

Report

1. INTRODUCTION

1.1 *“The General Trustees support congregations and Presbyteries in maintaining and developing appropriate flexible, robust and sustainable facilities capable of supporting local mission and worship.”* (Mission Statement)

1.2 The Trustees submit to the General Assembly their ninety-second report since the passing of the Church of Scotland (Property and Endowments) Act 1925.

1.3 The Trustees wish to highlight two matters to this year’s Assembly. The first is the Land & Buildings Plan Consultation Paper and the second is the major risks facing the Trustees.

2. LAND AND BUILDINGS PLAN

2.1 The major piece of work undertaken by the Trustees since the 2018 Assembly has been the preparation of a Land & Buildings Plan Consultation paper. Last year, the Assembly encouraged the Trustees to develop what was then referred to as a Property Assets Strategy. The Trustees have been greatly assisted not only by a Working Group comprising representatives of the Trustees and others including the Principal Clerk, the Deputy Clerk of Dundee Presbytery and the Convener of the Council of Assembly’s Finance Group but also by feedback from informal consultation with the Acting Secretary of the Council of Assembly and Conveners and Secretaries of some of the Unincorporated Councils and Committees. In addition, some of the ideas now in the Paper were floated over the course of the property seminars held during the latter half of 2018 across the country when representatives of congregations and Presbyteries provided a range of helpful responses. A special word of thanks is due to Rev Dr Fiona J Tweedie who assisted in formulating the Consultation Questions. Representatives of the Trustees including the Secretary and the Chairman have attended various consultation events about the Council of Assembly’s Radical Action Plan to ensure that there is no conflict between the two Plans and to identify common areas of concern and interest. The input and feedback the Trustees have received has enabled the Strategy to be developed under the overall theme of “well-equipped spaces in the right places” into the current format of the Consultation Paper.

2.2 The main aspects of the Paper are:

- i. A number of key principles and values as a framework for the Plan to ensure that land and buildings are resources for worship and mission and not an end in themselves.
- ii. Suggestions about
 - (a) what “well-equipped” might mean in different locations and circumstances; and
 - (b) how “in the right place” might be determined
- iii. Identification of three elements which the Trustees believe will be key to successfully implementing the Plan:
 - (a) Supporting Presbyteries
 - (b) Unburdening Congregations
 - (c) Sharing the Load

2.3 The Trustees are, therefore, pleased to present the Consultation paper to the Assembly for its consideration.

3. RISK ASSESSMENT

3.1 The Trustees maintain a Risk Register which is reviewed constantly in close collaboration with their internal auditors, Deloitte. It is no coincidence that some of the main risks identified in the Register resonate with, or are reflected in, parts of the Land & Buildings Plan Consultation Paper. They include:

- i. a build-up of property-related problems at congregational level compounded by an increasing lack of office-bearers with professional or technical knowledge leading to failure to maintain and repair buildings;
- ii. a reduction in monies from within the Church of Scotland and from external bodies to finance repairs and improvements;
- iii. inappropriate decisions by Presbyteries in respect of buildings due to difficulties with the Presbytery planning process;
- iv. difficulties faced by the Trustees in recruiting members with a good balance of skills, experience, geographical location and gender.

3.2 The foregoing underscores the fact that the Trustees are an integral part of the Church of Scotland structure and face the same challenges of finance and personnel resources as do congregations and Presbyteries. A key feature of the Risk Register is to identify and implement ways of addressing the risks to tolerable levels. The preparation – and implementation – of an effective Land & Buildings Plan is one of the key ways in which the various risks will be satisfactorily addressed.

4. SUPPORTING PRESBYTERIES AND CONGREGATIONS

4.1 As indicated earlier, the thrust of the Land & Buildings Plan is to enable congregations to spend less time and energy on land and buildings and more on worship and mission. This will be an important element of the forthcoming consultation and will raise issues of how the practical aspects will be resourced in both personnel and financial terms. Nevertheless, a main aim of the Trustees' business has always been to support congregations and Presbyteries. The following sections reflect some of the long-standing work undertaken by the Trustees as well as some new ventures.

5. EARLIER AND BETTER ENGAGEMENT WITH PRESBYTERIES

5.1 The Trustees have recognised for some time that its Fabric Committee has struggled to cope with the wide range of building-related issues coming before it. Increasingly, the Committee was being asked to advise and support Presbyteries with strategic issues. At the same time, the Trustees have had to consider different ways in which congregations might be enabled to continue using churches and halls as well as different ways of dealing with the disposal of buildings which are redundant.

5.1.1 The Trustees' response has been to set up a new Presbytery Strategy & Innovation Committee which is responsible for "research and development" thinking. It has continued discussions with the Tayside Presbytery Cluster first reported to last year's Assembly. At the time of the writing of this report, the Trustees have had an initial meeting with representatives of the five Presbyteries in the North-East of Scotland which have expressed an interest in collaborative work with regard to land and building issues. The Trustees would emphasise that they are not seeking or promoting structural reform of Presbyteries but they are

keen to work with existing Presbyteries either individually or in groupings where this is felt by the Presbyteries themselves to be appropriate.

5.1.2 For a number of years, the Trustees have held regular meetings with representatives of Glasgow Presbytery with the aim of supporting the Presbytery in developing a strategy particularly with regard to buildings within a missional context. Building on this, the Chairman and the Secretary have had initial discussions with representatives of Edinburgh Presbytery regarding the formation of a similar Working Group to that in Glasgow.

5.2 The point is that effective collaboration between Presbyteries and the Trustees makes it easier to identify buildings to be retained and those which are to become redundant as well as clarifying timescales for closure and subsequent disposal. It also helps in dealing with practicalities such as maintenance, repair and insurance of vacant buildings and enables the Trustees to take more appropriate decisions about the potential of retaining glebeland for good agricultural purposes including supporting new entrants, creative amenity uses, and for the location of replacement churches, halls and manses or for disposing of it for housing or other development.

5.2.1 Following an invitation from Shetland Presbytery for discussions with the Trustees, the Presbytery has taken the bold step of identifying around a dozen buildings which it seeks to retain for effective worship and outreach and around 20 buildings which will require to be closed in the short to medium term. The aim is for there to be a single congregation. The Trustees recognise that this unique situation where a congregation will be responsible for a dozen or so buildings and the disposal of almost twice that number needs special treatment. The Presbytery Strategy & Innovation Committee has begun discussions with the Presbytery to establish what practical measures could be put in place to support the congregation in looking after and improving those buildings being kept as well as dealing with the process of disposal.

5.3 The disposal of redundant buildings and the rationalisation of under-used buildings are major challenges facing the church as a whole, not just Shetland Presbytery. As a development of the discussions with the five Presbyteries in the Tayside Cluster, members of the Presbytery Strategy & Innovation Committee were invited to work with the Strategy & Resourcing Committee of St Andrews Presbytery. This involved Presbytery and Trustee

representatives meeting individual groups of congregational office bearers in face-to-face conversations. This has produced some surprising and positive results. The Kirk Session and the members of the Howe of Fife congregation have approved the principle of the closure of all four of the congregation's church buildings and are now working hard to identify how and where a replacement is to be provided.

6. EARLIER AND BETTER ENGAGEMENT WITH EXTERNAL ORGANISATIONS

6.1 Over the years the Church of Scotland has tended to look internally to solve its problems. In the last two years, the Trustees have been pleased to find that external organisations have been willing to share their own experiences of struggling with too many buildings and insufficient skills and resources to deal with them. As the owner of the single largest number of Listed buildings in Scotland, the General Trustees have always engaged with various heritage bodies, principally Historic Scotland, but since 2015, the Trustees have established increasingly effective links with Historic Environment Scotland (HES). The Trustees are involved in HES' consultation on its over-arching strategy, "Our Place in Time" (OPIT).

6.1.1 HES has had to develop its own Asset Management Plan and the Trustees were privileged to receive a detailed presentation from the Head of Estates which provided good pointers for the Trustees to consider.

6.1.2 HES has set up a number of Working Groups to identify ways of delivering the various elements of its OPIT strategy. The Chairman routinely attends meetings of the Built Heritage Investment Plan Working Group. At the Scottish Government level, the Scottish Historic Environment Forum which is chaired by the Cabinet Secretary, Fiona Hyslop, heard a presentation from the Trustees' Chairman which was well received. In addition, the Trustees are represented on the Built Environment Forum which represents major land and building owners such as the National Trust for Scotland, Scottish Canals, Scottish Civic Trust and others as well as professional bodies including the RIAS, RICS and RTPI. Members are willing to act as critical friends.

