

COUNCIL OF ASSEMBLY

May 2017

PROPOSED DELIVERANCE

The General Assembly:

1. Receive the Report.
2. Issue a call to the Church of Scotland to pray that God will do a fresh work amongst us as God's people and instruct Presbyteries and Kirk Sessions to consider how best to respond to this call. *(Section 2.2.11)*
3. Instruct the Council, working together with other appropriate Councils, to prepare as soon as possible, resources to support individuals, congregations and Presbyteries in prayer for the development and implementation of the Strategic Plan. *(Section 2.2.10)*
4. Affirm the work undertaken to this point on the creation of a Strategic Plan for the Church and note the Council's intention to bring a full report indicating strategic priorities for the next phase of the Church's life and work to the General Assembly in 2018. *(Section 2)*
5. Welcome the report of the Council's review of the work of the Ecumenical Relations Committee and instruct that Committee to continue its own review of the Church's Ecumenical Policy in consultation with the Council of Assembly, reporting to the General Assembly in 2018. *(Section 3.2.2)*
6. Approve the revised Remit of the Ecumenical Relations Committee as set out in Appendix 3. *(Section 3.2.5 and Appendix 3)*
7. Affirm the planned changes to the way in which the Ecumenical Relations Committee intends to relate to Councils and the Theological Forum and instruct those bodies to engage appropriately. *(Section 3.3.3)*
8. Encourage Presbyteries and congregational office bearers to ensure local compliance with the Data Protection Act and instruct the Council to present to the General Assembly in 2018 measures to ensure ongoing compliance throughout the Church with the new General Data Protection Regulation being introduced across the European Union. *(Section 7.4)*
9. Affirm the work undertaken by the Council in benchmarking senior staff salaries. *(Section 8.1)*
10. Approve the revised Job Description for the post of Principal Clerk as set out in Appendix 4. *(Section 9.1.2 and Appendix 4)*
11. Appoint the Rev Dr George J Whyte as Principal Clerk to the General Assembly with effect from 29 July 2017 and as Associate Principal Clerk from the commencement of the General Assembly. *(Section 9.1.3)*
12. Instruct the Council, in cooperation with the Assembly Arrangements Committee and the Legal Questions Committee, to review the terms and processes relating to the future appointment of a Principal Clerk and report to the General Assembly in 2019. *(Section 9.1.4)*
13. Note the Council's report on the future of interfaith relations and affirm the ongoing development of this work. *(Section 10)*

REPORT

1. Introduction

1.1 Change, reform, renewal; these are words that have characterised much of the work of the Council of Assembly in the past year. The Word of Life is a creating and re-creating Word and that re-creation is one we have sought to follow in the service of the Church. There was a definite wind of change blowing at the sixteen roadshows conducted across the country with people affirming the realities of where we are now and the imperative to embrace change in spite of the anxieties that it brings. That imperative for change has been echoed again and again in conversations, meetings and lectures during the year. It is in this context that the Council of Assembly has taken forward the tasks in strategic planning, review, governance and finance given to us at last year's General Assembly.

1.2 The Council itself is a changed body with several new Trustees and Conveners, new senior members of staff including a new Secretary to the Council and a new Convener. This has meant building a new team, but has also brought new thinking and fresh ideas and we wish to thank all who give, at times sacrificially, of their time and talents to the work of the Council.

1.3 The key piece of work this year has been the beginning of the creation of a Strategic Plan as outlined in Section 2 of this Report. Working to the instruction of the General Assembly, this seeks to offer a sense of direction, a common purpose and a set of priorities for what the Church of Scotland does in addressing the challenges of our changing times. Almost a thousand Church members contributed to the *On the Road* events which began a period of wide consultation across the Church. An interim report is presented this year with a full report to come to the Assembly in 2018.

1.4 In the spirit of continuous reform, a review of the Ecumenical Relations Committee and its work was

undertaken in the course of this year as instructed by the Assembly. This recognised the value of the work done by the Committee over many years, but also pointed to changes needed in order fully to embed ecumenical work and principles throughout the work of the Church. The proposed changes are reported in Section 3 of this Report and, subject to approval of the Assembly, will be taken forward by the Ecumenical Relations Committee in the coming year.

1.5 Charity governance has developed exponentially over recent years and the Church nationally has worked hard at keeping up to date. Changes in this area are relayed regularly to Presbyteries and to congregations and the national office staff seeks to support people locally in adjusting. Data Protection, IT Security, Risk Assessment and Business Continuity do not immediately sound like missional drivers for the Church, but they are an important part of observing our legal requirements and maintaining the charitable status of the Church as a whole, which in turn affects our ability to function in the modern world.

1.6 The challenging matter of our national office buildings is yet another review that was remitted to the Council from the General Assembly. Much work has been and is still being done to examine the real condition of our buildings which have suffered from under-investment for some 20 years. Individual congregations will be well aware of the joys and struggles involved in maintaining buildings and our national estate resource is no different. It is not only the condition of the buildings that needs to be examined, but also the way in which we use them. We need to have a new vision of how to provide the best and most efficient working environment to take forward the work and witness of the Church. This includes not only the building in George Street in Edinburgh but also the iconic Assembly Hall which is significantly under-utilised. The work done here is outlined in Section 11 of this Report.

1.7 Finally, there is further change at a personnel level with the appointment of a new Principal Clerk. As the Church thanks the Very Rev Dr John Chalmers for his many years of service in a variety of roles in the national structures of the Church and as a Parish Minister, the Council brings forward the name of the Rev Dr George J Whyte as his successor (Section 9.1.3).

2. Strategic Planning

2.1 Preparing a Strategic Plan

2.1.1 The Church of Scotland faces significant challenges in the next decade. What with hindsight may be viewed as 'years of plenty' are swiftly coming to an end. Falling church attendance (and consequently also membership and finance), a rapidly ageing demographic and secularisation are but three of the key factors which are exercising pressure on the Church in its relationship to wider society. While there is still evidence from the Church's ongoing engagement with many of the major stakeholders of Scottish society that the work of the Church continues to be valued, it becomes harder to find the people to take on key roles. There is also evidence of a vocal minority who wish to see the Church excluded from many of its familiar roles in favour of a humanist or secularist agenda.

2.1.2 In the light of this situation, there is a pressing need to be much more intentional in planning the priorities of the Church's work. The Council, at the invitation of the General Assembly, has begun the process of producing a Strategic Plan for the Church's work. This builds on work begun in 2011, when a Strategic Framework was presented to the Assembly and adopted as a starting point for planning and prioritising work. This identified thirteen strategic goals, but these have been so broad as to render prioritisation very difficult – almost everything that the Church currently does can be fitted into these headings. In seeking to prepare a strategic plan, the Council will therefore want to narrow down the task to a much more focussed set of priorities.

2.1.3 It is important to be clear about what strategic planning means in the context of the life of the Church. For organisations and businesses, Strategic Planning is the means by which bodies and organisations go about:

- setting priorities;
- focusing energy and resources;
- strengthening operations;
- ensuring 'buy-in' to common goals (from employees and stakeholders);
- forming agreement around anticipated outcomes/ results; and
- assessing and adjusting direction in response to change.

Above all, it brings discipline to decision-making and action and shaping and guiding the future of an organisation in terms of:

- what it is;
- who it serves;
- what it does;
- why it does it; and
- how it does it.

Strategic Planning seeks to articulate the direction of an organisation, the actions to be taken in relation to this and the criteria for judging success.

2.1.4 The Church of Jesus Christ is neither a business nor merely an organisation – it is the living, breathing community of God's people joined through the power of the Holy Spirit in worship and service of God made known through the life, death and resurrection of Jesus of Nazareth, the Christ. In order to function as that community, however, the Church has over centuries developed structures, imperfect and always reforming, by which it organises itself in mission. In this sense, the Church of Scotland like all churches and denominations, functions as an organisation and needs to plan, manage

and coordinate – but always under the guidance of the Holy Spirit.

2.1.5 On this model, strategic planning is not just another management technique, but a critical element of living out faith responsibly in community. The outcomes, while never the end in themselves, nevertheless form an important part of developing a common sense of purpose in mission and ministry. Under God, the Church will seek to identify what the key shared goals are which it should pursue for the next phase of its life. If the Church is successful in this, the Strategic Plan will be much more than an organisational tool or a management activity.

2.1.6 It is probably also important to indicate at least a couple of things that a Strategic Plan will *not* be at this point. Firstly, it will not be a straightjacket into which people are strapped. Rather it will offer a framework which, while giving boundaries, is flexible enough to take into account differing contexts, theologies and viewpoints. Secondly, it is not a top-down process, whereby an ‘elite’ group directs everyone else along particular lines. Rather it is created through a listening process in which people at all levels of Church life (and beyond) are invited to contribute from their thinking and experience. For this reason, the Council began its process of moving towards a Strategic Plan by holding a series of sixteen events entitled *On the Road* at venues all around the country.

2.2 On the Road

2.2.1 Between September and November 2016, the Council, together with the Ministries Council, the Mission and Discipleship Council and the Panel on Review and Reform and the support of a number of other bodies, engaged in a series of roadshow events aimed at listening to as wide a range as possible of God’s people who make up Church of Scotland congregations around the country. From London to Lerwick and from Stornoway to Duns almost 1,000 people turned out to share their thinking about the priorities which they feel should shape the direction of the Church of Scotland in the next phase of

our common life. *On the Road* took the form of a ‘World Café’, where people discussed in small groups and kept a running record of their conversations on paper tablecloths. This exercise enabled the Council to gather a huge amount of information, exactly as people wanted to record it. This material has been collated and analysed and a summary can be found on the Church website at: www.churchofscotland.org.uk/news_and_events/news/recent/grassroots_voices_heard_on_future_of_church.

2.2.2 The scene was set at each event by sharing the statistics which need to inform forward planning. These paint a picture of diminishing numbers of members, children, ministers and elders over a ten year period to 2015. The decline was expressed also as a percentage, with all categories showing a fall of around one-quarter or more.

	2005	2015	% Drop
Membership	520,940	363,597	30%
Children	78,535	54,579	30%
Ministers	1,032	786	24%
Elders	41,218	30,301	26%
76.5% of ministers are aged over 50 18.7% of ministers are aged between 40-50 4.8% of ministers are aged under 40			

2.2.3 It was important not to be overwhelmed by these figures, but rather to put the discussions into context and to understand the opportunity that these represent to rethink how we approach future mission and ministry. At the events, this was very much the approach taken by participants, most seeming galvanised into action rather than depressed. Many, indeed, noted the contribution which people already make to the work of the Church at the local level.

2.2.4 The process looked at two main questions: [a] How can we become the Church we hope to be? and [b] How can we meet our ongoing leadership needs and opportunities? The first of these questions was subdivided into three aspects of Church life – Congregational Life and Worship; Making Disciples; Engaging Communities. Participants were asked in relation to each of these to discuss [i] what things currently done at the local level should continue; [ii] what things should be stopped; and [iii] what things might be done differently. The second main question was also divided into three topics for discussion, following a short presentation. The topics were: the use of Elders; Ordained Local Ministry; and the potential of Hub-style ministries (an idea reported by the Ministries Council at the 2016 General Assembly).

2.2.5 Overall, participants noted the need for the Church to *widen* its scope in all aspects, allowing for both a *deepening* of our spiritual life and for greater *flexibility* in the way that we do things. In respect of *Worship*, participants sought greater diversification in style, in times when it takes place, in the people who are enabled to lead and in terms of learning from others outwith the Church of Scotland.

2.2.6 In relation to *Making Disciples*, there was a strong emphasis on the need to engage in prayer as a vital element in all that we do and to offer more space and time to engage together in study of the Bible, using small groups. This was often connected to the experience of sharing food together as a key to growing a sense of community.

2.2.7 On the theme of *Engaging Communities*, there was regular comment on the need to recognise and celebrate what thousands of people from our congregations are already doing in and for their local communities. The need to use modern communications effectively was also stressed, as was being intentional about being ‘salt and light’, going out into the community rather than waiting for people to come in to us. There was a recognition that engagement with the community around us is not

necessarily about looking for ‘results’, but rather about ‘presence’. At the same time we should be open about our identity as Christians and, as one respondent put it, ‘be wasteful in generous service’.

