any clear consensus as to the most effective way to bring about any such reform. This is unsurprising given that presbyteries serve very different geographical, social and cultural constituencies: what might work in an island Presbytery would be unlikely to meet the requirements of a largely urban, central-belt constituency and vice-versa. We need to find ways to support this diversity.

3.4.2.2.2 This must not just be about creating bigger versions of what we already have. The emphasis needs to be on enabling the ability to make good decisions driven by a clear sense of purpose and calling. In these new presbyteries there should be willing engagement by Presbyters who see in such participation a worthwhile and fulfilling task closely related to their vocation as minister, elder or deacon. Such presbyteries would plan for growth. Despite the challenges which will remain to be addressed, there is increasing consensus that:

- a) At a time of declining numbers and alternative ways of working, the current system often makes heavy use of people's time, energy, and finance as it requires 45 Moderators, Clerks, various Conveners, and Committees;
- b) Presbyteries which are small in terms of numbers can suffer from:
 - i) a restricted range of talents and skills with people trying to cover a number of roles;
 - ii) a lack of perspective, at times, with individuals being too close to each other;
 - iii) due to matters occurring infrequently, a body of knowledge and experience in how to deal with things is not built up;
 - iv) as the Discretionary Allowance (currently 5% of M&M) is a very small amount of money, there is no chance to have staff or other resources to underpin the life of the local church;
 - v) few Presbytery Plan posts mean that opportunity for experiment or specialisation can be very restricted; and
- c) Presbyteries which are large in terms of numbers always need to be alert to:
 - (i) a lack of cohesive relationships and a common sense of identity;
 - (ii) a lack of co-ordination of resources to operate effectively and efficiently; and
 - (iii) a frustration that decisions taken nationally would be more effectively agreed at a regional level.

3.4.2.2.3 In order to deliver on aspects of the Action Plan, including proposals in the General Trustees' Report, the

Growth Fund and other areas of work being presented to the General Assembly, it is recognised that larger and more effective administrative units are going to be required. It is not going to be possible to have a one-size fits all solution in terms of how these new presbyteries are formed. We need a way in which the best of what we currently have is maintained whilst ensuring we move to different structures than currently exist.

3.4.2.3 The impact we hope to achieve in delivering this

3.4.2.3.1 Through reducing the number of presbyteries (or creating groupings of presbyteries) and creating larger entities, these enlarged bodies would:

- become the natural place to which resources, funding, and decision-making are devolved;
- be able to employ and deploy staff to meet regionally identified needs and opportunities (e.g. around buildings, finance, church planting, partnership and mission);
- have the capacity to retain and make better use of a higher proportion of the funds raised in the area for the mission of the local church;
- have the increased capacity to support and encourage those who are in recognised ministries or are office-bearers, engendering resilience and the spirit to develop church life;
- free up time and energy for local mission including by reducing the administrative and legislative burden;
- have increased capacity to speak with a collective voice to other regional centres of influence in civic life;
- have the capacity to take risks and learn from mistakes; and
- need less input from the national offices, allowing a reduction in central spend, enabling increased devolution of funding and resources.

3.4.2.4 How we are going to deliver this

3.4.2.4.1 Past experience suggests that change in this area, although vital, will take time. As such, the Action Plan proposes an incremental approach, building upon the work which is already underway;

- a) Through facilitating and encouraging local initiatives within a number of presbyteries to join together. A target of three new such groupings is planned by summer 2020.
- b) By incentivising presbyteries to work together by offering them opportunities to have access to devolved resources when they have reached the appropriate scale and capacity.
- c) By the extension of Presbytery Review in which the current structures are encouraged to ask searching questions about their impact and future sustainability. Proposed legislation will be brought to the 2020 General Assembly providing a mechanism of superintending Presbytery life.
- d) Through establishing at the 2020 General Assembly a task-specific group with the remit of achieving the union (which failing, the linking) of presbyteries with a view to having around 12 “units” (either united presbyteries or presbyteries closely linked by areas of co-operation) by 2024.

3.4.2.5 Timescale

3.4.2.5.1 Although 2025 will be the deadline for the full implementation of a new regional structure to be in place, it is planned that the majority will have moved to this structure well in advance of that date. People have consistently spoken of the need for presbytery reform as foundational to many of the other changes that are required to ensure that the Church of Scotland is operating as effectively and efficiently as possible.

3.4.3 2.c) To deliver new forms of church structures through new ways of doing church, including Presbytery Mission Initiatives through to Hub-Style ministries.

3.4.3.1 Why this issue needs to be considered within the Action Plan

3.4.3.1.1 In recent years there has been a growing acceptance across several denominations that traditional church life – sometimes known as inherited Church – needs to co-exist alongside new and different patterns of ministry, as a matter of necessity. Work is ongoing through the Joint Emerging Church Group^[4] on Pioneer Ministries^[5] and within the Ministries Council on Hub-Style Ministries^[6]. All of this work needs to be brought together in a manner which enables

congregations to explore and expand their horizons in a mission-based context.

3.4.3.1.2 Alongside this challenge of how new expressions of church can be enabled, there is the challenge of how churches with small memberships can be sustained, supported and released more effectively for mission. Presbytery Planning has determined, for the most part, that a presence is essential in many of these smaller communities. In addition to this, the General Trustees are working on a land and property plan which is concerned with ensuring that the Church’s physical assets are located in appropriate geographical settings.

3.4.3.1.3 In contexts where population levels and church memberships are low, sustaining a worshipping and witnessing congregation can be difficult if not impossible, because the Church’s expected structures require church buildings, a Kirk Session with a Moderator, a Session Clerk, a Treasurer, a Roll Keeper, a Safeguarding Co-ordinator and a Property Convener, at the very least. This can lead to parish churches being linked, united or closed with the loss of regular worship in the community. Such an approach is predicated on the view that a local congregation requires all these roles in order to witness and worship within a particular community, something which is clearly not the case. As is frequently highlighted, a different model is required, one which would offer a lighter burden than is currently possible under Guardianship. Many examples exist in other parts of the world, particularly in those parts of the world where the Church is expanding, without many of the elements that we often regard as essential.

3.4.3.2 The impact we hope to achieve in delivering this

3.4.3.2.1 Presbytery would have the possibility of converting an existing parish church into a Mission Initiative. This would mean that there could be many more worshipping communities in areas where the Church of Scotland is operating that can continue than would otherwise have been the case. This would be good for the life of the Church, the local worshipping community, and the wider community in these places. The intention would be to continue regular worship, at an agreed frequency, appropriate to the setting, along with some “ownership” of church life and pastoral care. This is not based on the assumption that there will be a church building, but neither is that ruled out. Once again, the model must be shaped by the local context.

3.4.3.3 How we are going to deliver this

3.4.3.3.1 Drawing on past practice and adapting current legislation, there is a legislative framework which would allow numerically small churches to exist and to exercise the mission of the church, while the requirements of Church and civil law are administered elsewhere, by a supervising or sponsoring congregation. Within a suitably resourced Presbytery, it could be possible that such initiatives would be resourced by the Presbytery.

3.4.3.3.2 This new structure, supporting both new initiatives and maintaining the worshipping and witnessing life of small local congregations, could be enabled by amendments to current Acts of the General Assembly. These would be developed for the 2020 General Assembly.

3.4.3.3.3 Such a new structure is intended not simply to support congregations which already exist but to create a permissive and liberating environment for new church plants and the essential development of a wide range of fresh expressions of Church. Many of these will find the current framework and requirements of traditional congregations less than suitable and we must set them free for their primary missionary calling. In order to encourage fresh mission initiatives, learning should be taken from current initiatives such as Hub Style Ministry, Pioneer Ministry, Fresh Expressions, Path of Renewal, Chance to Thrive, etc. to ensure that appropriate and integrated support is available in a timely manner. Furthermore, the Church is conscious of the growing interest in digital Church and this is an area which needs further consideration and investment to complement the more contemporary worship practices.

3.4.3.3.4 Support could be delivered through the Growth Fund alongside learning adopted from the Joint Emerging Church Group's Pioneer Ministry Report, in order to assist the development of new worshipping communities.

3.4.3.4 Timescale

3.4.3.4.1 Draft legislation will be brought to the General Assembly of 2020.

3.4.4 2.d) To review the size and responsibilities of Kirk Sessions with the aim of optimising them to a proportionate and effective number.

3.4.4.1 Why this issue needs to be considered within the Action Plan

3.4.4.1.1 A rough calculation of the Church of Scotland today suggests that one in six of the active membership is

now serving as a ruling elder. That is radically different from even reasonably recent history. For example, in 1938 parish records demonstrate that one congregation had 3500 members and 60 elders. The latest Yearbook indicates that the same congregation has a membership of 300 and a Kirk Session of 40.

3.4.4.1.2 The numbers serving on Kirk Sessions were driven up as church membership declined for a number of reasons. However one of the primary causes was a practice which said there should be no more than 12 homes in an elder's district, based on the size of a typical Scottish household which was much larger than today. We might also add that increased longevity has also seen elders living longer, and as they were drawn from the post-war "builders" generation, they have a marked commitment to stick with the task they have been given.

3.4.4.1.3 The scale of Kirk Session membership to congregational membership has three main impacts. Firstly, it takes up a great deal of time and energy as a significant proportion of the local church is called to meetings. Secondly, we create meetings which are not well suited to leading the church in challenging times. Thirdly, bigger numbers can reduce the sense of trustee responsibility placed on individual trustees.

3.4.4.1.4 Also relevant here is the idea that many tasks which have become attached to eldership would be better shared across a wider group of people called and gifted to specific areas of work.

3.4.4.1.5 It must be recognised that in many smaller congregations the numbers of elders is often already very small. This proposal affirms that small Kirk Sessions (or their equivalent) can function well. This is a reality that is already experienced not only by many within the Church of Scotland but also in other denominations and in the Church in many other parts of the world.

3.4.4.2 The impact we hope to achieve in delivering this

3.4.4.2.1 Reducing the size of a Kirk Session would mean that:

- fewer person-hours are taken up with meetings;
- a meeting dynamic more suited to leadership and strategic decision making is developed;
- there is a clearer understanding of trustee responsibility; and

- there is a wider sharing of ministry across the congregation.

3.4.4.2.2 Enabling shorter terms of active service would mean that:

- those unable to commit to lifelong service in a role would be enabled to share and develop their gifts; and
- those not active in trusteeship/Session meetings would have time and energy freed to serve according to their gifts.

3.4.4.3 How we are going to deliver this

- Through producing a clearer description of the purpose and calling of elders, the purpose and functions of Kirk Sessions, and how those relate to Kirk Session membership and charity trusteeship;
- By sharing a range of examples and stories from Kirk Sessions which have adopted different ways of working (including rotation of service, smaller Sessions and alternative pastoral care models), and how they transitioned. This will include learning from other churches within the reformed family;
- Through investigating relevant factors then developing guidance for Kirk Sessions to determine their optimal size; and
- Through examining the issue of termed appointments to Kirk Sessions with suggestions of appointments spanning between three or five years. Reviewing the legislation required to enact this.

3.4.4.4 Timescale

3.4.4.4.1 Legislation allowing Kirk Sessions to admit new members on a fixed term basis will be presented to the General Assembly of 2019. Other changes can be incorporated in the new Church Courts Act to be brought to the General Assembly of 2020. With Barrier Act procedure this would mean enactment in 2021.

3.4.5 2.e) To work in collaboration with others, including other churches and organisations which share our values, to ensure that we work ecumenically in meaningful ways.

3.4.5.1 Why this issue needs to be considered within the Action Plan

3.4.5.1.1 The Church of Scotland is presently structured in parishes and presbyteries on the basis of our commitment to fulfil the Third Article Declaratory^[7]:

“As a national Church representative of the Christian Faith of the Scottish people it acknowledges its distinctive call and duty to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry.”

3.4.5.1.2 The Councils and Committees of the Church are ancillary to this.

3.4.5.1.3 The 2010 General Assembly reaffirmed the Church of Scotland’s commitment to the Third Article Declaratory and “its commitment to be a national church with a distinctive evangelical and pastoral concern for the people and nation of Scotland” (Declaratory Act anent the Third Article Declaratory, Act V, 2010). The Action Plan is not advocating a move away from this commitment.

3.4.5.1.4 This understanding of the Church of Scotland’s vocation stands at the very core of our identity. Nevertheless, we need to question seriously whether the Church of Scotland has the ability or resources to fulfil this in the ways that we have historically. Coming to terms with this reality is fundamental to shaping the future of the Church.

3.4.5.1.5 No matter what conclusion we reach on this, it is clear that, in the future, we will need to work more fully in co-operative partnership with churches and community partners that are willing to share with us. Co-operation, to a greater or lesser extent, has always been a feature of local church life. As we embrace the future, it has to become a core part of how we live out our vocation to be the people of God shaped by the mission of God and the values of the Kingdom of God.

3.4.5.1.6 In reaffirming the Church of Scotland’s commitment to the Third Article Declaratory in 2010, the General Assembly also reaffirmed its commitment to the Seventh Article Declaratory^[8]:

“[t]he Church of Scotland remains committed to the ecumenical vision set out in the seventh Article Declaratory and, in pursuit of that vision, stands eager to share with other churches in Christian mission and service to the people of Scotland.” (Act V, 2010)”

3.4.5.1.7 The Church of Scotland needs to consider how it fulfils its vocation in co-operative partnership with the churches, para-church organisations and community partners that are willing to share with us. In so doing, we will seek to ensure the presence of the Church of Jesus Christ in every part of Scotland and thereby fulfil our 'evangelical and pastoral concern for the people and nation of Scotland'.

3.4.5.2 The impact we hope to achieve in delivering this

3.4.5.2.1 A future Church would see us co-operatively sharing mission and ministry together with our partner churches. The impact of doing so would be considerable. An invitation to engage in co-operative partnership would open up the possibility of a genuine discussion as to how we fulfil our shared vocation to engage 'in Christian mission and service to the people of Scotland'. In acknowledging that we no longer have the resources to fulfil our vocation in isolation from others, we would potentially liberate ourselves to re-think thoroughly what it is to be the Church.