6.1.3 The Scottish Futures Trust, which is charged by the Scottish Government with delivering hundreds of millions of pounds of public infrastructure savings over the next few years, has recognised that some third sector organisations have a national presence. A recent study of a dozen rural

settlements identified that they all had at least one Church of Scotland church or hall. The Trustees have been invited to take part along with Police Scotland and others in an exercise to identify "Rural Hubs" where buildings might be modernised and adapted to enable a wide range of public and community services to be operated. In collaboration with the Rural Working Group of Mission and Discipleship Council, the Trustees have suggested some cases where the church or hall building might serve as the Hub building and others where the congregation might be interested in re-locating from a church or hall to a Hub. This is the sort of engagement which will enable the Trustees through the Presbytery Strategy & Innovation Committee to identify different opportunities for revitalising congregations and buildings.

6.2 Community organisations form a discrete external group which has come to the fore as a result of the Scottish Government's promotion of community empowerment. The Trustees have worked with the Development Trusts Association Scotland and its sister organisation Community Ownership Support Services both of which have been helpful in identifying ways in which genuine community interest can be identified. At last year's Assembly, the Trustees reported on the successful sale of the former Portobello: Old church and hall to a local community group as the first urban example under the Community-Right-To-Buy (CRTB) process. Since then, it has become clear that CRTB is being seen as a last resort to deal with recalcitrant owners. Instead, direct applications to the Scottish Land Fund are being encouraged. The Trustees are pleased to report that the Glasgow: Anderston Kelvingrove church and hall complex which had become redundant under parish re-adjustment is in the course of being purchased for full value by The Pyramid At Anderston using Scottish Land Fund monies.

6.3 At last year's Assembly a Commissioner from a Priority Area congregation expressed concern that planning and financing innovative arrangements with regard to church and hall buildings was needed in order to help congregations to be both missional and sustainable. The Trustees were happy to take this on board as it reflected many of the issues referred to above. The Trustees formed the Property Assets Transfer Working Group comprising members not only from the Church but from wider society with relevant experience. Group representatives included a Director of the Development Trusts Association Scotland, a Director of The Scottish Futures Trust, the Session Clerk of

the former Anderston Kelvingrove congregation and the Treasurer of Brechin: Gardner Memorial congregation, as well as the Procurator of the Church, the Solicitor and the Senior Assistant Solicitor and representatives of the Trustees. The Group's discussions have helped to shape the Land and Buildings Plan Consultation paper and reference is made to Section 47 of the Paper and to Consultation Question 15.

6.4 Earlier and better engagement with Presbyteries and external organisations is seen by the Trustees as a means of providing congregations and Presbyteries with a wider range of options about disposal of buildings in addition to the traditional policy of exposing redundant buildings for sale on the open market. A negotiated sale provides an opportunity for a congregation to continue to use the church or hall premises as the lead or anchor user but with reduced responsibility for maintenance and repair.

6.4.1 Alternatively, a congregation might be encouraged to depart from a building which is no longer in the right place or fit for purpose by moving to a more convenient set of premises as one of a number of users.

6.5 While the foregoing offer exciting opportunities, the Trustees would wish to make it clear that their legal and fiduciary obligations under external legislation cannot be ignored. The Property Asset Transfer Working Group considered one case where an external funder was prepared neither to make available funding to a community group to acquire the building for proper value nor was it willing to grant aid the community group's modernisation proposals under a long lease granted by the Trustees. An Opinion of the Procurator of the Church confirmed that in this case, the Trustees would be in complete breach of their obligations by transferring ownership of the asset for nil value.

7. SUPPORTING CONGREGATIONS

7.1 Financial Resources

7.1.1 Despite the Trustees' Accounts showing a balance sheet of over £717.1m, the single largest element is the capitalised value of the heritable assets comprising glebes, churches, halls and manses which at the end of 2018 amounted to £516.8m. The Trustees believe this is a fair and reasonable assessment under charity accounting regulations but this figure does not indicate market value nor does it represent cash in the bank. Further details of the capitalised values are contained in Appendix 2.

7.1.2 The largest fabric reserve administered by the Trustees is the Consolidated Fabric Fund all of which is held on behalf of individual congregations. Derived largely from the sale of buildings over the years, both capital and accrued revenue is available to help meet the cost of repairing and improving existing buildings and constructing new ones. The Trustees strongly encourage congregations with holdings in the Fund to make use of accrued revenue to help meet costs such as insurance, energy use and cleaning. Revenue can also be released for non-fabric purposes subject to a number of conditions being met. At the end of 2018, the Fund amounted to £72m comprising capital of £63m and revenue of £9m.

7.1.3 The Central Fabric Fund is administered by the Trustees with the aim of providing loan and grant assistance towards the cost of repairs, improvements and new-build. By the end of 2018, grants awarded to congregations totalled £1.56m and new loans awarded amounted to £3.60m. More detailed information is shown in Appendices 3 and 4. The Trustees regret that the decision by the Council of Assembly to remove the Special Contribution of £290,000 for 2019 represents a significant reduction in the grants budget for the current financial year which has been set at £1.2m. This will have a direct impact on congregations which are planning to undertake work at their buildings this year.

7.1.4 The Consolidated Stipend Fund is also under the Trustees' administration. Derived largely from the sale of glebeland over the years, it is invested for the long-term through the Growth Fund of the Church of Scotland Investors Trust. Income generated on each congregation's holding is allocated towards that congregation's Ministries & Mission contribution which in turn frees up general income for other purposes. The Fund had a capital value of £90.79m at the end of 2018. With the concurrence of Ministries Council, the Trustees have agreed a dividend rate of 0.195p per share for 2019 (2018 – 0.192p). Historical information as to the income and dividend position is contained in Appendix 5.

7.1.5 The final part of the financial resources available to the Trustees, and the only portion which is not Restricted, is the General Fund which at the end of 2018 had a balance of £7.9m. It is used to meet expenses incurred by the Trustees in the administration of their business, the main item being staff salaries and associated costs. As identified in more detail in paragraphs 7.4.2, 7.6.3 and 8.2.2, the Trustees have committed themselves to providing new staffing resources

from the Fund which will directly benefit congregations and Presbyteries. After meeting these increased administration costs, the net incoming resources (primarily the net profit received under Gift Aid from the Church of Scotland Insurances Services Ltd) to the Fund are normally applied to maintain reserves.

7.1.6 The external funding picture is not an encouraging one. Organisations which for two decades were accessed for grant assistance by many congregations in the form of Historic Scotland, now Historic Environment Scotland (HES), and the Heritage Lottery Fund have changed significantly. The former Grants for Places of Worship Scotland, which was tailor-made for ecclesiastical buildings, demised two years ago. The National Lottery Heritage Fund (NLHF) was launched on 1 February 2019 providing grants of between £3,000 and £250,000, together with larger sums for developments of national significance. Late last year, HES indicated that it would operate its general Repairs Grants Scheme separately from NLHF so it is now open to congregations to apply direct to HES under that Scheme. However, HES is considering introducing a new grant scheme specifically for Listed ecclesiastical buildings in use and more information will be available by the time of the Assembly.

7.1.7 The Listed Places of Worship VAT Grant Scheme, which allows grant applications to be made for the amount of VAT on projects relating to listed church buildings, continues to operate, and the Trustees would encourage congregations to take advantage of the Scheme where appropriate.

7.2 Glebe Resources

7.2.1 Historically, glebeland formed part of a Minister's living and this link is reflected in Assembly legislation which directs that income from glebe rents and from capital received from glebe sales assists congregations in meeting their share of the cost of any ministry post approved under a Presbytery Plan. As dealt with in more detail in the Land & Building Plan Consultation Paper, glebeland continues to be a resource for congregations. In 2018, net rental income amounted to £433,000. While most glebe sales generate relatively modest capital receipts, disposals for development value can trigger significant proceeds but glebeland can deliver other benefits too: replacement manses, church and halls have been built on glebes sometimes as part of a housing development deal; glebeland can be released for affordable housing which can provide a significant boost for rural communities; new farming entrants can be given

tenancies; and there are a number of creative amenity uses to which glebes have been put.

7.2.2 The Trustees wish to highlight the work undertaken by members of the Glebes Committee and in particular the "factor members" who have direct experience of the rural and agricultural sectors as farmers, land agents and legal specialists. The factor members each have a responsibility for glebes in a particular area of Scotland and develop working relationships with tenants and congregational office-bearers often over many years. The members' work ensures that realistic levels of rent are set which in turn benefits individual congregations.