2.2.8 In relation to the role of the Eldership, there was a desire to broaden the scope for service and to recognise more fully the variety of gifts which Elders can bring to their engagement. There was a strong emphasis on the need for more effective and widespread investment in training our Elders to maximise their ability to serve. This included enabling those Elders who were so gifted to take a greater role in the conduct of worship (leading, preaching and in some circumstances being authorised to administer the sacraments).

2.2.9 Participants were asked directly about the role of Ordained Local Ministers (OLMs) and this stimulated a response indicating the need to recruit more OLMs and to put in place more accessible forms of training. Questions were raised about the potential for offering some remuneration for OLMs and about their use more in leadership roles as the number of full-time stipendiary ministers diminishes. Their value within teams (including Hubs) was also a significant theme. It is interesting to note the Report of the Panel on Review and Reform (section 5), which reaches similar conclusions with regard to OLM.

2.2.10 The idea of creating ministerial Hubs received a great deal of attention from a number of angles in the *On the Road* events. In the context of a brief report here, this is difficult quickly to sum up, but some key pointers were as follows:

- There was a fair degree of positive support for experimenting with Hubs, though they should not be viewed as a panacea, nor would they be suitable in all situations. Other options should also be explored, allowing for innovation.
- There needs to be real ‘buy-in’ from the congregations involved if Hubs are to work.

- There is no reason why the 'management' of a Hub needs to be undertaken by a minister: there are other people in our congregations who have both skill and experience in management.
- A strong plea was made for maximum flexibility in the creation and structure of Hubs: a one-size-fits-all approach would not be helpful, while taking the local context seriously could make this an idea whose time has come. Avoid being prescriptive and allow the right shape to emerge.
- Offering high quality training for all involved in Hubs (including ministers) would be a prerequisite for any successful experiment.

While there was recognition of the challenges posed by developing Hubs and an acknowledgement that some would not want to be part of one at all, a number of participants expressed a desire to be part of testing out their viability and vitality. These discussions also significantly informed the reflection of the Ministries Council on Hubs, as noted in section 2 of that Council's Report.

2.2.11 The Council is deeply grateful for the time, attention and engagement offered by such a large number of people all over the country as participants in the *On the Road* process. It was a privilege to meet and sense the desire at grass-roots level for change and renewal of the life of the people of God who make up our congregations in every parish. The thirst for wider, deeper and more varied spiritual experience was palpable, alongside a plea for the resources to make it possible through education, training and appropriate tools. In particular there was an emphasis in every *On the Road* event on the need for *prayer* in all that we do. The Council senses the time is right to issue a call to prayer across the Church and it will work together with other Councils to produce resources to support this in the coming year. All of this offers pointers to some of the priorities which will help shape an overall strategic plan.

2.3 Formulating a Plan

2.3.1 Any attempt to implement a Strategic Plan will only have a chance of success if there is genuine 'buy-in' from those to whom it applies. There is a perception that we have too often taken a 'top-down' approach, with Councils presenting a plan to the General Assembly, gaining agreement there in our 'upper court', then instructing Presbyteries and congregations to implement it. The Council has been keen from the outset to avoid this way of working and to seek a collaborative approach between the local church and the national functions (Councils and Committees), whose purpose it is to support the local.

2.3.2 The Council will, of course, need to consult with other Councils and Committees about their views on the strategic direction which the Church as a whole should adopt in mission and ministry. In the first instance, however, the Council wanted to conduct a process which began from the grass-roots: a process of listening carefully to the wisdom that the people of God in the congregations of the Church of Scotland have to impart. That is why *On the Road* formed the initial stage of the strategic planning exercise.

2.3.3 In June 2016 the Council re-formed its Strategy Group and began to gather material from previous iterations of the process alongside setting out to listen and gather new material. The Strategy Group also seeks to contribute to the process and has already mapped out at least an initial layer of direction, one which it believes fits well with what has emerged from the locally focussed process. The Group shared this with the Council at its autumn residential meeting in September 2016. This consisted of trying to articulate an overall 'Goal' for the Church, alongside three strategic objectives around which to group actions which may lead to the fulfilment of that Goal. The Council remained open through that process to hearing the outcomes of the *On the Road* process, confident that, with the guidance of God's Spirit, these things would coincide.

2.3.4 Given the Reformed theology of the Church of Scotland, whatever goals we seek to set must surely be rooted first and foremost in Scripture. To be of any use in terms of future planning, goals must be both genuinely achievable and measurable: we ought to be able to say *what* we are setting out to do, *how* we are going to do it, and *how we will know* that we have done it (or are doing it). The Council believes that there is no better place to begin than with Jesus' own teaching, building on roots deep in Israel's history and theology, captured in the simple phrase: LOVE GOD AND LOVE YOUR NEIGHBOUR (*Matt 22:37-40*).

2.3.5 LOVE GOD: The Shorter Catechism says that the primary purpose of every Christian is to 'glorify God and to enjoy him for ever'. It is in our relationship to God that we find meaning, purpose, significance and joy. As we worship and glorify God we discover our true identity as those made in the image of God.

2.3.6 LOVE YOUR NEIGHBOUR: As a Christian Church, we are called to obey Christ's command to go and make disciples. This involves evangelism, nurture and pastoral care. We are also called upon to share the love of Christ, even to our enemies, and to reach out to those in need. In a world where poverty, injustice, violence and human displacement are endemic, we must seek justice and demonstrate the Christian virtues of love, compassion and hospitality. Jesus goes on to tell us that the best way to love our neighbours is to do so as we love ourselves.

2.3.7 The Council proposes to construct a Strategic Plan for the Church around this central biblical theme. In line with the material which was discussed *On the Road*, the Council also proposes three strategic objectives around which to galvanise and prioritise action to achieve the overall goal. These are nurturing Congregational Life and Worship; Making Disciples; Engaging Community. As indicated above, these three fit easily within the overall goal of the double-commandment.

2.3.8 In moving this forward the Council is committed to listening further to the Church at grass-roots level as

the plan takes shape. At the time of writing, the exact form of this is yet to be mapped out and it will depend in part on the response of the General Assembly to the present Report.

2.3.9 This year's work forms but a small step on the road to setting out priorities for action, but it is an important one. It offers a focus to what we do which is rooted both in Scripture and in our tradition. Crucially, it demands to be lived in the *present* and to shape the *future*. Over the coming year, the Council will continue its work in relation to shaping the way ahead. In practical terms, this will mean the presentation to the 2018 General Assembly of a fully worked out Strategic Plan, consistent with the overall goal and with strategic priorities around which the Church can map out confidently the way it will deploy its resources in mission and ministry.

3. Ecumenical Relations Review

3.1 Introduction

3.1.1 The Council's Report to the General Assembly of 2016 advised that it had established 'a joint working group with the Committee on Ecumenical Relations to review its remit and to prepare a staffing plan in the light of the announced retirement of the long-serving Ecumenical Officer' (2016, p4/11, section 3.1.3). During the course of the past year the review group has given thorough consideration to the work of the Committee. Equally, the work of the group is to be understood as being set within the wider context of the review of the Strategic Framework and the core priorities of the Church and to be an integral part of it (2016, p4/9, section 2.5).

3.1.2 As part of the review process an extensive consultation was carried out with internal and external partners with a view to enabling a greater understanding of the range and scope of the work of the Committee and the Ecumenical Officer. The consultation generated a considerable response and better enabled the Council to appreciate the nature and significance of the work of the Committee and the multi-faceted nature of ecumenical engagement. Within the context of the consultation a

very clear plea against disinvesting in ecumenical work was made by ecumenical partners and the Council wishes to signal that this plea has been heard. The permanent replacement of the Ecumenical Officer is a tangible sign of intent, as is the commitment to establishing more effective patterns of internal and external engagement.

3.1.3 Within the consultation, a particularly significant aspect of the discussion related to the nature of the contribution of the Church of Scotland to ecumenism within Scotland. The relative size of the Church of Scotland, with respect to other ecumenical partners, was acknowledged as a significant factor in terms of perceptions regarding its contribution. These perceptions were, at times, both positive and negative. Several ecumenical partners spoke of the size and resources of the Church of Scotland as a 'gift' to the church in Scotland, but noted also that there was a need to avoid this being overwhelming to smaller denominations. A tendency was observed where the Church of Scotland often was the initiator of ideas or projects, inviting others to join in at a later stage. While valuing the opportunity to work in partnership, it was agreed that more effort might be made to include partners from the very outset. Some noted positively that the Church of Scotland was now much more effective in its media and digital presence, which meant a higher profile for the Church, but also indicated that it could appear as though there was only one denomination in Scotland. Equally, it was noted that where there were effective local expressions of ecumenism, the Church of Scotland was perceived as a confident local partner, albeit that there was a greater need for a more focussed support for the work of local ecumenism. In this respect the outcomes of the Ecumenical Audit, published in 2014, indicate around 300 areas where informal local ecumenical engagement is ongoing – work which is deserving of more support.

3.1.4 The membership of the Review Group comprised: Dr Sally Bonnar (Convener, Council of Assembly – Review Group Convener); Rev Alison McDonald (Convener, Ecumenical Relations Committee); Ms Anne Lamont

(Trustee, Council of Assembly); Dr Liam Fraser (Member, Ecumenical Relations Committee); Rev Dr Martin Scott (Secretary, Council of Assembly); Rev Dr John McPake (Interim Ecumenical Officer).

3.2 Remit of the Review

3.2.1 The agreed terms of the review (Appendix 1) invited the group to reflect upon the present ecumenical landscape, how it had changed since the Church's current Ecumenical Policy was approved in 2005 and upon the extent to which the current Remit of the Ecumenical Relations Committee adequately reflects the tasks requiring to be undertaken. The context in which the current Policy was created was the aftermath of the Scottish Churches Initiative for Union (SCIFU) proposals which came to the General Assembly in 2003 and which were not approved, thus creating something of an ecumenical vacuum.

3.2.2 Consequently, a new Ecumenical Policy was designed to give shape to the future work of the Committee and provide an ecumenical vision for the Church as a whole. While it has shaped the work of the Committee, it is uncertain whether it has allowed the Church as a whole to see ecumenism as integral to the life of the Church. Given this, and the changed shape of the ecumenical landscape (Appendix 2), the Council agreed that the Ecumenical Relations Committee should begin immediately a review of Ecumenical Policy, in order that the Church as a whole might better understand the nature of the present ecumenical landscape and the challenges and significant opportunities which the current context of the church in Scotland presents. The General Assembly is invited to affirm that action and to instruct the Committee to complete its review, in consultation with the Council, for presentation to the Assembly in 2018.

3.2.3 Any review of ecumenical policy must take account of the foundation of the Church's commitment to engagement with others, namely the words of Jesus himself, who prayed: *"I ask not only on behalf of these, but also on behalf of those who will believe in me through*

their word, that they may all be one. As you, Father, are in me and I am in you, may they also be in us, so that the world may believe that you have sent me." (John 17:20-21). Following on this teaching, in drawing up its Articles Declaratory a century ago, the Church of Scotland reiterated that working in harmony with others is an *obligation* (Article VII) rather than merely a desire. These are key pointers to the need for ongoing commitment to ecumenical engagement.

3.2.4 In the course of discussion it became evident that the current Remit of the Committee does not reflect the breadth of tasks undertaken on behalf of the Church. Thus, within the course of the review process, the terms of a Remit were developed which are believed to offer a more representative statement of the work of the Committee. The Remit presented for approval, whilst describing the work of the Committee at present, should not be viewed as a definitive or restrictive list. It provides a snapshot in time and is devised to provide the Committee and the Ecumenical Officer with the authority to carry out their work on behalf of the Church.

3.2.5 The Council recommends that the Remit (Appendix 3) be approved on the understanding that it may be further amended in the light of the outcome of the Policy review.