3.4.5.2.2 By working effectively with others we maximise resources, create significant opportunities for encounter and witness, and increase the number of individuals and organisations within wider society who support and are invested in the work of the Church. Perhaps most significant, however, are the opportunities which partnerships provide for renewal as we listen to, learn from and are shaped by what the Holy Spirit is doing through others. More specifically such activity might ensure:

- closer ecumenical ties;
- The Church of Scotland becomes widely known for its positive relationships and care for others;
- more people want to be involved with the Church;
- we spend less time and energy replicating resources, initiatives and services that already exist;
- we spend more time sharing good resources and learning from the initiatives of others;
- we are better able to identify gaps in support for local congregations and are better able to meet their needs;
- we are better able to access external resources to support the work of the local congregations; and
- our structures and systems will be transformed by our partnerships.

3.4.5.2.3 The impact of drawing upon resources and insights generated in other contexts has been a marked feature of life within the Church of Scotland in recent years. For example, *Alpha*, *Church Revitalisation Trust*, *Fresh Expressions*, *HeartEdge*, *Messy Church*, *Mission-shaped Church* and the global prayer initiative *Thy Kingdom Come* have all shaped the life of the Church in recent years. Each of these initiatives is derived from a context outwith the Church of Scotland. Furthermore, much of the most innovative and successful work in relation to equipping the ministry of the people of God: pioneer ministry, recruitment to ministry, training for ministry (traditional and pioneer), discipleship resourcing, church planting (renewal and new), etc., has been generated in other denominations or in a broader ecumenical context. We need to continue to engage in co-operative partnership with other churches and para-church organisations, and to draw upon the resources and insights generated. Where resources and insights have proven to be of value, we do not need to reinvent them.

3.4.5.2.4 In a similar spirit, a great deal of very good work undertaken by the Church, locally, regionally and nationally, happens through effective partnership. This is particularly true in the fields of social care, social justice and campaigning. The Church must, where appropriate, ensure that it retains its own distinctive and prophetic voice but must also seek to work with others, mindful of the fact that the Spirit of God is never limited to the life of the Church.

3.4.5.3 How we are going to deliver this

- a) Invite those churches willing to consider entering into co-operative partnership with us to a conference on the future of the Church in and of Scotland;
- b) identify specific areas within Scotland where we need to develop and deepen our ecumenical working, supporting other denominations in taking the lead whilst retaining our commitment within the Third Article Declaratory for all people;
- c) map the present (and projected future) demographics of Scotland in partnership with other churches with a view to establishing a vision for the Church in and of Scotland in 2030;
- d) adopt a deliberate approach to collaborative partnerships with other institutions and organisations sharing our values;

- e) create an effective forum for engaging with the churches in Scotland on an ongoing basis, which will include those whom we have traditionally engaged with and those with whom we have not traditionally engaged;
- f) engage with churches in Britain and Ireland on the shared challenges of partnership and mission with a view to enabling the better sharing of resources and insight; and
- g) engage with European and world partners on the shared challenges of partnership and mission with a view to enabling the better sharing of resources and insight.

3.4.5.4 Timescale

3.4.5.4.1 Work will commence and continue from June 2019 onwards.

3.4.6 2.f) To create a single, easy and accessible platform of faith and nurture resources, beginning by drawing together what already exists before creating any new materials.

3.4.6.1 Why this issue needs to be considered within the Action Plan

3.4.6.1.1 The Church of Scotland has produced a wealth of resources over the years. This, however, has primarily occurred organically and, as a result, there is limited awareness overall of what exists and what works. Rather than more resources being produced and at times duplicated, it is recommended that a period of gathering resources together is undertaken and then consideration given to hosting these resources on a single co-ordinated online point.

3.4.6.2 The impact we hope to achieve in delivering this

3.4.6.2.1 Reduction of people hours and finance spent on duplicating resources across the Church for, at times, an unclear audience, and by congregations seeking to identify the appropriate resources for them. The creation of a properly resourced, curated depository would mean that high quality resources are available to all at the time of need.

3.4.6.3 How we are going to deliver this

3.4.6.3.1 An exercise would be conducted in gathering together and evaluating current resource materials which are available at local, regional and national levels. An

appropriate platform would be procured for materials to be managed and made available. This would be co-ordinated with the ongoing work of the revision of training materials.

3.4.6.3.2 Process to commence at the earliest opportunity once agreement has been reached on the Action Plan.

3.4.6.4 Timescale

3.4.6.4.1 Collation work will commence in June 2019.

3.4.7 2.g) To co-ordinate flexible education, training and support programmes for all, covering the recognised ministries (Ministers of Word and Sacrament, Ordained Local Ministers, Auxiliary Ministers, Deacons and Readers), elders, volunteers, interested attenders etc. This will include work around leadership within the Church.

3.4.7.1 Why this issue needs to be considered within the Action Plan

3.4.7.1.1 Without new approaches to education, training, and support, the proposed structural and financial changes within the Action Plan will not be sufficient to bring about effective culture change within the Church. Culture is not changed by recommendations or deliverances alone, but through the formation of women and men, the sharing of best practice and the teaching of new skills and approaches. A number of factors coalesce at this time around the introduction of new approaches including:

- the research-led commitment from Mission and Discipleship to provide resources for creating a new culture of discipleship;
- the research carried out by Ministries Council into Re-thinking Initial Training for Ministers of Word and Sacrament that has created a focus on whole-person formation and skills development;
- creation of Ascend for the support and development of those in the recognised ministries; increased learning from the Church in other parts of the world, particularly from areas where the Church is growing;
- the evidence of dynamic learning, growth, and discipleship seen in other denominations, which have been successful in creating new formational opportunities for members and those in recognised ministry;

- a desire on the part of members to speak with confidence about their faith;
- the desire across the Church for worship leadership training;
- a passion for mission and pioneering styles of ministry that belong to the whole people of God; and
- a renewed awareness of the need to form leadership where traditional patterns of ministry will not be available.

Alongside this learning, there is also a wide range of good practice gathered through the work of Priority Areas, Path of Renewal and the *Go For It* Fund.

3.4.7.2 The impact we hope to achieve in delivering this

3.4.7.2.1 A co-ordinated and flexible education programme would give members, elders, and those in recognised ministries the skills needed to respond to the changed Scotland of today with creativity and skill. It would root the Church in the priesthood of all believers and create a culture of discipleship in which we see the importance, not only of becoming, but of making disciples. We need to be intentional about nurturing, growing, and developing confident local leadership alongside the recognised ministries of the Church and allowing for more learning to happen in the local context. Changes to education and training, including worship leadership training, would enable the creation and maintenance of local Christian communities, whether or not they have access to traditional models of ministry. We would also hope to see the recognised ministries moving towards supporting the ministries of all God's people, with ministers being resourced, trained and equipped to help members and elders identify, release, and develop their gifts.

3.4.7.2.2 Flexible training, education and support should be available to the range of ministries, elders, paid staff, and volunteers on the basis of lifelong, continuous learning. Courses should respond to the need for developing best practice in collaborative team work; best practice in employment and support/supervision of paid staff; best practice in supporting and developing volunteers; and best practice in terms of supporting those with differing learning needs. It should be mindful of context and the learning by experience that occurs in community.

3.4.7.2.3 A shared gateway similar to the Ascend model, for use by members, elders, and recognised ministries would aid visibility and accessibility and encourage participation in learning from those seeking stand-alone learning opportunities or who wish to gain credit for modules that could lead to certificate, diploma or degree qualifications in the context of an agreed Formation Framework.

3.4.7.3 How we are going to deliver this

3.4.7.3.1 We need a model which helps people to grow in faith, to share their faith with greater confidence and which supports and develops leadership in the church at all levels, particularly at a local level. There is a need to provide and resource education and training for members and ministries to respond to change and to evolve a culture of lifelong learning and development. To achieve this requires several steps including:

- working closely with learning and academic providers to create a menu of learning options that would offer flexibility in relation to time demanded, mode of delivery, certification, accreditation and validation with the potential to build on learning and qualifications if these are desired. Topics to be included might be discipleship, mission and pioneering, fresh expressions, children's and youth work, the role of eldership, and the identification and nurturing of congregational gifts;
- working with other denominations (such as the Scottish Episcopal Church, the Church of England and the United Reformed Church) to access and support their already well-developed resources and programmes;
- learning from the World Church in terms of support and training provision, with particular attention to Theological Education by Extension;
- developing the Ascend platform to offer more individual and corporate training and education opportunities for those in recognised ministry;
- providing ways in which people can learn and deepen their faith through a range of volunteering opportunities, such as the Young Adult Volunteers programme administered through the PCUSA;
- better resourcing the local as a place to identify, nurture, train and educate disciples and leaders; and

- continuing to seek to recruit individuals into the recognised ministries, in part through exposure to education and training programmes and accreditation of learning that is consistent with Ministries Council's Formation Framework.

3.4.7.4 Timescale

3.4.7.4.1 Training options will be presented to the General Assembly of 2021.

3.4.8 2.h) To develop a deliberate focus on engaging with/supporting those aged 40 and under.

3.4.8.1 Why this issue needs to be considered within the Action Plan

3.4.8.1.1 In too many of our churches, children, young people and young adults are missing. This represents not only a challenge for the future of the Church, it means that we are failing to share the Gospel effectively with this age group. There is a need to rebalance the demographic within many, although not all, of our churches. Today, around 20% of Church of Scotland congregations report having no children, and the vast majority of adults in our population have not been introduced to church or faith as children. There is evidence that whilst this is a problem facing many denominations across the UK, the problem is particularly pronounced for the Church of Scotland. Therefore, we must learn new habits of engaging with adults whose only connection with the Church is through their encounter with us as individuals. This need is illustrated in the 2011 Census reporting on religious affiliation, in the 2016 Scottish Church Census, and from reports to the Mission and Discipleship Council through its work with children and young people.

3.4.8.1.2 Although it is responsible for a great deal of the most creative and innovative children's, youth and family work in the country, the Church is currently failing too many families as they struggle with many challenges including poverty, mental health and family breakdown. There is a need to address this reality as core to our commitment to share the good news of Jesus. Feedback at the Presbytery conference reaffirmed the challenges of building intergenerational churches, while recognising that generalisations cannot be made, nor assumptions drawn, about the issues facing this age group.

3.4.8.2 The impact we hope to achieve in delivering this

3.4.8.2.1 Impact, or fruitfulness, would mean that there would be:

- more people aged 40 and under in the life of our churches;
- an increased awareness of discipleship and what it means to follow Jesus within this cohort;
- a more developed missional culture within our churches;
- New Worshipping Communities (NWC) focused on young people formed over a period of 5 – 7 years;
- more churches focused on being multi-generational; and,
- more churches supporting and nurturing families as they face the challenges and opportunities of this current age.

3.4.8.3 How we are going to deliver this

3.4.8.3.1 We will seek to achieve this through combining current good practice and encouraging increased innovation and experimentation:

- to learn from those churches that are exercising effective work with children, young people and families, including learning from churches in other parts of the world where the demography of congregations and leadership is much younger.
- the creation of a cohort of people, including ministers, to work with those in the 20s-40s age range would enable a process which allows the traditional models of Church to continue whilst supporting growth of more contemporary forms of worship.
- to continue to explore new forms of ministry which focus on children and young people with learning being adopted from other denominations and the World Church.
- this project, alongside pioneer ministry development and missional approaches growing out of Path of Renewal congregations, will also allow for the support for new meeting places and times for Church to happen in an organic or cell-based way rather than the more traditional 'models' of dedicated buildings and Sunday services.
- to invite bids for the Growth Fund from congregations, and clusters of congregations and presbyteries where innovation, engagement, and growth feature, **or** where particular need has been identified.
- to encourage presbyteries to allocate ministries posts from within their plans to support this work.

- to prioritise funding nationally for training, mentoring and peer group development, enabling creative opportunities for young people to grow and develop in their faith.
- to invest in exploring digital strategies and the use of social media in engaging with this constituency.

3.4.8.4 Timescale

3.4.8.4.1 Shared work between Councils from June 2019, with an early focus on supporting local initiatives through the Growth Fund.

3.4.9 2.i) To reconfigure Ministries and Mission contributions.

3.4.9.1 Why this issue needs to be considered within the Action Plan

3.4.9.1.1 In the context of the other sections within the Action Plan, finance is not in itself the core of activities but rather a resource for allowing change to happen and, for this reason, caution needs to be exercised. Put bluntly, if the financial system does not collect the amount required to meet current demands then the Church potentially finds itself unable to meet its commitments. Many of the proposals within this Action Plan seek to realign decision-making away from the national Councils and Committees and place it at regional level. However, this will take time and, in the short term, the system needs to continue to function until the other suggested changes have been implemented.

3.4.9.1.2 For the reasons outlined above, the tasks identified are designed to facilitate a direction of travel towards increased budgetary devolution. It is planned that further changes will be enacted in the next three to five years.

3.4.9.1.3 There is a widely held view that the current model of calculating Ministries and Mission contributions is in need of reform, although there is less agreement as to what an alternative (or set of alternatives) might look like. The aims of any changes should be to:

- free up funds for mission work at a local level;
- increase the amount of money available for mission as part of an income generation strategy; and
- devolve more decision-making to Regional Church/ Presbyteries without duplicating effort and increasing administration costs.

3.4.9.1.4 The current system (which was established around 2005) is designed to collect monies from congregations in order to meet the Church's overall expenditure in the way in which the Church is currently structured. Other sections of this Action Plan and the work of the Special Commission propose different structures which, if accepted, would alter the amount of funding required centrally and would require more funds to be allocated regionally and locally. It is anticipated that, in the future, more of the Church's work will be financed locally or regionally and the changes proposed here, particularly with regard to the changes to vacancy allowance, are made with the intention of providing a framework which can be expanded in the future as more responsibility is devolved to presbyteries. This work has been conducted on the basis that the Church of Scotland continues to operate a Presbyterian, as opposed to purely congregational, model of working and that part of our commitment to one another is that congregations with higher levels of income will continue to support congregations where there is less money available.