7.3 Energy Procurement

7.3.1 For many years the Trustees have operated a scheme to procure the supply of electricity and gas for non-domestic buildings used by congregations such as churches and halls. The current gas supply contract runs through until 31 March 2020 so the Trustees efforts focussed on renewing the electricity supply contract which expired on 31 March 2019. The Trustees were mindful of the Deliverance from last year's Assembly urging them to investigate the costs and benefits of assisting congregations to reduce or eliminate their fossil fuel use in churches and other buildings. A total of seven suppliers were asked to tender on the basis of a green tariff. Six tenders were received and the Trustees are pleased to report that as the cost difference between green and brown tariff was negligible, they have chosen a wholly green tariff comprising renewable energy sources.

7.3.2 The Trustees have signed a contract with SSE plc through its Scottish Hydro trading arm for a one year contract from 1 April 2019. Scottish Hydro quoted the best combination of unit rates and standing charges.

7.3.3 Unfortunately, there is a significant increase in the cost of electricity. The price of the previous 3-year contract was fixed in late 2015 when wholesale electricity prices were near the bottom of the market. By the time the previous contract actually started, in April 2016, the wholesale price had already risen substantially. Prices have remained high due partly to political and economic uncertainty. The average increase for standard metered sites, which account for the bulk of the contract, is around 35%. Nevertheless, the Trustees are satisfied that the Scottish Hydro tender offered the best combination of unit prices and standing charges.

7.3.4 In recent years, the supply contracts have been for 3-year periods but the Trustees felt that the price increase justified them taking up a one year contract in the hope that the market will have settled down before the next renewal.

7.4 Safe Buildings

7.4.1 As reported to previous Assemblies, the Trustees are committed to ensuring that all those who come in and about congregations' buildings are in a safe environment by encouraging congregations to recognise their duty of care and to do all they can to achieve that safe environment. The initial effort was to produce the Health and Safety Toolkit for congregations and to promote the appointment of a Health & Safety Administrator in every congregation and a Co-ordinator in every Presbytery. At the time of writing, 598 Health and Safety Administrators and 23 Health and Safety Co-ordinators have been appointed. The Trustees wish to express their thanks to all those who have undertaken these roles and who have attended training events. We will be working with those Congregations and Presbyteries who have not appointed their Health and Safety roles during 2019/2020 to ensure that they do appoint to these roles as soon as possible. Although the Toolkit and the training sessions have been well-received, what has been identified is that there are still significant failings and potential lack of compliance with relevant legislation. In addition, the recent fires at the Glasgow School of Art have brought the consequences of fire loss at Listed buildings to the fore. As owners of the single largest block of Listed buildings in Scotland, the Trustees cannot ignore fire risks.

7.4.2 The Trustees have, therefore, agreed to appoint a Health and Safety Officer and a Fire Safety Officer on 3-year fixed term appointments. The intention is that both will be home-based and will engage directly with congregations and Presbyteries to raise awareness of, and compliance with, current requirements.

7.5 Properties and Glebes Database

7.5.1 This database was set up originally to hold information on Valuation and Rating of buildings in the Trustees' ownership and was subsequently extended to include information about glebeland. Over the years, other information has been added to the database on an *ad hoc* basis. The Trustees' aim is to create a new, web-based database which will act as the primary source of information in respect of all congregational land and buildings, irrespective of ownership. Property Inspection Reports, which Presbyteries are now being asked to submit in

electronic format, will be uploaded to the relevant congregational entry. The new database will be accessible to congregational and Presbytery office bearers who will be able to interrogate, analyse and identify property-related issues that require to be addressed.

7.6 Committee on Church Art and Architecture (CARTA)

7.6.1 The Trustees are pleased to report that, following discussions with the Committee, a Memorandum of Understanding setting out the roles and responsibilities of the Trustees and the Committee is in place. A copy of the Memorandum is contained in Appendix 7.

7.6.2 The Memorandum clarifies that, in connection with proposals by congregations to carry out alterations to the interior of church buildings, CARTA's primary function is to serve as an advisory body to the General Trustees. The Trustees are obliged to consult CARTA but have the responsibility of taking the final decision in respect of alterations.

7.6.3 In recent years, CARTA has been asked for advice by an increasing number of congregations in relation to audio-visual equipment including installation from new and replacement of out-dated equipment. Sadly, it is evident that some congregations have received poor-quality advice or have been supplied with equipment which was inappropriate for their needs or have been over-charged. In response, and mindful of the benefits which congregations derive from the Heating Consultancy, the Trustees have agreed to meet the cost of appointing on a retainer basis a suitably-qualified and experienced consultant to provide good-quality independent advice to congregations contemplating installing or up-grading audio-visual equipment. The appointment is for a one-year trial period. The Trustees are grateful to CARTA and its staff for taking the lead on the selection and appointment process which is underway at the time of the writing of this report. It is hoped that an up-date can be given to the Assembly by the Chairman.

7.7 People Resources

7.7.1 The Trustees wish to thank the volunteers at congregational and Presbytery level who give of their time, energy and expertise in looking after glebes, churches, halls, manses and other buildings and in particular wish to acknowledge the contribution from the 520 congregational and Presbytery representatives who attended the seven

Property Seminars held in Glasgow, Perth, Edinburgh, Inverness, Aberdeen, Irvine and Stirling during the latter half of 2018.

7.7.2 The Trustees report that eleven of their number have resigned since last year's General Assembly or are retiring under the age rule: Rev David W Clark, Very Rev E Lorna Hood, Rev Dr James A P Jack, Mr Michael W Hunter, Mr David Mitchell, Mr John E Rhind, Mr James H S Stewart and Rev Valerie G C Watson (resigned); Mr James Alexander, Mr Roger G G Dodd (Vice-Chairman) and Mr Iain C Douglas (retirees under age rule). Between them they have given 100 years of service to the work of the General Trustees and to the benefit of individual congregations up and down the country. Further information is available in Appendix 6.

7.7.3 The Trustees respectfully recommend that Advisory Members Mr Manliffe Goodbody, Mr John W Maddock, Rev Fiona M Mathieson and Mr Kenneth M Wright be appointed as members of the Trustees' Board.

7.7.4 Prior to the writing of this report, the Trustees have co-opted as Advisory Members Mr Richard S Bell and, Mr Robert Bell (Fabric Committee), Mr William Gill (Glebes Committee) and Mr Andrew Hartley (Finance & Resources Committee).

7.7.5 The Trustees are only able to achieve what they do because of the significant input from their executive and support staff and from the volunteers serving as Trustees and Advisory Members. Recruitment of volunteers remains a key challenge. Through their Nomination Committee, the Trustees' aim is to have a balance of members with relevant skills and experience, geographical location and gender. A diverse Board is one hallmark of good governance as is length of service and the structure of the Board and Committees. Following the introduction of an age rule by the 1992 Assembly, no Trustee or Advisory Member can serve beyond a General Assembly following his or her 75th birthday. The Trustees will undertake a review with the aim of bringing to next year's Assembly proposals for the introduction of terms of service and the removal of the 75 year age rule.

7.7.6 The Trustees recommend that Mr Raymond K Young CBE BArch(Hons) FRIAS be re-appointed as Chairman of the Trustees for the ensuing year.

7.7.7 The Trustees recommend that for their services as Chairman and Vice-Chairman respectively for the past year, Mr Raymond K Young and Mr Roger G G Dodd should each

receive remuneration of £1,820 as authorised by S 38 (1) of the 1925 Act.

7.7.8 At the time of writing this report, the Trustees have begun the process for the appointment of a Vice-Chair to succeed Mr Roger G G Dodd who has held the position since May 2014 and who retires at this Assembly. The Trustees hope to be in a position to nominate one of their number for appointment when their report is presented.

8. OTHER BUSINESS

8.1 Insurance

8.1.1 The Church of Scotland Insurance Services Ltd is wholly owned by the General Trustees and is authorised and regulated by the Financial Conduct Authority. The Company arranges a comprehensive package of insurance cover appropriate for Church of Scotland congregations as well as congregations of other denominations. For information regarding the Scheme, please visit the Company's website at www.cosic.co.uk.

8.1.2 In 2018, Mr Kevin Roberts retired as the Chief Executive of the company and was succeeded by Mr Barry Clarkson. The change has not interrupted continuing efforts to refine the Church Insurance Scheme. During the year the option for enhanced cover on unoccupied manses was agreed with AVIVA and more detail is contained below. This was followed up by an across the board increase in the public liability limit of indemnity to £10M which went live on 1 January 2019.

8.1.3 During 2018, the company transferred £1.385m under Gift Aid to the General Trustees. The Trustees wish to record their appreciation of the significant financial contribution made by the Company towards the Trustees' work. One of the Directors of the company who is a member of the General Trustees does not receive any remuneration for his services.