3.3 Review Outcomes

3.3.1 With respect to the identification of strengths and weaknesses and of any overlaps between the work of the Committee and that of other Councils and Committees of the Church, the Council noted that, although duplication was to be avoided, overlap was not necessarily a negative thing. Ecumenical work should pervade the whole Church and positive overlaps should be identified. To the extent that this is evident and offers the possibility of a creative synergy it signifies the value of collaborative working. The challenges of cross-Council and Committee working are no different for the Ecumenical Relations Committee than for any other body in the Church. Further, the Council has been unable to identify any genuine duplication of work

and affirms that the Committee has sought to work both collaboratively with other Councils and within the terms of the current Ecumenical Policy.

3.3.2 The Ecumenical Relations Committee recognised a weakness in the representational system which is currently integral to its way of working, whereby a member of the Committee is present on each Council and the Theological Forum. Although this system was thought in principle to be a good idea, it has not had the desired effect of enabling the Councils to act in a more intentionally ecumenical manner.

3.3.3 The Council proposes a change to the way in which the Ecumenical Relations Committee engages with the General Assembly's Councils and the Theological Forum. It is proposed that a member of the Committee will be 'attached' to a Council/Forum in a form of ecumenical accompaniment. This means that the member will take a special interest in the work of that body, providing encouragement, challenge and support. Rather than attending Council/Forum meetings as a *member* of that body, which is both a major additional time commitment and has proved less effective, the Committee member will:

- meet with the Secretary of the Council/Forum in early May each year to consider potential goals/projects/issues of ecumenical concern which the Council will be asked to consider as part of its work for the forthcoming year (including ongoing work). Each Council/Forum, at its first meeting following each General Assembly, will discuss and agree upon goals in the light of this;
- meet together with the Secretary of the Council/Forum in November as part of offering accompaniment in working towards the goals and agree any adjustment as may be necessary in the light of circumstances;
- meet, as appropriate, together with the Convener and Secretary at the point of the completion of each body's Report to the General Assembly to review the outcomes of the goals, to consider any further

support which might be offered by the Committee and to identify together any further action which it may be desirable to take;

- keep contact from time to time throughout the year to accompany, encourage and support the Secretary of the Council/Forum in enabling positive outcomes to the goals set;
- offer feedback to the Committee as appropriate throughout the year on the accompaniment process and progress towards achieving the goals set.

The Ecumenical Officer will be available to support and encourage the Committee members involved in engaging with the Councils/Forum. As always, the Officer is there to offer advice and support directly on ecumenism to Councils/Forum in their ongoing work.

3.3.4 Since this proposed change in the way in which Committee members engage with the Councils/Forum would mean that members are no longer required also to be *members* of the body to which they relate, the Council proposes a change to the membership of the bodies affected, as outlined in section 12 below.

3.3.5 With reference to the strengths of the Committee, the Council believes that it has represented the Church well with respect to its relationship with other churches and that the work of the Committee is to the credit of the Church as a whole. The contribution of the Committee, on behalf of the Church, to national and international ecumenical instruments has been considerable and highly valued. The contribution of the Committee to Faith and Order dialogue is likewise valued, being one of the most significant contributions of the Committee to the life of the Church, both in Scotland and beyond.

3.3.6 In reflecting on the overall contribution of the Committee to the life of the Church in Scotland, the Council was conscious of the need to be able to evidence its value. It is usually easier to evidence *quantity* (statistics) than to measure *quality*, but the Council was impressed by the responses which ecumenical partners gave in the

consultation process. These indicated without exception a wide appreciation for the quality of contribution which the Church of Scotland makes to the wider ecumenical life of the churches in Scotland. It will be important for the Committee to evaluate the quality of internal communication and action in relation to the proposed new system of engagement with Councils/Forum outlined above (section 3.3.3).

3.3.7 With respect to the identification of the staffing needed for the Committee to discharge its responsibilities effectively, the Council noted the considerable contribution to the life of the Church, national and international, albeit on a budget that might be considered minimal. The current staffing complement comprises two posts: the Ecumenical Officer and the Administrator. It was acknowledged that the range and volume of tasks being undertaken significantly impacted on the capacity to deliver. Further, it was acknowledged that the need for more intentional focussed support for the work of *local* ecumenism would potentially require a reassessment of staffing deployment. It was agreed that this would best take place in the light of the outcome of the review of Ecumenical Policy.

3.3.8 With respect to the location of the work of the Ecumenical Relations Committee within the Church management structures and the consideration of funding issues, the Council recognised that the influence of the Ecumenical Relations Committee would be enhanced by it being more intentionally embedded within these structures. The Council recommends that the Ecumenical Relations Committee continues to sit within the Department of the General Assembly, and that the Ecumenical Officer be managed through that Department. Continuing to place the Committee there would address and maximise the importance of its influence and allow for a redistribution of resource to enhance its work. Among the perceived advantages would be: a position of influence across *all* the Councils of the Church, rather than being embedded in and identified with one; a clear line management structure; a potential

for sharing administrative resources and; access to other skills and experience within the Department of the General Assembly. The Council recognised that this would best be achieved through a wider review of the Department of the General Assembly in terms of management and administrative structures and it has begun to undertake this.

3.3.9 The Council also recommends that the Ecumenical Relations Committee continues to report directly to the General Assembly. Future funding and staffing issues should be considered in the light of the outcome of the review of Ecumenical Policy and of any changes to the structure of the Department of the General Assembly.

4. Stewardship and Finance

4.1 Financial Position and Operating Results

4.1.1 The Council remains committed to financial sustainability for the Church at a national level and to an appropriate and equitable distribution of financial resources at both a national and local level. Following on from the Report of the Joint Working Group on Strategic Resource Allocation (2016, pp.4/3 – 4/10), the Council continues work on a Strategic Plan (cf. section 2 above), which along with more robust evaluation techniques will better inform resource allocation in years to come.

4.1.2 While the Council is mindful that Church may be taking a new shape, existing work, which is demand led, must still be resourced where at all possible, and in the case of Parish Ministries, is being prioritised by protecting its budget through ring-fencing it from 2017. The budget must also be able to accommodate projects which build the resilience of support services provided to the national and local church and ensure that risk is managed and mission opportunities taken. Meeting all of these needs within a budget where income is, at best, static overall is challenging and the Council acknowledges the efforts of Councils and Committees in meeting the challenge. With an assumption of no increase in congregational income and strong indications of increased inflation, Councils and Committees will have no flexibility to meet unexpected

contingencies or requests to carry out new work unless savings can be made within a short lead time. Given the high proportion of salary and stipend cost and issues of tenure, the cost reduction opportunities open to some other charities are not easily available to the Church. In the light of this, until such time as resource allocation is based on a more robust strategic plan, the Council has made strenuous efforts to convey the message that new work should only be undertaken if funding can be found within existing budgets. The Council, through its Finance Group, continues to monitor the financial performance of all Councils and has regular dialogue with Assembly-appointed members of Councils and Committees and with senior staff.

4.1.3 The financial operating results for 2016 reflect a number of financial tensions including wage pressure and the impact of inadequate public sector funding on the Social Care Council; wage increases across all other employing agencies; the response of the Church to the Refugee crisis; and the costs of ensuring good stewardship of all of our resources – people, assets and information. The results also demonstrate, once again, the financial risks inherent in the stretching and visionary programmes of work undertaken by the Church. The Finance Group has permitted, as in previous years, distribution of accumulated restricted funds to alleviate some of the budget pressure and has also, in limited cases, allowed the use of reserves to continue vital work. However, the Council recognises this as unsustainable beyond the short-term and can only therefore be a temporary measure until a revised Strategic Plan is approved by the General Assembly.

4.1.4 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 2016 budgets presented to the General

Assembly in 2015 were revised as is usual in December of that year, reflecting more current information, and the indicative and revised budgets, together with operating results, are outlined in the table below.

Council	Indicative Budget (Deficit) £000's	Revised Budget (Deficit) £000's	Actual Surplus/ (Deficit) £000's	Variance £000's
Ministries	(1,448)	(1,448)	(1,935)	(487)
Mission & Discipleship	- **	(32)	(50)	(18)
World Mission	-	-	(173)	(173)
Social Care	-	(1,438)	(1,170)	268
Church & Society	-	-	21	21
Support & Services	(230)	(193)	(126)	67
Total	(1,678)	(3,111)	(3,433)	(322)

*** Where no figure appears it indicates a balanced budget*

4.1.5 Support and Services include the General Assembly and Moderator, Ecumenical Relations and Safeguarding, as well as service departments. These figures are unaudited and do not include any gains or losses on investments or property, property impairments, changes to the funding position of the pension schemes or the results of subsidiary companies which are difficult to plan for, with actual outcomes determined by factors outwith the Church.

4.1.6 A full analysis of the results for 2016 is contained in the Annual Report and Accounts of the Unincorporated Councils and Committees. However, the main factors

causing the movements in the budgets and actual results have been in relation to CrossReach and Ministries Council. Although CrossReach appears to show a favourable variance, this was caused by exceptional costs relating to restructuring of CrossReach's Residential Care and Education service, originally budgeted for 2015, being delayed due to external circumstances. The 2016 budget was revised to reflect this, but the plans were once again unable to be implemented in 2016, resulting in a budget underspend for the year on exceptional costs. This was, however, offset by an operating loss of £2.9million on some continuing services, principally to older people, which was £593,000 worse than budgeted. CrossReach has been rigorously reviewing the service units in question and taking the necessary remedial action. Issues include levels of local authority funding and problems in recruiting staff with the consequent need to utilise agency staff.

4.1.7 Ministries Council's budget estimates are reliant upon estimates of posts, which will vary particularly according to the number of ministers retiring in any year. Past patterns are not necessarily being replicated due to new pension freedoms and ministers wishing to continue working. The budget overspend was therefore mainly as a result of higher than expected numbers of Parish Ministers.

4.1.8 There were other compensating over and underspends on work programmes and third party trusts. The variance on Support and Service departments was due to the Panel on Review and Reform making the decision to carry out its work in a different form in 2016 and delays in whole Church infrastructure projects.

4.1.9 The Mission and Renewal Fund continues to support the work of the Councils and Committees from annual legacy and investment income, but also from its limited accumulated reserves. The sale of a property and a substantial legacy in 2016 were a welcome boost to the fund, which has been diminishing over recent years.

4.1.10 The indicative 2017 budgets presented to the General Assembly in 2016 were revised and approved by

the Council later in the year and are outlined in the table below.

Council	Indicative Budget (Deficit) £000's	Revised Budget (Deficit) £000's
Ministries	(1,002)	(1,498)
Mission & Discipleship	(38)	(86)
World Mission	-	(166)
Social Care	-	(2,475)
Church & Society	(27)	(156)
Support & Services	(98)	(305)
Total	(1,165)	(4,686)

In the case of the Ministries Council, the revised budget is due to re-forecasting ministry post numbers, and the newly ring-fenced element of the budget, £1.24 million, will be met initially from Ministries Council reserves in 2017 with the budget being adjusted in the following year.

4.1.11 Mission and Discipleship and World Mission plan to use restricted funds to continue with programmes of work; Church and Society will be drawing on reserves for the same reason, although their budget also includes £56,000 costs of the Refugee Project which are being met from a designated fund to which other Councils have contributed. The Social Care Council faces a challenging year financially, with the main reason for the deficit budget being the delay in the Residential Care and Education service restructuring and associated exceptional costs amounting to £1.27 million. The deficit currently includes c£1million of pension deficit repair contributions. At the time of writing the level of continuing contributions was still under discussion with the Pension Trustees, but the

Council of Assembly has agreed to provide CrossReach with some financial assistance to make these payments.

4.1.12 Notwithstanding all of the above, the Council is concerned that deficit budgets of this magnitude are being presented and wishes to continue work with Councils and Committees to bring these into balance from 2018.

4.1.13 In addition, capital expenditure of c£400,000 is budgeted for 2017 by the Ministries Council on a New Charge Development site and by World Mission (c£800,000) on refurbishment of the church at Tiberias, the latter from restricted funds.

