

## THE REPRESENTATIVE BODY OF THE CHURCH IN WALES

A meeting of the Representative Body of the Church in Wales was held via video conference on 31 March 2022.

**Present:**

Ex Officio members

*Chair of the Standing Committee*

Dr S Miller

*Chairs of the Diocesan Boards of Finance*

St Asaph: Ms S Allin

Bangor: The Right Reverend M K R Stallard

St. Davids: Mr N C P Griffin

Llandaff: Mr M A Lawley

Monmouth: Mr P E Lea

Swansea & Brecon

Brecon

Elected members

St. Asaph: Mrs H Wiseman, the Very Reverend N H Williams

Bangor: Dr H Parry-Smith, the Reverend M J Beecroft

St. Davids: Mrs J A P Hayward, the Venerable P R Mackness

Llandaff: Mr G I Moses, the Venerable M Komor

Monmouth: Miss P R Brown, the Venerable J S Williams

Swansea & Brecon

Brecon

Nominated members

Mr R Davies

Co-opted members

Professor Medwin Hughes (Chair)

Mrs J Heard

**Apologies:**

Apologies were received from the Archbishop, Mr Thomas Lloyd and Mr Peter Kennedy.

**In attendance:**

The following members of staff were present: the Chief Executive, the Head of Finance, the Head of Legal Services, the Head of Property Services, the Director of People Services, the Governance Officer, the Governing Body Officer, the Climate Change Champion, (item 22/01) the Principal of St. Padarn's Institute, (item 22/02) and the Head of Communications and Technology (item 22/03).

The Chair welcomed two members of staff, Rowena Hodge, Finance Manager, and John Richfield, Governing Body Officer, to their first Representative Body meeting.

**Prayers:**

Opening prayers were led by the Right Reverend Mary Stallard.

**Conflicts of interest:**

No conflicts of interest were declared. The Head of Legal Services noted that it was taken as read that all clerics present had a conflict of interest in relation to the Clergy Pension Scheme (item 22/09).

## **Welcome to new Representative Body members**

The Chair welcomed Ms Sam Allin to her first Representative Body meeting. Mrs Allin had recently been appointed Chair of the St. Asaph Diocesan Board of Finance.

The Chair also confirmed that in December 2021 the archiepiscopal Electoral College had appointed the Bishop of Bangor, the Right Reverend Andrew John, as the next Archbishop of Wales: upon election Archbishop Andrew became a member of the Representative Body *ex officio*.

The Chair congratulated the Right Reverend Mary Stallard on her appointment as Assistant Bishop in the diocese of Bangor. As a consequence of this appointment she would resign as Chair of the Diocesan Board of Finance in Bangor on 5 April, at which point she would cease to be a member of the Representative Body. Bishop Mary was thanked for her contribution to the Representative Body during her time as a member.

## **Climate emergency**

22/01

The Chair welcomed the Climate Change Champion to the meeting. Following an introduction by the Head of Property Services, the Climate Change Champion introduced a draft framework and action plan aimed to move the Church in Wales towards being net zero in terms of its carbon emissions. The Representative Body was reminded that at its meeting in April 2021 the Governing Body had resolved to declare a climate emergency and requested that the Church in Wales should plan to be net zero by 2030: the Representative Body was requested to prepare a plan to achieve this. The draft framework had been prepared to facilitate the trajectory towards this target.

The draft framework had already been considered by a number of Church in Wales bodies, including the Bench of Bishops with refinements made. The Governing Body would, following the input of the Representative Body, be asked to discuss and adopt the framework at its meeting in April 2022.

It was explained that buildings accounted for most of the carbon generated by the Church in Wales, and the way to reduce this was to move to renewable electricity rather than use fossil fuels for heat and light. It was recognised that some churches had no electricity.

Appropriate technology existed to reduce carbon, such as the use of heat pumps and solar panels, however it was recognised that there were insufficient energy auditors to identify the appropriate technology for each individual church building. It was also noted that there was often reluctance to change established behaviours, particularly where direct costs may increase.

The Climate Change Champion set out the three key recommendations in the framework:

1. The provision of carbon literacy training so key people in the Church in Wales were familiar with the language of working towards net zero. This training would be provided by the Centre for Alternative Technology and would be arranged for later in 2022.
2. To undertake energy audits in order to make recommendations on how each individual church should proceed.