3.4.9.1.5 In terms of current practice, the following points are worth highlighting:

- 44% of charges currently contribute more than the cost of a minister.
- from the 56% of charges which contribute less than the cost of a minister many of these, due to the fact they are vacant, are still paying more money into the system than the cost of any ministry received back.
- a third of congregations have more than a year's income in unrestricted reserves.

3.4.9.1.6 A range of alternatives to the current income-based system have been examined and are outlined below. However, what has been concluded is that the current income-based system remains the preferred core option, with adjustments to allow additional funds to pay for local mission and to encourage growth and impact locally. There needs to be a further stream of work that considers a more bespoke model, enabling resources to be grown and shared locally and regionally. In order for this to happen most effectively, the changes outlined in presbytery reform (paragraph 3.4.2) will be required. The issues below have been identified in relation to alternative models:

3.4.9.2 Membership

3.4.9.2.1 This is not consistently measured across all congregations and basing a contribution system on the

number of members could act as a disincentive to increase membership. Further, a direct correlation does not exist between membership and financial giving.

3.4.9.3 Attendance

3.4.9.3.1 This is difficult to measure accurately, and would vary at different times of year (Christmas, Easter, summer in holiday resorts etc.) Again, direct correlations do not exist between attendance and financial giving.

3.4.9.4 Congregation decides what to pay

3.4.9.4.1 There is a significantly higher risk attached to this method and it would be difficult to predict budget at both a local and national level.

3.4.9.5 Be-spoke weighting for each congregation based on attributes of nationally agreed criteria

3.4.9.5.1 In his 2017 Chalmers Lectures^[9], Rev Dr Doug Gay argues strongly for congregations which meet certain criteria to be treated differently in order to support growth. This is an area that requires further investigation in the near future, but would need to be operated at a Presbytery level.

3.4.9.6 The impact we hope to achieve in delivering this

3.4.9.6.1 A great deal of concern exists around the current system. It is clear that there needs to be a more obvious link between a congregation's contribution and the work undertaken locally. In time it is hoped that this would result in increased income. Presbyteries would also, in time, have more influence with a more flexible system and fewer decisions would be made and financed 'centrally'.

3.4.9.7 How we are going to deliver this

- Ministries and Mission contributions of individual congregations are currently capped at a maximum increase of 12% per annum. It is proposed that there will be a staged reduction of this maximum increase, so that after three years the maximum increase will be 3%.
- Limiting the maximum increase each year is seen as a better incentive than having a cap on the total amount paid by a congregation as such a cap would benefit only a small number of congregations.
- The interaction between the contribution system and the proposed Growth Fund has been considered and it is proposed that:

- any grants awarded from the fund will not be treated as assessable income;
- any additional income generated by a congregation to 'match' grants awarded will not be treated as assessable income. This could be viewed as a considerable encouragement for congregations to engage in new and innovative work.
- Over a third of congregations have more than a year's unrestricted income held in reserves. It is not proposed that such funds are assessed in any way in the calculation of the contribution but such congregations should be encouraged to use those reserves as match funding should an application be made to the proposed Growth Fund.
- Once larger Presbytery structures are complete, bespoke funding models for congregations can be identified and managed at a regional level.
- Where a congregation wishes to support project work which is currently funded nationally then any additional funds raised for that purpose by that congregation will not be assessed as there will be a corresponding decrease in the work funded nationally.

3.4.9.8 Timescale

3.4.9.8.1 Revised Regulations will be brought to the General Assembly of 2020.

3.4.10 To introduce changes to the current vacancy allowance, including:

2.j) Discontinuing current system of vacancy allowance and adding aggregate value of vacancy allowance to Presbytery Discretionary Allowance (known as the '5%').

2.k) Imagining how vacancies are supported if a vacancy becomes more of the norm for a large percentage of congregations.

3.4.10.1 Why this issue needs to be considered within the Action Plan

3.4.10.1.1 Within his Chalmers lectures, Rev Dr Doug Gay highlighted that the vacancy allowance is one of the key areas in the current system which is in need of reform. Vacancies, and the associated allowance, were historically experienced for short periods of time, between settled, longer ministries. Traditionally, the emphasis in a vacancy

has been on keeping current activities and ministry running, with less emphasis on developing new work. A locum is usually appointed, offering a day or two per week 'in place of' the inducted Minister.

3.4.10.1.2 In the past decade, however, there has been a rapid and significant change: vacancies are now frequently measured in years, not months. In many charges there is little prospect that the charge will ever be 'filled' by an inducted Minister. 'Vacancy' as a concept is, in many places, unhelpful and may discourage energising missional activity. In the light of this there is a need to rethink the language and practice of vacancy.

3.4.10.1.3 The current vacancy allowance costs in the region of £3m per annum, with this projected to grow.

3.4.10.1.4 We need, instead, to consider what ongoing, thriving ministry will look like in congregations experiencing vacancy, and how it will be supported. Maintaining the status quo through locumships alone will be insufficient.

3.4.10.2 The impact we hope to achieve in delivering this

3.4.10.2.1 This proposal seeks to provide no less resource to charges without an inducted Minister, but gives presbyteries the responsibility, in collaboration with the relevant congregations, to determine what the best ways to provide effective ministry are. In some cases this may result in a range of staff being engaged to work across a number of charges bringing a range of expertise to bear encouraging joint working, enabling ministry among the whole people of God and stimulating new initiatives where feasible.

3.4.10.2.2 At the same time, those presbyteries who wish to continue the present practice in all or some vacancies within their bounds receive no reduction in financial support. The proposal does, though, channel this support through the Presbytery.

3.4.10.3 How we are going to deliver this

3.4.10.3.1 A more flexible system of providing cover during vacancies will allow the cover to be appropriate to the individual circumstances of the congregation concerned. Examples of ways in which vacancies could be covered include:

- employing locums in similar fashion to the current structure;

- employing Presbytery-wide pastoral ministers to provide pastoral care to groups of vacant congregations;
- encouraging vacant congregations to share worship either with other vacant congregations or with neighbouring congregations which are not themselves in vacancy;
- allocating new forms of minister (pioneer or similar) to congregations which are in vacancy in order to develop new forms of worship; and
- pastoral care (and possibly pulpit supply) provided by elders with oversight from the interim moderator.

3.4.10.4 Timescale

3.4.10.4.1 As presbyteries move into larger regional structures, vacancy allowance will be allocated to presbyteries pro rata to the number of vacancies within each Presbytery rather than directly to congregations. This will, therefore, meet the aim of devolving more decision-making to regional church and also potentially increase funds available regionally for mission work. Alongside this devolution of resources there will be training and support to develop a range of ways in which vacancies might be supported.

3.4.11 2.l) To support the General Trustees' initiative 'Well-equipped Spaces in the Right Places'

3.4.11.1 The General Assembly of 2018 encouraged the General Trustees to develop an Asset Plan for the Church's estate with a view to recommendations being made to the Assembly of 2020. The General Trustees are currently finalising a consultation document for this work which will be brought forward to the 2019 General Assembly. Agreement has been reached that the Action Plan will work in concert with the General Trustees who will be the lead agency in terms of ensuring that the Church estate is one that has 'well-equipped spaces in the right places'.

3.4.11.2 Therefore, within the Action Plan, there will be signposting to the work of the General Trustees' report. Regular meetings between those co-ordinating the development of the Action Plan and the General Trustees have been occurring to ensure both areas of work complement each other.

3.4.11.3 Timescale

3.4.11.3.1 A consultation will be carried out by the General Trustees during 2019 with a report and recommendations brought to the General Assembly of 2020.

3.4.12 2.m) To consider whether sale proceeds of redundant buildings arising out of unions or linkages to congregations might in certain circumstances be applied for the benefit of a congregation other than the united or linked congregation concerned.

3.4.12.1 One goal of the Action Plan and the General Trustees' Land & Buildings Plan is that the various human and financial resources available to the Church are applied as effectively as possible in support of worship, mission, outreach and evangelism. Buildings and the proceeds arising from their sale are key elements in achieving this. If presbyteries are able to set clear strategic missional priorities which can identify those congregations which should be supported (and why) and the locations and buildings which are needed then monies could be applied for repair and improvement with a more confident focus than at present. This could justify a more directive approach by presbyteries, where possible, in re-allocating monies within their bounds irrespective of the links between parish and building.

3.4.12.2 Currently, when a congregation sells a building the proceeds from the sale are primarily lodged for fabric purposes for the local congregation. It is right that the local congregation benefits from the sale of its assets, but it does mean that some congregations become resource-rich, for example because of a union in which a manse, church or set of halls has been sold. In many cases, other congregations with much more critical building or mission-related needs and opportunities may have limited access to resources to support their fabric or mission work. It is widely recognised that this is an issue that needs to be addressed if we are to remain honourable to our tradition as a church that is committed to sharing our resources with one another as required. There is also a requirement to ensure that funds can be more effectively used for fabric purposes so that buildings are a resource for mission. Congregational trustees have a duty to apply resources wisely and not to divest themselves of the means to meet their fabric maintenance obligations for their remaining buildings. However, where this can be done lawfully, congregations should be encouraged to share their financial resources to meet the identified needs of other congregations within the Presbytery.

3.4.12.3 Again, as with section 3.4.11 above, conversations with the General Trustees are taking place to ensure that this task complements the direction of travel that is being

recommended within the General Trustees' initiative '*Well-equipped Spaces in the Right Places*'.

3.4.13 2.n) To offer support at a regional/local level to congregations including:

- **buildings expertise**
- **safeguarding**
- **financial accounting**
- **local staff employment**
- **developing effective partnerships**

3.4.13.1 Why this issue needs to be considered within the Action Plan

3.4.13.1.1 Whilst support and expertise sit within the central offices in respect of areas such as law, finance and (through the General Trustees) property, a theme that has consistently arisen both within the work undertaken in consultation with local congregations, across presbyteries, and noted by the General Trustees, is the increasing legislative and administrative burden of 'being church' at the local level. This centres around matters connected with buildings, finance (in terms of presenting accounts etc.), employment matters, legislative requirements etc. The reality, presented by both congregations and presbyteries, is that many congregations no longer feel able to meet a number of the tasks that they are responsible for and feel ill-equipped to develop new ways of working in what is often a challenging and complex legislative environment. These changes have come about for a variety of reasons including: congregations getting smaller, office-bearers having less time to commit to such tasks, and the growth of civil legislation and responsibilities with which congregations have to comply. This has resulted in a frequently articulated desire for more wide-scale professional support to be made available to congregations.

3.4.13.2 The impact we hope to achieve in delivering this

3.4.13.2.1 Making this change will equip congregations to be more effective not only for the work that they are currently doing but for the work that many would like to undertake. It will:

- reduce the amount of time congregations and ministers have to spend on buildings issues, finance matters and legislative requirements and release people's skills and talents to deliver wider evangelism, mission and engagement;
- reduce the risk of work not being done (e.g. regular property maintenance), or not undertaken to a required standard;
- enable churches to overcome differences and to work together for change; and
- provide support to congregations as they seek to develop new models of community engagement, nurture faith and develop partnerships with faith-based and secular agencies.

3.4.13.3 How we are going to deliver this

3.4.13.3.1 It is evident that no 'one size fits all' in terms of how congregations can and should be supported. A number continue to have the necessary skills and professional expertise to fulfil their responsibilities whilst others struggle. This is one area in which it is believed that having larger Presbytery units would be a strength. Currently, the General Trustees are proposing the establishment of a bank of consultants to act as 'client project managers' and that presbyteries, in the context of buildings, should have paid professional expertise. This theme could be extended to accountancy, safeguarding and (where appropriate) HR advice.

3.4.13.3.2 This advice, in large measure, is going to need to be paid for and consideration needs to be given as to where funds can be found. Further, it is clear that not all models will fit all regions, for example, a rural Presbytery will have very different logistical challenges to an urban area. Therefore, it is recommended that different models are developed over time in respect of what is most appropriate to that regional context.

3.4.13.3.3 Therefore, it is recommended that as larger Presbytery units are formed, resourcing issues for the support of local congregations are considered if required and suitable local solutions are identified. Funding for these solutions will be considered as part of the creation of the larger Presbytery structure.

3.4.13.4 Timescale

3.4.13.4.1 Work will commence alongside the creation of larger Presbytery units.

3.4.14 2.o) To establish the most appropriate relationship which could exist between CrossReach and the broader work of the Unincorporated Councils and Committees (UCC) and the local church to enable this work to be sustainable and to flourish.

3.4.14.1 Whilst also under consideration by the Special Commission, it is prudent to include CrossReach within the matters which the Action Plan seeks to address so that discussions around devolved responsibilities and future finance do not have unintended consequences for this significant area of the Church's work.

3.4.14.2 Why this issue needs to be considered within the Action Plan

3.4.14.2.1 CrossReach represents approximately half the income and expenditure of the Church. When an overview is taken of the whole and complex work of all the UCC, it is recognised that there might be more effective and efficient ways to support the missional work of CrossReach, allowing a degree of autonomy not currently possible. This would free up senior managers' time to concentrate on the delivery of high quality, cost effective social care, as well as considering how local congregations might be better resourced by the expertise and knowledge that exists within CrossReach.

3.4.14.3 The impact we hope to achieve in delivering this

3.4.14.3.1 A more effective structure and relationship would:

- streamline processes around resourcing, reporting and governance which are both practical and proportionate;
- allow for a better, more defined and mutually supportive interaction with local churches and their own social care initiatives; and
- improve understanding of how historical liabilities impact on current operations and create opportunities to resolve these issues.

3.4.14.4 How we are going to deliver this

3.4.14.4.1 Through examination of different models of governance, resourcing and reporting which already exist between faith-based and secular organisations and their trading partners and subsidiaries we will identify which best practice models can be adapted to be fit for purpose for the future. The senior managers within CrossReach should work collaboratively within a small working group specifically set up for this purpose which includes members of Council of

Assembly and Social Care Council as well as external advisors. This group would bring forward proposals to a future General Assembly.