4.2 Ministries and Mission Contributions

4.2.1 Congregations play a vital part 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 means. 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 the strong support the weak, and the redistribution of contributions enables us still to sustain a territorial ministry throughout Scotland, an objective most recently re-affirmed by the General Assembly in 2010.

4.2.2 The Council is well aware of the pressures on the finances of local congregations. In 2015 aggregate offerings decreased by 0.5% and early indications are that there has been a further decrease in 2016, although some other categories of congregational income may have increased. The Council recommended to the 2016 General Assembly that aggregate Ministries and Mission Contributions for 2017 should remain at the same level as in 2016 (£46.05 million). This was to enable the Council to maintain the Presbytery discretionary allowance at 5% to ensure that more money would be retained for the vital work of local mission. The Council is pleased to note that a 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, to the benefit of many congregations within those Presbyteries. The Council urges all Presbyteries to be both imaginative and innovative in the use of the allowance which is a valuable resource available to Presbyteries and congregations. During 2017 the Council will begin to evaluate the implementation of the revised Regulations to inform consideration of future resource allocations.

4.2.3 The Council gives thanks for the faithful commitment of Church members and adherents in maintaining levels of giving. By 31 December 2016 congregations had remitted £43.7 million in Ministries and Mission Contributions for 2016. This was 98.7% of the total required. Late payments for 2015 made during 2016 amounted to £339,000. The Council wishes to record its sincere thanks to all congregations which made their 2016 Ministries and Mission Contributions monthly by standing order and to all congregations which met their contributions in full by 31 December 2016.

4.2.4 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 meet their obligation towards maintaining 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.

4.2.5 Comparative returns for recent years are as follows:

Year	Total to be Contributed £000's	Total received by 31 December £000's	%
2012	45,666	44,946	98.4
2013	45,491	44,421	97.6
2014	44,802	43,755	97.7
2015	44,423	43,400	97.7
2016	44,264	43,700	98.7

4.2.6 Last year the report highlighted unpaid travel expense debts as a concern. As Parish Ministers and Congregational Treasurers will know, travel expenses for ministers are paid in the first instance by the Ministries Council, and congregations, whose responsibility it is to meet these expenses, are then required to reimburse the Council. The vast majority of congregations make these payments in full and timeously. While the overall picture improved marginally over the past year both the Ministries Council and the Council of Assembly are concerned that two congregations with particularly large unpaid travel debts (over £25,000) as at January 2016 who also had unpaid Ministries and Mission Contributions, had still not paid these at 31 January 2017. Thirteen other congregations had debts outstanding for over 90 days of a value exceeding £1,000, a slight improvement over the previous year. The Governance Group of the Council of Assembly is working closely with Ministries Council to try to remedy this situation. The Council again seeks the assistance of Presbyteries whose role in this is key.

4.2.7 As is customary, due to the timing of printing deadlines, the proposed total Ministries and Mission

Contributions and indicative budget proposals for 2018 will be presented in a Supplementary Report.

4.3 National Stewardship Programme

4.3.1 It is pleasing to note not only the significant proportion of congregations which continue to utilise the services of Stewardship Consultants in support of implementation of the National Stewardship Programme, but also the favourable feedback from those congregations on the benefits received from the service. While it is also recognised that, with the approval of Presbytery, congregations have the option of engaging in their own structured programme, the Council is concerned that there remains a number of congregations who have failed to have any meaningful engagement with Stewardship and the opportunity it presents to enliven both local and national mission.

4.3.2 The Council has decided to take advantage of the current vacancy in the Head of Stewardship position to review the methods adopted by the Church in encouraging Stewardship and to try better to understand the needs of congregations. A small group is currently undertaking this review and the Council will report in more detail to the General Assembly of 2018. In the meantime the Council wishes to underline the importance of Stewardship for congregations and urges all congregations to consider programmes on time, talents and money on a regular basis. The failure of some congregations to tackle stewardship inevitably places a greater burden on those who do. The Council strongly encourages Presbyteries to use their power of superintendence to ensure that congregations comply with the General Assembly instruction to engage in an ongoing programme of Stewardship.

4.3.3 GRANTfinder is a web-based support offered by Stewardship Consultants to congregations considering a capital fundraising project. Consultants are able to carry out an extensive search of potential donors, trusts and grant-awarding 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.

4.3.4 The Gift Aid Small Donations Scheme (GASDS) has been available to all congregations since 6 April 2013. Churches are able to claim payment of an amount equivalent to gift aid for cash donations of £20 or less (subject to an overall limit per charity) without the need for the donor to complete any paperwork (such as the Gift Aid declaration). The claim is made alongside the usual Gift Aid repayment claim. The maximum annual donation amount on which a claim can be made through the GASDS increased from £5,000 to £8,000 from 6 April 2016. This means that congregations are able to claim Gift Aid style top-up payments of up to £2,000 a year. While it is clear that the vast majority of congregations are taking advantage of this scheme the Council reminds all congregations of the availability of this source of additional income.

4.4 Investments and Reserves

4.4.1 The financial markets were subjected to a number of shocks during the year with the Brexit vote, followed by the US elections. The Investors Trust acted quickly to issue commentaries after each of these events in order to reassure investors and the Council did not make any reactive changes to its holdings in the wake of these events. The Growth Fund, the fund in which Councils and Committees are mostly invested, is largely invested in defensive stocks such as healthcare, which withstood the market nerves, and the weakening of sterling led to increased earnings where these were denoted in foreign currency. Investments performed less well in the final quarter after the US elections because the markets saw more potential in other stocks such as oil and gas in anticipation of new policies. The Income Fund also performed very well during the year.

4.4.2 The value of the investments held in reserves by Councils increased significantly at the year-end date with

the Growth Fund unit price increasing by 9.5% and the Income Fund by 4.3%. The Council is pleased to note that the distribution level from both funds has now been maintained at the same level for four consecutive years 2013-2016.

4.4.3 Councils and some committees collectively hold significant reserves and, in an era of increasing financial constraints, this has undoubtedly been of benefit in enabling the maintenance of the Church's work in the short term. The Council continues to monitor the reserves held by individual Councils and during 2016 asked those Councils to undertake a detailed review of the purpose, use and availability of those reserves. This is in order to ensure that these are maintained at appropriate levels in relation to the volatility of the sources of income available, and the types and patterns of expenditure necessary to carry out Councils' remits. A priority is given to the use of funds held for restricted purposes.

4.5 Legacies

4.5.1 Some of the funding for the work of Councils, Committees and Agencies of the General Assembly comes from gifts in the wills of members and supporters of the Church. In 2016 these gifts amounted to £3.8 million (2015 - £2.17 million). These legacies, in addition to the estimated £5-6m in legacies bequeathed for the work of individual congregations, are a vital part of the funding of the work of the Church and are very much appreciated.

4.6 Pensions

4.6.1 The triennial valuation of the Church's Defined Benefit Pension Schemes as at 31 December 2015 took place during 2016. New contribution schedules were agreed for the Scheme for Ministries Development Staff (MDS) and the Scheme for Central Services Committee staff. The Ministries Council and Pension Trustees agreed that additional contributions to the Scheme for Ministers and Overseas Missionaries could cease from October 2016 due to the Scheme being in surplus at the valuation date. At the time of writing, discussions were still taking place

with the Pension Trustees in respect of the CrossReach Scheme.

4.6.2 A Pensions Working Group was re-established during 2016 to bring together the employer bodies and the Pension Trustees to work on longer term strategy for all of the Church's closed defined benefit schemes. The Defined Contribution Governance Group continues to meet with the remit of ensuring the Church's defined contribution pension arrangements are run in an efficient and transparent manner.

5. Working with Refugees

5.1 The General Assembly of 2016 received a report on the establishment of a new project to support the work undertaken by Churches and other faiths in connection with refugees. It instructed the Council of Assembly to work with other Councils and Committees to develop a co-ordinated response by the Church of Scotland to the issues affecting refugees and asylum seekers.

5.2 The project is led by the Church of Scotland and is a partnership between Scotland's main Christian, Muslim, Jewish and Interfaith organisations; it operates as Scottish Faiths Action for Refugees. Its aims are to:

- Advise members of faith communities in Scotland on practical, societal and ethical issues relating to refugees and asylum seekers
- Support and encourage faith-based humanitarian and advocacy efforts to promote the welfare of refugees and asylum seekers, and propose and co-ordinate joint initiatives
- Challenge rhetoric in politics and the media which demeans refugees and asylum seekers or which seeks to exploit their vulnerability
- Develop projects to assist with refugee and asylum seeker integration in Scotland
- Encourage deeper interfaith working amongst Scotland's faith communities and stronger ecumenical relations amongst churches in Scotland

- Develop a longer term strategy to support the engagement of Scottish faith communities with asylum seekers and refugees over the next generation.

Further information is available from the website (www.sfar.org.uk), or from the project co-ordinator, David Bradwell dbradwell@churchofscotland.org.uk.

5.3 At its June 2016 meeting, the Council agreed to continue the project for a further period up to May 2020. This coincides with the end period of the UK Government's Syrian resettlement programme, whereby vulnerable refugees are offered new homes in the UK. The Council agreed that the core costs of the project, including the employment of a full-time post of Refugee Co-ordinator, should continue to be met from Church of Scotland funds, with various Councils and Committees contributing a share of the costs. The extension of the project has also led to fruitful discussions with the other partner organisations regarding sharing in the support for the work, either financially or in-kind as they are able. This is helping to make the delivery of outcomes a genuine partnership.

5.4 In December 2016, the Council confirmed its earlier proposal that the Church of Scotland should seek to become a member of the Churches Commission for Migrants in Europe (www.ccme.be). The Church of Scotland has a long and constructive relationship with CCME, a body which seeks to address a range of European-wide issues affecting migration, asylum and racism, from both policy as well as faith and order perspectives. With the Middle Eastern and Mediterranean refugee emergencies showing no sign of becoming less urgent, and the uncertainty following the EU referendum decision for migrants in Scotland, and for UK citizens living in other parts of the EU, the Council of Assembly agreed that formalising our status with CCME was appropriate. The Church of Scotland's application has been warmly received, and it is anticipated that membership will be

granted at the upcoming CCME Assembly in Prague, 21-25 June 2017.

5.5 The scope of the project crosses the remit of several of the Church's national Councils and Committees. For practical reasons it is hosted by the Church and Society Council. An update of the work undertaken by the project can be found in Section 7 of the Report of the Church and Society Council.

6. Gaelic in the Church

6.1 The Council has established a working group under the leadership of the Very Rev Dr Angus Morrison to help promote and develop the use of the Gaelic language in the Church of Scotland. The membership includes the Principals of both the Highland Theological College and Sabhal Mor Ostaig (the Gaelic College in Skye), along with a serving Gaelic-speaking minister and an Elder who is a native speaker. Two meetings had been held prior to the writing of this report and a third is planned for early March. This is timed to coincide with a reception and lecture to be hosted in the Scottish Parliament.

6.2 The Gaelic Group is in the early stages of its work on the development of a Gaelic Language Plan for the Church. A member of staff from Bord na Gaidhlig met with the Group in Inverness in November and was helpful in explaining the kind of assistance which might be available in undertaking such a task. The presence of experienced members of staff from Sabhal Mor Ostaig is also proving helpful in this respect, as this is a task with which they are already familiar.

6.3 A number of suggestions have been put forward for activities which might help enliven the use of Gaelic in the Church. There is recognition that the numbers available to lead worship and preach in Gaelic are now very small and there is a sense of urgency in addressing the situation. One way of approaching this going forward is for the Gaelic Group to bring together Ministers, Elders, Readers and students who have some Gaelic language skills in the Church of Scotland. To that end, a list of those who have

facility in Gaelic is being drawn up and it is hoped to bring as many as possible together in the near future.

6.4 The Council recognises the need for this work to be undertaken ecumenically, given that other denominations are facing the same questions with regard to Gaelic provision. The Scottish Episcopal Church has developed work with Sabhal Mor Ostaig to enable priests who want support with the language to find it through a summer school. The Council sees this as a potential model to give further confidence to those who would value such an approach.

