

ASSEMBLY TRUSTEES MAY 2022

Proposed Deliverance

The General Assembly:

1. Receive the Report.
2. Acknowledge with gratitude the continuing work and ministry of the Church at all levels during the enduring Covid-19 pandemic. (*Section 1*)
3. Receive the 2021 Report and Accounts of the Church of Scotland Unincorporated Entities. (*Section 2*)
4. Affirm the overriding priority in budget planning to support the maintenance and growth of the local Church and note the continuance of the challenging financial situation facing the Church as a result of the Covid-19 pandemic. (*Section 5*)
5. Agree to implement the Giving to Grow scheme from 1st January 2023 (*Section 9*) and approve the proposed Regulations. (*Appendix A*).
6. Repeal the Parish Ministries Fund Regulations (Regs IV 2016). (*Section 9.4*)
7. Approve the amendments to the Regulations for Contributions from Congregations in the Presbytery of International Charges (Regs V 2016) and the Regulations for Allocations in Local Ecumenical Partnerships (2007) (*Appendix C*) for use from the 1st January 2023. (*Section 9.3*)
8. Repeal the Pilot Presbytery Staffing Fund Regulations (Regs V 2011). (*Section 9.4*)
9. Encourage Kirk Sessions to engage with the Christian Aid and ecumenical partners' promotion of legacy giving in September 2022. (*Section 12.4*)
10. Encourage Presbyteries and Kirk Sessions to use the National Stewardship Team as a resource to help congregations steward their resources in line with their vision and mission plans. (*Section 12.5*)
11. Instruct the Assembly Trustees, working in the terms outlined in Section 13 of the Report, to bring to the General Assembly of 2023 detailed descriptions and remits and finalised titles for an Active Faith Leadership Team and the following Programme Groups:- (*Section 13*)
 - i. Mission
 - ii. People & Training
 - iii. Public Life & Global Justice
 - iv. Resource & Presence
12. Instruct the Trustees to work with the Nomination Committee and Presbyteries to enable the Nomination Committee to bring names of nominees for the leaders and members of the Active Faith Leadership Team and each of the Programme Groups to the General Assembly of 2023. (*Section 13*)
13. Affirm the faithful and dedicated work of the Faith Nurture Forum and Faith Impact Forum since their inception in January 2020, the leadership of those Forums and the commitment of their members and commend their continuing involvement in the development of the Faith Action Programme. (*Section 13*)
14. Instruct the Trustees, working in the terms outlined in Appendix E, Section 9 of the Report, to bring to the General Assembly of 2023 detailed proposals for the Ecumenical Relations Committee and the Theological Forum in relation to the structural arrangements for the Faith Action Programme, whilst retaining their direct accountability to the General Assembly. (*Appendix E, Section 9*).
15. Note the Vision Statement which frames the discussion around the Review of Initial Training for the Ministry of Word and Sacrament (*Appendix D*), agree the principles for ministerial education and training outlined in Section 14 of the Report and authorise the Faith Nurture Forum to engage with academic providers and others as necessary in order to ensure the best possible infrastructure and curriculum for ministry formation. (*Section 14*)
16. Instruct the General Trustees, jointly with the Assembly Trustees, the Legal Questions Committee and the Faith Nurture Forum, to review current law and practice with a view to proposing legislation that would allow greater flexibility in relation to the allocation of the sale proceeds of properties found to be surplus to requirements following the dissolution of a congregation or the union of one or more congregations and provide a transparent process with adequate criteria by which decisions on the use of such funds are made and report to the General Assembly of 2023. (*Section 22*)
17. Approve the amended remit of the Audit Committee. (*Section 23.5*)
18. Approve the amended Constitution and Remit of the Assembly Trustees. (*Section 23.6*)
19. Note the revised Job Description for the post of Principal Clerk as set out in recruitment pack <https://churchofscotland.org.uk/about-us/general-assembly/redirects/principal-clerk-recruitment-pack>, ratify the appointment of Rev Fiona Smith as Associate Principal Clerk from the 19th April and appoint her as Principal Clerk to the General Assembly with effect from 1st July 2022. (*Section 24*)
20. Approve the change in membership numbers for the Committee on Chaplains to Her Majesty's Forces. (*Section 25*)

Report

1. INTRODUCTION

1.1 *Let us continue to hold firmly to the hope that we confess without wavering, for the one who made the promise is faithful. And let us continue to consider how to motivate one another to love and good deeds. Hebrews 10: 23 – 24. (ISV)*

1.2 Faithfulness has been the mark of those who have taken forward the ministry and mission of the Church of Scotland over the past year. As the impact of Covid-19 stretched on into its second year, people involved in every part of the life of the Church found themselves having to rise to challenges hitherto unknown. The outworking of the decisions taken at GA19 would have been challenge enough, but add to that the complexity of working through a pandemic and one begins to understand the uncertainty, anxiety and stress felt across our ministries and in our congregations. Nonetheless people have been faithful: faithful to their calling, faithful in their service, faithful in their giving and faithful to God.

1.3 The Assembly Trustees have seen this faithfulness at first-hand as they have worked with the Forums and with the Board of CrossReach, and observed ministers, congregations and Presbyteries face challenges on an unprecedented scale. So, this report begins with the warmest commendation and thanksgiving for those who have continued to participate in the mission of God, learned new skills, walked the second mile and maintained the hope of our faith. In the national offices, within every sphere of operation, people as elsewhere have stretched themselves to the limits in implementing, through the Faith Action Plan, an integrated programme for supporting the Church's vital work across the country and beyond. All of these elements of faithful service, together, make up the continuing story of our Church since the last General Assembly.

1.4 It is hard to remember a time in the recent history of the Church of Scotland when so many far-reaching instructions of the General Assembly have been implemented at the same time. This report will cross the spectrum of areas where, despite the magnitude of the challenge, people involved in the local, regional and national life of the Church are continuing the work of restructuring and reforming. Our belief, which we hope can be shared across the whole Church, is that in the grace of God the work which has begun will lead to renewal and growth.

2. AUDIT OF ANNUAL ACCOUNTS FOR 2021

2.1 It is the responsibility of the Assembly Trustees to prepare, approve and present annually to the General Assembly the audited Annual Report and Accounts of the Unincorporated Entities. The Report and Financial Statements describe, in detail, the Church's objectives, activities and governance arrangements. They are issued as a separate document on the Assembly website and submitted annually to OSCR, the Scottish Charity Regulator, where they are available for all to see the full extent of the Church's work and witness. The Assembly is invited to receive and read the Report and Accounts.

3. FAITHFULNESS AND EMERGING FROM THE PANDEMIC

3.1 The continuance of the pandemic has prolonged the impact on all parts of the Church of unusual working and social connections, loss of income, and, therefore, national resources – human and financial – to be shared by all. The impact on many fulltime ministries of word and sacrament has been significant. A mix of extreme increases in demand for pastoral care, family concerns and reduced availability of pastoral support within congregations has led to burdens close to, if not in fact, intolerable. We must all offer thanks for the strengths allowed to many, whether in full time ministry, other ministries or support positions to bear not only their own burdens but to aid those who have struggled. The Chief Officer, Dave Kendall, and the Senior Management Team have had first-hand experience of responding to pleas for assistance. It is with this knowledge that the Assembly Trustees continue to seek ways to focus what we all, as the Church of Scotland, want to achieve and to be more realistic about what we can ask of one another.

4. FAITHFULNESS AND THE FINANCIAL PICTURE

4.1 Underlying everything that the Church can and should do are faith, prayer, supporting each other and stewarding our personal and financial resources, each often sacrificially given. Identifying how best to apply the Church's human and economic resources so that they can strengthen local congregations depends on accurate knowledge and we pay tribute to the continuing work of the Chief Officer and his staff, in consultation with the Principal Clerk, to discern a precise picture of the financial impact of the pandemic on the Church, locally and by extension nationally. Much of the work of the Forums is carried out in partnership with the local Church and their reports deal with human resources. The co-ordinating work of the Head of Faith Action Programme with the Faith Action Staff has kept us informed of many issues as they have arisen. In this section of our Report we turn to how we have approached the use of the financial resources.