8.1.4 In accordance with current accounting requirements, the 2018 Annual Accounts of the Company have been consolidated with those of the Trustees.

8.1.5 Last year's Assembly urged the Trustees to investigate, via the Company, the provision of a wider Empty Buildings cover for unoccupied churches, halls, manses and other buildings for which congregations are responsible. The Deliverance had been prompted as a result of a number of manse water damage claims following severe cold weather and where the advice of the Company to drain down wet

systems had not been followed by congregational office bearers. The company entered into negotiations with its main insurer, AVIVA, following which with effect from November last year it is now possible to include cover for theft, malicious damage, escape of water and accidental damage on unoccupied manses subject to a number of clear conditions and payment of an additional premium which reflects the increased risk involved. The Company will also require sight of an up-to-date Manse Condition Schedule as well as details of how the vacant manse is to be managed during the period of unoccupancy which will usually include an internal and external inspection at least once each week. All congregational treasurers were advised of the extended cover.

8.1.6 Churches and halls represent a more difficult area to deal with. Unlike manses, churches and halls need to be dealt with as individual risks as their exposures and protections can vary dramatically. At the time of writing this report, the Company is working with AVIVA on a number of proposals including a reduction in the premium rates charged on unoccupied church and hall premises. The Trustees may be able to provide an update to the Assembly.

8.2 Land Registration

8.2.1 In previous reports, the Trustees have highlighted the benefits of using the Scottish Government's drive to complete the Land Register in order to increase the number of titles of glebes, churches, halls and manses which are voluntarily presented for registration whether these are owned by the Trustees or by local congregational trustees.

8.2.2 At the time of writing this report, the Trustees have agreed a policy in support of voluntary registration but the cost of doing so is not cheap. As a consequence, the Trustees have prioritised the registration of glebeland where this has development potential as this will deliver the greatest benefit to congregations as well as enabling a significant level of land area to be taken onto the Register. The scale of presentation of applications for voluntary registration will depend on the resources the Trustees can make available so the Trustees are investigating with the Solicitor of the Church, the financial and personnel resourcing implications of implementing the policy. It also has to be recognised that the ability of the Register staff to process applications will directly impact on the number of registrations being completed.

8.3 Representations to OSCR

8.3.1 The Trustees reported to last year's Assembly that they wished to have a discussion with the Office of the Scottish Charity Regulator (OSCR) about the policy on the accounting treatment of loans and grants to congregations. For a variety of reasons, the discussion has not yet taken place but they intend to do so shortly and hope to have the assistance of the Council of Assembly's Finance Group.

8.4 Care of Ecclesiastical Properties

8.4.1 As required by Assembly legislation, the Trustees are required to report on diligence by Presbyteries in the inspection of Property Registers and Manse Condition Schedules as well as in the obtaining of professional Inspection Reports in the 12 months to 30 June in each year. The details for the period to 30 June 2018 are contained in Appendix 8.

8.5 Determinations

8.5.1 Determinations made under Regulations V 1995

8.5.1.1 The Regulations provide a mechanism to re-allocate the capital held by the Trustees for the benefit of congregations between the Consolidated Fabric and Stipend Funds. No re-allocations were made during 2018

8.5.2 Determinations made under Act VII 1995

8.5.2.1 The Trustees report that under the powers delegated to them by the General Assembly by Act VII 1995 (as amended by Act XIII 1996), they have made 79 Determinations as set out in Appendix 9.

On behalf of the General Trustees

RAYMOND K YOUNG, *Chairman*
ROGER G G DODD, *Vice-Chairman*
DAVID D ROBERTSON, *Secretary and Clerk*

Appendix 1

LAND AND BUILDINGS PLAN
'Well equipped spaces in the right places'
Supporting the Local Church through new ways of dealing with land and buildings

A Consultation Paper

Introduction

1. The General Assembly of 2018 'encouraged the General Trustees to develop an Asset Plan for the Church of Scotland's estate with a view to recommendations being made to the Assembly in 2020'. This Consultation Paper is designed to seek views within the Church and beyond to enable the Plan to be presented to the Assembly next year. The paper considers the congregational estate of both land and buildings. It starts with an analysis of the current position and puts forward proposals for change.
2. From the outset it is important to be clear what is meant by a 'Plan', or equally important, what a 'Plan' will not be. It will not be a detailed plan for each building in the Church's ownership. It will be about direction, principles, policies and processes. It will be a framework for action by Presbyteries, local congregations and the General Trustees. Further information on the General Trustees is given in the Appendix on the website.
3. The 2018 Assembly asked the Council of Assembly for a Radical Action Plan, and this Consultation Paper has been prepared to be read alongside that document. The Church is in the process of change. And its buildings are integral to that plan. No organisation with the buildings and land on the scale owned and used by the Church can afford not to have a plan that sets a direction for its physical assets and provides the tools to enable that plan to be delivered. Like the Radical Action Plan, this Plan is designed to liberate the local church to be as effective as possible.
4. The Church has 1,250 congregations in 43 Presbyteries in Scotland and 1 in England. The Church owns around
 - 3,000 churches and halls
 - 800 manses
 - 500 Glebes amounting to 12,458 acres

These basic figures do not disclose the dynamic nature of the estate. In the last ten years, 11 new churches have been built involving an investment of £14m; 26 existing churches have undergone major (more than £400,000) refurbishment/repair, with an overall investment of £21m ; and 153 church buildings have been sold. Over the same period, the number of communicant members has reduced by about 29% (2008 – 471,894; 2017 – 336,831).

Well-equipped spaces in the right places?

5. The overall vision of the Plan is of a church estate that has 'well equipped spaces in the right places'. In preparing this consultation paper, the General Trustees have already informally consulted with Fabric Conveners, Presbyteries and others. Many of the proposals have been 'trailed' at seminars in 2017 and 2018 where over 1000 congregational representatives were present. The General Trustees have visited over 200 congregations over the last few years, supporting them and listening to the issues that affect them. Conversations have taken place with Presbyteries from Glasgow to Uist – from the largest to the smallest. So much of what is being proposed will not come as a surprise to many people.

Looking After Congregational Assets			
Local		Regional	National
Day to day maintenance Major repairs Refurbishment Funding	←	Planning Quinquennials Supervisory	→
	←		→
			Regulations Advice Approvals Grants and Loans Disposals Insurance Energy

6. The General Trustees' assessment is that many good things are happening – there are many 'well equipped spaces in the right places' – but there are some fundamental concerns that need to be addressed. The current way of managing and developing the congregational estate no longer meets the needs of much of the Church. The Church operates with one traditional model: congregations have day-to-day responsibility for repairing and improving the church buildings and manses which they operate and for financing their operation. Many congregations (probably the majority) are increasingly finding this

model difficult to manage and/or a distraction from their principal tasks of worship and mission. Outdated or deteriorating buildings, the effects of climate change, and increased responsibilities in respect of buildings many of which are open to the public all add to the burden. Although glebeland can bring financial benefits to congregations, local involvement can be burdensome.

7. To explain the position a simple typology of congregations has developed from discussions with Presbyteries. It is not a scientific exercise but does reflect the current situation for many people. There are four kinds of congregations:
- (a) Those with both financial resources and skills to look after and develop their land and buildings
 - (b) Those with the skills but not the resources
 - (c) Those with the resources but not the skills
 - (d) Those with neither skills nor resources

The anecdotal evidence is that about 20% of congregations fall into category (a), with more than 50% in category (d) - and it is growing. Change is needed.

8. Many Presbyteries are also finding it difficult to exercise their responsibilities in relation to planning of buildings and supervision. Overall, the evidence points to the need for a reduction in the number of buildings, a continuing improvement in the quality of the church's congregational buildings and changes in the management model reflecting the skills available to congregations and Presbyteries (a more detailed analysis can be found in the Appendix).
9. It is not all 'doom and gloom'. Exciting things are happening, and the opportunity is there to build on the good things. Many congregations are already meeting the challenges and are looking at the need to adapt, change or rationalise their buildings or even physically move to enable them to focus on worship, discipleship and mission. They are already working on achieving 'well equipped spaces in the right places' and this Plan builds on their experiences. For them, change involves developing new forms of management and development. Change is not going to be cost free,

either emotionally or financially. It may mean major change to, or giving up, long cherished spaces. Similarly, there are Presbyteries such as St Andrews, Aberdeen and Shetland undertaking major overviews of the entire presbytery estate. The work so far indicates that a greater level of professionalism will be required at every level - at Presbytery and local level as well as nationally. Some of the key changes will be in the support that Presbyteries are given to deal with property issues, taking a greater level of involvement in the buildings within their bounds, so that congregations can focus even more on worship and mission.