6.5 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.

7. Charitable Governance

7.1 Risk Management

7.1.1 Risk management is an essential component of governance in the effective running of modern charities, of which the Church of Scotland is one of the largest in the country. It consists primarily of identifying the major risks to the governance of the charity and putting in place measures to mitigate those risks. The task of identifying and dealing with risk helps an organisation to think through the challenges it faces and prepares it to handle them if they become a reality.

7.1.2 In the course of 2015 and early 2016, the Council embarked on a full-scale review of risk management processes to ensure that they were delivering a capable, efficient and cost-effective management of risk. With the assistance of an external consultant, staff completed a full gap analysis, drafted a new risk management policy, completed a risk matrix, reviewed the governance and risk management structures and delivered risk management workshops to key decision-makers. These were scrutinised and adopted by the Council and a Risk and Resilience Group established to coordinate an effective and consistent approach to ongoing risk management

7.1.3 The Council continues to review, amend and finalise the central risk register, deliver further training and implement a process of risk mitigation. Through these measures, the Council seeks fully to embed a thorough process of risk management into the day-to-day working of the national administrative function. The Council of Assembly, Audit Committee and Risk and Resilience Group will together oversee the management of risk, ensuring the process is both effective and efficient.

7.2 Business Continuity

7.2.1 Business continuity (and its concomitant, disaster recovery) is a process whereby an organisation plans to cope with a major disruption of its business. For the Church's national offices, this would include any event which might lead to staff having to evacuate the buildings for an extended period of time (structural failure; fire; flood; terrorism; etc). Whilst it is something which the Church would hope never to have to use, it is nevertheless vital to have a Business Continuity Plan in place, as highlighted in recent internal audit reports.

7.2.2 Working together with an external consultant, staff have completed a review of business continuity needs and the arrangements required to meet these. This has resulted in the creation of a detailed business continuity plan for the Unincorporated Councils and Committees. A Recovery Team, comprising key staff members in a variety of identified roles, has been identified and trained to respond in the event of an incident and a recovery location has been established. Testing and training has been undertaken and will continue to be refreshed on an annual basis.

7.3 Audit and Compliance

7.3.1 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, currently Deloitte. 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 and to help monitor and report on compliance with all statutory regulatory requirements relating to the work of the Church.

7.3.2 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 meeting these requirements. The Council's Supplementary Report will include a formal report on audit.

7.4 Data Protection

7.4.1 Last year, the Council reported that on four occasions in the preceding year formal notification of a breach of the Data Protection Act (the Act) had required to be made to the Information Commissioner's Office (ICO) relating to the management and storage of data within the Church. This year, the Council is pleased to be able to report that the Solicitor of the Church, in her capacity as Data Protection Controller for the Unincorporated Councils and Committees and on behalf of Presbyteries, had no occasion to notify the ICO of any breaches of the Act.

7.4.2 The Council appreciates all of the efforts being made within congregations, Presbyteries, Councils and Committees to ensure compliance with the Act. This is an ongoing challenge and is not made easier by the fact that the law on data protection is changing. A new EU General Data Protection Regulation (GDPR) is due to come into force on 25 May 2018. Whatever happens with Brexit, all the indications are that the GDPR will apply to the UK. This would ensure international consistency around data protection laws and rights and enable organisations to continue to operate across borders in the ever growing

digital economy. Much of the current approach to data protection will remain the same although there will be some notable changes. There is also potential for the imposition of much larger fines (up to €20m for serious breaches).

7.4.3 To prepare for the implementation of the GDPR and develop strategies to achieve compliance throughout the Church, the Council has established a Data Protection Working Group. The tasks of this Group include the development of policies and procedures to ensure compliance with the GDPR and working with national Councils and Committees, congregations and Presbyteries to promote information management best practice. The Group will work closely with the Ministries Council to frame and deliver tailored data protection and information management training for those actively involved in Parish Ministry. The Council will report to the 2018 General Assembly on the result of the Group's work and will bring recommendations as to the steps which require to be taken to ensure ongoing compliance with the law in this area.

7.4.4 In the meantime the Council reminds congregations and Presbyteries that the Solicitor and her staff have prepared resources offering guidance on the Data Protection Act for congregational office bearers. These include a webinar, a draft data protection policy, a set of FAQs, a risk assessment form and general information storage advice. All of this is available on the Church website. They have also throughout the year delivered training and explored practical issues with office bearers, and welcome approaches from congregations or Presbyteries interested in arranging local training in their area.

7.5 Charity Legislation and Attestation of Accounts

7.5.1 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. The latter 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.

7.5.2 Attestation of Presbytery Accounts: 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 2015 accounts of 44 Presbyteries.

7.5.3 Presbytery Attestation of Congregational Accounts: 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 41 Presbyteries on the inspection of Congregational Accounts for 2015, 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 2015 Accounts from the Presbyteries of Lothian, Argyll, Uist and Orkney.

7.5.4 As referred to in the Council's report to the General Assembly of 2016, the accounts of congregations for the year ended 31 December 2015 were the first to have to comply with the updated Statement of Recommended Practice for charities (the SORP). The Stewardship and Finance Department issued guidance to congregations on the required changes to accounts and the feedback received from treasurers was positive. However, it has been clear that a number of congregations, whose income is below the threshold for accrued accounts, have taken the decision to change the format of accounts to the simpler form of Receipts and Payments Accounts rather than continue to prepare accounts in accordance with the SORP.

7.6 Central Services Committee

7.6.1 The Central Services Committee (CSC) was until the General Assembly of 2016 a self-standing committee of the Assembly. At that point, the decision was taken that it should be absorbed into the committee structure of the Council of Assembly, which would then exercise a governance role in relation to the ongoing work of the CSC. Over the past year, the Council has engaged in a revision of the constitution of the CSC, which has included revamping the membership and the remit.

7.6.2 Up until now, the Council has, where appropriate, considered staffing matters through a Staffing Group. This is now being fully integrated into the CSC. Posts can only be filled, or new ones created, if the Council, through the CSC, agrees that a strong business case has been made for the development of new or ongoing work which relates

to the Church's overall vision and strategic objectives and that money is available from existing budgets. The Council believes this will enable it to achieve the goal of a clear workforce plan, ultimately leading to efficiencies in the way that the national structures of the Church operate.

7.7 Presbyteries

7.7.1 The General Assembly of 2016 instructed the Council to work together with the Principal Clerk's office to facilitate greater cooperation between Presbyteries, including the sharing of resources and, where appropriate, joint working. Since the Department of the General Assembly does not have sufficient staffing resource internally to give the time necessary to building up the kinds of relationships necessary to undertaking such a task, it was decided to seek help in doing this work from others with appropriate experience and expertise.

7.7.2 Having had contact from both of the Northern Isles Presbyteries (Orkney and Shetland) about quite different issues of vulnerability, conversations were held with each about potential means of support. In the case of Shetland, the Ministries Council has continued under the Shetland Regulations to offer support and advice given the imminent retirement of a number of Ministers. A pattern of support based on the work of that Council's Interim and Transition Ministry Team is seeking to address the issues facing the Presbytery. In relation to the Presbytery of Orkney, the Very Rev Dr David Lunan agreed to undertake work as a temporary Clerk to the Presbytery. In particular, this has sought to deal with a significant number of vacancies and to put in place more robust structures for ongoing Presbytery life. The Council is grateful to Dr Lunan for the work undertaken, which has reached a point where the Clerkship is now reverting to local parties. Although some conversations were undertaken through the Principal Clerk with neighbouring Presbyteries about a form of joint work with Shetland and Orkney, this has not progressed further for the moment.

7.7.3 The Council has also been working together with the Legal Questions Committee on developing the

potential for some form of Presbytery Review structure, based along the lines already adopted across the Church in the Local Church Review process. More on this can be found in the report of the Legal Questions Committee and the Council anticipates working further on this in the coming year. An opportunity to pilot the first draft of a Presbytery Review exercise arose when the Council, working jointly with the Principal Clerk's office, was able to work together with the Presbytery of Annandale and Eskdale on resolving some governance issues. At the time of writing, a small team had begun working with that Presbytery on using the draft Review process and it is hoped this will contribute both to resolving the issues within Presbytery and to developing the Presbytery Review process for the use of others. It may also enable the Presbytery to think about how it might strengthen its relationship with its neighbours.

7.8 Membership of the Council of Assembly

7.8.1 The Council reports that Dr J Kenneth Macal dowie, a member of the General Trustees, and the Rev George Cowie, Convener of the Legal Questions Committee, serve on the Governance Group as co-opted members. The Rev Donald Campbell is a co-opted member of the Finance Group.

7.8.2 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 Angus Morrison for his contribution to its work, including convening the new Gaelic Group.

8. Operational Matters

8.1 Benchmarking of Salary Structures

8.1.1 Following a motion from the floor of the General Assembly 2016, the Council was instructed to review its salary policy with regard to senior posts within the Central Services Committee (CSC). It was asked in particular to consider setting a cap on salaries within the Church Offices, with the implication that salaries might be inappropriately high.

8.1.2 The Council is conscious that this recurring question has often been predicated on a comparison between ministerial stipend and salaries paid to staff, including a small number of ministers who hold posts in the national structures. It is especially difficult to make comparisons between stipend and salary in the Church. Stipends in the Church of Scotland are among the highest in the UK and it has been the experience of those who have made the move from a Parish Ministry to take up a post in the CSC structure that they are no better off financially unless the post is graded at Grade 8 (£47,464 – £51,245) or above.

8.1.3 In order to offer a degree of objectivity to this task, the Council engaged an external consultant, Ashworth Black, to conduct a benchmarking study of salaries in other comparable organisations. This study gave particular attention to salaries within the charitable sector, using the Croner Charity Rewards Survey. It also gathered information from other denominations which were willing to share material. Around 150 jobs were benchmarked. The key dimensions of each post such as job content, staff numbers and the number of managed units were used to ensure that comparisons were as accurate and closely matched as possible.

8.1.4 Salary benchmarking data is normally presented as a lower quartile (*the point at which 25% of salaries are lower and 75% are higher*), median (*the point at which 50% of salaries are higher and 50% are lower*) and upper quartile (*the point at which 25% of salaries are higher and 75% are lower*). The CSC scales use an eleven grade structure, though only grades 2–11 are currently in use. The benchmarking showed that none of these grades is either above the higher quartile or below the lower quartile. In other words, they fit squarely in the median range, being appropriate when compared to similar organisations. The Council concluded on the basis of this independent survey that there is no reason to consider any kind of capping mechanism for salaries, which accurately reflect the jobs market in the charitable sector.

8.1.5 The focus of the motion at the General Assembly was on *senior* posts, so the Council also sought to examine another of the key pointers to fair treatment in pay policy, namely pay ratios. These are important in considering best practice in the setting of pay scales as they show the relationship between the highest and lowest paid employees in an organisation. Leaving aside comparison with the private sector, where the differential between a CEO's remuneration and that of the lowest paid worker may be huge, Local Authority (public sector) ratios average 1:15 (highest is 15 times the lowest) and charities with an income of over £50M, of which the Church of Scotland is one, average 1:10 (highest is 10 times the lowest). Taking the charitable sector as a whole in the UK the average ratio is 1:8 (highest is 8 times the lowest).

8.1.6 The Council was encouraged in examining senior pay scales to note that its current pay ratio within the CSC scales is one of less than 1:4 (in precise terms the highest earns 3.87 times the lowest). This is exemplary even in the charitable sector and the Council believes it is another indicator of the appropriateness of its current salary structure and points to considerable restraint in respect of senior staff pay in particular. There are therefore no plans to alter the existing pay structure.

8.1.7 The Council is grateful to the General Assembly for causing it to examine these matters, to establish the facts and place them on record. With this knowledge, the Council intends now to work further on developing its formal remuneration policy for all staff. The scope of the policy would include pay and other benefits.