3.4.14.5 Timescale

3.4.14.5.1 An initial report for a decision in principle should be brought to the General Assembly of 2020. If agreed, a further 12 months' work should follow, putting the necessary arrangements in place which would satisfy the requirements of church and charity law. A report on progress would be made to the General Assembly of 2021 and a move to implementation within 12 months thereafter.

3.4.15 2.p) To refocus the national staff team to focus on equipping and supporting local churches, including accessing the Growth Fund.

3.4.15.1 This is an area which sits broadly within the remit of the Special Commission. The outcome of the Special Commission will need to be reflected within the structures that exist at a national level. These structures also need to reflect the changes necessary to deliver the Action Plan.

3.4.15.2 The national staff team, like those serving the Church in every place, is highly motivated and exceptionally committed. Many undertake their responsibilities out of a deep sense of calling to serve the Church and to follow Jesus.

3.4.15.3 There is a view that some of the work that is currently undertaken at a national level should be undertaken at a regional level. The lack of a properly resourced regional structure has meant that some of the work of the national offices is focussed on supporting congregations. On occasions the national office may not be best placed to fulfil this task. At the same time, it is important to recognise that a range of functions are most efficient and effective when they are carried out at a national level.

3.4.15.4 It is acknowledged that the outcomes of the Special Commission and Action Plan are highly likely to have an impact on the national structure. This will also include decisions about the future of the national church offices.

3.4.15.5 Timescale

3.4.15.5.1 Work will commence in June 2019.

3.4.16 3. To draw together a cross-departmental team to ensure that i.) a research and development function exists for the Church of Scotland and ii.) the Action

Plan which stems from the General Assembly is delivered.

3.4.16.1 Why this issue needs to be considered within the Action Plan

3.4.16.1.1 The Church of Scotland, in contrast to many other organisations and denominations, does not have any dedicated research or analysis function. Current practice is that work is undertaken or commissioned independently by the relevant parties (be it a Council or Department) with assorted mechanisms being used to share the outcomes of that work on a wider scale across the Church. A recurring critique is that the Church of Scotland has not given sufficient attention to reflecting on and learning from the outcomes of previous initiatives and projects.

3.4.16.1.2 Accompanying the issue of the lack of dedicated research focus, current practice suggests that in order for the Action Plan to be delivered in a consistent and effective manner there needs to be a co-ordinated, focussed approach to delivery. The Church has, perhaps especially in recent years, embarked on a wide variety of initiatives which have floundered either because they have been displaced by another initiative or because they have not been adequately supported through to fruition. There is a danger that the work becomes fragmented across the wider Church and the impetus of the Action Plan is lost.

3.4.16.1.3 The establishment of a cross-departmental team would ensure that relevant research, evaluation and experience could be held together, allowing much more effective learning and collaboration. This team would also be responsible for the overall co-ordination of the Action Plan.

3.4.16.1.4 Therefore it is proposed that a cross departmental team is put together for a dual purpose: ensuring that the Church of Scotland has a formalised mechanism for research, evaluation and monitoring, which will be vital due to the nature of the tasks being delivered by the Action Plan; and a change management function to ensure that the Action Plan and outcomes from the Special Commission can be delivered in a timely manner.

3.4.16.2 The impact we hope to achieve in delivering this

- The Action Plan will be driven forward and delivered within the given timescales with work streams being appropriately co-ordinated and discharged.

- Sufficient support is given to local congregations in order to be able to access new funds and ways of working.
 - Resource (both finance and people) ceases to be duplicated across the central organisation.
 - The Church has a dedicated, supported resource in terms of research and development.
 - The Church of Scotland learns from innovators and initiatives, and shares that learning as widely as possible.
- the Plan simply becomes another layer of work, competing with new and existing areas of activity, particularly at a national level. As such, its potential impact is diminished from the outset. If we are taking up a new thing, we need to be able to put down existing things; and
 - putting the necessary steps for the Plan in place, even although these will be phased over a three-year period, will require significant time, focus, and energy. This needs to be seen as the priority if it is to be done well.

3.4.16.3 How we are going to deliver this

3.4.16.3.1 A dedicated cross-departmental team to be drawn together, although consideration needs to be given to what functions of this can be outsourced to other appropriate agencies. In terms of the change management function, there are a number of staff who currently deliver on a range of projects and programmes across the national church offices, for the different Councils and Departments of the Church. These individuals need to be drawn together in order to support the delivery of the Action Plan.

3.4.16.4 Timescale

3.4.16.4.1 Team formed from June 2019 with a review at the end of the Action Plan regarding future direction for this area of work.

3.4.17 5. To encourage all national Councils and Committees to focus their activities from June–December 2019 on an effective implementation of the Action Plan; and

6. To encourage a ‘season of prayer and preparation’ across the Church from September–December 2019.

3.4.17.1 Why this issue needs to be considered within the Action Plan

3.4.17.1.1 The Action Plan should be thought of, first and foremost, as an act of faith. Whilst many other organisations deliberately reduce current activity to focus on the new at a time of agreed critical change, this is even more important for the Church. We are a people of faith, rooted in prayer. We are not called to be busier: we are called to be faithful in our efforts to follow Jesus.

3.4.17.1.2 The successful implementation of the Action Plan, especially in its start-up stage, is subject to a number of high level risks. These include:

3.4.17.1.3 As such, it is suggested that National Councils and Committees: reduce their meeting cycle over the seven-month period from June – December 2019, focus on the development of the Action Plan in their meetings, and make prayer and worship a core and foundational task of their time together. Of course, certain meetings will need to happen, and many already prioritise in this way. But we also need to recognise that our models of church do have a habit of generating unnecessary meetings!

3.4.17.1.4 At the same time, presbyteries and Kirk Sessions are encouraged to engage in a season of prayer and preparation during the period September – December 2019.

3.4.17.2 The impact we hope to achieve in delivering this

3.4.17.2.1 By doing this we hope to create a prayerful and worshipful sense of expectation that the Church of Scotland is seeking to do a new thing, reliant on the Spirit of God. We also hope to ensure that the Action Plan stands the best possible chance of succeeding. In addition, it is our ambition that if certain things have been laid down in the latter half of 2019, we won’t necessarily feel the need to pick them all back up again in 2020. This could give a very different shape to the 2020 General Assembly. We want to focus on faithfulness, not busyness.

3.4.17.3 How we are going to deliver this

3.4.17.3.1 The reality is that this, in common with the rest of the Action Plan, can only be delivered by the good will of others across the Church. It will require common sense – no-one can be legalistic about this – but it could be transformative. *A Church without Walls* pointed out: “It is difficult to change direction. The old routines, requirements and habits are instinctive. We often need to stop, stand back and reflect before we can reset our priorities. [It recommended that] the leadership in every area of church life institute the

discipline of a period of retreat, rest and reflection to allow space for God to change us.”

3.4.17.3.2 We will develop a simple set of resources to encourage Kirk Sessions in their prayer, reflection and planning.

3.4.17.4 Timescale

3.4.17.4.1 June – December 2019.

3.5 Conclusion

3.5.1 There is a range of additional measures which the Council has considered in compiling these proposals. Many of them have been addressed and will continue to need to be addressed. However, we have been mindful that the claim that everything should be a priority invariably means that nothing turns out to be a priority. What is offered, therefore, is a range of measures which, individually and collectively, can help to nurture a culture of change, renewal and transformation for the Church. This will not be an easy task – following Jesus never has been and never will. It will have to be undertaken with faith, humility and a desire to work together for the building up of God’s Kingdom here on earth as it is in heaven.

3.5.2 In three years’ time, by the grace of God and with the honest and prayer-filled endeavours of us all, it is hoped that we will be demonstrating increased signs of growth, will be more deeply aware of the call of Jesus Christ on our individual and collective lives, and will be better placed to take on the challenges which will lie ahead. Let’s get to it.

3.5.3 Jesus said “Follow me.”

4. NATIONAL OFFICES BUILDINGS PROJECT

4.1 Background

4.1.1 The Council of Assembly reported to the General Assembly of 2017 on the future of the National Church Offices and indicated its intention to bring fully costed proposals and business plans to the 2018 Assembly for the future development and use of the Church’s Offices in Edinburgh based on the careful examination of three Options:

Option 1: Undertake basic maintenance to ensure the buildings continue to function without engaging in further development.

Option 2: Separate 123 George Street from 117-121 George Street and lease or sell it, retaining a configured and refurbished 117-121 as the National Office, with some additional alternative use of space within 117-121.

Option 3: Investigate the costs/revenue of leaving George Street Offices and leasing/buying elsewhere.

4.1.2 The subsequent Report to the 2018 General Assembly outlined the further work which had been undertaken to that point, but set this within the developing context of the draft Strategic Plan which was also being presented to the Church last year. The 2018 General Assembly noted the work undertaken by the Council on the National Offices Buildings Project and instructed it to continue the programme of work outlined in Section 3.5 of the 2018 Report, with a view to presenting a further report to the General Assembly in 2019 which would enable a decision on the future of the National Offices. That instruction, whilst remaining in effect, was somewhat superseded by the General Assembly’s call in a subsequent session for a more radical action plan for the Church. It is that wider work which has not only been the main focus for the Council in the 2018-19 session, but has rightly influenced its deliberations in related areas of current work, including this National Offices Buildings Project.

4.2 Developing Context

4.2.1 The three Options above formed the basis on which the appraisal was taken forward, and this detailed work was progressed with diligence by the Project Group, working in close consultation with the Council’s Finance Group.

4.2.2 To enable comparison of the three Options, standard appraisal methodologies were employed including HM Treasury Green Book appraisal and evaluation in relation to capital expenditure; Scottish Futures Trust Whole Life Appraisal Tool; and the RAG (red, amber, green) qualitative assessment against operational objectives. A key finding from this work is that, in terms of potential relocating, the benefits of having a national office presence in Edinburgh (whether within the current building or a different one) and

the significant costs of relocating further afield are likely to outweigh any advantages that would come from relocating the Church's national functions to another part of the country.

4.2.3 The Council's subsequent consideration of the whole matter has been informed by the developing context in terms of the draft Action Plan and the work of the Special Commission. It is anticipated that the emerging outcomes from both will impact substantially on working practices, space requirements, culture and the operational needs of the Church, but the extent and nature of the impact are not currently fully known.

4.2.4 With so many levels of complexity at present, it is not appropriate for the Council to reach a definitive position at this stage. To ensure that form follows function, the General Assembly is therefore asked to set aside this matter for the time being. The General Assembly will determine the outcomes of the Action Plan and Special Commission and these will then inform subsequent discussions in relation to the future of the National Church Offices. It is not the Council's intention to discharge itself from this matter, but it cannot, within the current context, bring proposals for decision at this time.

4.2.5 The Council anticipates that a further report will come to the 2020 General Assembly, once the Church has taken clear decisions on the wider matters which are before this General Assembly.

4.2.6 The General Trustees have helpfully worked with the Council in relation to this matter and their professional view that form should follow function has helped to guide the Council's thinking in bringing this Report to the General Assembly.

4.3 Shorter Term Issues

4.3.1 In the meantime, the building has to be adequately maintained. Condition surveys identify that significant parts of the building are beyond their estimated life and in need of repair or replacement. The last significant work within the building was carried out in 1996. The Council is obliged to ensure that the building currently meets the requisite standards. In this regard, the Council has again been assisted by the General Trustees who are concerned to ensure that the deterioration in the fabric of the building be remedied. The Council has obtained professional updated reports and Quantity Surveyor costings to identify a programme of urgent, wind and watertight and safety related repairs. The

Council has therefore taken action to ensure that a budget of £500,000 is in place for 2019 for the urgent work to be completed, recognising that this cannot be delayed and that the value of the building will be adversely affected if certain work is not instructed.

5. STEWARDSHIP AND FINANCE

5.1 Financial Position and Operating Results

5.1.1 Overview

5.1.1.1 The Council once again gives thanks for the remarkable and faithful commitment of Church members and adherents in maintaining their levels of giving, with 98.7% of requirements for 2018 paid by 31 December 2018 and the number of congregations in shortfall reduced. However, looking at income, congregational statistics once again indicate a reduction in offerings and overall ordinary income.

5.1.1.2 The whole Church is challenged to grow its giving and Stewardship is at the heart of this challenge. The principles and values of Stewardship have been strongly affirmed by the Council. Following the appointment of a National Stewardship Co-ordinator during 2018 work has begun on re-invigorating the National Stewardship Programme. The Council asks that presbyteries use their superintendence to ensure that congregations engage with the programme as it develops further. Evidence shows that congregations undertaking a stewardship programme will increase their income. As well as continuing to offer visits to congregations we will facilitate good stewardship by the provision of other resources which, while in the early stages, are outlined in Section 5.3.

5.1.1.3 Securing increases in the Church's income must run in conjunction with good stewardship of the resources which have been given to the Church by members, adherents, donors and service users at a local and national level. The Church faces the challenge of fulfilling its objectives of ministries and mission, modernising its administration and systems and transitioning to new structures with a budget which is static at best and reducing in real terms. There will be a challenging transitional period as the agreed direction of travel begins to inform the choices to be made in using the Church's limited and currently reducing resources in the most effective and equitable way including the repositioning of its funds.

5.1.1.4 Further details of congregational finances are provided in Section 5.2.

5.1.2 National Church Budgets

5.1.2.1 From 2015 to 2018 the total budget requirement from congregations was set at £46,055,000, from which allowances of 5% were given to presbyteries. 2017 was the first year of operation of the Parish Ministries Fund on a 'ring-fenced' basis. Ring-fencing effectively underwrites the cost of providing ministry staff to congregations and, although the number of Parish Ministers has continued to decline during 2018, this has been offset by stipend increases awarded and other increased costs of providing and supporting ministry. The Ministries Council has funded stipend increases for 2018 and 2019 from restricted funds but this can only be temporary and, after 2020, the full cost of the Parish Ministries Fund will revert to the ring-fencing arrangement.