10. While there are good things happening, this is far from universal. As one person has said "in my Presbytery, and probably most others, all buildings are classified as A, essential, and every congregation wants tenaciously to hold onto their beloved buildings. We have been taught to worship our buildings and our Ministers, and to keep buildings open at all costs is an action of devotion". There is much work to be done to change this kind of attitude. It holds the Church back from fulfilling its potential to follow Jesus. And as the command "Follow me" means now, the need to make our places fit for purpose, both in terms of 'well equipped' and 'in the right place' is urgent. The Church has a limited time and opportunity to improve and rationalise its estate.

Consultation Question 1

a. Do you recognise this analysis of the current situation?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Is there anything else you wish to add?

So where does the church go from here?

11. Out of these discussions the General Trustees are proposing the following **principles** to underpin all the proposals:

- (a) **Buildings and glebeland are simply a means by which the mission of the Church can be achieved.** The traditional model which the church currently operates - that of providing space for Church presence through a dedicated building - is not appropriate in every case. A range of models is more appropriate. There are alternative ways of the Church having a 'space' or presence in the community which do not involve ownership of buildings.
- (b) **Presbyteries have the key role to play in encouraging, supporting and supervising congregations and strategic planning,** including identifying buildings to be retained or made redundant. Presbyteries need to be strengthened to undertake those roles.
- (c) **The principal contact between the congregation and the General Trustees should continue to be through the Presbytery.**
- (d) **While the congregation should continue to have the principal role of managing property assets at a local level, it is recognised that not all congregations are able to fulfil all of the tasks.** There should be a variety of support which would enable individual congregations to take the initiative about the future of their buildings.
- (e) **While the Church values the land and buildings that it has inherited, these have to be suitable to achieve the Church's primary purpose of worship and mission,** recognising the tension between buildings as missional assets as well as items of cultural, architectural and historical importance. The Church's charitable purpose is not the conservation of buildings.
- (f) **Working together between congregations and between Presbyteries should be encouraged.** Collaboration or partnership with organisations outwith the Church should be developed where these could provide ways in which local congregations can be supported so that they can focus on worship and mission.

- (g) **The Church should by default operate with an ecumenical mindset and should be open to sharing buildings with other Christian denominations where practicable.**

Consultation Question 2

a. To what extent do you agree with these principles?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Is there any other principle you wish to add?

c. Is there any principle you wish to remove?

d. Which principles would be the (top three) priorities for you?

What is meant by 'well equipped spaces in the right places'?

12. In looking to define 'well equipped', the following questions have been raised across the Church. The crucial question is 'well equipped for what?' Form should follow function. What does the building say to others about what it means to be a Christian congregation? How open and welcoming is it to the parish and community it serves? How do the Church's sanctuaries and halls, most of which are open to the public to a greater or lesser extent, compare to other public buildings? Does the state of decoration tell of people who are proud to share their congregational 'home' with other people? Is it too expensive for its missional needs? Is it good Christian stewardship to have a small congregation rattling around in a huge building? Is it sufficient that the church (or sanctuary within a church complex) is only used for a short time each week as a worship space? What is the purpose of the building? Is it needed?
13. And what is meant by 'in the right places'? Is the location of the building where it is best needed? How does it relate to the wider community? Should congregations be encouraged to ask the question - 'what kind of Christian witness could we give if we

didn't have this building? And what does this currently say about the kind of Christian witness given? How close to other Church of Scotland or other Christian denominations buildings is it? Can the locality sensibly support as many churches over the next 10-15 years?

14. But this is not simply about existing buildings. Scotland's population is both growing and moving. New residential areas are being created. Regeneration sees communities changing. So new churches are still being built. And the potential for planting new Christian communities is still there. How well does the Church plan where its building resources should be for the next 20 years? How many buildings are needed in a particular village, town or city? Where should they be? How far should there be criteria about where the Church should invest over the next 10 years, and on the other hand setting out where the Church should disinvest? What criteria could Presbyteries (who have the overall planning responsibility) use in determining both where investment should take place and where longer-term investment is not to take place? And how should investment be funded, given the limited resources available? Could a glebe offer a location for a new church or manse or offer general or social housing development with a new worship and outreach facility as part of the deal?

15. Many people have suggested that the Church would benefit from having a definition of what is a 'well-equipped space'. The proposal is that the General Assembly should adopt a minimum standard that would apply to all church buildings in the same way that there is a minimum standard for manses. And in a similar way, in special circumstances, derogations from the standard would be possible when approved by the Presbytery. This minimum standard could include:
- (a) Access for all through the main entrance door
 - (b) Flexible spaces - that can be used throughout the week
 - (c) A welcoming space
 - (d) Regular use for worship (weekly or fortnightly?)
 - (e) All health and safety requirements met

- (f) Modern toilet facilities that take account of the numbers of people using the building (e.g. if building to be use for conferences, more facilities might be required)
- (g) Facilities for hospitality – a kitchen that meets catering standards
- (h) Realistic and affordable maintenance costs and management
- (i) A minimum amount of time during the week that the building is used (e.g. more than one hour per week?)
- (j) A minimum energy efficiency standard

Consultation Question 3.

a. Do you agree that a definition of a minimum standard would be helpful?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Is there any other criteria you wish to add and if so why?

c. Is there any criteria you wish to remove and if so why?

16. Similarly, Presbyteries have indicated that guidance on 'in the right place' would be helpful for the buildings part of Presbytery Planning. The General Trustees' suggestion is that the General Assembly should set guidelines for Presbyteries and congregations. These could be in the form of a set of questions looking at a timescale of 10-15 years ahead, including:
- (a) Where should the Church invest in the future? What are the top priorities for investment? And where should the Church be operating only on a 'care and maintenance' or 'palliative care' basis?
 - (b) Where are the growth points within the Presbytery? The answer would involve consultation and potentially joint planning with local authorities' planning committees, other

- denominations, statutory bodies like NHS, and the wider community.
- (c) If there is a glebe, does it provide an opportunity for a new-build manse or church or outreach centre?
 - (d) What is the prognosis for existing church buildings in terms of need within a 15-year period (eg congregational age profile)? How 'well equipped' are these buildings? What are the likely maintenance demands for each building (drawn from regular surveys)?
 - (e) How well located are the buildings within a community?
 - (f) Are there buildings that could be operated in partnership with other bodies (particularly other Christian denominations) so that the costs could be shared?
 - (g) How many church buildings should the Church of Scotland maintain in towns? What would be the justification for more than one in most communities? Would this include theology, age, worship style?

Consultation Question 4.

a. Do you agree with the general view of Presbyteries that there should be guidance to define "in the right place"?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Is there any other guideline you wish to add and if so why?

c. Is there any guideline you wish to remove and if so why?

How can the Church develop 'well equipped spaces in the right places'?

- 17. To deliver 'well equipped spaces in the right places', the General Trustees believe that there are three key areas that require attention, all of which involve the General Trustees playing a proactive and supportive role. The General Trustees suggest that these should not be viewed as being in order of importance but are inter-connected:
 - Supporting Presbyteries
 - Unburdening Congregations
 - Sharing the Load
- 18. A word of caution. For each of these areas, the proposals that follow are 'in principle'. If welcomed and then agreed by the General Assembly in 2020, there will need to be further, more detailed work on resourcing, funding, and processes. Some changes could be delivered without the need for Assembly approval, while for others to be fully effective would depend on decisions being made out-with the control of existing Presbyteries, congregations or the General Trustees, such as the size or shape of Presbyteries.

Key area: Supporting Presbyteries

- 19. Presbyteries are the key to ensuring that the Church's estate is both 'well equipped' and 'in the right place'. Presbyteries have three current roles in relation to buildings and land: obtaining information on buildings within their bounds (particularly regular building surveys), planning, and supervision/approval. There is no proposal to change these, but to define more clearly what these roles could entail, how they could be carried out, how they might be supported by the General Trustees, and how they might be financed.

Better information

20. The General Trustees recognise that Presbyteries and congregations hold a vast amount of useful information relating to their buildings. The General Trustees have commissioned an IT systems developer to design a bespoke and fit for purpose web-based database that will support Presbyteries and congregations in the administration of their buildings and glebes. The database will allow each congregation to upload and manage relevant information and documents such as inspection and survey reports, condition schedules, health and safety information, grant and loan applications, energy procurement information and leases and plans of glebeland. Presbyteries will be able to see all the information relating to the buildings and land within their bounds. There are many benefits to using a web-based platform to support the management of congregational buildings including improved communication between Presbytery, congregations and the national office, streamlined applications to the General Trustees for financial and resource assistance, more efficient and effective annual Presbytery Inspection of Congregational Records process, and the ability to improve the governance arrangements within congregational boards. The General Trustees are committed to working collaboratively with all Presbyteries and congregations in the development and implementation of the web-based platform and full training and support will be provided as part of this major improvement project.