8.2 Developing our Values

8.2.1 In 2016, the Senior Management Team in the national offices initiated a project to identify and develop a set of Organisational Values. Staff members were asked to think about and share the values which underpin their common task of serving the local congregations which make up the Church of Scotland. From the initial exercise of sharing words or short phrases, a number of value statements were developed. Recognising that these were

a starting point, work has continued on honing them into single words.

8.2.2 Further work is also being done on how to live out these values in the daily life and work of the national administration of the Church. Around 180 staff attended a workshop in late January at which groups worked together to identify ways in which each individually and in partnership with one another might contribute to developing a common working ethos based around the shared values. Ways are being explored to give this visual impact and in doing so also to acknowledge the importance of Christian faith to many of the staff who serve the Church nationally.

8.2.3 In developing work around shared values, the Council hopes in time to enable a wider discussion reaching beyond the national offices to the relationship with and within Presbyteries and local structures of the Church as a whole.

8.3 IT Security

8.3.1 A number of risks surrounding the IT infrastructure systems in the national offices have been identified through the risk management and business continuity projects. At the time of writing, arrangements were being put in place for a scoping of the work needing to be undertaken, including costings and priorities of work to be done. This will allow the Council to identify the required next steps to enable continuity with a secure and effective IT system. A further report on progress will be brought to the General Assembly in 2018.

8.4 Communications

8.4.1 In 2016, the Communications Department delivered a record number of positive stories about the Church in print, online and broadcast media, and saw significant growth in social media engagement, principally on Facebook. Within Communications, the Media team has worked hard to ensure the Church receives fair and balanced coverage, primarily by consolidating relationships within the organisation to help identify good

news stories with strong visual elements to pitch to the media.

8.4.2 Working with Ministries Council, the team delivered high impact campaigns for *Tomorrow's Calling* and Advent which have succeeded in reaching a younger audience. The Design team has introduced automated processes which are more efficient and will reduce costs, allowing them to work on higher level branding and campaigns. These include working on the organisational values project and helping to develop materials for the *Word of Life* theme, commissioned by the Assembly Arrangements Committee for the Heart and Soul event.

8.4.3 The Web team has upgraded the Church website to make it mobile friendly and launched two new websites for Scottish Faiths Action for Refugees and the Scottish Churches Parliamentary Office. The team has been working across Departments and Councils to enable content improvements throughout the site which will be implemented in the year ahead.

8.4.4 The Head of Communications, Seonag Mackinnon, left the Church in January 2017 to take up a senior post at Glasgow Caledonian University. In her three years as Head of Communications, Mrs Mackinnon oversaw a significant transformation of the Communications Department's professional reputation and rebuilt the relationship between the Church and the media. This has had a positive effect on the Church's public image and on the morale of those who serve within the Church and its agencies. The Council and the Church wish Mrs Mackinnon well and thank her for her achievements and legacy in the form of a dedicated Communications team which is a significant asset to the Church.

8.5 Senior Management Team

8.5.1 The Senior Management Team exists to manage the staff of the Central Services Committee and CrossReach, to support the co-ordinating and decision-making work of the Council of Assembly and to ensure the efficient implementation of the decisions of the Council

and the General Assembly. Its members have individual duties towards their own Councils and Committees.

8.5.2 Corporately, the main duties of SMT are:

- to serve the Church by providing high-quality team leadership and vision;
- to advise the Council of Assembly on the formation of an overall Strategic Plan for the effective delivery of the work of the Agencies and to support the charity trustees to discharge their statutory obligations;
- to oversee the implementation of the agreed Strategic Plan through establishing Annual Operating Plans and to facilitate the work of the Council in monitoring overall performance against the plans;
- to inform meetings of the Council of Assembly by the collective preparation of agenda items and papers for meetings of the Council;
- to co-ordinate cross departmental planning to respond to external developments affecting more than one Council/Committee (eg legislative changes);
- to provide input into the annual budgeting process and to assist the Council in the high-level monitoring of delivery against budget;
- to work together to identify and promote good value in the resourcing of congregations, sharing resources wherever possible;
- to set up a risk register on behalf of the Council of Assembly, to assist the Council to ensure that key risks are being appropriately managed to ensure that robust business continuity plans are in place for all areas of work;
- to approve all corporate policies and procedures that do not require General Assembly, Council or Committee approval;
- to discuss non-policy matters affecting the delivery of corporate services (Communications, Facilities, Finance, Human Resources, Information Technology, Law and Central Property Management);

- to co-ordinate the preparation of General Assembly reports, particularly those with deliverances which affect more than one Council or Committee;
- to share information, plans and ideas as appropriate, to aid communication and efficiency and to assist in the communication of staff management issues to ensure cross departmental consistency; and
- to provide support and encouragement to the other members of the team to make decisions within the agreed scheme of delegations, both statutory and operational.

8.5.3 In the course of the year, in addition to its regular agenda items, the SMT undertook the following tasks:

- shared problems and offered cross-Council assistance as appropriate;
- reviewed the Scheme of Delegation;
- reviewed departmental budget performance;
- supported the running of the *On the Road* events;
- reviewed and updated policies including volunteering, equal opportunities and secondments;
- received presentations and updates on various corporate projects;
- developed a training programme for the learning and development of staff; and
- organised an all-staff consultation on shared values as a staff group in the Church offices.

8.5.4 The Council continues to appreciate the work of the Senior Management Team and benefits from the formal and coordinated approach to the management of the work of the staff in the Church Offices and Charis House. The existence of a clear senior management structure ensures that the decisions of the Assembly, and of its Councils and Committees, can be implemented effectively in partnership with the local church.

9. Staffing

9.1 Appointment of Principal Clerk

9.1.1 Following the announcement by the Very Rev Dr John Chalmers of his intention to retire from the post of Principal Clerk to the General Assembly, the Council established a process to bring the nomination of a successor to the General Assembly for confirmation. A Nomination Panel was drawn up representing the Council, the Assembly Arrangements Committee and the Legal Questions Committee, along with a distinguished legal professional. This Panel reviewed the Job Description and Person Specification, shortlisted applicants and conducted a rigorous interview process.

9.1.2 In the course of the Panel's work, it was evident that some updating needed to be done to the Job Description, taking account in particular of the development of the post in the years since it was last approved by the General Assembly (in 2009). While such a document is only ever something of a snapshot in time, the Council believes it is important for the General Assembly itself to approve the updated description. This can be found at Appendix 4.

9.1.3 Following due process, the Council brings forward with pleasure the name of the Rev Dr George J Whyte for appointment by the General Assembly to the post of Principal Clerk. Dr Whyte brings considerable experience of the Church, having been a parish minister since 1981 with charges in Argyll, Glasgow and Edinburgh. He was Convener of the Board of Ministry from 1996 until 2000 and received his doctorate from Princeton Theological Seminary in 2004. In 2008 he became Clerk to the Presbytery of Edinburgh and since 2011 has also served as Depute Clerk to the General Assembly.

9.1.4 In the course of the appointment process, the Council noted that any review of the terms and conditions of the Principal Clerk's post is best conducted separately to the appointment process, not least as revisions to the shape of the post need to be approved by the Assembly itself. For example, the question was raised as to whether

it was still necessary for the Clerk to be an ordained Minister of Word and Sacrament, given that this restricts the post to a very small potential field of qualified individuals. The Council was unable to consider this question as the nomination process was required to follow the existing conditions. The Council therefore proposes that, together with the Assembly Arrangements and Legal Questions Committees, it should review the arrangements for the nomination and appointment process and report further to the General Assembly in 2019.

10. Interfaith Relations

10.1 Introduction

10.1.1 The General Assembly of 2014 encouraged Presbyteries and congregations to take opportunities to engage with people of other faiths in authentic dialogue, humble solidarity, loving service and faithful witness including active involvement in local inter-faith groups. The Interfaith Officer post having fallen vacant, a new temporary appointment was made in 2016 to prepare a report on interfaith issues for the 2017 Assembly.

10.1.2 The core objective of interfaith engagement is strengthening and building relationships. This is based on the understanding that barriers, be they physical or psychological, between individuals and groups always do more harm than good. As a result faiths have a moral, social and spiritual responsibility to transcend division and promote peaceful dialogue with neighbours in a world where no one person or group can live and work in isolation from others.

10.1.3 The Council of Assembly's report in 2016 noted the scale of the challenge of interfaith work for the Church of Scotland and the necessity to establish a clear vision of what it might look like along with a corresponding strategy and set of values to support this vision. This year's report outlines objectives, outcomes and outputs to improve and build the Church of Scotland's relationships with other faiths at home and abroad. The long term goals it sets out connect the context of a global religious landscape to the particularities found in Scotland. They

also build on former reports to address the changing needs of Scottish communities.

10.2 The Context of Interfaith Relations

10.2.1 Rising Intolerance

10.2.1.1 In light of the uncertain political climate and the development of an exclusivist outlook, the Church should be bold and prophetic when it comes to articulating an inclusive and welcoming vision of Scotland's future. It should also seek to combat prejudices that may exist in our own community and to be proactive in building relationships more widely. From a communications perspective, the Church should contribute to the national dialogue concerning the migrant crisis, inequality and the 'othering' of minorities, demonstrating its own examples of good practice.

10.2.1.2 The need for a more proactive approach to resisting prejudice is evidenced on the Church of Scotland's Facebook page where Islamophobia has been expressed by members of the public. This is just one example of how the new political atmosphere seems to offer a licence to those who harbour prejudicial and racist ideas to express them with a newfound confidence.

10.2.2 The Refugee Crisis

10.2.2.1 The Council's report in 2016 noted that we were facing *"the greatest movement of displaced people certainly since the Second World War and possibly in human history. Although this has been happening for many years, 2015 was the year that many of us woke up to that reality. In Syria, it is estimated that 13 million people have been displaced and in Lebanon 40% of the population are refugees. Hundreds of thousands are making the perilous journey to Europe, by land and sea. Thousands have died, and continue to die"*.

10.2.2.2 Strengthening interfaith relations is an objective of the refugee co-ordination project (Scottish Faiths Action for Refugees, SFAR). Joint faiths working on a humanitarian issue is a visible expression of commitment to the common good. There is no other intentional national joint faiths approach to refugee issues in Britain,

rendering the work that the Church of Scotland is supporting as ground-breaking.

10.2.2.3 Successful integration of refugees in Scottish communities will depend on good community relations and an ability and willingness for people to engage in intercultural dialogue from the ground up. Interfaith work includes supporting friendships and relationships across religious, national, racial and linguistic boundaries. It may also allow for development and reflection on critical issues from the perspective of the scriptures of different faith traditions, enabling a deeper understanding of how each faith relates these to modern life.

10.2.3 Demographics

10.2.3.1 Though comparatively smaller than numbers in England, a minority presence has been growing in Scotland. The number of Muslims in Scotland doubled between the 2001 and 2011 and is projected to grow from 77,000 to over 140,000 for the 2021 census. Other minorities continue to grow and with the arrival of refugees and the dispersion of minority faiths across the country, their needs are increasingly evident in the public eye (eg hate crime; health; housing). Many of these issues experienced by minorities more generally coincide with our existing priorities, whilst others represent experiences we do not necessarily share, but of which the Church needs to be increasingly aware.

10.2.3.2 Glasgow contains the majority of Scotland's Muslim, Sikh, and Jewish population, with significant Hindu and Muslim populations also found in Edinburgh. The parish with the highest interfaith presence is Glasgow: Pollokshields, with a minority faith population that amounts to 45%. In sharp contrast, the vast majority of Presbyteries across Scotland have a minority faith presence of 1% or less. This means that for those who live far away from members of other religions, interfaith work can appear to be a theoretical matter with little or no immediate relevance to parish life.

10.2.4 Rural Interfaith Relations

10.2.4.1 There are at least two significant ways in which having a small minority religious presence can be relevant to church members and leaders, especially in rural situations.

10.2.4.1.1 They may have to be the sole religious representative in local schools. This may mean that they have the responsibility of explaining faiths other than Christianity. This necessitates some multi-faith literacy in order for ministers to convey accurate information about other religions.