5.1.2.2 Over the last decade the Mission and Renewal Fund has been supporting the Church's budgets, allowing its work to continue without increasing aggregate congregational contributions, and releasing £2.5 million per annum back to the local church through the Presbytery Discretionary allowance. However, in order to maintain this level of work without recourse to the depleted Fund, the 2019 requirement from congregations was increased by £531,000 to £46,586,000 and Councils and Committees were asked to achieve budget savings of £500,000. Details of the proposed budget savings are given in Section 5.1.5. The reduced Mission and Renewal Fund, which had previously been used to support the whole Church's budget, was extinguished more quickly than had been forecast due to lower levels of unrestricted legacies being received in 2018. The review of restricted and designated funds undertaken during 2018 has begun to release money from other areas back into the Mission and Renewal Fund, to date on a relatively modest basis, but work continues which is planned to conclude during 2019. However it is clear that historic levels of legacies cannot be relied upon to support core work, and support to the budget cannot continue at previous levels of up to £1.3 million per annum. It is therefore likely that the Mission and Renewal element of the Church's budget requirement from congregations will also need to remain at least at the current level until such time as future plans have been agreed and any transitional budget and resource transfers have been determined. The Mission and Renewal Fund supports some of the Ministries Council's other work, as well as work carried out nationally by CrossReach, World

Mission, Mission and Discipleship and Church and Society. Also included are the Support and Services departments which support the Councils and Committees as well as the regional and local church. Interim measures agreed by the Council of Assembly to curtail any commitment to new expenditure programmes after the end of the financial year 2018 remain in force and Councils have had to prioritise their expenditure accordingly.

5.1.2.3 In the case of the Ministries Council, a development plan has been agreed which will incur additional expenditure, some from utilising existing reserves, which will ensure it is equipped to support ministry in the future. Support services are also likely to require further resource to build resilience for the national and local church and minimise risk to the organisation. The Social Care Council still faces significant hurdles in balancing its budget in a highly complex operating environment and it is unable to fund its past service deficit repair contributions for the closed Defined Benefit pension schemes from its annual budgets. Contributions scheduled for 2019 are £1.1 million.

5.1.3 Monitoring of Budgets

5.1.3.1 The Council of Assembly, through its Finance Group, continues to monitor the financial performance of all Councils and has regular dialogue with General Assembly-appointed members of Councils and Committees and with senior staff. The Council remains concerned that Councils are finding difficulty in working within balanced budgets, to some extent mitigated by the use of previously difficult to access restricted funds. Funds have also been used collaboratively such as in the case of the Refugee Co-ordination Project, in response to a pressing need.

5.1.3.2 The provisional and unaudited operating deficit of the Unincorporated Councils and Committees in 2018 was £4 million against a budget deficit of £4 million. The provisional and unaudited results of the trading subsidiaries of the World Mission Council in Israel was a further loss of £1.01 million. These results, summarised in the table below, were before gains on sale of property and foreign currency; loss on investment revaluations and Defined Benefit Pension Scheme adjustments, also detailed below. The operating results of the Social Care Council were marginally better than budgeted on an aggregate basis but within this there were significant variances in its operational areas, with Older Peoples' Services experiencing deterioration in its financial results. The Ministries Council worked to its budget including on the Parish Ministries Fund where there was better

budgeting for staff numbers. For a second year, World Mission used accumulated restricted funds to support its work; and Mission and Discipleship also drew on restricted funds to continue some of its programmes in the short term. The Church and Society Council was successful in attracting further external funding for its work.

5.1.3.3 The reduction of the Mission and Renewal Fund during 2018 to an even lower level than had been budgeted resulted in transfers not being made for the final quarter of 2018 to the five Councils, although pension deficit assistance to the Social Care Council was continued. The Council of Assembly asked Councils and Support and Services Departments to curtail all but essential expenditure including for grants which had not yet been committed. Councils ended the year with the operational results shown below, which were close to budget after allowing for the reduction of Mission and Renewal Support. Given that salary and stipend costs represent approximately 75% of the Unincorporated Councils' expenditure, this shortfall in funding has highlighted our exposure to sudden drops in income. This emphasises the need to review our expenditure commitments and to align them with lower projected income.

5.1.3.4 The following is a summary of the operating results against budget for the five Councils, Support and Services departments and Other Funds, extracted from management accounts:

Council	Budget Deficit £000's	Actual Deficit £000's	Variance £000's
Ministries	(1,143)	(1,138)	5
Mission and Discipleship	(96)	(165)	(69)
World Mission	(200)	(245)	(45)
Social Care	(1,750)	(1,511)	239
Church and Society	(102)	(132)	(30)
Support and Services	(279)	(28)	251
Other Funds	(455)	(802)	(347)
Total	(4,025)	(4,021)	4

5.1.3.5 As well as the operating results shown above, the trading subsidiaries made a combined loss of £1.01 million in 2018. After taking this into account together with gains on sales of property of £1.7 million, unrealised losses on investment values of £4.8 million; realised currency gains of £0.7 million upon the restructuring of World Mission's back to back loan arrangement which had been put in place historically to fund the Scots Hotel construction and Defined Benefit Pension Scheme adjustments (increase) of £2.9 million, the net movement in funds for the Group was a decrease of £4.5 million.

5.1.4 Mission and Renewal Fund

5.1.4.1 The Fund continues to support the work of the Councils and Committees from annual legacy and investment income, but also historically from its limited accumulated reserves. The overall Church budget for 2018 included unrestricted legacies for the fund of £1.2 million and unrestricted legacies of only £0.5 million were received. This followed a similar experience in 2017. The effect of this, combined with the support to CrossReach's pension deficit repair payments, has been to reduce for 2017 the balance of the fund to £1.7 million against the agreed minimum balance of £2million, and to result in effectively a nil balance by the close of 2018. The Council of Assembly is taking steps to address this including accelerating its independent review of funds held by Councils to allow more restricted money to be used where most needed and to claw back to the Fund, where possible, budget underspends from earlier years.

5.1.5 2019 Budget

5.1.5.1 Each year, as part of its remit, the Council brings a recommendation to the General Assembly on the total amount of the Church's budget for the following financial year and the disposition between Local Congregational expenditure, the Parish Ministries Fund and the Mission and Renewal Fund. An indication is also given of where the Mission and Renewal element will be spent. The indicative 2019 budgets presented to the General Assembly in 2018 were revised as is usual in December of that year, reflecting more current information. The indicative and revised budgets are outlined in the table below.

5.1.5.2 The indicative budget anticipated potential restructuring costs in respect of the strategic plan and the closed defined benefit pension schemes. A contingency of £1 million has been retained in the budget to meet any potential restructuring as a result of the Special Commission's Review and the Action Plan. In the light of the

past two years' results the legacy budget has been reduced to £0.6 million.

5.1.5.3 Budget savings of £0.5 million to be found by Councils and Committees for 2019 proved difficult to achieve. In addition, the diverse operations managed by the Unincorporated Councils and Committees means that budget efficiencies made in one area can easily be cancelled by deficits in other operations. However, savings agreed were as follows:

- £0.3 million grant to the General Trustees' Central Fabric Fund for one year;
- £0.05 million payment to ACTS;
- £0.17 million by World Mission ;
- £0.17 million by Ministries.

These savings were offset by some increased costs in the IT budget.

5.1.5.4 The indicative and revised 2019 budgets are summarised below. Budgets exclude capital expenditure. Councils and Support and Services departments are absorbing the CSC staff pay award of 2.5% as opposed to 1% included in the indicative budgets.

Council	Indicative Budget Deficit £000's	Revised Budget Deficit £000's
Ministries*	(1,232)	(1,401)
Mission and Discipleship	(98)	(94)
World Mission	(199)	29
Social Care*	(1,105)	(1,770)
Church and Society	(102)	(168)
Support and Services*	(280)	(569)
Unallocated contingency		(494)
Total	(3,016)	(4,467)

*Includes past service deficit repair contributions

5.1.5.5 In the case of the Ministries Council, the revised budget is mainly due to the approved stipend increase being 2% as opposed to the 1% in the original budget.

5.1.5.6 World Mission utilised accumulated restricted funds in 2017 and 2018 and as planned has now brought its annual budget into balance. Church and Society is also using reserves until 2019 to fund the Speak Out initiative. Its increased deficit budget is due to uncertainty around the timing of external funding.

5.1.5.7 The downwards revision in the Social Care Council budget reflects the very challenging situation in the care sector generally and issues in particular service units within Older Peoples' Services. While measures are in place to keep this under review there are many financial risks around the budget for 2019.

5.1.5.8 The Support and Services budget now includes provision for up to £0.5 million to be spent on the George Street building on urgent work which cannot await decisions on the future of the building. This work will be carried out in consultation with the General Trustees.

5.1.5.9 While the Council has again approved deficit budgets for 2019, it recognises that, as reserves are finite, this position is not sustainable beyond the short term.

5.2 Ministries and Mission Contributions

5.2.1 We are very grateful to congregations for the vital role they play in funding Parish Ministries and the work of Councils, Committees and support departments through their Ministries and Mission Contributions. Each congregation contributes according to its income. Those with the greatest financial resources contribute most and those with the smallest financial resources contribute least. In this way the Church of Scotland is a sharing Church where each supports the other according to means, and this redistribution of contributions enables us to continue a territorial ministry throughout Scotland, an objective most recently re-affirmed by the General Assembly in 2010.

5.2.2 The Council is well aware of the pressures on the finances of local congregations. In 2017 aggregate offerings decreased by around 0.5% and it is likely that there will have been a further decrease in 2018, although some other categories of congregational income, such as income from use of premises, may have increased. The Council recommended to the 2018 General Assembly that aggregate Ministries and Mission Contributions for 2019 should be increased by £500,000. However, as the aggregate amount

collected is based on actual congregational income it may be that, due to the decline in congregational income, it will not be possible to collect the total budgeted amount. The Council is aware of the need for the Church's activities to be proportionate to the finance available not only from congregations but also from other sources. The Action Plan affirms the importance of financial decision-making being devolved regionally and to this end the Council is pleased to continue to maintain the Presbytery Discretionary allowance at the increased rate of 5%. During 2018 the Council continued to evaluate the implementation of the revised Regulations to inform consideration of future resource allocations and it is pleased to note that an increasing number of presbyteries have taken advantage of the revised Regulations for the use of this allowance which were approved by the General Assembly in 2016. This has allowed those presbyteries to engage in increased missional activity and support, to the benefit of many congregations within those presbyteries. As reported last year there continues to be a small, but significant, number of presbyteries which appear to allocate the allowance without regard to differing needs of congregations; given the financial restraints being faced by the Church this will be monitored in the future by the Finance Group of the Council.

5.2.3 By 31 December 2018 congregations had remitted £42,800,000 in Ministries and Mission Contributions for 2018, some 98.7% of the total. In accordance with the Regulations, amounts for 2018 which remain outstanding will be deducted from the allowance available to presbyteries. It is hoped that this will allow presbyteries to ascertain reasons for non-payment and ultimately encourage congregations to make payment. The Council wishes to record its sincere thanks to all congregations making their 2018 Ministries and Mission Contributions monthly by standing order and to all congregations which met their contributions in full by 31 December 2018.

5.2.4 For a number of reasons, some congregations have not been able to make their full contribution and, while this is a small percentage of the overall total, it does ultimately reduce the amount of funding available to the Church to pay for ministry and all of the other work carried out in the Church's name. The Council encourages congregations to look at all options available to them to maintain the ministries and mission not only of their own congregations but of the Church as a whole. Presbyteries are urged to be proactive in helping congregations to realise their full potential. The Council is pleased to note that an increasing

number of presbyteries have engaged with congregations who have historic shortfalls of contributions and that this has resulted in payment of a significant proportion of the amounts outstanding often, with presbytery paying part.

5.2.5 Comparative returns for recent years are as follows:

Year	Total to be Contributed £'000	Total received by 31 December £'000	%
2014	44,802	43,755	97.7
2015	44,423	43,400	97.7
2016	44,264	43,700	98.7
2017	43,969	43,300	98.5
2018	43,387	42,825	98.7

5.2.6 Analysis completed during 2018 indicated that 44% of charges now contribute more than the cost of a minister to the Parish Ministries Fund. Of those charges which do not contribute more than the cost of a minister, a significant number will be vacant and will therefore also be net contributors to the Parish Ministries Fund. The Council is aware of the increasing number of charges which are vacant and is considering ways in which the current system of vacancy allowance can be made more flexible and adapted to different situations.

5.2.7 As is customary, due to the timing of printing deadlines, the proposed total Ministries and Mission Contributions and indicative budget proposals for 2020 will be presented in a Supplementary Report.

5.3 National Stewardship Programme

5.3.1 The Council commends those congregations which have engaged with stewardship during the year. Whilst engagement has been down on previous years, this has been primarily due to reduced numbers of consultants. It also remains the case, however, that some congregations are not taking the opportunity to engage effectively with the National Stewardship Programme, and we would encourage congregations to take up the free offer of support in line with the General Assembly's previous instruction. In previous reports the Council refers to the significant financial pressures which many congregations face and the adverse effect of these pressures on the congregations' ability to engage in missional activity, both locally and

nationally. It is therefore imperative that congregations partake of the free use of the readily available Stewardship services via the consultants.

5.3.2 Previous reports on stewardship within the Church have highlighted the importance of having a Head of Stewardship, a post which is now titled National Stewardship Co-ordinator. An appointment to this role was made in October 2018 and the following report reflects developments in the area of stewardship since that time.

5.3.3 The Stewardship team traditionally comprised of five consultants working alongside the former Head of Stewardship but this number had been reduced to two in the absence of a National Stewardship Co-ordinator. The Council is pleased to report that a further two consultants have now been appointed, not only increasing the number but also adding to the range of skills and experience available to congregations.

5.3.4 Contactless payment is a fast developing technology which is becoming a feature within faith based organisations. The Council recognises that the plate offering, standing orders and payment by cheque remain important modes of giving within the Church of Scotland and that the passing of a digital terminal along a pew on a Sunday morning may not be feasible nor profitable, but current research points to two areas which might benefit from the introduction of a contactless payment system:

- Events such as Fairtrade stalls, sales of work, café style events, concerts and celebrations, including weddings. Many congregations already use these technologies, and whilst the Council does not recommend any particular supplier, advice is available from the Stewardship and Finance Department on which system may work well in particular contexts.