3. Make recommendations for what individual churches can do to reduce their carbon footprints, and calculate what the footprint currently was to inform work to reduce it.

It was noted some funds were already set aside as part of a climate change fund to facilitate work in this area.

Discussion followed, including the UK Government's recognition that if reliance on fossil fuels to generate energy were to be reduced, alternative means of generation, including use of nuclear power, would need to be increased substantially. It was hoped areas of the Church in Wales's glebe land could be used to enable electricity generation.

Mr Mike Lawley advised prioritisation on capital spending, to ensure that funds were expended in an appropriate and timely way.

The Representative Body endorsed the framework and action plan which would be considered by the Governing Body in April 2022. The Representative Body would be kept updated with developments.

The Climate Change Champion left the meeting.

### **St. Padarn's Institute strategic development plan**

22/02

The Principal of St. Padarn's Institute was welcomed to the meeting. The Principal introduced the draft strategic development plan for St. Padarn's which was in the process of being developed. The document set out the proposed future shape and scope of St. Padarn's for the period 2022-2028. The Principal explained the draft document included no costed plans with costings being developed in readiness for further discussion of the strategic plan by the Representative Body at its meeting in June 2022.

Strategic oversight of St. Padarn's lay with the Bench of Bishops, but the Representative Body was responsible for buildings, budgetary and staffing arrangements via its People, Property and Audit and Risk committees.

#### Draft strategic development plan

The draft strategic plan outlined a number of themes pertaining to the life of the Church in Wales at present, an understanding of which were to key to the shaping of operations at St. Padarn's over the coming years and had provided the foundation for the development of the plan. Themes included the spiritual growth of lay and ordained ministers; working towards numerical growth and the generating of energy and momentum via mission and evangelism; investment in the professional development of leaders (lay and ordained); striving for further diversity in the makeup of ordinands on the basis of language, and background (including rural and urban, socio-economic and educational).

Embedding and enhancing the work that had been undertaken in the six years since the launch of St. Padarn's was an important element of the strategic plan.

Over the period of the strategic plan (2022-2028) St. Padarn's would target strategic development in the following areas:

- Investment in lay ministry – St. Padarn’s would work with the ministry bishop and dioceses to explore how infrastructure and expertise at St. Padarn’s could be used to invest in the development of lay ministry.
- Widening of participation – work would be undertaken to rebalance the demographic representation of those in training for lay and ordained ministry, including Welsh language, age, race and socio-economic background.
- Strategic leadership – St. Padarn’s would work with the ministry bishop to devise and implement effective professional development for clergy at all stages of ministry.
- Theological scholarship – St. Padarn’s would aim to catalyse theological scholarship and research across the Church in Wales (with engagement with universities as appropriate) to provide analysis of societal and cultural trends and therefore equip the Church for its life and mission.
- Capitalising on successes – the *Theology for Life* course and the Centre for Chaplaincy Studies were successful and innovative undertakings at St. Padarn’s. The possibility of attracting *Theology for Life* students from outside Wales and diversifying chaplaincy studies would be explored to provide financial benefit for the Church in Wales.
- Pioneer ministry, evangelism, church growth and church planning – St. Padarn’s would work to meet dioceses’ emerging needs in these areas.

## Discussion

The draft strategic development plan was discussed.

Points of discussion included the arrangements for external scrutiny of St. Padarn’s and the value for money it provided for the Church in Wales. It was noted that a range of quality inspections took place including from external institutions including the Church of England and academic standards were monitored annually by quality assurance assessments. Costs and expenditure were monitored very closely by the Principal and senior provincial staff, coupled with good budget and governance scrutiny. Better and consistent strategic planning was helpful to ensure any waste was kept to a minimum. St. Padarn’s had no direct equivalent in terms of its function and provision so benchmarking it against others was difficult.

Increased external scrutiny was felt to be important and the appointment of an external reviewer was supported.

The quality of candidates being trained for ministry was noted as being varied and it was possible amendments to provincial discernment criteria would help ensure quality of candidates was more consistent and best suited to the future needs of the Church. There was no cap on student numbers but while, generally, having more candidates for training was to be preferred ensuring the correct number of candidates were in training for ministry, based on the workforce requirements of the Church, would mean a more streamlined approach to training.