4.2 General Assembly 2021 reaffirmed the need for budgetary prudence and we have given all possible support to the General Treasurer and her staff in this. Over the past three years the Church has responded to the changes identified by the 2019 Special Commission and the principal building blocks approved by GA19 have been met.

5. NATIONAL FINANCES

5.1 Over the last two years the finances of the Church at a local and national level have been subjected to changes which are unprecedented in recent history, as the plans needed for radical change in the Church coincided with the Pandemic. During the first year of the Pandemic, the local Church suffered a reduction of some 15%, £12.4 million, in its assessable income compared to the year before. This followed on from reductions in income in real terms pre-Pandemic. The General Assembly of 2019 had instructed an end to deficit budgeting and a transfer of resources to grow the local Church. Therefore, at the same time as implementing the instructions of the Assembly, the Assembly Trustees recommended the reduction of the aggregate Mission and Renewal contribution in 2021 by 18%, so as to provide some financial relief to congregations.

5.2 It is against this background that the Assembly Trustees acknowledge the continued faithful commitment of Church members and adherents in maintaining their offerings to the Church during the second year of the pandemic when there was perhaps even more uncertainty than in 2020. We thank the congregational treasurers and office-bearers who have continued to adapt, looking to introduce new ways of giving and casting the net wider to attract external funding for creative missional projects.

5.3 Faced with all of these financial pressures and continued financial uncertainty, the Assembly Trustees have had to be mindful of maintaining an appropriate level of reserves. During the pandemic, both the National Church and congregations have drawn on reserves. However, the reserves of the National Church are the funds of last resort in terms of financing ministries and activities of the Church which at all costs we must strive to maintain. While the Assembly Trustees have had to draw upon reserves once again to cover operating expenditure, we will endeavour to revert to the planned course of action over the years 2023 to 2027, for which forward outline budgets are now being drafted. Those budgets will, however, propose the establishment of the *Seeds for Change* growth fund which we had to pause due to the uncertainties of the pandemic.

5.4 A cost reduction programme was already in place following the report of the Special Commission of 2019 and this was given priority during the pandemic. Work commenced on the implementation plans for the new *Giving to Grow* scheme replacing the Ministries and Mission scheme, and on a funding strategy for the new Presbyteries. More significant change must come. The Presbytery Mission Plan Act, the new *Giving to Grow* scheme and the new Presbytery structures present financial and mission opportunities which will need to be grasped if there is to be that longed-for growth in the life of the local Church.

5.5 The deficit in the National financial results for 2021 of £3.1 million is much smaller than was budgeted. Nonetheless, it is still a significant deficit in proportion to income and to unrestricted reserves.

5.6 The 2019 Special Commission had asked for the elimination of deficit budgeting, but the challenges we face alongside the Pandemic, means that there will be deficit budgets on ordinary operations for at least the next two to three years until (1) the new Presbyteries become fully operational, (2) the Faith Action Plan is established and (3) Presbytery Mission Plans have been completed. The transition funding for the new *Giving to Grow* scheme will be drawn from National Reserves to allow Presbyteries and congregations time to adapt to the new ways of working. There is also uncertainty as to future levels of congregational income and as to the time which will elapse before there is a realistic prospect of CrossReach achieving financial self-sustainability.

5.7 At a national level, in order to achieve a single overarching framework so that our resources – human and financial – can best be used in meeting the Five Marks of Mission, we will be working with the Forums, the General Trustees and the Presbyteries in order to deliver the Faith Action Plan with properly determined financial priorities.

6. MINISTRIES AND MISSION CONTRIBUTIONS

6.1 Congregational contributions are what keep the Church going. They fund Parish Ministries, the work programmes of the Forums and Committees and the work which supports congregations, Presbyteries and the national and international work of the Church. The Ministries and Mission scheme for congregational contributions was based entirely on congregational income. However, the current scheme was not considered to encourage 'ownership' or effective stewardship of finances, and the General Assembly of 2020 instructed a review of the system. Separately, the Presbytery Mission Planning Act is changing the landscape of territorial ministry, and must be taken into account here. Section 9 provides more of the background and detail of the new *Giving to Grow* scheme.

6.2 Congregational contribution levels were held at between £46 million and £46.5 million in the five years to 2020. In acknowledgement that some congregations would be using reserves to continue to make their contributions, the General Assembly of 2020 approved the Trustees' recommendation for an 18% reduction in aggregate for 2021 to £38.2 million and, for 2022, to £42 million. This was not a reduction of 18% for every congregation. The purpose of this was to help congregations replenish some of the reserves used during the pandemic. Presbyteries also had at their disposal in 2020 and 2021 the 5% Presbytery discretionary allowance which could be used to assist congregations in making their contributions.

6.3 Congregational financial statistics schedules help gauge the levels of congregational income, the key element upon which the Church's budget is based. Over the last two years this has been even more crucial as we have attempted to measure the financial effects of the pandemic on congregational finances. These financial statistics however can only provide an estimate, and it is the analysis of all congregational accounts later in the year which provides us with an accurate picture. For example, the analysis of statistics for 2020 showed a decrease in the assessable income of congregations of 20%. The later analysis of congregational accounts, carried out by autumn 2021, confirmed that there was a decrease of 15%. Offerings were the most resilient category of income, decreasing by 5%. As well as this relatively stable level of giving, the Donate Button, introduced in 2020 to the Church's main website, has to date collected £0.39 million, the majority of which, £0.34 million, was transferred to specified congregations, with the remainder being

contributed to general funds and the Guild. These figures are a tribute to the sacrificial giving and faithful support of so many people in our congregations.

6.4 The initial analysis of 65% of on-line returns for 2021 income indicates a modest increase in income compared to 2020.

6.5 The Stewardship Team increased their activities to assist congregations with other means of giving and held well-attended webinars including one on digital giving. More details of the Team’s work is given below.

6.6 By 31 December 2021, congregations had remitted £36 million in Ministries and Mission contributions, which was 98% of the total. In accordance with the Regulations, amounts for 2020 which remain outstanding were deducted from the allowance available to Presbyteries for 2022. In cases where congregations are unable to pay their full allocation the Assembly Trustees encourage Presbyteries to engage with them and offer assistance where appropriate. Feedback from several Presbyteries has indicated that they have had successful discussions with congregations over the payment of contributions. The overall result is an excellent achievement. However, it remains the case that some congregations have reported experiencing financial distress. Staff in the Stewardship and Finance department, as well as the Chief Officer, have provided support to office bearers and ministers, probably more so than at any other time.

6.7 The Assembly Trustees wish to record their sincere thanks to all congregations for their 2021 Ministries and Mission contributions, with a particular thank you to the congregations which do so by standing order and to all congregations which met their contributions in full by 31 December 2021.

6.8 Comparative amounts to be contributed and returns for recent years are as follows (table 1):

Year	Total to be Contributed £'000	Total received by 31 December £'000	%
2017	43,969	43,300	98.5
2018	43,387	42,825	98.7
2019	43,917	43,187	98.3
2020	43,648	41,445	94.9
2021	36,858	36,003	97.7

6.9 As is customary, due to the timing of printing deadlines, full details of congregational contributions and the budget proposals for 2023 will be presented in the Supplementary Report. The budget will include estimates of the contributions payable by congregations under the new *Giving to Grow* scheme.