- Visitor donations: The Council is aware of the successful implementation of contactless donations within other denominations as well as in secular buildings and the resultant increase in income from visitors. The siting of a stand-alone contactless donation terminal is a simple solution for visitors who do not carry cash. The donation is normally pre-set (£5 being the most common) and requires no third party support. This, coupled with a professional tour or comprehensive display, is a simple solution to revenue generation that is not currently being utilised. The Stewardship and Finance Department is at the latter stages of recommending purchase and hire options.

5.3.5 The Council is investigating how to better support congregations in identifying additional streams of income. As current church attendance continues to decline, with a possible resultant reduction in income, the time is right to explore other options for financial security. The Council is looking at how to support congregations in this exploration, seeking to work across departments and Councils to deliver an accessible framework.

5.3.6 The team has been refreshing and developing new resources entitled '*A Narrative of Generosity – Following Jesus into Stewardship*' and will seek to take stewardship beyond the traditional concepts of time, talents and money to encompass all aspects as prescribed in Scripture. The aim is to provide congregations with multiple entry points into the biblical concept of stewardship and lead to a greater uptake of the Team's services. These resources are due to be launched via a series of national roadshows in June and will be available through the Stewardship section on the Church's website. The roadshows will allow congregations to gain first-hand knowledge of the new materials and introduce them to their consultant.

5.3.7 Grant Finder is a web-based support offered by the Stewardship consultants to congregations considering a capital fundraising project. Consultants are able to carry out an extensive search of potential donors, trusts and grant award bodies which may be willing to provide financial support for projects in which churches are engaged. Examples of these may be fabric repair, mission, income generation and community outreach. The Council reminds congregations of the benefits to be gained by the utilisation of this valuable resource. The Grant Finder platform will be reviewed over the coming year to evaluate the benefit that it

brings and to ensure that this remains the best platform to serve our congregations.

5.3.8 Legacy giving remains a valuable source of income for the Church and for all charities. In recent years there have been a wide range of other pressures on the funds of individuals in the latter years of their lives, partly down to families becoming increasingly responsible for the costs of end of life care, as well as people having a wider range of legacy choices. These are just two of the factors affecting legacy giving. There is an ongoing evaluation of current practice on how best to continue to present the value of legacy giving to the work of the Church of Scotland.

5.4 Investments and Reserves

5.4.1 Investments

5.4.1.1 The Church's Councils and Committees invest in the Church of Scotland Investors Trust. The Trust has an ethical investment policy and is a member of the Church Investors Group (CIG), an ecumenical grouping of Churches and other charitable investors which lobbies companies and investment managers to encourage them to pursue more ethical policies. While the ethical policy of the Investors Trust has been informed over the years by the General Assembly, the Council recognised the need to state explicitly its own investment policy. During 2017 therefore, the Council approved a policy effective from 2018. This reflects the existing ethical and other investment policy decisions of the General Assembly, but places them in the context of the Council's own responsibilities. This is an ongoing area of development for the Council of Assembly within the confines of available staff resources. The investment policy can be found at http://www.churchofscotland.org.uk/council_of_assembly.

5.4.1.2 The value of investments held by Councils and Committees fell at the financial year end date with the Growth Fund unit price decreasing by 3.5% and the Income Fund by 3.9%. The Growth Fund is invested predominantly in listed company shares (equities). The Income Fund is invested in a variety of pooled funds, which invest in bonds and equities as well as a property fund. The distribution level from both funds was maintained during the year allowing Councils and Committees to meet their budgeted investment income which is a vital component in the funding of their work.

5.4.2 Reserves

5.4.2.1 Councils and some Committees collectively hold significant reserves and during a period of increasing financial constraints, this has undoubtedly been of significant benefit in enabling the maintenance of the Church's work in the short term. During 2018 the Council made significant further progress on a detailed review of the purposes of funds held by Councils and this will conclude in mid-2019. Councils are already aware that priority should be given to the use of funds held for restricted purposes and the review has enabled them to identify further reserves which can be used for their core work. This will also result in more transparency over the level of Councils' reserves in order to ensure that they are maintained at appropriate levels in relation to the volatility, and the types and patterns of expenditure necessary to carry out Councils' remits. From the 450 funds under review 37 have been submitted to OSCR for reorganisation and a further 24 have been identified for reorganisation. 131 funds have been ear-marked for reclassification, for example to designated as opposed to restricted, and work is now concentrating on examining general funds held by Councils, with substantial sums already having been identified for inclusion within the Mission and Renewal Fund. Actions in respect of these reclassifications will take place during 2019.

5.4.2.2 The actions taken/proposed from the funds review are summarised below. They should not be added together as some funds may be included in more than one category where the capital fund has one action and the revenue fund a different one.

	Number of funds (at the time of writing)	Market Value 31/12/18
Remove endowment status	31	£2,096k
Relevant expenditure identified	35	£2,635k
Transfer to other funds*	72	£15,051k
Reclassification to designated	6	£1,573k
Invest surplus revenue funds	5	£137k
Create endowment classification	3	£415k

*The value for Transfer to other funds includes a potential transfer from General Funds to the Mission and Renewal Fund of £2,282k

5.4.3 Former Committee on Hut and Canteen Work for HM Forces

5.4.3.1 Following a decision by the General Assembly in 1970 to gradually withdraw from Forces welfare work, the General Assembly of 1972 agreed to apply the terminal fund of the Committee to create a pension fund for former field staff of the Committee and to set up a residual fund to provide grants to Soldiers', Sailor's & Airmen's Families Association (SSAFA) for direct welfare, and for Mission and Renewal Fund purposes. Following the death of the last pensioner, the Pension Fund would be closed and the balance added to the Grant Fund. There is one remaining pensioner in receipt of pension from the Pension Fund.

5.4.3.2 As part of the review of the Church's reserves, proposals have been developed to ensure that the Grant Fund is used in the spirit of the original General Assembly decision and accordingly the Council of Assembly will bring a deliverance in its Supplementary Report setting out the proposed use of the Fund, which will require the approval of the General Assembly.

5.4.3.3 In arriving at a conclusion on the Fund, discussions have taken place with the Convener and Secretary of the Committee on Chaplains to HM Forces.

5.5 Pensions

5.5.1 Defined Benefit Schemes

5.5.1.1 A triennial valuation is in progress effective 31 December 2018. As noted in last year's Report, the Scheme for Ministers and Overseas Missionaries was in surplus and additional contributions from the Ministries Council were able to cease. Repair contributions are continuing towards the deficits on the scheme for Ministries Development Staff (MDS), the Central Services Committee (CSC) and CrossReach sections of the Staff Scheme.

5.5.1.2 The Church and the Pension Trustees, through the auspices of a Pensions Forum established by the Council and the Pension Trustees, meet on a regular basis to share information in relation to the Schemes. The Council is also grateful for opportunities to engage constructively with the Pension Trustees throughout the year and, in particular, in the preparation of the Pension Trustees' report on Governance Structure and Scheme Administration to this General Assembly.

5.5.2 Defined Contribution Scheme

5.5.2.1 Since 2014, the Church of Scotland has been managing its pension plans through Defined Contribution arrangements currently operated by Legal & General. The Group Personal Pension Plan Governance Group continues to meet twice a year in order to be assured that the relevant contract arrangements are working and standards of service remain high. During 2018 the Group commissioned a review of the range of investments offered by Legal and General to Plan members, to ensure there was sufficient breadth, including ethical options. The review raised no causes for concern.

5.6 Property Disposals

5.6.1 Councils were active in reviewing their operational and residential property holdings and continued to dispose of properties which were surplus to requirements where it was prudent to do so.

5.7 Housing and Loan Fund Contributions

5.7.1 Agreement has been reached between the Ministries Council, the Housing and Loan Fund and the Council of Assembly to suspend Congregational Contributions to the Fund for 2018 to 2021, with a view to establishing a new agreement to cover 2022 onwards. A review of the Fund's position and the anticipated demand for assistance will be carried out during the first quarter of 2020. This decision has been taken in the light of the Housing and Loan Fund's

currently healthy monetary position, and the considerable financial challenges facing other parts of the Church.

5.7.2 Additionally, to assist in assessing future demand, the Housing and Loan Fund will collaborate with the Ministries Council to carry out research relating to the projected retirement plans of ministers.

6. PRAYER INITIATIVES

6.1 Together We Pray

6.1.1 *Together We Pray* was introduced to the Church by the Council of Assembly in 2017 – primarily as a Call to Prayer for that point in time within the context of the then developing strategic plan. A further Call to Prayer was issued in 2018 with the General Assembly instructing the Council to make arrangements for a National Day of Prayer on 3 November 2018. Congregations were encouraged to hold special events to pray specifically for our communities, our congregations and the wider Church of Scotland. Whilst the resources were primarily online, a supplementary mailing was sent to congregations and presbyteries providing them with a copy of the *Themes and Prayers* leaflet, the *Pray Now – Together We Pray* book, the *Conversations in Prayer* publication and a sample set of *Pray It Forward* cards.

6.1.2 The involvement of the Mission and Discipleship Council and the Communications Department was key to the production and promotion of these resources, and the Moderator's *Prayer for the Church* was appreciated, reminding us that God is at work – still planning; still promising; still bringing about transformation. Here is a flavour of the feedback received from congregations who participated with local prayer events:

"...we all said that this was something that we found very helpful, and we really should do it more often than just once a year!"

"Those who came along had the opportunity to visit four stations for prayer - Our Local Churches, Our Local Community, Our National Church and Our World. After visiting the Prayer Stations everyone had the opportunity to visit the cafe where some interesting conversations were shared."

"We had about twenty people from our congregation and community drop in, some coming from our monthly soup lunch event being held in the church hall along the road. In addition some members who were unable to come on the Saturday took time to look at the stations on the Sunday after worship."

6.2 Thy Kingdom Come

6.2.1 The Council welcomes the Church of Scotland's new partnership with the *Thy Kingdom Come* global prayer movement which allows us to share in a wealth of resources for prayer which can be used throughout the year, with events focussed on the period from Ascension to Pentecost. The Council looks forward to full participation in this initiative in 2019 and beyond.

6.3 Seasons of Prayer

6.3.1 For 2019-20, the Council is encouraging the Church – in congregations, presbyteries and national bodies – to engage even more deeply in prayer. Prayer is our vital breath: speaking with God and listening for God. A season of prayer from September to the start of Advent will focus on the outworking of the Action Plan, anticipating a period of significant change in the Church. Moving into 2020, the Church will be invited to engage in the Week of Prayer for Christian Unity and in the World Day of Prayer; to pray through Lent; to participate in the *Thy Kingdom Come* initiative; and to engage in prayer specifically for the General Assembly of 2020.

7. GAELIC IN THE CHURCH

7.1 The Council of Assembly has responsibility for coordinating the Church's contribution to the development and promotion of Gaelic within the Church and is supported in this work by the Gaelic Group whose remit was formally approved by the General Assembly of 2018. The Council's Report last year advised that *"in order to produce new resources and materials, as well as activities, the Gaelic Group is exploring a number of different opportunities to receive funding for this work, both internal and external to the Church."* The Council is delighted to report that the Group has made some significant progress in this regard, securing funding to enable key aspects of work to be progressed during the 2019-20 session.

7.2 A grant of £30k has been awarded by Bòrd na Gàidhlig and, from within the Church, £15k has been provided from a restricted fund. These grants combined will

allow a Gaelic Officer to be appointed on a consultancy basis for one year to progress specific work, but also to bring forward a fully costed and prioritised Gaelic Language Plan, in consultation with the Council, building on the work which has been done on the Plan to this point in time.

7.3 Action of Churches Together in Scotland (ACTS) has awarded a grant of £9k towards two specific projects: firstly, the production of a Gaelic audio version of the four Gospels and, secondly, for Gaelic resources for the *Thy Kingdom Come* global prayer initiative.

7.4 The Gaelic Group is very keen to work with other denominations and has benefited from the involvement and advice of the Ecumenical Officer in its meetings over this session. This work provides many opportunities for ecumenical engagement and joint working, and a number of initial approaches have been made. The Gaelic Officer will be required to work in collaboration with other churches wherever possible so that the Gaelic community as a whole is supported and that Gaelic speakers within all of the churches are better resourced and equipped for ministry and mission.

7.5 In this regard, a key priority for the next session will be a national conference, following on from the 2015 *Next Steps* event which looked at the place of Gaelic in Scotland's churches and how best to strengthen this. This event will further consider the needs and ways of promoting Gaelic ministry and mission and will offer support and encouragement to Gaelic speaking ministers and anyone who would like to improve their Gaelic for use within a church context. One specific aim is to see an increase in the number of Gaelic church services being held.

7.6 The Group's primary aim is to encourage the use and enlivening of Gaelic in the Church. This was very much the focus of the Very Rev Dr Angus Morrison who convened the Group until June 2018. The Council is most grateful to Dr Morrison for his involvement and enthusiasm for this work. The Vice-Convener, Boyd Robertson, former Principal of Sabhal Mor Ostaig (the Gaelic College in Skye) has been serving as Acting Convener since that time. Boyd's expertise has been of great help in ensuring that this important work is taken forward to the next stage of development on behalf of the Church.

8. REFUGEE CO-ORDINATION PROJECT

8.1 Since 2015 the Church has been running a project to co-ordinate its response to the ongoing refugee catastrophe. The project was set up by the Council of Assembly, is funded on a cross-Council basis and is hosted by the Church and Society Council. A fuller update on developments and future plans can be found in Section 6 of that Council's Report. The project operates as an ecumenical and multi faith partnership between Scotland's main Christian, Jewish, Muslim and Interfaith groups and is called Scottish Faiths Action for Refugees. Grants from other Churches and faith groups, as well as from local congregations and individuals, have also been gratefully received. The aims of the project have been reported previously to the General Assembly and further information about current work and activities can be found on the website www.sfar.org.uk. The project is due to run until the end of May 2020; conversations are now being held about the future potential direction for this work.