The draft strategic plan was noted as representing an increase in what St. Padarn’s was to be expected to provide and it was probable that the finalised plan would include additional resources accordingly. Income had increased in recent years so any increase would not necessarily need to be met in its entirety by the provincial budget.

## Conclusion

Following discussion the Representative Body:

- i. Endorsed the draft strategic plan and noted a finalised, costed plan, prepared in consultation with the Bench of Bishops, would be presented to the Representative Body at its meeting in June 2022.
- ii. Noted the value of an external review of St. Padarn's Institute, details of and arrangements for which would be considered in the coming months.

The Principal left the meeting.

## **Membership data app**

22/03

The Head of Communications and Technology was welcomed to the meeting who introduced a comprehensive paper setting out a proposal to develop an app to support the collection of membership data. The collection of such data had been undertaken annually since 1990, using paper forms and captured church attendance alongside other key performance indicators. The data was high quality (a return rate of around 95%) and provided information at church, parish, ministry area and diocesan levels – but was retrospective and only available over a year after it was captured. The COVID-19 pandemic and resulting suspension of public worship had caused a break in the continuity of the data.

It was proposed the provision of an app which allowed service leaders to record and submit membership and attendance data in real-time immediately after a service or community activity had taken place. This would allow data to be submitted almost in real time and would be viewable by others almost immediately. Data submission would be via a mobile phone or tablet and there would be functionality to allow data to be stored locally in the absence of a live internet connection for submission later. It was recognised the proposal would require the support of diocesan administrations, the Bench of Bishops and archdeacons.

The app would be low maintenance from an administrative perspective, freeing resources to allow more nuanced reporting to be devised and for correlations to be made with other data, notably those provided by the mapping project which captured demographic data. An improved reporting function would be the foundation for a new approach to management information reporting across the whole Church in Wales. Real-time data, cross-referenced with local data on age profiles, education levels could help inform and support mission, evangelism and growth.

As well as core membership data, it was envisaged that the app would also allow modelling of the impact of initiatives in discipleship, youth and family work and social outreach. The app would be fully bilingual.

The Head of Communications and Technology explained the project was supported by the dioceses and pilot schemes had been identified. Some adjustments would be necessary between dioceses to accommodate individual diocesan structures. Strong communication campaigns within dioceses to promote and explain the app and its functionality would be necessary.

## Costs

The average annual cost of the paper-based data collection method was around £4,000, plus a considerable cost in staff time: the proposed app-based system would eliminate print and postage costs with staff time estimated at around 40 staff days across two roles (one in salary band D, one in salary band F). An approximate cost of £3,500 but with a greater emphasis on data analysis and reporting.

A system specification for a real-time application to replace the existing system had been devised and quotes for its development received. Development costs of £24,150 (including VAT) were indicated with a total ongoing maintenance cost of approximately £3,622 per annum. The Head of Communications and Technology noted that this project had not been factored in to the 2022 budget so there was no provision for this work, but the project's significance was sufficient to merit commencing work as soon as possible instead of waiting for the next budgetary cycle.

Mrs Hilary Wiseman noted this proposal had been considered and endorsed by the Finance Committee.

### Discussion

Discussion followed, during which it was noted that in some localities and amongst some age groups transferring to a fully app-based method of membership recording may be difficult: digital poverty was noted as a concern within parts of the province. It was felt that diocesan leadership was significant and it was acknowledged that in some circumstances alternatives may need to be offered. The identified pilot areas in dioceses included areas where internet connection was problematic: points of learning from the pilots would inform any necessary subsequent developments or adjustments.

It was expected the data collected via the app would be useful to diocesan leadership.

It was suggested a comprehensive communications strategy was adopted, aimed towards bishops and archdeacons, in order to promote the app in dioceses.

### Conclusion

The Representative Body supported the project and authorised the provision of funding for development work with immediate effect. It was anticipated the development work would be commissioned by the end of May 2022 with the app launched by the end of the year.

The Head of Communications and Technology left the meeting.

## **Towards a ten-year financial plan**

22/04

### Introduction

The Chief Executive introduced a comprehensive paper setting out a series of proposals which formed a strategy and financial plan for the Church in Wales for the next ten years. The proposals had been formed in discussion with the Chairs of the Investment, Finance and Audit and Risk Committees as well as with the Finance Committee, and had been discussed with the Bench of Bishops.

