

General Trustees' Speech—General Assembly 2023

Mr Alan Kennedy

The General Trustees and, particularly their staff, have been fully occupied since the last General Assembly and I wish to record my thanks to them all for their dedication.

As I was unable to attend last year's General Assembly, I wish to take this opportunity to thank my predecessors, Ian Townsend and Fiona Mathieson, for their service to the Trustees.

I am pleased to report the appointment of Brian Waller as our new Chief Executive and Clerk. Brian brings to this role many years of experience with the General Trustees working mainly in the areas of fabric and legislation. We wish him well.

Along with Brian, accompanying me today are Rev Scott Rennie (Vice-Chair Elect) who has been heavily involved in the Presbytery Planning process and Morag Menneer (Head of Land & Estate

Before highlighting aspects of the formal report, it may be helpful to provide some background to the role of the General Trustees within the Church of Scotland for those less familiar with our role.

“The General Trustees of the Church of Scotland” were incorporated by an Act of Parliament in 1921 though sadly Covid prevented us from celebrating our centenary. Those whom we call General Trustees today are actually members of that corporation.

The Trustees are answerable to the General Assembly but, as a registered Scottish Charity separate from the main Church of Scotland, the members have the duties, responsibilities and liabilities of charity trustees. As with all charities, trusteeship responsibilities mean that we must operate the restricted funds in line with their governing regulations.

The Trustees have been given specific functions through subsequent Parliamentary and General Assembly legislation and, through their staff, provide advice, guidance and encouragement to congregations for their use of land and buildings which is described in detail in our report.

This is all reflected in the terms of the Trustees' Mission Statement:

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

I wish to highlight the activities of the staff of the Trustees especially for those unfamiliar with their work. The staff use their expertise to provide advice and practical support to congregations so they can use their buildings and glebes effectively and safely. Areas of support include Church Law, Planning & other Legislation, Conservation, Buildings & Land Surveying & Valuation, Health & Safety (including Fire, Hygiene and Environmental), Architecture Heritage & Listing and Construction Management. This support has been enhanced by the appointment of an increasing number of Presbytery Buildings Officers.

The Report of the General Trustees covers a range of topics which are highlighted in the proposed deliverances. I wish to add the following comments following the order in which they appear in the report.

Section 2 describes the progress made with Presbytery Mission Planning with the Trustees and their staff providing advice to Presbyteries as required by the legislation. The Asset Management Building Audit (or AMBA) analysis tool was created in order to provide Presbyteries and the Faith Nurture Forum with a less-subjective means of assessing buildings that could be used in conjunction with local knowledge.

The Trustees have been involved in vetting, reviewing and approving Presbytery Mission Plans – a process that has inevitably involved frustration, upset and concern in some congregations. Throughout, the Trustees and their staff have done their utmost to provide appropriate advice and support to Presbyteries and the Faith Nurture Forum as instructed by the General Assembly and I would in particular highlight the guidance concerning property disposals emanating from Presbytery Planning which the General Trustees sent out to all Presbyteries earlier in the year. . It is hoped that following this difficult process there will be a period of renewal which will move towards the church’s stated aim of better spaces in the right places and the General Trustees would encourage congregations, where Presbytery Plans have been approved, to make early contact with the staff to discuss any project or works which are being planned.

Looking to the future, the Trustees will be working with congregations to help them implement their plans to better use their buildings for mission as outlined in sections 2.4 to 2.6.

Section 2.7 refers to the challenges facing Historic Signature Churches while section 4.4 deals with two Historic Properties that became the responsibility of the Trustees as a result

of dissolutions. The Trustees wish to work with others to develop the means of supporting the maintenance of historic churches with active congregations.

The appointment of further Presbytery Buildings Officers is mentioned in section 3.2. I would add that those recruited to date have brought a wide range of expertise to their roles. They complement one another and share their knowledge for the benefit of all. The General Trustees would encourage the newly formed presbyteries to consider the appointment of an officer for their area to help support the congregations.

All congregations will be concerned about the cost of gas and electricity that is referred to in section 3.3. Those who are members of the Church Scheme have benefitted greatly from the long-term fixed-price contracts that began in April 2020. Unfortunately, even though market prices have stabilised to some extent recently, we foresee significant increases after the renewal of the contracts for gas and electricity. These are likely to be more than double the current costs.