7. NATIONAL BUDGETS

7.1 2021 Results

7.1.1 The Trustees’ final 2021 budget for the Unincorporated Entities was for a deficit of £11.4 million from National Reserves, resulting from the reduction in aggregate congregational contributions (explained in section 1.2), together with reduced investment income and a very uncertain financial picture for CrossReach as the pandemic continued. There was also a risk that congregational income might fall short even against the reduced requirement. When the results of the Housing and Loan Fund, The Guild, New College Funds and miscellaneous trusts are included the overall deficit was budgeted at £10.8 million.

7.1.2 The actual operating result for the Unincorporated Entities in 2021 was a deficit of £3.1 million and the reasons for the improvement are outlined below. This is unaudited and excludes gains on sale of heritable property and gains in investments, both realised and unrealised. While the result was a very substantial improvement against the budget, this was nonetheless still a significant deficit.

7.1.3 There was an increase in income due to the reinstatement by the General Trustees of £1.36 million of stipend endowment income using the sale of capital over five years to 2025. Legacies to the National Church, both unrestricted and for more specific work including CrossReach, were more than budgeted and the Assembly Trustees gratefully acknowledge the generosity of those who provide for the Church in their wills.

7.1.4 National departmental expenditure was contained by £3.7 million but this included an underspend of £1.9 million on Parish Ministries staff costs as a result of (1) higher numbers of ministers retiring, (2) probationers not being able to take up appointments due to pandemic restrictions and (3) fewer ministers coming from overseas. Lower levels of recruitment resulted in underspending on training and candidate funding.

7.1.5 Savings of £0.3 million against budget in 2021 arose in respect of staff posts. Work programmes of the Forums and Committees and in the support and services departments were contained. There have also been planned and recurring reductions in departmental expenditure, and all replacement staff posts have been subject to scrutiny, in many cases being filled internally.

7.1.6 CrossReach budgeted for a deficit of £2 million, this included a substantial contingency for costs directly related to Covid-19 measures, which in the event was not required. Pension deficit payments were able to cease during 2021. As a result, CrossReach’s unaudited operating deficit for 2021 was a much-reduced amount of £0.3 million. CrossReach has challenges in setting an accurate budget in time for each General Assembly, among other matters because of the cycle of Local Authority Commissioning. The effects of the pandemic on the entire care sector have brought further significant complexities in their budgeting.

7.2 Final 2022 Budget

7.2.1 The indicative budget presented to the General Assembly in May 2021 was for a deficit of £5.1 million excluding Housing and Loan, and Other Funds. The Assembly Trustees approved a final budget for 2022 of £5.9 million to be drawn from National Reserves. The increase in the deficit was to incorporate additional costs associated with the approved 2% stipend and salary increases and the expected net costs of the Scottish Living Wage for CrossReach staff.

7.2.2 Funding of £0.1 million was included in the budget to prime the Pioneer Mission Fund and corresponding reductions were made elsewhere.

7.2.3 The Housing and Loan and Other Funds budget for 2022 is a deficit of £0.52 million, with Housing and Loan planning a significant programme of repairs and upgrades to its properties.

7.3 Forward Budgets

7.3.1 The Trustees' Supplementary Report will contain an outline budget for the years 2023 to 2027 set in the context of potential congregational contributions under the new *Giving to Grow* scheme which replaces Ministries and Mission contributions from 2023. The ongoing effects of the pandemic on congregational income is still one of the biggest risks to the budget.

7.3.2 The reduction in the cost base for the national offices is a product of implementing the recommendations of the Special Commission which were agreed by the General Assembly in 2019. Forums, Committees and departments will need to work within this reduced financial framework on an ongoing basis. The forward budgets now take account of predicted ministries numbers, transition funding under *Giving to Grow*, future cost of living increases, infrastructure investment to realise savings and other benefits, and core funding of the new Presbyteries.

7.3.3 Presbytery Mission Planning and uncertainty around recruitment of ministers, as well as the implementation of *Giving to Grow* will mean that these numbers will be best estimates, based on our increasingly accurate financial modelling and statistical analysis.

7.3.4 Notwithstanding the financial challenges being faced by the whole Church it is the view of the Trustees that this is the right time to make provision for the establishment of the *Seeds for Change* growth fund which was a central part of the Radical Action Plan. The pandemic has made the financial position of the Church all the more precarious, but far from this making us risk averse the situation we now face calls for substantial investment in new forms of church life and in particular finding ways to invest in the creation and planting of new congregations across Scotland. Proposals in relation to the re-establishing of this Fund, which was suspended at the start of the pandemic, will be presented in the Supplementary Report.

8. PRESBYTERY FUNDING

8.1 The funding streams available to Presbyteries are from the National Finances which are funded mainly from congregational contributions, Presbytery Dues and local investment and from fundraising income. Under the new Mission Plan Act much is expected of our Presbyteries, but they too will have to work towards long term sustainability. Just as the National Budget of the Church should achieve break even, Presbyteries should aim to have balanced budgets after five years in operation. An amount of £120,000 for each new Presbytery has been allowed in the National Budget, with some additional contingency which acknowledges the differing needs of Presbyteries across Scotland. This will be made available annually for five years. Presbyteries should aim to grow their income and develop plans alongside Presbytery Mission Plans to reach a position where this core funding is not required after five years. However, the Assembly Trustees will continue to work with Presbyteries as they ensure that financial and other resources are available for their work in the long term.

8.2 From consultations and discussions with the newly forming Presbyteries, it has become clear that no two are likely to be the same, although there are common themes in several. The Assembly Trustees have therefore not been prescriptive as to how the core funding should be used for the efficient running of a Presbytery.

9. GIVING TO GROW

9.1 Background

9.1.1 The 2021 General Assembly approved the change from the existing Ministries and Mission (M&M) Contribution system to *Giving to Grow*. As the regulations for the new scheme have been developed and further consultations and discussions have taken place, some of the key principles are worth noting again:

- **Transparency:** It will be possible for congregational treasurers and Presbyteries to budget more easily for contributions. Many have already used the calculation to estimate future contributions by congregations.
- **Clarity:** The Regulations have been revised to provide more clarity on, for example, assessable income.
- **Sustainability:** Every charge should be able to contribute something towards the cost of their minister and move towards paying the full cost of their minister in order for the Church to become more sustainable.
- **Fairness** – the scheme provides support to those who cannot pay the full cost of their minister but aims to encourage more congregations to be able to do so.
- **Growth:** Charges can grow their income and retain more of it locally without being penalised.
- **Regional flexibility and incentive to mission** – Presbyteries can incentivise the redistribution of any excess income.

9.1.2 The current M&M system was developed over several decades in response to the changing needs for ministries, mission and new ways of working. The main benefit of the system was that it collected what was required to pay for parish ministry – stipends, salaries, recruitment, training and support; the cost of supporting congregations; and mission programmes at home and internationally. The system collects more from those congregations with higher income and less from those with lower income and congregations have been, overall, able to pay their contributions, as shown in table 1.

9.1.3 However, there was a growing view being voiced amongst congregations who were thriving, both in terms of mission and finances, that the system was a disincentive to increase income and grow their mission and outreach. Congregations were also not able to clearly see how the redistribution of income pays for their minister. Congregations with higher incomes and who, because of Presbytery plans, could not appoint a second post, were frustrated at the level of contributions being paid.

9.1.4 One of the key principles of *Giving to Grow*, outlined above, is sustainability. The current position is that 69% of congregations are not paying the cost of a minister, meaning that 31% of congregations are supporting all of the others. The M&M Review Group sought to design a system which would shift that balance towards a more equitable sharing of the cost of ministries.

9.1.5 *Giving to Grow* challenges us all to change our mindset about budgeting. Some of the certainty afforded by the existing system in funding the National Finances has been removed. Instead the vision is that congregations will grow their income and use this to fund mission and outreach, as opposed to the National Church setting expenditure goals and requiring contributions to pay for this. The challenge to the local church is to grasp this opportunity. The challenge to the Assembly Trustees and the Forums is to work within a less certain financial framework but one which seeks to contribute positively to fulfilling the Faith Action Plan.