Better Awareness of Glebes and Planning

21. It is important to remember that glebeland can play a critical role in Presbytery and congregational planning. Some glebes have development potential either for general or affordable housing. This can range from small scale individual house plots to larger scale housing land. When sold, this capital can provide a significant improvement to a congregation's financial position and a larger income to help with parish ministry costs. Housing development can also be a benefit, particularly to rural communities, attracting new populations to support local businesses, services and young families to reinvigorate local schools.

22. Even if sale for development is not an option, glebeland can be used as part of a congregation's mission and outreach including peace gardens and walks or for community benefit such as playparks, sports facilities and car parking. New churches, halls and manses have been built on glebe land thereby reducing project costs.

Building Surveys

23. One of the key components of the database is the condition of the estate. This information is collected through five-yearly building surveys (currently known as Quinquennials) which should provide the base information about the condition of buildings. The current arrangement has the Presbytery responsible for commissioning and paying for the surveys using a standard format of a professional survey at least every ten years, with an intermediate one which can be conducted by the Presbytery Property Committee itself. A copy of the survey is provided to the congregation's Fabric Convener and the congregation then produces a maintenance plan to ensure that the identified 'urgent' and 'essential' items are carried out. Presbytery representatives are expected to meet or correspond with the congregation to ensure that a plan of works has been prepared and work carried out.
24. There are a number of issues with the current approach in respect of buildings:
- (a) Not all Presbyteries have up-to-date surveys - smaller Presbyteries have difficulty in funding a proper programme, while others find it difficult to organise a regular programme. In 2018, of the 28 Presbyteries that submitted the required Diligence Report (out of 44), 6 reported they were behind schedule - 21%.
 - (b) There is a lack of consistency in the quality of the surveys, their costs and in the follow up.
 - (c) Many congregations do not produce a maintenance plan nor carry out the 'urgent' or 'essential' repairs.
 - (d) Because of these issues, there is no reliable overall information about the condition of the estate in Presbyteries or held by the General Trustees.

25. A regular inspection, reporting and maintenance system is needed, and most Presbyteries agree that the current one should be reviewed or replaced. Producing a new system is the easy part. Making it work is more difficult. Clearly the Presbytery has a key role. Consistency matters, for which there are two options - both of which continue to include a role for the Presbytery:

- (a) A revision of the current arrangements whereby the Presbytery continues to be responsible for commissioning the surveys but using professional surveys for both and ensuring that there is follow up to the survey, but with both a standard format, process and tendering arrangements agreed between Presbyteries and the General Trustees.
- (b) That the General Trustees take responsibility for commissioning surveys, with the Presbytery responsible for follow up with the congregations.

Consultation Question 5.

a. Do you recognise this analysis?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. which of the options in paragraph 25 do you prefer and why?

c. If you prefer neither option, please describe what you feel would address the issue.

Presbytery Planning

26. Current Presbytery Plans centre round the allocation of ministry 'people resources' with buildings being identified in one of four categories (often just in one simple column with no explanation for why the building is in that category):

- A *that the building is expected to remain in use beyond the lifetime of the plan*

- B *that the building is expected to be closed during the lifetime of the plan, under an adjustment contained therein or otherwise*

- C *that the building is expected to be disposed of as soon as possible under an adjustment contained in the plan or otherwise*

- D *that the Presbytery is unable to make a determination in relation to a building*

27. At 31 December 2018, Presbytery Plans reveal that Presbyteries have identified 86% as category A, 4% as B, 2% as C and 8% as D.

28. Presbyteries have been encouraged to deal with 'D' buildings - most of which end up in 'A'. Historically, most congregations want to have their building designated 'A'. The inclusion of a building in one of the other categories does not always come as a result of agreement with the congregation. However, there are indications that Presbyteries and congregations themselves are facing up to the need for change and recognising that many buildings do not meet the needs of the future and should be closed. The congregation of the Howe of Fife in the Presbytery of St Andrews voted in June 2018 to dispose of all four buildings in the parish and agreed to investigate ways of having a meeting space. The Presbytery of Shetland, in reviewing the Presbytery Plan (which will see the Presbytery merged with the Presbytery of Aberdeen) developed a priority list of buildings to be kept and a list of buildings that should be disposed of. The General Trustees have been working with these and other Presbyteries in developing their plans and are keen to support more Presbyteries in the development of their Plans.

29. In supporting Presbyteries with planning, the General Trustees would urge the use of buildings and land information from Local Church Reviews (LCR) as a fundamental input into the preparation of the Presbytery Plan. LCR gives congregations the opportunity to set their mission plan and priorities for the next five years. The Act 1 2011 requires the Presbytery visiting teams to carry out a due diligence function in conducting the review, satisfying itself that the congregation has complied with the provisions of the Act regarding the maintenance of manses, and

that the congregation has implemented the findings of the most recent property surveys. The visiting team should be provided with information regarding the congregation's buildings, their usage, state of repair, suitability and any projects being carried out or proposed, along with detailed financial information. If all this information is used, along with the results of property surveys and the adoption of more objective criteria for 'well equipped space' and 'right place', Presbyteries should have a better and more objective basis for future planning and determining which of the four categories is appropriate for each building. And it should enable congregations themselves to plan their own future with more objective criteria.

Consultation Question 6.

a. Do you agree that the data on buildings and land in the LCR is capable of being used in the Presbytery Planning process?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Please expand on your answer.

Managing future investment

30. To ensure that their buildings are 'well equipped' for future mission, many congregations will wish to carry out a major refurbishment project or even build a new church building. Often the decision as to which building should be upgraded and when the work should be done has been made locally and the congregation has been enthused to undertake the work without Presbytery support in principle and without the General Trustees being consulted. With the limited resources available to the Church, there should be a more planned approach to refurbishment and the provision of new buildings. The General Trustees would urge that Presbytery Plans should produce priorities for investment, identifying a Presbytery wide programme of major capital investment for churches and halls within the Presbytery bounds. This should be based on each Presbytery's overall mission plan.
31. While looking at investment priorities within their bounds, Presbyteries would also be able to help congregations look realistically at fundraising (both capital and future revenue) for any capital project. The average cost of a new building is currently over £2million; the cost of major refurbishment can be about £1million. Raising funds for capital projects is becoming more difficult. The Heritage Lottery Fund that was specifically designed for places of worship has gone and congregations now have to compete with everyone else under the National Lottery Heritage Fund scheme. Grants from the General Trustees average £10,000 for non-Priority Area projects. And raising the capital funds might be the easiest part of the project; many projects can fail on unrealistic revenue expectations. Business plans are now an essential part of any capital project and the General Trustees are developing advice and support for congregations on the preparation of business plans.

Consultation Question 7.

a. Do you agree that Presbyteries should take a Presbytery-wide view of future buildings investment?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Please expand on your answer.

c. What resources would Presbyteries need to do this effectively?

Support and resourcing

32. The General Trustees are keen to support Presbyteries in their planning role. For some time, the General Trustees have regularly met with Glasgow Presbytery to discuss future planning and investment priorities as well as fabric maintenance issues. A similar initiative is now being undertaken with Edinburgh Presbytery. The five Presbyteries on both sides of the Tay have been looking at how the General Trustees could support them with planning. St Andrews has been working on a 'cluster' based approach to planning, with two General Trustees acting as sounding boards, helping the Presbytery and its congregations to think through which buildings to keep and invest in and those which should not be kept. These have benefited from building up a relationship between specific General Trustees and the Presbyteries with the General Trustees getting to understand the particular local issues and concerns – essential for partnership working. The General Trustees would be willing to develop this approach with other Presbyteries, effectively allocating a Trustee or two to an individual or groups of Presbyteries. Could the General Trustees have a role in developing support for planning?

33. In carrying out their surveying, planning and support/ approval roles for local congregations, many Presbyteries need to be much better resourced than they are at present. Relying on voluntary Fabric Conveners and Committees will not necessarily provide the level of expertise that is required for the future. Not all Presbyteries can assume that their Fabric Committee members will have the professional expertise that will enable it to do its job properly. Two Presbyteries (Glasgow and Hamilton) have part-time paid professional advice. These 'Buildings Officers' are able to give advice on a range of issues, commission regular surveys, assist with the buildings part of Presbytery Planning and support local Fabric Conveners. The General Trustees would urge Presbyteries (or groups of Presbyteries) to consider similar paid professionally-qualified Buildings Officers.