Health & Safety may not feature on the agenda of each Kirk Session meeting but I really must draw your attention to its importance as described in section 4.2 and it does, of course, also apply to glebeland. The last thing we wish any congregation to face is for it to fully appreciate such risks after a serious event has occurred.

Section 4.7 refers to investment matters. We are currently undertaking a review of the investment policy of the funds where the Trustees exercise control. We met with the Special Committee on the Ethics of Investment Practice. With the agreement of the Faith Nurture Forum, the Trustees have agreed in principle to invest part of the assets of the Consolidated Stipend Fund in financing a £3.2m replacement building for CrossReach's facility at Gaberston.

Section 5 deals with manses and gives rise to four proposed deliverances. I wish to briefly emphasise the following points that support each of them in turn:

- In 5.4, we state that, "The General Trustees consider it is unacceptable that some manse families are not treated as well as private tenants." To repeat what was said last year, we need to persuade congregations that their manse family deserve to live in a home that is maintained to the minimum standard and that the manse is often their most valuable asset and is therefore worthy of care and attention.
- In 5.3, we report that Energy Performance Certificates are still not being provided for too many manses even though such an instruction was first given in 2013.
- In 5.5, we hope that the new larger Presbyteries will be better able to operate an inspection regime for the oversight of the condition of manses especially if they have a Presbytery Buildings Officer.

- In 5.8, we refer to the Manse Liaison Group. This group is already looking at the condition of manses. The Principal Clerk has asked the Trustees to take on the further role mentioned there and to look into proposals for alternative models of manse provision or increased flexibility in the current model and how any transition might be effected. This will require a great deal of consultation and thought.

Insurance is referred to in section 6.3.3. This is another matter that can have a significant financial impact on congregations. The insurance marketplace for buildings, especially non-domestic ones such as churches and halls, has become much more expensive in recent times. While Church of Scotland Insurance Services will seek to mitigate the effects, notable cost increases should be expected from 2025.

Three proposed deliverances arise out of section 6.4 relating to the proceeds of the disposal of buildings.

In sections 6.4.3 to 6.4.6, the Solicitor has clearly set out the limitations that restrict what the Trustees are allowed to do and also explained what flexibility is already permitted.

The disappointing take-up of allowable withdrawals from the Consolidated Fabric Fund (particularly for the cost of utilities and insurance) is described in sections 6.4.6.2 and 6.2.2.4. The Trustees and Stewardship and Finance have repeatedly tried to “advertise” this opportunity. We will have to find better ways of drawing congregations’ attention to it.

Meanwhile the minimal use of transfers between congregations’ fabric and stipend holdings is clear from 6.1.2.5 and 6.2.2.5.

Suggestions to provide extra flexibility within the current regulations are described in sections 6.4.8 and 6.4.9.

Although the proposal in section 6.4.8 will only apply to dissolved congregations if it is approved, it will create “sub-funds” within the Central Fabric Fund that could have a wider use in due course.

In section 6.4.9, we have set out our “blue sky thinking” in considering if we could use the existing levy regulations to allocate more of the net disposal proceeds for other purposes. The reason that this thinking has not yet borne fruit is that its implementation will be complicated as it will involve Congregations, Presbyteries and the Trustees deciding how to share out any additional levy while ensuring that the congregation in question will retain sufficient funds for its foreseeable fabric needs.

As stated in section 7.2.10, the topic of the Register of Controlled Interests in Land continues to be followed closely by the Law Department most recently at a meeting held on 15 May involving other denominations.

The Trustees have for the past couple of years highlighted to the Assembly the huge compliance burden imposed on the Church as a result of the creation of the new Register of Persons Holding a Controlled Interest in Land. Discussions with the Scottish Government continue, in the hope that it will still be possible to achieve a compromise which addresses our concerns. We are also engaging the charity regulator, OSCR, in these discussions. We are conscious of the extended transition period, which comes to an end on 1 April 2024, and the Solicitor of the Church will update congregations and provide further advice on the way ahead just as soon as these discussions have come to a conclusion. The Trustees appreciate that individual office-bearers may be anxious about the potential implications for them personally flowing from any non-compliance and wish to reassure office-bearers that they are bearing this in mind. The Solicitor and her team will be happy to advise anyone who wishes to discuss their particular situation on a one-to-one basis.

Moderator, I have much pleasure in presenting the Report of the General Trustees of the Church of Scotland to the General Assembly and I would ask the Clerk to move the Deliverances.

Thank you.