9.2 Financial Regulations for *Giving to Grow*

The Regulations and Communications Plan are presented at Appendices A & B.

9.3 Financial Regulations for the Presbytery of International Charges and Local Ecumenical Partnerships

9.3.1 The Regulations for Contributions from Congregations in the Presbytery of International Charges (Regs V 2016) require to be amended to reflect the new *Giving to Grow* scheme. In line with the Scheme, the allocations will now be based on the income for the previous financial year instead of the three year average. The use of a graduated scale to calculate the assessment will be replaced with the flat rate of 10% also in line with the new scheme. The other aspects of the regulations, such as the items included in the income base, are unchanged.

9.3.2 The Regulations for Allocations to Local Ecumenical Partnerships (2006) require similar amendment to reflect the change from a three year average to the use of the previous financial year's income.

9.3.3 The proposed amendments to the Regulations for both of the above are attached at Appendix C.

9.4 Parish Ministries Fund Regulations

9.4.1 These regulations were embedded in the Pilot Presbytery Staffing Regulations (Regs V 2011). The introduction of the Presbytery 5% discretionary allowance, and now the new *Giving to Grow* Scheme, mean that these regulations are no longer required. The Trustees, therefore, propose the repeal of these regulations.

9.5 Transition Funding

9.5.1 The Transition Fund proposed at the General Assembly of 2021 is intended to mitigate some of the financial impact of the pandemic and allow time for the new system to be established. The Assembly Trustees consider that the application of Transition Funding should be firmly at Presbytery level. The Presbytery 5% Discretionary Allowance (of which any unspent amount can be carried forward until 31 December 2023) has been largely successful in providing targeted support to congregations, informed by local knowledge. In a similar way, Transition Funding will be available to Presbyteries to reduce the contributions of congregations subject to alignment with the implementation of Presbytery Mission Plans. The scope of the Transition Funding, however, will be restricted to providing financial assistance to congregations since core funding for Presbyteries is being provided separately through the National Finances.

9.5.2 In considering the length of the transition period, the projected time periods for the implementation of Presbytery Mission Plans were taken into account.

9.5.3 Under *Giving to Grow*, some charges will pay more and some will pay less. The Transition Funding will smooth these changes until such time as Plans have been implemented. Each Presbytery will be allocated an amount based on a comparison of a congregation's contribution in the base year 2022 to the contribution in 2023 and subsequent years 2024 and 2025, regardless of the congregation's longer-term sustainability which is yet to be determined by Presbyteries. Provision for the cost of the funding is being included in the National budget.

9.5.4 Since most of the National Finances is used in paying for Parish Ministries, it is important that the link with Presbytery and Mission Planning is maintained and that there is opportunity to adjust the system, for example if there was a material change in the aggregate cost of ministries. As the new Presbyteries develop, there could be a need for adjustment to reflect this and, of course, the General Assembly could issue new instructions over time.

9.5.5 As the new scheme is established it will be important to learn from experience at a local, regional and national level and to correct any anomalies or omissions during the first three transition years.

9.5.6 The *Giving to Grow* scheme aims to more closely align income with Presbytery Mission Planning. It will give Presbyteries more opportunities to encourage congregations to increase their income through traditional giving and more entrepreneurial ways, knowing that they will not be penalised for this, but instead can do more mission in the local context.

9.5.7 As the new Presbyteries form, they are already demonstrating, in small steps initially, how they might redistribute finances. For congregations in the position of paying less than under the previous system, there will be possibilities to contribute to others or to National initiatives.

9.5.8 With all of the uncertainty caused by the pandemic, the future income of congregations remains very uncertain and for the new scheme to succeed, Presbyteries and the National Office will need to work together on the challenges and opportunities afforded by *Giving to Grow*.

10. FUNDS

10.1 Previously the budget approved by the General Assembly has been allocated among congregations, the Parish Ministries Fund and the Mission and Renewal Fund. The three components of the *Giving to Grow* scheme can be attributed to any area of expenditure. This dispenses with the requirement for both the Parish Ministries Fund and Mission and Renewal Fund.

10.2 As at 31 December 2021, the accounting for individual funds has been made clearer. Funds are now shown as restricted by purpose and not by Agency. All unrestricted funds have been transferred to the General Fund.

11. PENSION SCHEMES

11.1 Defined Benefit Schemes

11.1.2 The triennial valuation of the Schemes took place as of 31 December 2021 with the Pension Trustees and employing agencies agreeing actuarial assumptions for the valuation. The results show that all Schemes are now fully funded with no deficit repair payments required.

11.1.3 An increasingly active interest in Environmental, Social and Governance (ESG) issues is being taken by the Pension Trustees and a policy being developed by them will be shared with the employing agencies in due course.

11.2 Defined Contribution Schemes

11.2.1 The Group Personal Pensions Governance Group monitors the arrangements for both the CrossReach Pension Plan and the Church of Scotland Plan for defined contribution pensions. It meets to review the provider's performance reports, service provision and developments, which currently include ESG and related matters.

11.2.2 Membership of the Church's Plan has now been made available to staff directly employed by Presbyteries.

11.2.3 A review of the investments provided by Legal and General was carried out by the Church's Pension advisors in 2021 and at the time of writing the results were being considered by the employing agencies.

12. STEWARDSHIP

12.1 Outreach

12.1.1 The National Stewardship Team has continued to develop its approach to ensure it is offering congregations the right support and resources in accessible formats, particularly during this continued period of uncertainty and change. Across 2021, a series of webinars was hosted by the team covering digital giving, Gift Aid and Gift Aid Small Donations Scheme (GASDS), funding and fundraising, personal giving, legacy promotion and broader stewardship resources with an encouraging level of engagement and numerous follow up conversations. Further online events will be offered in 2022, building on the success of the first series and targeting the content to address developing needs.

12.1.2 Key Resources

In line with last year's instruction of the General Assembly, congregations are encouraged to engage with the National Stewardship Programme, using the overarching '*A Narrative of Generosity*' resource to embrace a whole life of stewardship. Using twelve themes, the *Narrative* encourages the sharing of stories to prompt a more intentional and joyful approach to stewardship. Many of the Stewardship Team's resources can be downloaded free from the Resourcing Mission website shop: <https://www.resourcingmission.org.uk/shop>.

12.2 Digital Giving

12.2.1 The last two years have seen many of our congregations embracing digital solutions in order to facilitate and maintain giving. Digital providers have flooded the market with a wide variety of devices and packages, a number of which have churches and charities in mind. In building relationships with providers, the Church has been able to secure certain discounts on contactless devices and ensure that the companies concerned understand the differing needs of our congregations with the Stewardship Team now able to support Presbyteries and congregations in their digital journey. Further information and resources can be found at <https://www.churchofscotland.org.uk/resources/covid-19-coronavirus-advice/generosity-in-adversity>

12.3 National Giving Day

12.3.1 The National Giving Day, an initiative running in September/October 2021, was launched as an encouragement for congregations to reflect on God's presence with us through these challenging times and to offer gifts of thanksgiving back to God. The money received through this initiative remained with participating congregations who chose how to use these gifts.

12.3.2 As of February 2022, 318 congregations were understood to have taken part with £1.2m being collected. Participating congregations have used this initiative in a variety of ways, including the promotion and resourcing of specific work, to launch new projects or to offset deficits. In many cases, this income has been used to support projects within communities at home or overseas. In some instances, congregations have chosen to support other

congregations who may have been under particular financial pressure. The Assembly Trustees are thankful to everyone who contributed to the National Giving Day initiative, whether through the giving of generous gifts, the preparation of resources, the delivery of special events or the financial work behind the scenes. We ask God's blessing on our gifts of thanksgiving which have been given in the knowledge that God accepts and uses them to do *'immeasurably more than we could ask or imagine'* (Ephesians 3: 20).