Consultation Question 8.

a. Provided the financial arrangements can be made, do you agree that Presbyteries or groups of Presbyteries should employ professional Building Officers?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Please expand on your answer.

Key area: Unburdening Congregations

34. To help congregations focus on worship, discipleship and mission, there are some key areas where the Presbytery and the General Trustees can help reduce the building administration burden on congregations who do not have the skills to undertake all of the responsibilities themselves.

Day to Day Fabric Management

35. Fabric Conveners are becoming more difficult to find - particularly those with qualifications or experience in estate or property management. The buildings they are asked to manage are becoming more challenging. Many Fabric Conveners report that they find specifying the work that needs to be done, procuring architects,

surveyors and contractors and supervising work, onerous. The Church's buildings need a more professional approach. Other (non-Church) organisations faced with an estate of the scale and complexity of the Church of Scotland have developed a more rationalised approach to management and maintenance. Having already proposed a more professional approach to regular surveys as the basis of understanding the condition and suitability of the estate, the General Trustees are considering ways in which management and maintenance of the Church's estate could be rationalised and thus enable congregations to focus on worship and mission. There is not one simple solution; the proposal is that a variety of options should be developed:

- (a) Presbyteries could provide procurement support to local Fabric Conveners, with the General Trustees producing a procurement manual and support similar to the guidance and support provided for Health and Safety. There should be induction programmes for Fabric Conveners and regular sharing of information.
- (b) A group of congregations could share a Fabric team, whose role would be to share regular inspections, information about contractors and plan a works programme (eg annual roof work) and get the benefit of some form of 'bulk purchasing' and longer-term contracts.
- (c) The Kirk Session could appoint an agent to undertake the role of the Fabric Convener, including regular inspections, arranging for both planned and reactive maintenance.
- (d) A longer term (and more centralised possibility) is that congregations (on a voluntary basis) could agree with the Presbytery and the General Trustees that responsibility for the day-to day management of their buildings be handed over to the General Trustees (along with any fabric reserves whether locally or centrally-administered) and with the congregation occupying the buildings on the basis of a service charge. If this were to prove a popular proposal, there would be resource and timing issues for

the General Trustees, and any implementation would require a planned change-over.

Consultation Question 9.

a. Which if any of these options do you feel would be relevant and helpful?

b. Please indicate why.

c. Is there any other option you feel should be explored and why?

Procuring and delivering Major Projects

36. In the past, the Church of Scotland centrally-managed programmes such as the Church Extension and New Charge Development with the buildings provided for the congregation. In recent years the task of procuring and delivering major projects – both new buildings and refurbishment - has relied on congregational volunteers. Recently, the General Trustees have procured a replacement church building working very closely with the congregation to ensure the building meets its anticipated needs, but this is unusual. Large building projects are a fundamental challenge for any congregation, often involving complex issues and negotiations which require development skills. This is a particular challenge for those which do not have members of the congregation with the experience or skills of managing a building project. Ministers, in particular, who aspire to modernising the sanctuary, to equip the halls for developing mission and community use, rarely have the skills, far less the time, to run a building project of any scale. The most successful projects have been where someone who has the skills has acted on behalf of the Kirk Session as 'client project manager' as would be the case in any large project carried out in the public or private sector.

37. Project Management involves acting as client in the building contract with responsibilities that include health and safety, coordinating a number of participants in the development programme process, drawing up briefs, appointing and supervising a design team, processing applications, working within an agreed budget and fundraising. While some Presbyteries and the General Trustees are able to give advice on procurement, there have been a number of cases where the congregation has looked for more than advice. Both new build and major refurbishment can prove to be more complex and disruptive. In some recent cases, the General Trustees have provided a 'mentor' to walk alongside the congregation, helping a member of the congregation with at least the initial stages of the project - including the design team appointments. The General Trustees do not have enough people or time to look after all the projects, or to act as mentor. Expecting the architect to take on the role of 'client project manager' blurs the roles and is not sustainable in the long term. If relationships are not properly established at the beginning (eg proper contracts, role definition and clarity) then this can lead to difficulties later in the project. And all of this can be a distraction from mission. To help congregations, the General Trustees are proposing to promote a panel of external professional Project Managers to support congregations and help with procurement.

Consultation Question 10.

a. Do you think that a panel of external, professional project managers would be useful?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

Redundant Buildings

38. When the Presbytery decides that a building is no longer required, the current arrangement leaves the congregation with the responsibility for looking after the building until it is disposed of or sold. The General Trustees' involvement in the disposal process is to approve the principle of the sale and the sale price and arrange for the marketing and legal work to be carried out by the Law Department. Where the title is subject to the control of the General Assembly, the General Trustees give authority to sell and the application of the sale proceeds, the terms of the sale being decided by the financial board of the congregation. In both cases, the proceeds of sale are credited to the congregation after deduction of the levy, if applicable, and the legal and marketing fees.

39. However, in many cases - particularly in parish adjustment where a building is identified by the Presbytery as redundant - looking after the building until it is sold can be a distraction from mission. One solution could be that the General Trustees take over day-to-day responsibility for the building from a date to be agreed between the congregation, the Presbytery and the General Trustees, and manage it through the closure programme, and disposal. This would be a voluntary arrangement, and the timing could vary from case to case, depending on when the congregation wants to hand over responsibility. There could be a time limit (say six months) from the decision that the building was 'redundant' and if the building has not been disposed of under the existing arrangements, then the General Trustees could be invited to step in. The cost to the General Trustees for managing the process could be a charge against the net income from the sale. If not already the owners, title would have to be transferred to the General Trustees.

Consultation Question 11.

a. Do you agree that the possibility suggested in paragraph 39 would be helpful?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Do you agree with the suggestions as to how an arrangement might be financed and if not can you suggest any other possibilities?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

Manses

40. Manses can be a major source of friction between Minister and Kirk Session. Despite the manse regulations, some Ministers report that Sessions do not take seriously their responsibility to maintain and upgrade the manse, while some Kirk Sessions complain that Ministers do not allow them to carry out the annual inspection. The reasons given are often that Ministers (or their partners/spouses) are concerned about members of the congregation ‘snooping’ around their home, and on the other hand that Sessions can be frustrated by finding major problems in the manse only after the Minister has left.

41. The General Trustees have been working with the Ministries Council looking at ways in which the housing of Ministers can be better undertaken by the Church. At this point in time, there are no proposals to abandon the arrangement whereby a manse is provided as part of the stipend of the minister. The Session should continue to be responsible for housing their Minister. But new ways of supporting the

accommodation for Ministers may be required, which would ‘unburden’ the Kirk Session. Two proposals are:

- (a) That the Kirk Session appoints an agent to look after the manse, including regular inspections, arranging for work to be carried out and reporting to the Session. The Minister would be asked to confirm his or her agreement to this and to allowing the agent regular access for inspection and work to be carried out. This arrangement currently operates for Glasgow Gorbals and is similar to the way many private sector organisations look after their rented houses.
- (b) That the General Trustees take on the day-to-day management and upgrading of manses where the Kirk Session, Minister, Presbytery and General Trustees agree that this would enable the congregation to focus on worship and mission. If not already in General Trustees’ ownership, title to the manse would need to be transferred. The Kirk Session would pay a service charge, and the Minister would occupy the manse on a ‘written agreement’ setting out responsibilities on both sides. Again, if this proved popular, the planning and resourcing would take some time.

Consultation Question 12.

a. Do you agree that either of the options in paragraph 41 would be helpful and if so please identify if you have a preference?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

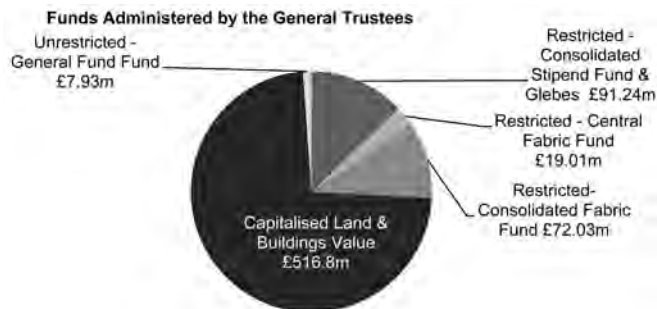
b. If neither option is agreeable, please suggest an alternative solution.