8.2 In addition, the Church of Scotland continues to be an active participant in the Churches' Commission for Migrants in Europe and Churches Together in Britain and Ireland's Churches' Refugee Network.

8.3 In October 2018 the Scottish Refugee Council, the Church of Scotland, the Bridges Programme and WEA Scotland launched a new project called *New Scots Integration: Rights and Communities*, designed to support the integration of refugees in Scotland. This is a two year project and is part funded by the European Union Asylum, Migration and Integration Fund. The project includes an element of work with local community groups and congregations. Individuals are encouraged to find out more on how they can become involved. Further details about the project were intimated to Presbytery Clerks at the beginning of 2019 and some information is included in the Church and Society Council's Report to the General Assembly, and also from the project staff David Bradwell (dbradwell@churchofscotland.org.uk) and Sabine Chalmers (schlamers@churchofscotland.org.uk).

9. INTERFAITH WORK

9.1 In 2018 the Church of Scotland's engagement with interfaith relations was able to focus on three core aspects of interfaith relations within the Church: education, collaboration and dialogue. This has resulted in a varied and busy year for the Interfaith Programme Officer.

9.2 Education

9.2.1 A major project to train youth workers and parish ministers in recognising, managing and transforming hate speech reached its conclusion in October 2018. A training session has been developed which can be adapted for various contexts and which will be rolled out across Scotland in 2019. Whilst the training is currently focused on youth work it can be applied and adapted to multiple contexts.

9.2.2 Training sessions for Presbytery Clerks, Candidates for ministry, elders and presbyteries considered the ways in which interfaith relations can play a part in Church life in an increasingly diverse Scotland. Many of the training events were led by members of another faith tradition which gave participants an opportunity to ask questions and explore topics more deeply.

9.3 Collaboration

9.3.1 Collaboration with other faiths was set as one of the key priorities in the 2017 interfaith relations strategic overview and is easy to measure in terms of impact and change. 2018 saw numerous examples of more integrated practice within the Church of Scotland. In September the Gender Justice Officer and Interfaith Officer collaborated with Amina Muslim Women's Resource centre to hold a Muslim-Christian women's walk event with the Moderator, followed by dialogue over tea in an event called 'Journey with Me'. A second joint venture which took place on the issue of spiritual abuse will be further developed for workshops in 2019.

9.3.2 Church of Scotland representatives are now regularly attending events organised by different faith communities and hosted in their places of worship. The Moderator visited the Ahmadiyya Mosque, Sikh Temple and Giffnock Synagogue during the last year. There has also been a significant increase in Church-led events for Interfaith Week in 2018 including a successful event celebrating the achievements of women of different faiths who were involved in the suffragette movement.

9.3.3 A shared values document which was launched by the Church and Society Council and the Islamic Finance Council in October 2017 is to be used as a resource to better understand similar ethical underpinnings behind Presbyterian and Islamic approaches to sustainable and humane financial practice.

9.3.4 The independent collaborations that have taken place between the young people involved in the Youth

Leadership Exchange to Rwanda, together with the World Mission Council, has been an encouraging indication that the next generation of young Muslims and Christians has been empowered through this project to take the initiative in interfaith dialogue and collaboration.

9.3.5 The aim going forward is for collaboration between people of different faiths on shared issues of concern such as homelessness, poverty, inequality and climate change to take place as a matter of course within Church communities and at national levels.

9.4 Dialogue

9.4.1 There are two main initiatives which the Interfaith Officer will be progressing into 2019. The first is the continued dialogue with the Jewish community, this year with professional facilitators. One of the outcomes of this is to put energy into internal facing conversations about the meaning of antisemitism within the Christian tradition. It is important that we deal with this issue within the Church of Scotland.

9.4.2 The second project is *Transform and Connect: Faith Leadership Programme* which is a collaboration between the Alwaleed Centre in Edinburgh, Al Makhtoum College in Dundee, Interfaith Scotland and the Church of Scotland. This will look to develop Muslim and Christian leadership in Scotland through a visit to Ghana in September, supported by the World Mission Council. Those involved will explore four key themes of faith leadership, education, civic representation, prison chaplaincy and gender justice. The aim is for dialogue to take place in new and challenging environments, learning from partners and hosts PROCMURA (Programme for Christian Muslim Relations in Africa) and for lasting relationships to be formed.

10. GENDER JUSTICE INITIATIVE

10.1 In 2017, the Council approved the establishment of a five year Gender Justice Initiative in order to build upon the investment in 2016-17 of a fixed term Violence against Women Development Officer. A full time Gender Justice Officer was appointed in May 2018. The funding for this post was drawn from across the budgets of the Councils and Committees of the Church with the understanding that the initiative would support and resource gender justice work throughout the Church. The Gender Justice Officer role is hosted within the Church and Society Council.

10.2 The Gender Justice Officer role is structured to:

- increase the capacity of the Church to respond to issues of gender injustice through training, resources and awareness raising;
- work across the Committees and Councils to facilitate and support the development of gender justice work within their areas of responsibility;
- develop partnership working to promote gender justice within the Church, with ecumenical and interfaith partners and with wider civil society;
- act as Secretary to Integrity, the Church of Scotland's Violence against Women Task Group, and facilitate the work of the Church in tackling violence against women, girls and children; and
- develop projects designed to tackle gender injustice with an emphasis on locally based work.

10.3 A full report of the work of the Gender Justice Initiative, including all cross-Council work, can be found in Section 10 of the Report of the Church and Society Council.

11. CHURCHES' MUTUAL CREDIT UNION

11.1 Membership of the Churches' Mutual Credit Union (CMCU) within the Church of Scotland has continued to grow steadily over the past year. Despite some account closures due to changes in circumstances, membership now stands at 135 individuals with 47 having lump sum deposit accounts and 88 being regular savers (47 through payroll). Last year we reported that we had launched payroll deduction for employees of CrossReach; this is beginning to gather momentum. CMCU also opened two additional corporate accounts in 2018. There are currently 23 members from the Church of Scotland who have loans with the credit union taken for, amongst other things, car purchase, home improvements, debt restructuring, residency fees and educational costs. CMCU is pleased to report there is no bad debt.

11.2 CMCU continues to promote its services to eligible members of the Church as widely as possible, including at Heart & Soul and at the General Assembly. A publicity leaflet was sent to all ministers and employees in 2018, including CrossReach employees, and thanks goes to the respective payroll teams for their assistance both with this and their ongoing work in facilitating payroll deduction savings for their employees on CMCU's behalf.

11.3 Once again the Board of CMCU is particularly grateful for the work of Karen Hunter (Church and Society) and Charles Sim, an elder in Irvine and Kilmarnock Presbytery, in promoting the CMCU in the national Offices and amongst ministers and elders by visiting as many of the presbyteries as possible.

11.4 The Board also continues to benefit from the commitment of the Church of Scotland to the good governance of the credit union through the presence of Sheila Nicoll OBE on the board of directors and Charles Sim on the supervisory committee.

11.5 CMCU hopes to build on the successes of previous years and looks forward to continued growth in all areas of its services over the next twelve months.

12. CHARITABLE GOVERNANCE

12.1 Risk Management

12.1.1 Risk management consists of identifying what are the major risks to governance of the charity and putting in place measures to mitigate those risks. This ongoing process is an essential component in the effective running of the Unincorporated Councils and Committees (UCC) which is one of the largest charities in Scotland. The Council of Assembly, the Audit Committee and the Council's Risk and Resilience Group oversee the management of risk within the UCC on behalf of the Church.

12.1.2 Over the last year, the Risk and Resilience Group has continued its work to co-ordinate a more effective and consistent approach to ongoing risk management. Work has been taken forward by the Group to produce a new risk policy for the UCC, building on the full-scale review in 2016. In order to fully embed this policy into the day to day working of the national administrative function, plans are in place to ensure that every member of staff is adequately trained so that a culture of risk management and resilience is nurtured to better meet the needs of the charity. At the time of writing, such training is due to be taken forward in partnership with Edinburgh College.

12.2 Business Continuity

12.2.1 Business continuity arrangements for the UCC are being kept under review and further developed by the Risk and Resilience Group. The plans at present provide for the evacuation of the National Offices and for short term arrangements for all critical services associated with the work of the Councils and support departments.

12.2.2 Contingency plans are now being expanded to ensure that critical services would continue to be provided in the event of a longer-term evacuation. This work relates closely to the development of a stronger information and communication technology infrastructure (see section 13.2) which will provide a more flexible and secure environment for remote working and back-up arrangements.

12.2.3 A process of testing is being put in place to ensure that these plans are fit for purpose should they require to be enacted.

12.3 Audit and Compliance

12.3.1 The Council and the Audit Committee are responsible for overseeing the Internal Audit processes of the Unincorporated Councils and Committees. Assurance over the adequacy of the systems of internal control is delivered by the Internal Auditors. Deloitte served in this role until December 2018, with Scott-Moncrieff taking up appointment as the Internal Auditors from that time. In addition the Council employs an Audit and Compliance Officer whose role is to test and report on the adherence to operating policies, procedures and financial controls.

12.3.2 The Church is subject to most aspects of the standard regulatory and related legal compliance requirements for charities, employment, tax, health and safety, data protection, safeguarding legislation, planning and pensions. The Church is also subject, particularly in relation to the work of CrossReach, to various social care and education inspectorates. The current system of monitoring and reporting on compliance with regulatory requirements indicates no significant issues or concerns in relation to the Church's compliance with these requirements. The Council's Supplementary Report will include a formal report on audit.

12.3.3 In October 2018, following a tendering process, the Council approved the appointment of RSM UK as the External Auditors.

12.4 Data Protection

12.4.1 The Council reported in 2018 that a huge amount of work had been done by staff in the Law Department to ensure that strategies were in place to enable compliance, throughout the Church, with the EU General Data Protection Regulation and the new UK Data Protection Act 2018 which came into force on 25 May 2018. Since then, this work has continued and been built on in a number of areas.

12.4.2 The security of the IT network has been improved via the qualification for and grant of a Cyber Essentials

Certificate and the installation of an intrusion detection system which monitors for suspicious activity and issues alerts if such activity is discovered. New procedures and policies have been put in place for dealing with subject access requests. In order to ensure that congregations have an audit trail, a new "record of processing" document, together with guidance on how to complete it, has been added to the large number of data protection resources available on the Church's website. A number of new IT policies have also been put in place for CSC staff, including new Acceptable Use of IT Equipment, Bring Your Own Device and Mobile Phone policies and mandatory training for all staff in these policies has been delivered.

12.4.3 Training in data protection for all CSC and CrossReach staff continues on a rolling basis. Training has also been provided to Ministries Development Staff, ministers in their first five years' of ministry, those attending elders' conferences, Presbytery Clerks and Safeguarding Co-ordinators, and several presbytery-wide training events have been held.

12.4.4 It is clear that, both within the national offices and in congregations and presbyteries, data protection obligations are being taken seriously and the legislative principle of "data protection by design" is becoming embedded in our thinking. It is important that this should be the case, as compliance is the responsibility of each and every one of us when handling the personal information of others to ensure that we treat it appropriately. We recognise, however, that what this means in practice is not always easy to determine and it is with this in mind that the data protection resources available from the Church website include Frequently Asked Questions and detailed guidance for congregations and presbyteries.

12.4.5 Whilst we wish to encourage and enable the careful handling of personal information, we also wish to assure congregations that they should not be afraid of sharing information where this is proportionate and necessary to facilitate congregational life and activities. It remains lawful for congregations to share personal information such as contact details amongst those members who have a legitimate interest in having this information. The Information Commissioner's Office has been at pains to try to bust some of the myths which have developed about the impact of the GDPR, and to emphasise that the law exists to give people more rights and freedoms by governing the way

information is obtained and used, not to act as a barrier to small community groups carrying out their normal activities.

12.4.6 It has been suggested, for example, that churches cannot ask for prayers for named parishioners who are ill or sick, because their health data is protected. This misunderstanding arises from the misconception that consent is always needed before information can be shared. This is not the case. The ICO has confirmed that, if this is something that the individual concerned might reasonably expect and welcome and the congregation can justify processing their health data, then it is unlikely to be breaching the law.

12.4.7 There are an increasing number of organisations offering web-based services to congregations, from accountancy to website hosting. Something that might not occur to those entering into agreements for these services on behalf of congregations is the confidentiality of the information which is shared with these third parties. Data protection obligations arise if your congregation supplies personal data to any third parties. Obvious examples include names and addresses but personal data can include images or health related information. All organisations providing personal data to a third party for “processing” (e.g. posting information to a website or hosting in the cloud) must ensure that their contract with the third party contains appropriate data protection wording. The key message is to ensure that the terms and conditions of any agreements are reviewed for data protection compliance before entering into them. Congregations should therefore consider whether they have any such contracts in place or in contemplation and, if so, be in touch with the Law Department which will take steps to ensure that any necessary adjustments to the contract are made.

12.4.8 We urge all who have not yet done so to have a look at the section dealing with data protection on the Church of Scotland website where you will find a range of forms and guidance to help keep your congregation compliant with the legislation. You will also find a helpful webinar delivered by one of the solicitors in the Law Department, which we encourage you to watch (a DVD recording of the webinar is available from the Law Department should you require the ability to watch the webinar ‘off-line’). All of this can be found under the “Resources” tab, “Law Department Circulars” section of the Church website. A link to a brief guide to the GDPR and the available resources provided by the Church can be found here:

https://www.churchofscotland.org.uk/_data/assets/pdf_file/0003/50943/Brief_Guide_to_congregational_Resources.pdf

12.4.9 The Solicitor of the Church in her capacity as Data Protection Officer for the Unincorporated Councils and Committees and on behalf of presbyteries had contact with the Information Commissioner’s Office on one occasion in the course of the year to report a potential breach of the Data Protection Act arising from the loss of personal data in a congregational context. The ICO determined that enforcement action was not required.