12.4 Legacy Giving

12.4.1 A legacy gift to the Church is one of the most valuable and lasting ways we can continue to support its mission and its ministry, whether the gift is directed to a local congregation or to the wider work of the Church.

12.4.2 Legacies are an increasingly important source of funding for UK churches and charities. Charities in the UK received around £3.4 billion in legacy income in 2018. Recent research from Christian Aid suggests that whilst 89% of those surveyed gave regularly to the Church, only 15% had planned to leave a gift to the Church in their wills.

12.4.3 At the time of writing, the Stewardship Team is engaged in discussions with Christian Aid and a number of other denominations regarding a joint legacy focal point later in the year. If this comes to fruition, congregations will be encouraged to participate by sharing the promotional material and making time for reflection on the place of legacy gifts within the church context. The Assembly Trustees believe that this approach has merit in terms of helping churches promote legacy giving and providing quality resources and ideas on how to do this in an appropriate way.

12.4.4 As a first step, we would encourage every Kirk Session to put in place and communicate its own legacy policy. This is simply a statement of how a legacy gift to the congregation will be used. The policy needn't be overly specific but the aim is to highlight that gifts left to your church will be put to good use. It might be about agreeing that you will try to ensure that legacies will be used to fund projects that wouldn't otherwise be afforded, or that for the next period of time legacies will be directed to a particular area of work. Members and supporters of the Church may be more inclined to consider leaving an unrestricted gift if they are confident that it will be used for a particular project or new initiative rather than simply to pay the routine bills. More detailed guidance can be found on the legacy page on the Church of Scotland website here: <https://www.churchofscotland.org.uk/resources/stewardship/leaving-a-lasting-legacy-through-your-will>

12.5 Looking Ahead

12.5.1 Over 2022 and 2023, the Stewardship Team is keen to increase its direct engagement with Presbyteries, particularly following the regional restructuring. Kirk Sessions, too, are encouraged to keep stewardship on their agenda and to utilise the services of the National Stewardship Team in relation to all aspects of stewardship including digital giving, legacies, Gift Aid and GASDS, personal giving and broad stewardship teaching resources.

12.5.2 Conversations with a stewardship consultant can be invaluable for a congregation, whatever its situation. The Team can facilitate workshops, day conferences and Kirk Session discussions to help congregations, new unions or parish groupings identify their priorities and steward their resources to ensure that their vision and mission plans are achieved. Regular liaison between Presbyteries/congregations and the key stewardship contact for an area can help ensure that the Team's services are directed to the right places and that its strategy is grounded in the realities of the local and regional church.

12.5.3 The services of the National Stewardship Team are provided free of charge. Contact details can be found on the Church's website: <https://www.churchofscotland.org.uk/resources/stewardship>.

The team can also be followed on Facebook: <https://www.facebook.com/ChurchofScotlandStewardship/>

Recorded online events can be viewed on YouTube: https://www.youtube.com/channel/UCqb_rm5hFTSGVK00tBFv6og

13. SPECIAL TASK GROUP (D10)

13.1 At the General Assembly in 2020 Section 10 of the Deliverance of the Assembly Trustees gave rise to what has been an ongoing examination of what might be the most effective and efficient structure for the delivery of work which has to be managed and delivered from the Church's national base. It is with reference to that deliverance that the group examining this on behalf of the Trustees became known as the D10 Group.

13.2 It is not easy to change but continue to change we must if we are to achieve the General Assembly's declared intention as to what the national work is primarily for: to support local congregations, and also in that process to work with Presbyteries as they too change.

13.3 We are grateful to the D10 Group for the work in which they engaged, from October 2020 to March 2021 and again from September 2021 to now. A comprehensive account of their work can be accessed at <https://www.churchofscotland.org.uk/about-us/general-assembly/general-assembly-2022/reports-and-additional-documents>. This details the painstaking consultative work which has led to the conclusions which are detailed in the deliverance and in the D10 Report attached at Appendix E.

13.4 This has not been a quick fix. Guided by the responses of consultees we decided that last year was not the time to recommend further changes. Since then, Presbytery Reform has continued, Presbytery Mission Planning has picked up pace, and the Head of Faith Action Programme has been appointed and taken up post. Under his leadership, staff in Faith Action have been trying new ways of working. We are grateful to the staff for this; it has helped the D10 Group, and we hope others, see that new ways of working, indeed new ways of thinking, are possible.

13.5 We think that – at this juncture, and building on the leadership shown in the Forums – it is right to put an explicit emphasis on 'Leadership', although it was not a feature of the D10 2021 propositions. The challenges arising in the world since have only increased and within the Church we think that there is an ever-greater need for stronger and

better connections between the church nationally and Presbyteries. The Trustees were, therefore, pleased to adopt the recommendation in the D10 Report that there be an Active Faith Leadership Team, which will be accountable to the General Assembly, to champion the Faith Action Programme and that half of its members should be suitably skilled people from the Presbyteries.

13.6 We recognise concerns that merging the work of two Forums into one Forum would have resulted in an unwieldy remit. That is why we are recommending the proposal for four Programme Groups recommended in the D10 Report, with the Active Faith Leadership Team having an oversight role, and the leaders of the Programme Groups together with the Convener of the Active Faith Leadership Team being the collective voice for the work of Faith Action.

13.7 Combined with this, we are keen to see greater clarity and adjustments in balance between the work of staff and the Ministers, elders and others who represent the wider Church of Scotland in the collective decision-making of the Church. We are, therefore, pleased to affirm that there should be a synergy between how the Faith Action staff are organised and the Programme Groups. We think that the four Groups suggested, with inbuilt flexibility to make adjustments, are an appropriate way of sharing out the detailed work, and that they offer a fresh sense of expectancy, that can, and will, tackle things in different, good, ways.

13.8 We know that a concern among some in the Church has been how durable any new structures will be. It is anticipated that if these structures are adopted in May 2023 they would be in place for the duration of the 5-year Faith Action Programme, with planning for the future commencing after three years.

13.9 We think that the time plan is sensible and that the Strategic Planning Team, as proposed in the D10 Report, should have the key role in working through the detail of these proposals.

13.10 We therefore propose that the General Assembly accept the recommendations set out in the D10 Report and in the relevant sections of the Deliverance.

14. FAITHFULNESS IN TRAINING ALL THE PEOPLE OF GOD

14.1 Review of Initial Training for Ministry

14.1.2 At inception, the Assembly Trustees formed a Training Task Group whose purpose was to help the formation of an integrated programme of education and training, driven from a single point of contact. This work, covering the provision of support for new members to the development of in-service resources for ministers is now contained within the Faith Action Plan and resourced by the staff of the Faith Action Programme. At the heart of this strategic development lies the hope that people will be able to access learning and support which is appropriate at every stage of the faith journey. An important part of this will be the way in which we encourage people to explore their sense of vocation which for some may mean a journey into one of the several ministries of the Church.

14.1.3 A pivotal part of this work has been to revisit and even reimagine the process of initial training for the Ministry of Word and Sacrament. This work had been commenced under the former Ministries Council; however, in early 2020 that review process reached an impasse. Much detailed work had been done by the Council, but the process of consultation and proposed tendering by academic providers proved difficult; and, as the first period of lockdown was announced, it was agreed to pause the process while inviting the Training Task Group to take this important matter forward.

14.1.4 The Assembly Trustees and the Faith Nurture Forum have worked closely with one another and, ably assisted by the Education and Training Secretary, have produced both a Vision Statement and a set of Principles, now endorsed by both the Faith Nurture Forum and the Assembly Trustees. The Principles are summarised below, and the Vision Statement is to be found in Appendix D.