Key area: Sharing the load

42. While these are ways in which Presbyteries and the General Trustees could help congregations focus on worship, mission, and discipleship, there are other ways in which congregations could be helped to 'share the load' - within the church, between denominations and with external parties. Following the 2018 General Assembly deliverance, the General Trustees have set up a Working Group 'with representatives from both the Church and wider society with experience of planning and funding innovative building arrangements to help congregations be both missional and sustainable'. Ideas from this Group are developing, including a clearer understanding of the legal and fiduciary parameters within which the General Trustees and the Church must operate.

Sharing financial resources within the Church

43. The possibilities of groups of congregations 'sharing the load' in respect of day-to-day maintenance has already been mentioned. Rationalisation of the estate should - in the longer term - result in reduced costs for the estate as a whole, but not necessarily for individual buildings. The current model, whereby each local congregation is expected to be responsible for both capital and revenue expenditure, and where the Presbyteries have minimum resources to carry out their roles as they should, is unlikely to be sustainable in the longer term. The resources available to the General Trustees are significantly less than is widely perceived. The attached diagram shows that the vast majority of funds looked after by the General Trustees belong to individual congregations (See Appendix for an explanation of the various accounts and more details of the financial position). New ways will have to be found of financing the management, maintenance and development of the estate, including payment-in-kind, advice and support.



44. The amount of funds for buildings or fabric collectively held within the Church of Scotland is not easy to calculate. Centrally-held funds which are looked after by the General Trustees are known, as is the amount in the Church of Scotland Investors Trust for fabric. There is no central record of the amounts held locally by congregations in their Fabric account, nor how much of that is locally controlled and restricted for a specific building, organ or type of fabric investment. So, the publicly known figures are likely to be an underestimate of the resources available for the estate as a whole. To help forward planning, there needs to be transparency about resources.
45. Acts Chapter 4 recounts that the early Christian church pooled its resources to ensure that each received what it needed. As the Church of Scotland's estate develops to have more 'well equipped spaces in the right places', with a greater level of professional input, and with a higher level of Presbytery oversight, the question is 'how could the resources held within the church overall best be deployed? Could there be a fair distribution of resources that reflects the need for resources in relation to worship and mission? Could this involve those with more resources helping those with less, by sharing their resources'? A legitimate concern of many congregational trustees is that giving away funds of which they are trustees which are needed to meet building costs or M&M contributions is a breach of that trusteeship.

However, the General Assembly has already approved the voluntary donation of resources from one congregation to another within the same Presbytery and the legal advice is that transferring of resources in this way between charities with the same purpose is currently acceptable to general trust law where the Board and/or Session, the Presbytery and the General Trustees have approved. Are congregations storing up resources simply for that 'rainy day' when they could be used elsewhere in the Church like the man in the parable who stored up extra food in his barn (Luke 12, 16-21)?

46. Is it possible to have such a transparent and robust system of strategic missional planning by Presbyteries whereby they can identify where resources are being retained beyond any reasonable congregational need and direct these resources to where they are going to be most effective? This is not simply about buildings - this an issue for the Church as a whole and needs to be looked at in the widest possible context.

Consultation Question 13.

a. Do you agree that there should be more sharing of resources between congregations?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Can you give any reasons why or suggest circumstances when greater sharing cannot be done or would be inappropriate?

c. Do you agree that Presbyteries should have more ability to direct the sharing of resources so long as they have a clear, agreed mission strategy?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

d. Can you suggest other ways in which the repair, improvement and provision of buildings might be financed particularly for those congregations which do not have reserves but are delivering effective mission and outreach in their communities?

Ecumenical Sharing

47. While sharing resources within the Church could unlock some funds that can be used to promote mission in areas of need, such sharing is unlikely to meet all of the fabric needs or ensure the future sustainability of all church buildings. While the lack of finance or skills may not be the best reason for ecumenical working, the Church of Scotland is not the only denomination which has challenges with its buildings. And given that the need is for 'well equipped spaces' rather than sole use of a building, the possibilities of sharing space with another denomination are to be encouraged. This could particularly apply to new plantings of congregations. And maybe not only with the established denominations but with the independent denominations. Already a number of Church of Scotland congregations share their sanctuary with smaller denominations – often those from other countries. The Church is therefore sharing a safe space for those who seek refuge and come to live in our country.

Consultation Question 14.

a. Do you agree that there should be more sharing of spaces with other denominations?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Can you give any example where sharing of space already takes place?

Sharing with the public, private and voluntary sectors

48. Many congregations already share their space with others through letting halls or more permanent arrangements with groups such as Foodbanks, mothers and toddlers, and Scouts, so are used to other organisations being part of life in their building. Church buildings, while owned and looked after by the church are (with a few exceptions) community facilities, and landmarks. Some buildings have potential for developing closer working or more formal partnership with public, private and third sector organisations. Other organisations are already willing to work and share spaces with the Church. In Glasgow Drumchapel, discussions are underway with the NHS about the local doctors moving in and creating what would be a ‘wellbeing centre’ – providing spaces for physical, mental and spiritual well-being. The Mission and Discipleship Council Rural Working Group and the General Trustees are part of discussions on the provision of Rural Hubs, commissioned by the Scottish Futures Trust, where a number of services can share one building (e.g. police, post offices, housing management). Church of Scotland buildings could become the Hub (some Churches already house the post office), or congregations could move to a Rural Hub (which follows the use some congregations already make of schools, community or village halls). Partnership brings opportunities. However, working together also means not only sharing the use and funding of the church’s ‘well equipped spaces’, but also sharing responsibility, power and control. There may need to be new forms of management in which other stakeholders have a say in the use of the buildings in return for financial support to ensure long term sustainability.

Consultation Question 15.

a. Do you agree that there should be more sharing of spaces with other denominations?

Strongly agree	
Mildly agree	
Mildly disagree	
Strongly disagree	

b. Can you give any example where sharing of space already takes place?

Listed Buildings

49. Many of the Church’s buildings are costly to maintain because they are of national or local historical importance, and a disproportionate share of the income of some congregations is going to support the buildings rather than mission. Listed buildings bring additional responsibilities to congregations. Until the database is complete the total number of listed buildings (and the listing grade) in the ownership of the Church will not be known. The estimate is around 1700 - the largest collection of listed buildings of any one organisation in Scotland. The Church owns the majority of medieval churches, has a large portfolio of important 17th, 18th and 19th churches - many of which are prominent features in towns and cities - and a number of significant modern listed churches. These churches tend to be listed category A (national or international importance) or B (regional importance). There is also a number of buildings which are locally important and graded C. Many buildings (and not just listed buildings) are in Conservation Areas and subject to enhanced planning supervision.
50. Taking these buildings into the care of Scottish Ministers (such as Glasgow Cathedral) or the Local Authority (as St Magnus Cathedral in Orkney) is very unlikely. A recent report for the Church of England (the Taylor Report) recognises that Government funding has been necessary to ensure the sustainability of English major churches and cathedrals. But the Church of England has a different relationship to the Government and therefore can access resources not available to the Church of Scotland. The General Trustees are working closely with Historic Environment Scotland and other Heritage bodies as part of the national ‘Our Place in Time’ Strategy to develop strategies for listed buildings, including ‘de-listing’, sharing skills, and working together to find technical and financial solutions. These are not yet at the stage where there are particular proposals for consultation; there is a small Working Group representing a number of congregations with listed buildings and the outcome of that Group will be shared.

Conclusion and next steps

- 51. The General Trustees recognise that there is a major task facing the Church of Scotland to ensure that congregations have 'well equipped spaces in the right places'. However, the General Trustees are encouraged by the positive developments that are already happening and would like to see the Church building on these. This Plan, taking into account the comments during the consultation process and if adopted by the General Assembly in 2020, will have to be implemented on a planned basis but with urgency, There is not a lot of time to determine and implement changes in ways that the estate is managed and developed.. It will have to be resourced and those resources will have to be looked at alongside other priorities identified within the Church. But carrying out a Plan, even over a period of time, should result in a slimmed down estate, of better quality, in the right place and managed on a more professional basis. And most importantly, provide spaces from which congregations can focus on worship and mission.
- 52. This paper invites consultation. The General Trustees will run a series of consultation events in the autumn and will welcome responses to the questions throughout the paper. Following the Assembly, a specific survey instrument will be set up for responses.

Consultation Question 16. Please take this opportunity if you feel there is anything which has not been covered or which you wish to share.

Consultation Question 17. Are you responding:

<i>On behalf of a Presbytery</i>	
<i>On behalf of a Kirk Session</i>	
<i>As a member of a Presbytery</i>	
<i>As a member of a Kirk Session or congregation</i>	
<i>On behalf of a non-Church organisation (Please specify)</i>	