12.5 Boys’ Brigade and Safeguarding – Service Level Agreement

12.5.1 For a number of years there has been a desire to agree a Service Level Agreement between the Church of Scotland and the Boys’ Brigade for safeguarding services with the Boys’ Brigade. Since the creation of the Church of Scotland’s Safeguarding Service in 1997 it has been providing safeguarding services in relation to Boys’ Brigade Companies attached to Church of Scotland congregations in Scotland free of charge. The Council agreed in December 2018 that the Church would continue to provide safeguarding services free of charge to the Boys’ Brigade for the year to 31 December 2019 provided the draft Service Level Agreement was agreed and signed by 31 January 2019. Agreement was reached within this timeframe and, following approval by the Boys’ Brigade insurers, the SLA was signed on 19 and 21 February 2019. Negotiations on what should happen from 1 January 2020 will commence on 1 June 2019 with the expectation that an agreement would be reached by 30 September 2019.

12.6 Charity Legislation and Attestation of Accounts

12.6.1 The Governance Group of the Council is charged with exercising the supervisory function required by the Church’s Designated Religious Charity (DRC) status. This includes the approval of Presbytery accounts and the supervision of presbyteries in regard to their general oversight of charity law compliance by congregations. Presbytery supervision includes the scrutiny of congregational accounts, as required in terms of the Regulations for Presbytery Finance (Regulations 3, 2016) and those for Congregational Finance (Regulations 2, 2016). The Church’s status as a DRC could be compromised should a Presbytery be shown to have failed to exercise adequate supervisory and disciplinary functions with regard to any of the congregations within its bounds. In turn, a failure of any

of its component elements to comply with charity law could have serious consequences including – in a severe case – a possible loss of charitable status and with that a significant loss of various tax reliefs. The Governance Group therefore takes this role seriously and has again spent time over the last twelve months seeking to ensure that Councils, Committees, presbyteries and congregations all comply with relevant legislation.

12.6.2 Attestation of Presbytery Accounts

12.6.2.1 After the Accounts have been approved by presbyteries at the end of each financial year, they require to be submitted for attestation to the Stewardship and Finance Department, which then has to report to the General Assembly through the Council of Assembly. This fulfils the supervisory function required by the Church's DRC status, which is incorporated in Regulations 3, 2016, Section D. The Department has attested the 2017 accounts of 44 presbyteries.

12.6.3 Presbytery Attestation of Congregational Accounts

12.6.3.1 Presbyteries are required to attest the Accounts of congregations within their bounds and to report to the Stewardship and Finance Department that they have completed this attestation, with details of their findings. This fulfils the supervisory function required by the Church's DRC status, which is incorporated in Regulations 2, 2016, Section D. Reports from forty presbyteries on the inspection of Congregational Accounts for 2017, and the analysis undertaken within the Stewardship and Finance Department, indicated that the vast majority were found to be compliant with the Regulations for Congregational Finance. The Council is grateful to those many congregational treasurers and other office-bearers who work hard to ensure that the Church's financial affairs are so well-ordered. The Council of Assembly is expected by OSCR to ensure that all accounts are duly submitted and are compliant and the Council continues to work actively with presbyteries and congregations to achieve this end. At the time of completing this Report the Department had not received reports on the Attestation of 2017 Accounts from four presbyteries.

13. OPERATIONAL MATTERS

13.1 Central Services Committee (CSC)

13.1.1 The Central Services Committee (CSC) oversees the delivery of central services to departments within the Church Offices, to Councils and Committees of the General Assembly and, where appropriate, to the statutory corporations, presbyteries and congregations of the Church. This includes estates management, Information Technology (IT) services, Human Resources (HR), legal and financial services. The Committee 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 Council recommendations in respect of staff remuneration. The Convener and Vice-Convener are members of the Council of Assembly.

13.2 IT Strategy

13.2.1 The Information and Communication Technology (ICT) Group, reporting into the CSC, has continued to meet over the last year with a number of work areas identified under recent reviews now nearing completion. This group has focused on strengthening the infrastructure to respond to the demands for increased flexibility and security. Work to install back-up servers for the Church Offices commenced in 2018 in support of business continuity arrangements, and planning is underway for the roll-out of Office 365 for ministers, CSC and other staff members and, where required, office holders. The introduction of Office 365 will allow those without Church of Scotland dedicated e-mail addresses to share data in a secure way. A pilot project for Office 365 is under preparation with full roll-out of Office 365 currently anticipated within the next twelve months. While awaiting the outcomes of the Special Commission and Action Plan, an initial strategy for ICT focusing on infrastructure is currently in draft form. This will be enhanced to reflect the previously mentioned outcomes when they are known.

13.3 Communications

13.3.1 During the last year the Communications department has worked hard to respond to a wide range of requests for support from Councils, departments 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.

The team has supported the Council in the work around the Action Plan for the Church and encouraging departments to think about how to communicate their work as effectively as possible.

13.3.2 The Church's complex communications landscape can work against us as initiatives compete against one another and confuse our audiences. Over the last year the Communications team has been advocating for a more collaborative and considered approach that will reduce duplication, information overload and costs, and will ensure the work produced is of a high quality and has longevity.

13.3.3 One significant task that has been undertaken is an extensive review of Church newsletters issued from the national Offices, following issues with certain platforms and current practices. At the time of writing this Report, a moratorium is in place whilst a satisfactory solution using one operating platform is found.

13.3.4 The Church has seen high levels of digital engagement and media coverage in the last year. The media team produced 366 articles for the Church's website, often capturing the imagination of the public and generating high profile news coverage in print, online and broadcast outlets. Several have received international coverage. This work ensures that the voice of the Church is heard on a vast number of current and important issues. It allows the Church to influence the debate on public policies, to mobilise action and demonstrate its continued relevance and role in society. In particular the team has worked closely with ministers and congregations on campaigns including two separate asylum cases supporting Christian families in Scotland.

13.3.5 Communications training has been provided by the team to a number of individuals and groups, including input to the annual Elders Conference, media training for key Church of Scotland spokespeople and visual identity training for staff. Best practice guides have been produced to support people at a local church level who are managing websites, social media, newsletters, design work and media enquiries. This information can be found on our website.

13.3.6 The web team maintains and develops the Church's main website whilst also offering advice on the other church websites currently numbering seven. The main website receives over 540,000 visits each year from around 144 countries, a number which has gradually increased since the website was originally launched in 2000. On average, we

have around 3,000 unique visitors a day, although this rises to more than 6,000 during the General Assembly. This is considerably in excess of the traffic to any of the other associated church sites. Our focus this year has been to make improvements to our main Church of Scotland website and where possible to reduce the number of microsites allowing for a more manageable web estate. As part of this move we worked closely with Ministries Council to migrate all content from the Tomorrow's Calling website on to the Church of Scotland website.

13.3.7 The team also manages the Church's social media platforms with a combined audience following of 37,900. These platforms are now well-established ways for people to contact the Church to ask questions, seek guidance and find out more about what we do. Coverage in the last year has included Together We Pray, Creation time, Good Money Week, Dementia Awareness Week, Year of Young People, Challenge Poverty Week, 16 days of Gender Activism, CrossReach Week and Advent 2018. We also continue to promote the Church's work on funeral poverty and explain how the churches can support people at such difficult times. Our team also produces daily prayers which are shared on social media and are hugely popular, getting some of our highest engagement figures.

13.3.8 To create more efficient processes the design team has worked on the creation of templates to encourage more people to adopt the wider Church of Scotland brand. Our goal is to reduce the proliferation of bespoke designs that are not recognisable as Church of Scotland productions. The Design team has collaborated with other departments by making creative contributions to deliver key projects including Ascend, Learn, the CrossReach magazine redesign, the Church of Scotland Year Book and an update to the Department's own resources.

13.4 HR/Payroll

13.4.1 Work continued through 2018 on the installation of a new Payroll and HR system. Due to the complexities of the new system, the decision was taken in Autumn 2018 to pause the project until the appointment of a Payroll Manager into the department. This occurred in January 2019 and it is envisaged that the new payroll system will be operational by late summer 2019. In line with best practice a full review of the project will be undertaken once implementation is complete.

13.5 Senior Management Team

13.5.1 The Senior Management Team manages the staff of the Central Services Committee and CrossReach, supports the co-ordinating and decision-making work of the Council of Assembly and ensures the efficient implementation of its decisions and those of the General Assembly. Its members all have individual duties within their own areas of work.

13.5.2 The Council continues to appreciate the work of the Senior Management Team and is particularly grateful for the way in which many of its members have taken on additional tasks and responsibilities over this session.

13.6 Learning and Development

13.6.1 Over the past year, the HR team has continued to work with the Senior Management Team to develop the skills of our staff in order to provide excellent professional services that support the work of the wider Church and its Councils, Committees, presbyteries and Congregations. Since the last report, a comprehensive training programme has been introduced using both online learning and face to face courses. This programme includes a new induction programme, a tiered leadership and management programme, soft skills training as well as mandatory training in new legislation such as data protection. In addition to these courses, we have also supported all members of the IT team to gain ITIL (Information Technology Infrastructure Library) certification in the provision, support and delivery of IT services. Additional training via the Apprenticeship Levy's Flexible Workforce Development Fund has meant that we now offer our managers the opportunity to complete an Institute of Leadership & Management (ILM) qualification through Edinburgh College as part of our new leadership and management framework.

13.6.2 The popularity of the e-learning platform continues to grow with staff having access to current and up to date courses and resources. Indeed, 99% of all CSC staff now have active learning accounts, with many using this resource regularly. The success of the platform as an effective tool to facilitate staff development within the Church of Scotland was recognised at the Charity Learning awards when our Learning and Engagement Officer, Eleanor MacKenzie, won the Charity Learning Consortium's Learning and Development Professional of the Year Award. This recognition has helped to further develop and extend this resource to other users, with 140 Ministry Development Staff now having access and further developments being planned.

14. MEMBERSHIP AND REMITS OF COUNCILS AND COMMITTEES

14.1 The Council of Assembly is responsible for bringing forward to the General Assembly any adjustments to membership and remits of Councils and Committees. This year, we seek approval for the following two changes, having considered the case for each and been satisfied that the proposals are justified and appropriate:

14.1.1 Ecumenical Relations Committee

Standing Orders provide for a Convener, Vice-Convener and six members appointed by the General Assembly. An additional two members are now sought with the specific remit to promote local ecumenism.

14.1.2 Church Art and Architecture Committee (CARTA)

Revisions to CARTA's remit are being proposed in support of the Memorandum of Understanding which is in place between CARTA and the General Trustees. The General Assembly is asked to approve the following changes to section 1 of the Committee's remit which can be seen in context in Appendix I:

- (a) Delete "*The Committee advises congregations and Presbyteries*" and substitute "*As a function of the Committee's advisory role to the General Trustees, it engages with congregations and Presbyteries*".
- (b) After "*stained glass windows,*" insert "*organs,*".

14.2 Membership of the Council of Assembly

14.2.1 John Corrigan stood down as a trustee and voting member of the Council in December 2018 after serving for a period of four and a half years, latterly serving as Convener of the Governance Group.

14.2.2 The Council reports that Catherine Coull, Barbara Finlayson and Kenneth Macaldowie serve on the Governance Group as co-opted members.

14.2.3 The immediate past Moderator of the General Assembly serves as a non-voting member of the Council for one year. The Council is grateful to the Very Rev Dr Derek Browning for his contribution to its work over the past year.

15. STATISTICS

15.1 The annual statistics gathered from congregations and presbyteries are listed in Appendices II-VII. Please note

that at time of going to print full returns had not been submitted. These comprise the following elements:

- Persons and Agencies in Scotland for 2018 (*Appendix II*);
- Congregational Statistical Returns – Young People (*Appendix III*);
- All Presbyteries – Congregational Statistical Returns (2 tables) (*Appendix IV*);
- Comparative Statistics from 2007 to 2018 (*Appendix V*);
- Ministry Statistics (*Appendix VI*); and
- Attendance at Worship and Congregational Activities (2 tables) (*Appendix VII*).

15.2 The last of these Appendices was collated for the first time in 2017 and is intended to enable comparison with other data such as the Statistics for Mission profiles, which allow congregations, Presbyteries, Councils and Committees of the Church to reflect on their position in their communities. These statistics will provide information over the coming years to help the Church in identifying trends in these areas.

In the name of the Council

SALLY BONNAR, *Convener*
DAVID WATT, *Vice-Convener*
MARTIN JOHNSTONE, *Acting Secretary*

The Church of Scotland has benefited from Martin's wider experience of ministry and theological reflection. Martin studied theology in Zurich before completing his PhD in New Testament at the University of Durham. He was a minister within the Baptist Church, serving in Jarrow before moving to Manchester where he taught biblical studies for ten years. He has published widely, primarily on the Gospels, in particular the Gospel of John. Moving back to Scotland in 1999, he joined the staff of the then Board of Ministry, transferring status to the Church of Scotland ministry in 2001 and becoming Secretary to the Ministries Council in 2005.

Before training for ministry, Martin studied music at the then RSAMD in Glasgow and taught in Airdrie Academy. His musical abilities have been appreciated within the Offices, particularly in morning prayers and by choirs assembled for the annual '121' carol service. He was often brave in his choice of music, but his patience and skilful leadership brought out the best in those who participated, and these times of fun and fellowship were much valued by staff.

We thank Martin for his enthusiastic and creative leadership over many years, and pray God's richest blessings upon him for now and into the future.

In the name of the Council

SALLY BONNAR, *Convener*
DAVID WATT, *Vice-Convener*

Addendum

Rev Dr Martin Scott

The Council wishes to place on record its thanks to the Rev Dr Martin Scott who served as Secretary to the Council of Assembly from May 2016 until January 2019. Martin has served in key roles within the Church over a period of twenty years, exercising leadership, managing wide remits and pushing forward new initiatives such as reshaping the Enquiry and Assessment process and helping to provide a robust system for the support of those in the early years of ministry. Martin engages with people from across the theological breadth of the Church, enjoying healthy debate, but he is primarily interested in the person. His long association with the Iona Community has given him an acute sense of justice and he has always sought to champion the place of women in a church which has often been slow to recognise their gifts and talents.