14.2 Principles for Developing Initial Education and Training

14.2.1 Formation

14.2.2 At the heart of formation for ministry is an understanding of the call that God has on our lives together with a nurturing of our God-given gifts and passions. In the context of formation for ministry (and indeed in the Church as a school for discipleship) theology must be understood as 'knowledge of God' – it is a spiritual discipline. It is inseparable from faithful and believing discipleship. As a spiritual discipline it must also be something that engages with serious reflection, for part of the discipline is about discernment. The purpose of engagement with theology is that as we grow in our knowledge of God we also grow in maturity of faith, and we are formed to be the part of the body of Christ to which we have been called. The spiritual discipline of theological reflection is a vital platform on which formation for ministry takes place.

14.3 Creating a Community of Learning

14.3.1 In the New Testament, church is characteristically relational. The narrative of the Acts of the Apostles and the themes of the Epistles demonstrate the relational nature of church with all the joys and challenges this brings.

14.3.2 This points towards two important conditions for formational training:

Firstly – ministry should be something that is growing. Formation for ministry is not a 'once only' activity, rather it is an ongoing process of being conformed to the pattern of Christ and His ministry. The way training is offered must create a desire to be part of a learning church, not simply during initial ministerial education but throughout ministry.

Secondly – as with all organic, growing things it is relational. It does not and cannot happen in isolation. Formation for ministry (and ultimately ministry itself) must be collaborative. All recognised ministries coming together at key times enables them to see one another as colleagues in ministry, valuing all that the others bring. We need to equip people who will confidently work within teams.

14.4 Academic Provision

14.4.1 We want to place ourselves in the best position to influence the academic provision available for our candidates. We would seek to ensure that the core elements that we see as essential are covered in a consistent way, that we develop our relationship with the chosen academic providers and through our joint working provide a grounding that equips our candidates effectively for their future calling. We would also want to commence an engagement with our current providers, and where necessary other potential solution providers, to explore different models that may suit our needs in the future.

14.5 Academic Curriculum

14.5.1 The work on the academic requirements which was thoroughly researched by Sandy Forsyth should be revisited and amended to strip back the academic content to that which is considered essential to provide candidates with the fundamental grounding that they will require; but which also provides a sufficient grounding for those who want to take their theological training to a higher level. In particular, serious consideration should be given to this foundational academic input being compressed into a two-year course.

14.6 Missional Focus

14.6.1 The theology of God's Mission in the world should be at the forefront of both the academic requirement and of the work done by the church through the Ministries Training Network and conference programme.

14.6.2 Candidates need to understand the history, contextualisation and practicalities of mission and they need to experience in practical ways how the Five Marks of Mission are being met in the everyday life of the Church.

14.6.3 In this the Church has to be its own expert in understanding how to engage in the mission of God in the variety of contexts in which we find ourselves, so, as a priority we should invest directly in the development of the Ministries Training Network with a particular emphasis being placed on the new Presbyteries being the context in which ministry formation and the practical application of ministry and mission is observed and learned.

14.7 Outcomes

14.7.1 If these broad principles are approved it would then be for the Faith Nurture Forum to engage with the academic providers to improve the effectiveness of the current provision whilst at the same time working towards exploring alternative models of academic delivery to meet the needs outlined in the principles above.

14.7.2 It is anticipated that this would ultimately result in a rationalisation of the academic providers, with fewer of the current providers still in place or with different providers, with the Church of Scotland either working alone or preferably working in partnership with other denominations. We do not presume that everyone will come on this journey with us – it may not be practical for all current academic providers to continue to provide specifically for Initial Ministerial Education. The involvement and buy in from the new Presbyteries will also be important to ensure that there is a training and education programme that ties in with the local needs.

14.8 Flexibility in Academic Requirements

14.8.1 In order to take account of the differing circumstances of potential candidates and to ensure that we can continue to attract high quality candidates we are looking for a more focussed academic commitment whilst ensuring that quality and effectiveness is not compromised. To that end we would look to engage with our current academic providers, and if necessary beyond, on the possibility of a one-year (MTh) or a two-year (BD) degree, which could be undertaken by prospective candidates according to their previous academic achievements or professional leadership experience.

14.8.2 We would also look at pilot schemes or sponsoring individual candidates to explore different pathways before finalising any overall changes to the educational system.

14.9 Competency Framework

To underpin these potential developments there would be a competency framework by which we would assess the effectiveness of the initial education and training in preparing candidates for ministry.

14.10 In Summary

14.10.1 The Assembly Trustees and the Forum have:-

- taken into account the stated aim of the Church of Scotland to use the Five Marks of Mission as the benchmark for its future life and work.
- mapped the development of ministerial education and training over the years and the progress that has been made balanced against the areas where progress has been hampered.
- looked at what needs to change for the future and believe that we need structural change in order to meet the needs of both the Church and our individual ministers.
- considered the needs of the Church at national, regional and local level.

14.10.2 We believe that what is being proposed fits in with the other Ministries and with any specialisms that require to be covered. We recognise that what worked for us in the past is no longer fit for purpose and we need to be more flexible, more outcome focussed, and our educational solutions have to be flexible enough to change as future requirements emerge.

14.10.3 We know too that negotiations will continue to be challenging and painstaking, but they have to be addressed with great urgency. We have learned much from the experience of a number of Diocese in the Church of England which have been successful in both recruitment and in formation and we hope that working with our current providers and in the work we do to develop Initial Ministerial Training we can mirror the success that we have seen in other places.

15. PIONEER MISSION FUND

15.1 The 2021 General Assembly instructed the Assembly Trustees to: (i) establish, as part of the Faith Action Plan, a Pioneer Mission Fund aimed at supporting local church growth, with a particular emphasis on church planting and the establishment of 100 new worshipping communities; (ii) encourage wide-ranging support for contributions to be made to this Fund, including contributions from individuals, businesses and outside bodies, and as soon as circumstances permit allocate central financial resources to this important work; and (iii) make appropriate provision for the efficient management and evaluation of the Fund and the projects it supports.

15.2 This Fund has now been created with an initial £100,000 being found from National Finances. Subject to agreement from the General Assembly, the Fund will be open to applications from April. The full report including the Fund regulations will be set out in the Supplementary Report.

16. THE CHURCH OF SCOTLAND SMALL GRANTS FUND FOR 2022

16.1 As instructed by the General Assembly the Assembly Trustees have established the Church of Scotland Small Grants Fund for 2022 which is now open for applications. Congregations and Presbyteries are invited to apply for funds up to £1,000 to meet an identified need within the congregation. Further information can be found at <https://www.churchofscotland.org.uk/connect/small-grants-fund> with applications welcomed in two phases between March to May and September to November.

17. THE SOCIAL CARE COUNCIL: CROSSREACH

17.1 We record here, as elsewhere, our gratitude for the work of the staff in this arm of the Church as it provides social care across Scotland. Staff have courageously and inventively worked to keep people safe and in communication with their relatives, counsellors and support services. The challenges facing CrossReach continue to be acute. Significant financial support continues to be needed from National funds; this is likely to continue for some years and will have further implications for other potential uses of our Reserves.

17.2 CrossReach has reported operational deficits for several years and the pandemic added further uncertainty to the budgeting process as outlined under the National Finances section. Some of the financial effects of the pandemic were mitigated by sustainability payments from Local Authorities, and CrossReach planned for additional contingency costs related to Covid-19, much of which were not required. In addition, the Church must now act as insurer for CrossReach as regards some Covid-19 matters where insurance is no longer available.

17.3 Notwithstanding these pressures, the Assembly Trustees considered with CrossReach the aspiration of the CrossReach Board to become a Scottish Living Wage Employer together with the likely financial impact should that be made a firm target. Following discussions with representatives of CrossReach, the Assembly Trustees agreed that it was proper for CrossReach to address such issues which ought to be considered by a fair employer, and that it should be a general principle that the frontline social care workforce should have parity of pay across the organisation. It was therefore agreed that CrossReach should move to pay the Scottish Living Wage for all frontline care and support staff from 1 December 2021 and to preserve the existing differential from other staff.