The paper set out the current situation in the Church in Wales as it emerged from the COVID-19 pandemic, with reduced congregations and the reality that in the coming years a significant number of church buildings would close. The National Lottery Heritage Fund, a key provider of grants for the restoration of church buildings, had amended its rules meaning obtaining such grant assistance in future would be more difficult.

## Block Grant

The current Block Grant levels were set until the end of 2022 but the formula used for calculating dioceses' share of the Block Grant was no longer fit for purpose: the calculation was based on the number of stipendiary clergy but the nature and variety of ministry had changed significantly in recent years.

Thinking surrounding the Block Grant and how best to arrange the provision of provincial funding was advancing. A number of principles and working assumptions relating to the distribution, intention, level and timeframes for any provincial funding arrangements were being developed accordingly. These were set out:

- The purpose of the Block Grant should be clear. Whether it should simply be a general support grant to dioceses to be expended by DBFs according to diocesan vision and associated tactical plans; or whether it should be the financial fuel to bring about radical, far-reaching change in organisation for mission and evangelism, governance and administration and the care and development of the church building estate.
- Whether ministry areas within a diocese, between them, raise the costs (other than pension costs) of stipendiary ministry with the Representative Body, via grant funding, funding provincial governance, administration, and mission support costs.
- An appropriate link between financial support and transparent accountability should be established by developing an information sharing protocol (possibly on a quarterly basis) between the six DBFs and the Representative Body whereby each of the seven legal entities shared key financial data with each other. The Representative Body would be a full participant in such an arrangement.
- Whether the timeframe for any grant funding should be an open-ended agreement or for a defined period (possibly for ten years).
- Should part of any replacement mechanism increase each year automatically in line with an inflation index?
- The current allocation of funding between dioceses was difficult to justify. How should funding be allocated as part of any future arrangement?

## Total return and future expenditure

The Chief Executive explained the Finance Committee had discussed the Representative Body's current total return policy (5.5% total return, 2.0% inflation, 3.5% distribution rate) and had agreed to recommend an increase in the distribution rate from 3.5% to 4.5% for the next ten years which would allow additional, structural expenditure of £3.7million per year.

Additionally, it was also proposed that £100million be withdrawn from reserves over the next ten years. This would deplete the Representative Body's reserves (and subsequently the ability of the Representative Body's investment fund to generate further income) by 20% of its current general reserves (£100million).

## Accountability and structural arrangements

Additional expenditure meant the need for clear and robust protocols for mutual accountability between the DBFs and the Representative Body to ensure good stewardship of the financial resources committed. Such additional expenditure was only appropriate and justifiable if it was in support of a clearly articulated and widely agreed strategy and the Bench of Bishops was currently engaged in developing such a strategic direction. Expenditure must follow vision.

The structural make-up of the Church in Wales had been subject of discussion in recent years and the 2012 Church in Wales Review included structure-related recommendations. Closer working between the Representative Body and the six DBFs was noted as critical: the possibility of a formal merger into a single legal entity was one option which could be worth further exploration and discussion. The Chief Executive noted any such plans needed wide support, including from key groups such as the diocesan secretaries, the Bench of Bishops and diocesan governance bodies such as the DBFs and bishops' staff teams.

## Discussion

Detailed discussion of the paper and the proposals it contained followed, during which it was noted that hitherto the Representative Body had exercised considerable caution in terms of its expenditure which may have resulted in the current generation experiencing financial pressure: increasing expenditure would allow greater freedom to exercise creativity and investment in growth.

Capital investment gains in recent years had been significant and ahead of inflation: liquidating such gains to provide additional resources was supported. How to expend the additional resources was noted as being a matter for others, and dependent on the strategic direction being formed, but the Representative Body was in a position to provide the resources needed to fund that strategy.

Support for the Church in Wales's core activities as well as innovations was noted as crucial: the Church's principal purpose was the building of disciples and both new and traditional approaches to this must be supported equally.

It was also noted that the provision of additional financial resources was not to encourage profligacy: expenditure against a planned strategy controlled risk.

The strategic work currently being undertaken by the Bench was discussed and it was felt additional contributions to this were important, possibly via a further joint meeting of the Bench with the Representative Body and Standing Committee, with the diocesan secretaries and senior provincial staff, in order to shape the vision. The Representative Body was keen to urge the Bench of Bishops to expedite its work in this area to allow it to be able to make expenditure-related decisions in line with a sense of clear direction.

