

The Minutes of a meeting of the TRUSTEES of the CARLISLE DIOCESAN BOARD OF FINANCE LTD held BY VIDEO LINK on 17th May 2023.

Present: Mr J A E Johnson (Chair)
The Archdeacon of West Cumberland
Mr A R H Cook
Mr D Bradley
Mrs J Busk
Mr D Dalgoutte
Mr N Robson

In Attendance: The Bishop of Penrith
Mr D Hurton – Diocesan Secretary
Mr R Jaques – Head of Finance
Mrs C Bell – Office Manager
Mrs S Hodge – Stewardship Officer (Part A)
Mr N Andrews – Head of Property (Part C)

1. Opening Prayers: Prayers were led by The Venerable Stewart Fyfe.

2. Apologies for absence: Apologies were received from The Bishop of Carlisle, The Archdeacon of Westmorland and Furness, Mr J Edwards and Mrs S Wigley.

3. Minutes: The Trustees approved the minutes of the meeting held on 18th January 2023.

4. Matters Arising from the Minutes: The Trustees noted the points on the Action Sheet and it was confirmed that all the actions noted had been completed or progressed, or were on the meeting agenda.

The Chair drew attention to the arrangements for the meeting in July which had been brought forward to the 12th and would be in person at Rydal Hall. The Hall's 5 year plan would be a major item for discussion.

PART A FINANCIAL POSITION AND MAJOR FINANCE MATTERS

5. Management Accounts: Ric Jaques introduced the Management Accounts to 30th April 2023.

The 2023 accounts are a little 'messy' as the budget included a number of new, externally - funded posts, most of which will now not be in place until 2024 when we hope to have funding from the Diocesan Investment Fund. In almost all cases the actual and forecast underspend will be matched by reduced income.

Total expenditure after 4 months is around £283k under budget. More than half of this is due to stipendiary clergy vacancies, with other shortfalls from the posts that were hoped to be funded by the Diocesan Investment Fund, and some delayed spend and savings made. This underspend on local ministry is an unwelcome operational issue, mainly relating to recruitment challenges.

Income is now £39k under budget. Ministry offer receipts are on course so far, but some investment income is below budget due to delayed property sales. Contributions from other funds also reflect delayed property sales, as well as reduced spend which in turn reduces the need to draw in that funding.

The forecast for the year shows a deficit of £18k which would be £147k better than budgeted. It is based upon the current view of likely clergy recruitment, retirements and moves, and other factors that can be predicted with some degree of confidence. However, there are various areas, particularly linked to funded projects, which may change as further work is carried out.

6. Financial Report and Accounts to 31st December 2022: Ric Jaques introduced the Financial Report and Accounts. Dodd & Co had carried out the annual audit and the Trustees were now required to approve the accounts before their submission to the DBF Annual General Meeting on 28th June.

Typically, each year Dodd & Co. issue a 'management letter' to the Trustees reporting on any issues they want to highlight arising from the annual audit. No items were identified this year, so no Management Letter has been issued.

There are almost no further changes expected to the accounts although wording around clergy severance which needs to be discussed with Dodds and we are still awaiting final accounts for Restore. Although late draft figures for Restore have been included in the consolidation, final figures for 2022 need to be confirmed.

Trustees were asked to sign the Letter of Representation to Dodd & Co to acknowledge the general responsibilities of Trustees in preparing financial statements and to confirm a number of general and specific points in relation to the accounts themselves. The Trustees approved the Trustees' Report and the 2022 annual Financial Statements for submission to the DBF Annual General Meeting on 28th June 2023.

It was commented that on page 58 of the accounts the statement regarding receiving the sale proceeds of churches could be read to imply that the DBF receives all of them, which is incorrect. It was also highlighted that the Pastoral Measure 1983 was repealed, and it should now be referred to as the Mission and Pastoral Measure 2011. Ric Jaques agreed to revisit the document and amend accordingly.

7. Ministry Offer: Sophie Hodge introduced the Ministry Offer paper highlighting key points about the Implementation of the Ministry Offer process. The Archdeacons, Derek Hurton and Sophie Hodge have completed an extensive schedule of meetings, engaging with 20 Mission Communities. The intention has been to get the idea of the local : episcopal

partnership off the ground, so that as many mission communities are possible are working towards a mission community-wide offer and ideally a 3-year partnership agreement. Where these can be put in place they show that ministry offer is being set in the context of wider resourcing conversations. The face-to-face meetings are felt to have really helped build trust and relationships between the local church and the Diocese. That relationship will be crucial moving forward.