17.4 CrossReach, with the support of the Solicitor, has participated in the Scottish Child Abuse Inquiry and has been in discussion with the Scottish Government regarding participation in the Scottish Redress Scheme, which is designed to be an alternative to civil court action and allows financial reparation to be made to survivors of abuse in care as part of the national collective endeavour to acknowledge the harms of the past. The Scheme provides funding which will be assessed by Redress Scotland, with payments made to successful claimants by the Scottish Government. In order to give organisations the certainty they need to be able to participate in the Scheme, the acceptance of a redress payment is conditional on the applicant agreeing to give up their right to pursue a remedy through the civil courts against organisations which have agreed to make "fair and meaningful" contributions to the Scheme. Following a special meeting with senior representatives of CrossReach, the Assembly Trustees were agreed that it was appropriate to participate in the Scheme. At the time of writing, it is anticipated that agreement will shortly be reached with the Scottish Government on the payment of a capped contribution which meets the "fair and meaningful" criteria set for such contributions.

17.5 In proceeding with this complex and sensitive work the Assembly Trustees wish to record specially the assistance received from the Solicitor and the detailed information exchanged with CrossReach, all of which has enabled properly informed decisions to be reached.

17.6 We continue to work with the Social Care Council to try to find ways of operating which allow greater freedom of decision making for CrossReach whilst retaining an appropriate element of oversight of this major section of the Church's charitable work. This work includes continuing to address the remit given to the Assembly Trustees by the Assembly in 2019 to consider ways in which the Social Care Council might be able to become a more self-sustaining and financially viable organisation within the Church.

18. SALVESEN FUND

18.1 The Salvesen Trust was set up by the will of Mr Frederick Gulov Salvesen, who died in 1933 leaving bequests to different agencies of the Church as a whole, including 1/10 of the residue of his estate to the Colonial Schemes of the Church of Scotland. In 2019, the Assembly Trustees took new legislation to the General Assembly and a working structure was agreed.

18.2 Today the members of the Faith Impact Forum are the trustees of the Salvesen Trust and they normally meet twice a year, in June and November. They have a Salvesen Expenditure Group which oversees the normal administration of the Trust, considers applications and brings recommendations to the trustees as to the suitability of applications for consideration for grants.

18.3 As at October 2021 the value of the Fund was some £18m, invested in a spread between the Church of Scotland Investors Trust Growth Units and Income Units. In distributions made in November 2021, following the usual scrutiny of applications, the geographical spread was (table 2):

	£
Europe & Americas	3,500
Middle East	165,000
Africa	132,500
Asia	62,000
Presbytery of International Charges	160,000
Administration	14,000
	£537,000

18.4 The Trustees have continued to discuss with the Forum, as trustees of the Salvesen Trust, the need to review the purposes of the Trust, last reviewed in 1991, and currently restricted to provision of the ordinances of religion to Scots abroad. As such a restriction both leaves too large a fund to be able to be applied for such requirements beyond the United Kingdom and, also, is not aligned with the more diverse viewpoint of the Church today, the Assembly Trustees and the Salvesen trustees are in the process of approaching the Scottish Charity Regulator to discuss the removal of the restriction and to make related revisions.

19. ENTITIES IN ISRAEL

19.1 We continue to support the work in Israel/Palestine at the Tiberias Hotel, the Jerusalem Guesthouse and Tabeetha School. In these much-altered financial circumstances we consider that we must keep under review whether this continues to be the most effective and efficient way of maintaining our lengthy traditions of supporting justice and peace in the Holy Land.

20. EQUALITY, DIVERSITY AND INCLUSION GROUP

20.1 Equality, diversity and inclusion (EDI) are at the heart of the Gospel. The Assembly Trustees are committed to ensuring that policies, strategies, processes and behaviours within the Church and its constituent parts support and promote equality, encourage diversity and contribute to an inclusive environment where all are valued. The Assembly Trustees believe that EDI has its grounding in Christian theology and as such encompasses more than the characteristics protected in law. The EDI’s vision for the Church is ‘all are welcome’ that everyone who is part of the life of the Church, or comes into contact with it, will feel valued and respected and that programmes, services and general ways of working demonstrate this commitment. It is a vision that every individual can participate, contribute, deepen their understanding and experience of God and of each other, and learn to grow together to build communities shaped from each other’s experiences.

20.2 The Church of Scotland has a strong record of speaking out on issues of justice yet it has little that equips it to look inward to ensure that it is attaining, through its theology, behaviour, culture and practices, the standards that it espouses for the world. There is therefore a need to establish a more consistent, strategic and programmatic approach to EDI, that is relevant and adaptable across local and national contexts. In this way the Church can aspire to support a diverse body of worshippers, employees, volunteers, ordained leaders and many others to flourish and be valued within its many local communities and the one community of God.

20.3 In order to achieve this vision, the EDI group has identified three priorities to focus on over the next five years; Racial Justice, Disability Inclusion and Conduct and Culture.

20.4 As reported last year the racial justice group had already been established to address issues of racial prejudice that were being reported. This group has begun to identify how many people from an ethnic minority are connected to the Church, to do this a congregational survey is planned to understand not just this data but also capture other relevant EDI demographics. Throughout 2022 we have started to research what the experiences of ethnic minorities have been and what the attitudes and beliefs of the white majority are in relation to racial justice. We are saddened that racial prejudice continues to be experienced within the Church, the racial justice group will look to work with the wider church on opening up conversations to address our biases and challenge our assumptions.

21. HOUSING AND LOAN FUND

21.1 The Assembly Trustees continue to work with the Housing and Loan Fund Trustees on their Strategic Overview. Working also with the Chief Officer both sets of Trustees seek to identify how, in compliance with the Fund’s purposes, assets which currently outstrip the Fund’s anticipated obligations can be best applied for the benefit of the Fund’s Beneficiaries and the wider benefit of the Church.

22. RELEASE OF FUNDS FROM THE SALE OF REDUNDANT BUILDINGS

22.1 Following the 2019 General Assembly it was agreed that there should be an exploration of whether proceeds from the sale of redundant buildings following adjustment processes might in certain circumstances be applied for the benefit of congregations other than the united or linked congregations concerned.

22.2 Further to that instruction, in the course of the Mission Planning process, there have been repeated requests for advice about the potential for the transfer of funds between the Consolidated Fabric Fund (CFF) and the Consolidated Stipend Fund (CSF). From these enquiries it is clear that as Presbyteries contemplate the creation of new initiatives in church life and new forms of ministry they hope that resources, previously tied up in buildings, might become available to further the mission of the Church in other ways.

22.3 In response to these requests the Trustees have examined the current regulatory framework in terms of both Church and civil law and have noted that, with reference to the original instruction, this provides some limited room for flexibility. In the case of unions and linkages the free proceeds from the disposal of redundant buildings are retained in the CFF on behalf of the readjusted Charge and are not normally free to be used in any other part of the Presbytery. Having said that, it is possible for such funds to be released for fabric expenditure in relation to the buildings of another congregation within the Presbytery if the Presbytery supports a request (from the congregation whose buildings have been sold) that this should happen.

22.4 In the case of the dissolution of a Charge the free proceeds from the sale of redundant properties, after the payment of any outstanding Ministry and Mission shortfalls, are allocated to the Central Fabric Fund. The Central Fabric Fund is one of the vehicles through which these surplus funds can be used to benefit other congregations, but there is no necessary correlation that results in these funds being used in the Presbytery in which the funds originated.

22.5 There is, however, provision for the possible "interflow" of monies between the CFF and the CSF. In the case of a congregation being over-endowed in one or another of these funds, money can be switched over, and if a congregation is over-endowed in both funds, money can be transferred into the Central Fabric Fund.