Support was expressed for closer working between the Representative Body and the DBFs: discussions by bishops' staff teams and DBFs were encouraged, possibly with the Chief Executive and Chair of the Representative Body in attendance if felt helpful.

It was felt that this was the time to reaffirm a need for an intervention policy based on clear investment principles that required duality of investment between the core Church and the new Church in a concerted effort to bring new life to the Church in Wales. Clarity of vision was a prerequisite to this.



## Conclusion

Following discussion, the Representative Body:

- i. Supported the preparation of a budget for 2023 and ten-year financial plan based on an increase in the distribution rate from 3.5% to 4.5% each year for the next ten years.
- ii. Invited the Finance Committee, in discussion with the Bench of Bishops and their senior diocesan colleagues, to develop expenditure plans for an additional increase in annual expenditure of £10million (in addition to the agreed increase in the distribution rate from 3.5% to 4.5%) each year for the next ten years.
- iii. Urged the Bench of Bishops to conclude its work on vision, strategy and goals as soon as possible in order to ensure alignment of strategy and finance and invited the Chair of the Representative Body, the Deputy-chair of the Representative Body and the Chair of the Standing Committee to request a meeting with the Bench of Bishops as soon as possible to discuss this work.
- iv. Urged the Standing Committee to initiate discussions about much closer integration of the support activities of the Representative Body and the six DBFs.

## Further work

The Chief Executive explained that following these decisions detailed expenditure proposals together with clear proposals for a successor the Block Grant would be developed in consultation with the Finance Committee and bishops to allow the Representative Body to be in a position to make decisions accordingly at its meeting in June 2022.

## **Minutes of the meeting of 18 November 2021**

22/05

The minutes of the previous meetings were agreed as a true record. Arrangements would be made for the Chair to sign the minutes in due course. Various matters arising from the minutes were noted.

It was noted that no serious incidents had been reported to the Charity Commission since the last meeting of the Representative Body.

## **Note of decisions taken at joint meeting of 20 January 2022**

22/06

A schedule of the decisions made at the joint meeting of the Representative Body, Standing Committee and Bench of Bishops on 20 January 2022 had been circulated, which was agreed as a true record of those decisions.

## **Committee powers and duties and membership**

22/07

The Governance Officer introduced a paper which set out two matters relating to the membership criteria and membership of the Audit and Risk Committee and the People Committee.

## Audit and Risk Committee

There was currently a vacancy on the Committee following the resignation of Laura Jones in October 2021. Two highly suitable candidates had been identified, both of whom would bring complementary experience to the work of the Committee. It was therefore proposed that the Committee's membership criteria was amended to allow a total membership of six members to allow both candidates to be appointed. Mrs Jane Heard, Chair of the Audit and Risk Committee, strongly endorsed this proposal.

Biographical information for both proposed appointees was provided.

The Representative Body agreed:

- i. To amend the membership criteria of the Audit and Risk Committee by increasing the Committee's total membership to six members; and
- ii. To appoint Rebecca Nelson and David Richards to the Committee, initially for the remainder of the current triennium.

## People Committee

The Representative Body was reminded that at its meeting in November 2021 (minute 21/60) it approved a number of changes to the People Committee's powers and duties to reflect the changed arrangements following the establishment of the Safeguarding Committee. Three members of the Committee had departed, becoming members of the Safeguarding Committee instead. Additionally, in January 2022 Mrs Barbara Harding retired from the Committee.

The Committee's membership criteria currently permitted up to 10 members to be appointed: at its meeting in January 2022 the Committee had considered its membership criteria and proposed that its overall membership was reduced from 10 to a maximum of seven members, which would mean the Committee had two vacancies.

It was proposed that two archdeacons were appointed to the Committee. During discussion it was noted that the archdeacons' group preferred to be approached prior to an archdeacon being appointed to ensure the proposed archdeacon was indeed the most suitable appointment.

Following discussion the Representative Body agreed:

- i. To reduce the total membership of the People Committee to allow a total membership of seven; and
- ii. Requested further work and consultation with the archdeacons' group to be undertaken prior to the consideration of additional appointments to the Committee.