10.2.4.1.2 Small minority communities may look to the Church as a prominent community leader to offer solidarity after incidences of hate crime. The latest 'Being Jewish in Scotland' report commissioned by the Scottish Government in 2014, showed that the Jewish community in Scotland was rapidly shrinking and also highly dispersed. In 2014, reports of anti-Semitic incidents to Police Scotland and the Community Security Trust showed an unprecedented rise. Members of Jewish communities, outside of Glasgow and Edinburgh, who may have been victims or feel vulnerable, are more likely to look to the Church to take a stand and show solidarity. With hate crime and religious discrimination likely to rise in our current geo-political climate, the Church should be active in supporting those who are most vulnerable.

10.2.4.2 It is important that Church of Scotland members, ministers and elders are equipped with information about minority faiths. This may allow them to learn and know about others, irrespective of how the mainstream media and social media choose to portray them. It is not sufficient for the Church of Scotland to resist producing *misinformation* that 'others' different groups. The Church has a responsibility to provide even-handed, non-prejudicial information that defies the de-humanisation so prevalent in today's political landscape.

10.2.4.3 The 1993 report *Mission and Evangelism in a Multifaith Society and in a Multicultural World* outlined some of the values needed to articulate the Church of

Scotland's still nascent understanding of its place in a pluralist Scotland. It established an understanding of interfaith outlook that went beyond a grudging acceptance of a shifting religious landscape:

It is not enough simply to accept that we now have new groups among us, but that we must seek the good of those groups as we would seek our own. We must not let such terms as 'multi-faith' or 'multi-cultural' obscure the fact that behind the outward differences we are one people, children of one God. [p571, Volume of Reports to the General Assembly 1993]

This central call to attend to our equality in God's sight invites us to see people before we look at the differences in our traditions and beliefs.

10.2.5 Training for Ministries

With the arrival of refugees and the dispersal of minority faiths across Scotland more generally, nearly every parish in Scotland has a minority faith presence in some form or another. This means we have a duty to our current and future ministers to equip them with the knowledge and skills necessary to engage with the needs of the whole parish. We have much to learn and much to give in such intercultural exchange.

10.2.6 Equipping our Congregations

One outcome of interfaith engagement that is of benefit to the Church is that it often helps individual members learn more about themselves as well as their partners in dialogue. Articulating beliefs and maintaining them with a willingness to learn through dialogue with those who differ, can strengthen convictions for the right reasons. The Mission and Discipleship Council is considering the production of a *Learn* publication on the subject of dialogue and how to go about it. This has the potential to widen the impact of Church communities, as it broadens the focus.

10.2.7 Israel/Palestine

The Church of Scotland maintains a presence in Israel/Palestine through two congregations and several

properties. This puts the Church directly in a position where the ability to engage both respectfully and wisely in interfaith dialogue is essential.

10.2.8 Political Representation

10.2.8.1 In Britain, non-Christian communities are growing larger and more confident. There are now multiple generations of Hindus, Muslims and Sikhs who know only Britain as their home, not to mention the Jewish community which has a much longer history in the UK. These faiths contribute to almost all sectors of society, share many common values and a sense of belonging. This means that Christianity is no longer uniquely positioned to offer hospitality as it once did and that dialogue is no longer simply a matter of Churches maintaining benevolent relations with other world religions. A vision of hospitality can now be shared amongst the faiths and all religions have some form of access to democratic process and representation.

10.2.8.2 At the latest annual Church Leaders meeting with the First Minister it was made clear that the First Minister and other MSPs wish to engage with the Churches alongside other faiths. This offers an important indication that Christianity in Scotland is increasingly seen as one faith amongst many and no longer holds notable privilege of influence over and above the different religions that are represented in Scotland. As the Christian population continues to shrink, if we wish to have a seat at the decision-making table it makes sense to coordinate with other religious partners in promoting an agenda for a fairer and more equal society.

10.3 The Church's Contribution to Interfaith Relations

10.3.1 Interfaith Scotland and the Religious Leaders Forum

10.3.1.1 Coinciding with the creation of the Scottish Parliament in 1999 a national Interfaith body was inaugurated, the Scottish Interfaith Council (now Interfaith Scotland). The Church of Scotland has supported the development of this national body from its inception, both as a full member and also on the board. Ministers who

have represented the Church of Scotland in this capacity have also spearheaded interfaith engagement at the local level. The Church has also ensured that at the numerous dialogue events hosted by Interfaith Scotland they are fully represented and take part in these national conversations. Many of the dialogues are on matters of civic importance, but additionally friendships with the diverse faiths of Scotland are cemented.

10.3.1.2 Future collaboration is set to include coordinating an interfaith (Muslim-Christian) youth leadership trip to Rwanda for 18-25s in September 2017. This has received interest from the Alwaleed Centre and Al Maktoum College in Dundee and Interfaith Scotland's *Scotland Abroad Faith Exchange* (SAFE), with the potential of receiving support and funding from them all. This is a key project that has a lot of potential to receive positive attention from the wider world and involves developing a different way of enacting presence with our partners and helping young people in Scotland engage with interfaith issues.

10.3.2 The Religious Leaders Forum of Scotland

10.3.2.1 The Forum came into being in September 2002 and was the initiative of ACTS (Action of Churches Together Scotland). The impact of the 9/11 attack in America had prompted ACTS to call a meeting of the religious leaders in Scotland and from this meeting a decision was made for the religious leaders of Scotland to meet twice a year to build bonds of friendship and to explore ways together to promote interfaith dialogue within their respective communities. The Church continues to engage fully in this important cross-community initiative.

10.4 Future Role of an Interfaith Officer

10.4.1 In order to resource the range of multi-faith activities in which the Church of Scotland is already involved and to seek to develop these further, the Council believes that it is important to engage an Interfaith Officer to coordinate and support work at all levels. The role of an Interfaith Officer is to:

- resource and enable Ministers, Congregations and Presbyteries to live, express their Christian faith and minister in a multicultural and multi-faith world;
- develop and sustain long-term bilateral relationships with partners representing other faiths, and with organisations which are intentionally interreligious;
- work with partners from other faiths on matters of mutual concern, particularly related to issues of justice and peace;
- communicate and coordinate between Councils and departments within the national offices and between those bodies and the wider Church;
- play a role in the drafting of reports and in advising others on such drafting to enable the messages communicated from different parts of the Church to be consistent and clear;
- act as the first point of contact in interfaith relationships and support the Moderator and Principal Clerk in the various forums to which they relate on behalf of the Church.

10.4.2 The Interfaith Officer will be located in the Department of General Assembly in order to enable the post holder to move across the departments and relate directly to the Moderator and Principal Clerk as they represent the Church in the development of interfaith relationships. To that extent the Interfaith Officer occupies a role similar to that of the Ecumenical Officer, in taking a church-wide role rather than one associated with one particular Council. The Officer will, however, build strong relationship across the Councils.

10.4.3 Work is ongoing on the establishing of clear goals and outcomes for the initial phase of the Officer's work, but there is an initial indicator of what some of these may be at Appendix 5 below.

11. The Future of the National Church Offices

11.1 In 2015, the Council of Assembly was instructed, in consultation with the Central Services Committee and

other appropriate Councils and Committees to prepare a report for the General Assembly of 2016 on the future of the National Church Offices in George Street, Edinburgh. A property appraisal was commissioned in early 2016, undertaken by a commercial property consultancy firm. This was delivered after the deadline for Reports to the General Assembly had been completed, so the work was continued with the call for a report in 2017.

11.2 On taking up the task of moving this forward in June 2016, it was apparent to the small working group established to do the ground work that this was a complex, multi-faceted undertaking. Among the key aspects which needed to be explored were: [a] whether or not the focus should be only on the George Street buildings, or should be more comprehensive, including Charis House (the offices of CrossReach) and even the Church's other iconic building in central Edinburgh, the General Assembly Hall? [b] What size and shape of offices would be required for the next 30 years of a Church otherwise diminishing in numbers? [c] What working style and values should such an office encompass? [d] To what extent could the National Offices become self-sustaining for the future as against a drain on Church funds? This acknowledged the need for resources to be focussed on mission and ministry.

11.3 Work is now well underway in addressing all of these and other emerging issues. An Options Paper has been prepared listing some 16 different options for consideration, of varying merit. The Council is endeavouring to sift these in order to bring to the General Assembly only those which it considers should be given serious consideration. This will be presented more fully in a Supplementary Report, but the following gives an indication of the options currently being explored by the Council.

11.4 The Council received a paper in September 2016 outlining some initial responses to some of the bigger questions listed above. This led to the agreement that it was important to include consideration of the potential for

a solution which might cover all three of 117-123 George Street, Charis House and the Assembly Hall. With regard to the Assembly Hall, it was noted that in addition to the Hall itself, there was considerable ancillary space, some six or seven rooms, over and above the main Hall. This large area is hugely under-utilised, lying empty for at least 46 weeks (or more) throughout the year. Despite efforts to market the use of the Hall itself over the years, apart from a period of 3-4 weeks during the Edinburgh Festival, it has lain largely unused outside of the week of the General Assembly. In some measure, this is due to the public perception that it is a 'closed' building. It was agreed that exploratory work is to be done on the feasibility of moving the Council and Committee meeting space out of George Street and instead bringing the ancillary rooms into use for this purpose. The hope in doing this would be that it would open up the whole building as a vital part of the Church's life and encourage others to see it as a space to be used, thus helping the self-sustainability of the property through wider rental opportunities. Given its remit in relation to the Assembly Hall, the Council sought the cooperation of the Assembly Arrangements Committee in relation to this and agreement was reached to investigate the possibilities further.

11.5 Part of the outcome of the property review undertaken in the first part of 2016 was a clear picture that the offices in George Street are also not currently utilised to the full – there is a significant amount of under-used space. This bore out what had been observed in a report from 'space planners' some years previously. Early consideration of this indicates that the entire existing workforce based in George Street and potentially also those staff currently based in Charis House, might be comfortably accommodated on about three floors of a refurbished and re-equipped 117–121 George Street. This could potentially free up space on two floors of numbers 117–121 and the whole of number 123, which is a self-standing townhouse on four floors, for alternative use. Such use could include revenue-generating activities and/or rental opportunities.

11.6 There has been much discussion over the years about the possibility of selling up and moving out of George Street, so that is a question which needs first to be addressed and answered definitively before moving to any solution. The Council has therefore included in its options under consideration, a range of other ideas about future office space which could see a move out of George Street.

11.7 In a Supplementary Report the Council intends to lay before the General Assembly not only options, but a clear recommendation of one or more options which in principle it will ask to pursue in depth with a view to bringing a fully costed and worked out proposal in 2018 for final approval and implementation. The Council is grateful to the Assembly Arrangements Committee for proposing that this short report together with a more substantial Supplementary Report be taken as a separate item from the rest of the Council's report this year, thus enabling a more extensive consideration of this important issue by the General Assembly.

12. Membership of Councils and Committees

12.1 One of the responsibilities of the Council of Assembly is to advise the General Assembly on matters of reorganisation and structural change, which includes adjustments to membership and remits of Council and Committees. This year sees the need for a small adjustment to five of the Councils and the Theological Forum arising out of proposed changes to the way of working of the Ecumenical Relations Committee.

12.2 The amendment proposed is the same in the case of all the bodies concerned, those being the Church and Society Council, the Ministries Council, the Mission and Discipleship Council, the Social Care Council, the World Mission Council and the Theological Forum. In each instance, the reference to the Ecumenical Relations Committee should be removed from the Standing Order relating to membership of the body. The total number of members in each case shall remain the same, which will necessitate an additional nomination to replace the

current Ecumenical Relations Committee representative. The Nomination Committee stands ready to implement this if agreed by the Assembly.