Across the Diocese as a whole we are seeking a 4% increase in the Offer, with this being a baseline discussed in the local conversations, but with a hope that many mission communities will offer a bigger increase where this is required to bring their costs and offers closer together. Mission Communities were engaging positively with this debate and in every case said that it felt like a reasonable ask from the Diocese. Whilst there were some exceptions, the general feeling seemed to be that 4% would be achievable.

In terms of the challenges, Mission Community development continues to be intimately linked to this process. In the locations where Mission Communities were not well developed there was a reluctance to get engaged with the idea of mission community offer. Some large areas in the Diocese – including whole deaneries - were facing significant flux in their deployment patterns this year, which made progress towards Partnership Agreements very difficult or impossible. This is understandable as engagement with the idea of a partnership agreement depends on a degree of certainty about what the ministry pattern would be in the future. As a result some deaneries will continue to operate on a parish-by-parish basis. We anticipate that in those places we are less likely to achieve the 4% increase because they haven't been part of conversation in the same way.

Derek put on record his thanks for the amount of work Sophie Hodge has put into this process, and suggested that the positive outcomes we were seeing were very largely down to the preparation that she had undertaken.

Given the importance of Mission Community development, Derek Hurton updated Trustees on the bid to the Diocesan Investment Fund for the capacity to give Mission Communities practical support to assist their development over the next 5 years. The intention is to use resource to maintain 3 Archdeacons posts and an additional 3 support roles. In addition to those roles the biggest component of the proposals will be around Church Planting & Revitalization which equates to additional ordained and lay ministers on the ground, particularly in more deprived urban settings.

Ric Jaques gave an update on Ministry Offer Receipts to April 2023. Some parishes were a little slow to get started with payments, and there are always issues with banks not processing standing orders correctly. Work is about to commence to contact Parishes where there are unpaid arrears from 2022. In some cases there will probably be agreement to write them off but it is hoped that we will also bring in some additional receipts.

8. Stewardship Activities Report: The Trustees noted the Stewardship Activities Report which was introduced by Sophie Hodge. A highlight of this period was a successful 'Legacy

Week' with which 39 parishes engaged . A lot of effort was put into producing associated resources which were all available on the stewardship section of the website. Two legacy videos were produced, one promoting legacy week training and Legacy Week, and one for churches to use on a Legacy Sunday to show to church members the difference that legacy giving can make.

There was also an informal get together for new treasurers, the event seemed well received and was a helpful way of building relationships between newly appointed treasurers and the Church House team.

Sophie Hodge and John Thompson ran Stewardship/Generosity Week training evenings with Greystoke PCC, and Harrington and Distington. Greystoke PCC was very enthusiastic about what was shared and have subsequently planned to run a Generosity Week in October.

The Stewardship team met with new incumbents, Revd Lawrence Basham, Curate in Charge of South Lakes Team Ministry and Revd Maddie Simpson, Rector of Ulverston. In both cases, they had constructive conversations around the new Ministry Offer process and stewardship. The team will follow up with both benefices regarding the possibility of initiating further Stewardship work.

9. Good Shepherd Multi Academy Trust (GSMAT) & Academy Schools: The Trustees noted the draft minutes of the meeting held on 23rd March 2023, and received a paper detailing an update on developments.

PART B FINANCE – MINOR MATTERS

10. Financial implications from associated meetings: The Trustees received the paper on the financial implications from associated meetings. Derek Hurton highlighted that the diocese currently has 5 or 6 external funding opportunities from the Church Commissioners alone, this creates a lot of extra work in terms of applications, consultation, monitoring and claiming funds.

11. Rydal Hall: The Trustees noted the management accounts to 31st March 2023 and draft minutes of the meeting of the Rydal Board held on 21st March & 18th April 2023.

Ric Jaques gave a verbal update. The non-hall elements of the estate are really benefiting from the investment and the strategic work that has gone on over the last few years, and their turnover is strong and growing. The hall itself is struggling at the moment, due to the cost living crisis and being under an interim management regime last year.