## **Representative Body membership and appointments**

22/08

### Representative Body membership

The Governance Officer introduced a paper setting out recent changes to the Representative Body's own membership.

It was noted that the Bishop of Bangor, the Right Reverend Andrew John had been elected Archbishop of Wales by the archiepiscopal Electoral College in December 2021 and had therefore become a member of the Representative Body *ex officio*.

On 22 March 2022 Mrs Sam Allin had been elected Chair of the St. Asaph Diocesan Board of Finance and had therefore become a member of the Representative Body *ex officio*.

#### St. Padarn's Quality and Standards Panel

The Representative Body was reminded that at its meeting in November 2021 (minute 21/58) it disbanded the Training, Formation and Ministerial Development Committee with effect from 31 December 2021 and supported the creation of the St. Padarn's Institute Quality and Standards Panel in its place. The Panel reported directly to the Bench of Bishops. The Representative Body was informed the Bench had appointed the Panel's Chair, Professor Claire Taylor, and three other members from within the Church in Wales.

Two other members of the Panel were to be appointed by the Representative Body (from within its own membership) and it was proposed that Paulette Brown and Judith Hayward were invited to reprise their previous roles as the trustee representatives on the Training, Formation and Ministry Development Committee.

The Representative Body confirmed Paulette Brown and Judith Hayward as its representatives on the St. Padarn's Quality and Standards Panel.

(The Panel itself may co-opt two further members to increase diversity and/or bring particular skills and experience.)

#### **Clergy Pension Scheme – external advice updates**

22/09

[Redacted from public minutes – confidential business].

#### **Annual renewal of conflicts of interest and trustee eligibility**

22/10

All trustees were required to renew their conflicts of interest and trustee eligibility forms at their earliest convenience. The Representative Body noted the position.

#### **Investment performance**

22/11

The Head of Finance provided an oral update on the latest position with the Representative Body's investment portfolio given the instability that had been experienced following the recent invasion of Ukraine and the resulting international sanctions imposed on the Russian Federation. Latest information indicated an overall reduction in the value of the investment portfolio by approximately £29million on the position at the end of 2021.

The Head of Finance also confirmed that neither of the investment fund managers held direct investments in Russian companies on the Representative Body's behalf. Although there was a potential exposure through small subsidiaries of multi-nationals that would form a relatively small proportion of the total funds held. Also, to the best of the fund managers' knowledge, the Representative Body was not invested in companies that had meaningful stakes either owned or directly controlled by major Russian oligarchs.

The Representative Body noted the position.

### **Sales of consecrated property**

22/12

In accordance with Chapter III, section 23(2) of the Constitution, the Representative Body authorised the sale of the following consecrated property:

- A.091 – Former St. Deiniol’s church, Eyton
- A.150 – Former St. Deiniol’s church, Llanuwchllyn
- B.230 – St. Rhuddlad’s churchyard, Llanrhuddlad
- B.241 – Former St. Garmon’s church, Llanarmon
- D.414 – Former St. Brynach’s church, Henry’s Moat
- D.414 – Former St. Colman’s church, Llangolman
- L.009 – Former St. David’s church, Brithdir
- L.018 – Former St. Timothy’s church, Ely
- L.151 – Former St. Peter’s church, Deri
- L.341 – Former St. Mary’s church, Seven Sisters
- L.374 – Former St. Joseph’s church, Cwmaman
- L.723 – Former St. David’s church, Hopkinstown

### **Updates from Chairs on the work of the Representative Body’s committees**

22/13

Each of the committee Chairs provided a brief oral update on the recent work of their committees, supported by staff as appropriate.

### **Use of the Representative Body Seal**

22/14

For the period since the last ordinary meeting of the Representative Body until 24 March 2022 the Representative Body Seal has been used from numbers 36790 to 36822 inclusive.

As the meeting took place by video conference it was not possible for members to inspect the Seal Register. Photographs of the relevant pages of the Seal Register were available on request.

### **Deemed business**

22/15

The Representative Body noted the minutes of committee meetings that had taken place since its last ordinary meeting in November 2021.

### **Next meeting**

The Chair confirmed the Representative Body’s next ordinary meeting would take place on Thursday 30 June 2022.

### **Closing prayers**

The Archdeacon of Margam closed the meeting with prayer.