In the name of the Council

SALLY BONNAR, *Convener*
 CATHERINE COULL, *Vice-Convener*
 MARTIN SCOTT, *Secretary*

APPENDIX 1

AGREED TERMS OF ECUMENICAL RELATIONS COMMITTEE REVIEW

1. Starting from the Ecumenical Policy approved by the General Assembly 2005 and taking into account changes in the ecumenical landscape since then, review the current remit of the Committee to ensure that it adequately reflects the tasks that are required to be done.
2. Carry out a horizon scanning exercise to identify the context in which the Church's ecumenical relations work is being carried out.
3. Identify and scope strengths, weaknesses and any existing overlaps in the work of the Committee, Ecumenical Relations staff and other Councils and Committees of the Church.
4. Identify and scope the staffing support needed for the Committee to discharge its responsibilities effectively, and propose a staffing structure together with job description(s).
5. Determine the best place within the Church management structures for Ecumenical Relations staffing.
6. Consider funding issues.

APPENDIX 2

ECUMENICAL LANDSCAPE

1. The Roman Catholic Church

1.1 The contribution of the Ecumenical Relations Committee with respect to our relationship to the Roman Catholic Church was particularly highlighted with the Roman Catholic Church valuing the strong relationship with the Committee through its permanent representative. A significant change in the 'ecumenical landscape' in the past decade and more is to be found in the changed nature of the relationship between the Church of Scotland and the Roman Catholic Church, with the work of the renewed Joint Commission on Doctrine (since 2000) being particularly important. Equally, the joint response of our two churches to the World Council of Churches Faith and Order statement, *The Church: Towards a Common Vision* (Geneva, 2013), provides evidence of the growing confidence of relationship.

1.2 The joint nature of the response is, as far as is known, unique on an international scale, and the fact that such a potentially significant statement was addressed on an ecumenical basis is indicative of the changed nature of the relationship. *The Church: Towards a Common Vision* is of such significance that further reflection on it within the context of the Church of Scotland as a whole would be of value with respect to the shaping of strategic direction. Equally, the nature of the joint response models a pattern of collaborative working which exemplifies ecumenism at its best. Such collaborative ecumenical working might also be thought to embed within itself a prophetic dimension with respect to the future shape of the life of the Church within Scotland as a whole.

2. The Columba Declaration and "Our Common Calling"

2.1 Equally a shift towards a model which exemplifies a pattern of collaborative working can reasonably be detected in the reception and affirmation of the Columba Declaration by the Church of England and the Church of

Scotland. No shift is ever without its attendant challenges and many of these relate to issues of language and communication.

2.2 These issues have been especially highlighted with respect to our relationship with the Scottish Episcopal Church. Nevertheless, the addressing of these issues has served as a catalyst which has enabled us to engage together in a renewed process, "Our Common Calling", in which we will seek to reflect on the Faith and Order issues which have historically been before our two churches as well as engaging our churches locally in exploring our common calling.

2.3 As noted, issues of language and communication are of particular significance in ecumenical dialogue and the Committee was strongly of the view that further attention needed to be given to how we communicate with other churches and how in turn that is communicated. It would be of value to the whole Church if intentional reflection on this might take place.

3. The Practice of Diplomacy

In seeking to find a metaphor to best describe what the Ecumenical Relations Committee does, the Council thought that it might best be understood as exercising a diplomatic role on behalf of the Church of Scotland within the context of building our relationships with other denominations. The cultivation of a network of contacts beyond the boundaries of the Church is of significant value to the Church. In so doing, the Council recognises the contribution made by the Church to the various national and international ecumenical instruments and the valuable work that the Committee does, through the Ecumenical Officer, in encouraging and supporting our engagement with these instruments.

4. ACTS

Within the Scottish context, the Council was conscious of the significance of the role of Action of Churches Together in Scotland (ACTS) as it works multilaterally within Scotland. It was acknowledged that any diminishing of the work of the Ecumenical Relations Committee would

create a vacuum within the Church in Scotland and would have a significant impact on ACTS itself. Equally, the Council would contend that there is an onus on the Committee to be able to demonstrate the continuing value to the Church of our commitment to and support of ACTS.

5. International Ecumenical Bodies

As with ACTS, so also for other ecumenical bodies to which the Church of Scotland belongs. The Ecumenical Relations Committee has successfully facilitated and supported the Church of Scotland's engagement within a range of national and international bodies, enabling valued and highly respected contributions to be made in: Churches Together in Britain and Ireland (CTBI); Churches Together in England (CTE); the Conference of European Churches (CEC), the Community of Protestant Churches in Europe (CPCE), the World Communion of Reformed Churches (WCRC); and the World Council of Churches (WCC).

APPENDIX 3

PROPOSED ECUMENICAL RELATIONS COMMITTEE REMIT

The Committee will:

1. Facilitate and collaboratively support the ecumenical life of the Church of Scotland.
2. Serve the General Assembly in advising it with respect to the ecumenical life of the Church, with particular reference to *Article VII of the Articles Declaratory* of the Church of Scotland.
3. Support and encourage Councils and Committees of the Church to embrace ecumenism in their policies and patterns of working.
4. Support the Moderator of the General Assembly in briefing and advising the Moderator with respect to the ecumenical life of the Church.
5. Contribute to the work of the Council of Assembly through the Ecumenical Officer.

6. Maintain and review the Ecumenical Policy of the Church.
7. Facilitate engagement with the presbyteries of the Church and maintain and update a review of local ecumenical activity.
8. Facilitate and encourage the establishing of mission-orientated Local Ecumenical Partnerships, and other ecumenical activity, in conjunction with the presbyteries of the Church, other partner churches and the Ecumenical Development Group of Action of Churches Together in Scotland (ACTS).
9. Facilitate engagement with the member churches of ACTS, and with other churches in Scotland, as appropriate.
10. Facilitate engagement with the member churches of Churches Together in Britain and Ireland (CTBI), Churches Together in England (CTE), and with other churches in the United Kingdom, as appropriate.
11. Facilitate engagement with the member churches of the Conference of European Churches (CEC), the Community of Protestant Churches in Europe (CPCE), the World Communion of Reformed Churches (WCRC), the World Council of Churches (WCC), and with other churches and ecumenical bodies, as appropriate.
12. Facilitate theological and doctrinal engagement in Faith and Order dialogue and do so in conjunction with the Theological Forum.
13. Nominate representatives of the Church of Scotland to represent the Church in the Assemblies and Synods of other churches, and on ACTS, CTBI, CTE, CEC, CPCE, WCRC and WCC, and to receive reports from them.
14. Support the work of the Ecumenical Officer in their representative and administrative functions.

APPENDIX 4

JOB DESCRIPTION FOR PRINCIPAL CLERK

Main Purpose of Post:

- To make all necessary arrangements for the General Assembly.
- To advise the Assembly and the Moderator on matters of church law, practice and procedure, including interpretation of Acts, Regulations and Standing Orders.
- To oversee the preparation of Assembly minutes, the collating of Assembly deliverances and the promulgation of Assembly decisions.
- To support the Moderator in the exercise of his or her duties throughout the year.
- To provide training courses and offer advice on church law, practice and procedure to Kirk Sessions, Presbyteries, Ministers and other individuals and to Assembly Councils, Committees, Agencies and Partner Churches.

Main Duties:

1. To act as Clerk to the General Assembly; the Commission of Assembly; the Judicial Commission of the General Assembly and the Ministries Appeal Panel.
2. To advise Kirk Sessions, Presbyteries, Congregations, Ministers and other individuals and Councils, Committees and Agencies of the General Assembly on church law, practice and procedure and to encourage the use of Alternative Dispute Resolution in terms of Act 6 2014.
3. To be responsible for those aspects of the work of the Department of the General Assembly which relate to Church Law, Practice and Procedure, General Assembly Arrangements and Moderatorial support.

4. To act as Secretary to the Assembly Arrangements and the Legal Questions Committees, to attend meetings of both committees and ensure the implementation of their decisions.
5. To provide a drafting service to assist Councils and Committees in the revision and framing of legislation.
6. To provide coordination, support and training for members of the Judicial Proceedings Panel, ensuring such arrangements as are necessary for the fulfilment of its remit.
7. To act as Secretary to the Moderator of the General Assembly.
8. To act as Secretary to the Committee to Nominate the Moderator.
9. To accompany the Moderator as requested on visits where year to year continuity is required.
10. To manage the annual revision and promulgation of material (printed and electronic) containing the legislation of the General Assembly.
11. To ensure that clerical and administrative support is provided for Special Commissions of the General Assembly.
12. To ensure the provision of the teaching of Church Law to Ministries candidates and to offer seminars and courses to others within the Church.
13. To serve as a non-voting member of the Council of Assembly and the Safeguarding Committee.
14. To serve as a member of the Scottish Churches' Committee and of other ecumenical bodies as required from time to time.
15. Along with others, to work closely with the Communications Department providing comment in response to media enquiries and when required representing the Church in the media.

16. In cooperation and consultation with others, communicate with both the UK and Scottish Governments on matters regarding the interests of the Church of Scotland.
17. Through the Purse Bearer and the Queen's Private Secretary, to manage the protocols and relationships with the Royal Household.

Additional Responsibilities:

18. To act as custodian and legal extractor of the records of the General Assembly.
19. To issue and sign such deeds and documents as may be required in terms of Act 1, 2003 on the Granting and Signing of Deeds.
20. To convene the Committee on Classifying Returns to Overtures; the Committee on Commissions, the Delegation of Assembly and the Committee on Overtures and Cases.
21. To prepare the Reports of the Committee on Classifying Returns to Overtures and the Committee on Overtures and Cases.
22. To maintain *Fasti* records.
23. To undertake such trusteeship and other duties relating to the office of Principal Clerk.
24. To participate as a member of the Senior Management Team.
25. To line manage such staff as may be appropriate within the Department of the General Assembly.
26. To serve as a member of the Life and Work Editor's Advisory Committee.
27. To act as the Church's principal liaison-contact with outside agencies for policy relating to the use and letting of the Assembly Hall.
28. Ex officio member of the Project Board for Heart and Soul.
29. Ex-officio Trustee of the Iona Cathedral Trust.
30. To undertake such other duties as may be required from time to time by the General Assembly.

Other Representational Roles:

The Clerk may from time to time be called upon to assist in representing the Church of Scotland in some ecumenical and inter-faith matters including, but not limited to, the ACTS Scottish Church Leaders Group, the Scottish Faith Leaders Forum, the Joint Commission on Doctrine with Scottish Catholic Church, and Churches Together in Britain and Ireland. He or she may also be asked to serve as the Church of Scotland voting representative for Christian Aid UK.

Key Relationships:

General Assembly; Assembly Arrangements Committee and its Convener; the Moderator of the General Assembly; Legal Questions Committee and its Convener; Secretary to the Council of Assembly; Council of Assembly; Solicitor of the Church.

APPENDIX 5**POTENTIAL OUTPUTS FROM THE INITIAL PHASE OF WORK TO BE FACILITATED BY THE INTERFAITH OFFICER**

- Congregations feel more confident about approaching and engaging with local faith groups.
- The Moderator and other senior representatives of the Church of Scotland are appropriately advised, supported and resourced in interfaith encounters.
- The Church of Scotland equips its Ministers to understand more about other religions and engage with them.
- Congregations are enabled to understand other religious traditions and their multifaith context.
- The Church of Scotland continues to collaborate with those of many faiths and to pool resources on shared issues of concern such as homelessness, poverty and the environment.
- Reports from the Church of Scotland are written with sensitivity to other faiths, while remaining consistent with the Church's constitution and beliefs.
- Individuals and communities feel informed of other religions in order to recognise and overcome prejudice, stereotyping and misrepresentation.
- The Church of Scotland becomes more aware, at all institutional levels of how its actions may affect other stakeholder communities.
- The Church of Scotland looks to its international partners to learn different ways of collaborating practically across religious boundaries as well as offering solidarity to all persecuted Christians and other minority faiths.
- The Church of Scotland looks to have relationships with people rather than traditions – with Muslims rather than Islam, and Jews instead of Judaism. In this way we see people on their own terms.
- The Church of Scotland strives for an inclusive hospitality that engages with all of humanity, created in the image of God.
- The Church of Scotland is more actively engaged in interfaith initiatives and organisations such as Interfaith Scotland and smaller local interfaith organisations.