The Rydal Hall Board are currently working on a 5 year plan that is due to be presented to the Finance Committee at the meeting on the 12th of July, and they are looking at ways of engaging much more closely with the God for All team and the pioneers.

12. Restore - Update including request for funding from the sustainability pot: Rob Cook gave a brief verbal update. The accounts are yet to be produced and audited, but Martin Borrowdale the auditor, is providing a bookkeeper for one day a week at an hourly rate who

is getting to grips with the accounts. The Restore Board have appointed a general manager who is getting to up to speed with the business.

PART C PROPERTY MATTERS

13. Property Issues requiring Finance Committee attention: The Trustees received the minutes and action points from the property sub-committee meeting on 14th April together with a background email and notes of discussion with Penrith, Farmers and Kidds regarding the management contract for glebe agricultural and residential property & noted that the next meeting will be on 16th June 2023.

Joint Parsonages Conference 2023: The Trustees noted that minutes of the meeting held on 9th February 2023 are still to be produced and now will be received at the July finance committee meeting.

Vacant Properties & House Sales/Purchases

Matters Requiring Further Finance Committee Consideration And Approval

Coniston Vicarage: A discussion had taken place at the property sub-committee, about ending the tenancy and proceeding with sale. Subsequently the existing tenants have offered to buy the property at a valuation provided by our agents. They are cash buyers so the sale would go through quickly, alleviating the issue of ending the tenancy and having a vacant property during the sale process.

Trustees approved the sale to the tenants at the valuation price.

Natland Vicarage: Further to the decision to seek a replacement vicarage, a property at St Marks Fold became available. The property committee approved an offer which has been accepted. A survey is being arranged and solicitors are instructed. It is proposed to buy initially as a DBF corporate property for subsequent transfer to parsonage. Notice has been served on interested parties of the intention to sell the current house.

Trustees approved proceeding with the purchase subject to the property sub-committee's detailed consideration of the survey report.

Significant Update Items To Note Since The Property Meeting

Barrow St John Vicarage: The pioneer enabler who rents the house is buying his own property and will move out of the vicarage by the end of May. Plans for works to address damp/decay issues with the house have therefore been halted. Arrangements will be made to proceed with consultation and arrangements for sale of the house after it is vacated.

Willow Bank, Grasmere: The refurbishment is progressing although questions remain outstanding about the detail of the carbon-neutral aspects.

Closed Churches

Matters Requiring Further Finance Committee Consideration and Approval

Middleton Holy Ghost: The benefice have put in a request for quasi-community use as a hostel, or base for appreciating the Roman history of the area to be considered.

Trustees agreed in principle to being prepared to lease the church for the proposed use and allow time for the proposals to be developed before considering disposal/sale for other purposes.

Glebe

Significant Update Items To Note Since The Property Meetings

126 Dalton Road, Barrow: Completion of the sale for £65,500 has been agreed for 12th May.

Other Minor Sales: Completion is imminent on Castle Carrock (3 sales) and Little Salkeld.

Diocesan Board of Finance School Property

Matters Requiring Further Finance Committee Consideration and Approval

Eskdale High School: With their use as AirBnB accommodation, contrary to lease provisions, having been curtailed an informal approach has been made by the Cumbria Educational Trust asking if the diocese might accept early surrender of the property prior to the lease expiring in 2025.

Trustees accepted surrender of the property and to pursue possible sale.

PART D FINANCIAL STATEMENTS AND REPORTS

13. Treasury and Investments: Ric Jaques reported on the fund statements. After December's significant fall in markets generally, and hence CBF Fund share prices, there has been a little increase in equity based funds since the start of the year.

No substantial property sales have been completed to date in 2023, so the only investment actions in 2023 so far have been moving money onto and off deposit as required for cash-flow reasons.

Possible further house sales, and the sale of Gelt Bridge Farm mean that there could be material levels of investment to be made in the months ahead, although the timescales remain slow. However there is also a house purchase scheduled for June as we look to replace the Natland Vicarage so this will delay some investment until the current vicarage is then sold.

The Trustees noted the statements and updates on the following funds:

- Minor Funds Update

- Pastoral Account Statement
- Glebe Statement
- Barchester Statement
- Parish Property Fund
- Growth Fund Statement
- Loan Statement

14. Date of Next Meeting: Wednesday, 12th July 2023