22.6 In terms of current Church and civil law the use of congregational monies in the CFF might be summarised as follows:-

- (a) For fabric expenditure of the congregation for which monies are held;
- (b) For fabric expenditure of a linked congregation or in limited circumstances (with Presbytery support) of another congregation within the Presbytery
- (c) For non-fabric purposes which are within the spirit of the 2001 "Church Without Walls" Report if a congregation's holding is greater than £50,000 (but only accrued revenue may be released);
- (d) In cases where the level of endowment in the CFF is in excess of its reasonable requirements for fabric purposes, the whole or part of the surplus may be transferred to its holding in the CSF. If, after such a transfer, there are still surplus fabric endowments, these may be transferred to the Central Fabric Fund, where they will be available to provide financial assistance by way of grants and loans to other congregations for buildings related purposes.

22.7 Beyond these general principles, it is not possible to take a generic approach to the allocation or re-allocation of monies held in the CFF for individual congregations. The only possible approach is on a case by case basis, looking at the holding of each congregation and assessing, in tandem with the congregation, whether the funds held are sufficient to meet its property-related obligations in the foreseeable future. If the answer is "Yes" then, with the consent of the congregation, any surplus funds may be transferred to another congregation in reasonable proximity for purposes relating to the sustaining of the Church of Scotland in that location. This could include the use of funds to support ministry in such a congregation.

22.8 The challenge for all parties is the calculation of what sum represents "reasonable requirements" for a given Charge. Only 6% of congregations with monies in the CFF have capital holdings in excess of £250,000, and it is not difficult to envisage circumstances in which the entirety of such a sum could be expended on property maintenance over a reasonably short period. That said, with the prospect of significant readjustment leading to an increased number of dissolutions, unions and linkages, a case could be made for further flexibility in the use of these funds, with a particular emphasis on the re-allocation of surplus funds for the support of ministry and the provision of buildings which are in good order and fit for purpose.

22.9 The Assembly Trustees also refreshed their memory of the work done, in response to the 2001 "Church Without Walls" Report, on the question of the use of the properties and funds held by the General Trustees. The work undertaken at that time underscored the complexity involved in altering the way in which funds held on behalf of congregations might be used. In short, it is no easy matter to make the use of such funds as flexible as we might desire whilst keeping in view the long-term interests of the Church. It may involve the promotion of private legislation to amend the Acts of the UK Parliament which govern the trust purposes for which the General Trustees are to hold their assets. The General Trustees also have the responsibility of administering the CFF, the CSF and the Central Fabric Fund. The Assembly Trustees would therefore seek the view of the General Assembly and, if so invited, would work with the General Trustees to establish a process whereby a far-reaching review and recommendations could be brought to a future General Assembly.

23 ASSEMBLY TRUSTEES' CONSTITUTION AND REMIT; AUDIT COMMITTEE REMIT

23.1 The Assembly Trustees' Constitution and Remit was approved by the 2019 General Assembly on the Report of the Special Commission on Structural Reform and has since then provided the structure within which the Trustees have carried out their work. The Audit Committee Remit was approved by the Commission of Assembly which met in November 2019. There are two areas in which experience since then shows that changes are needed to both Remits.

23.2 First, it has become apparent that the remit given to the Audit Committee to keep under review the adequacy and effectiveness of the internal controls and risk management arrangements of the Unincorporated Entities would better lie with the Trustees' Governance Group. The focus of the Audit Committee is on financial matters and it has a very full agenda such that matters of risk management, which has become a discipline in its own right, can be given greater attention in the context of the Governance Group.

23.3 Second, in order to allow greater flexibility and to limit the number of operational decisions requiring specific approval by the Trustees, it is proposed to increase the current financial limits in relation to property and contract matters and provide for approval to be required for proposals to lease any property where the annual rent is in excess of £25,000 or the lease term is in excess of one year. This applies to proposals from Agencies but does not apply to the Church of Scotland General Trustees, the Church of Scotland Trust or the Housing & Loan Fund.

23.4 The Assembly Trustees therefore seek the authority of the General Assembly to implement the following changes:

23.5 Audit Committee Remit

- Delete clause 9 and re-number the remaining sections.
- In clause 28, insert the words "and of the Trustees' Governance Group" after the word "Trustees" where it appears in line one.

23.6 Trustees' Constitution and Remit

- Delete the first sentence of clause 66 and substitute the following: "The Trustees shall consider and decide on proposals from Agencies to purchase heritable property or any other asset valued in excess of £75,000 or take on the tenancy of a lease of any heritable property where (a) the annual rental is in excess of £25,000 or (b) the lease term is in excess of one year".
- Delete the first sentence of clause 67 and substitute the following: "The Trustees shall consider and decide on proposals from Agencies, except as permitted in clause 72 below, to sell or otherwise dispose of or grant a lease for a period in excess of five years of any heritable property, or to sell or otherwise dispose of any asset valued above £75,000, held by or on behalf of that Agency".
- Delete the figure "£50,000" where it occurs in line four of clause 68 and substitute the figure £75,000".
- Delete Section D 'Budget Planning, Approval and Financial Control' and substitute with the text set out in Appendix F of this report.

24 APPOINTMENT OF PRINCIPAL CLERK

24.1 Following the announcement by the Rev Dr George J Whyte of his intention to retire from the post of Principal Clerk to the General Assembly, a process was established to bring the nomination of a successor to the General Assembly for confirmation. A Steering Group, led by Donald McCorkindale in his role as Convener of the Assembly Business Committee, was set up to review the job description and person specification and to lead the process to open recruitment. As a result of wider changes in the life of the Church modest changes were approved in the job description and person specification, and these were included in the recruitment pack which can be viewed at <https://churchofscotland.org.uk/about-us/general-assembly/redirects/principal-clerk-recruitment-pack>; and the General Assembly is-asked to note the contents.

24.2 A rigorous recruitment process consisting of a competency-based interview and a stakeholder panel discussion was established. The interview panel was made up of representatives from the Assembly Business Committee, the Legal Questions Committee, a Presbytery Clerk, the Assembly Trustees, the Chief Officer and the Head of HR. The stakeholder panel membership included representatives from the Assembly Business Committee, the Legal Questions Committee, the Assembly Trustees, the Conveners of the Faith Impact and Faith Nurture Forums, a Presbytery Clerk, the Solicitor of the Church and a youth representative.

24.3 Following due process, the Assembly Trustees brings forward with pleasure the name of the Rev Fiona Smith for appointment by the General Assembly to the post of Principal Clerk. Mrs Smith will be moving into the post from parish ministry in Ness Bank Church in Inverness. She has served in senior roles on a number of the Church's national committees, currently as Vice-Convener of the Registration of Ministries Committee, and previously as Convener of Assembly Business Committee and its predecessor the Assembly Arrangements Committee.

25 CHANGE TO MEMBERSHIP OF THE COMMITTEE ON CHAPLAINS TO HER MAJESTY'S FORCES

25.1 The Committee on Chaplains to Her Majesty's Forces currently consists of a Convener, Vice-Convener and sixteen members appointed by the General Assembly. Two non-voting members, each from the Faith Nurture and Faith Impact Forum all sit on the Committee. The Committee had six unfilled vacancies in 2021-2022. As set out in the Nomination Committee Report to the General Assembly in May 2021 the Committee on Chaplains to Her Majesty's Forces has now reviewed its constitution in consultation with the Assembly Trustees and the Nomination Committee for agreement by this year's General Assembly.

25.2 The proposal is that there will be a gradual reduction in membership: Convener, Vice-Convener plus eight members appointed by the General Assembly in 2022-2023; reducing to six members in 2023-2024 and four members from 2024 onwards.

26 THE ASSEMBLY TRUSTEES

26.1 Our trusteeship seeks to maintain the skillsets and approach to diversity which the Constitution and Remit requires. When the *ex officio* trustees are included, there were in 2021-22 seven Ministers of Word and Sacrament (one retired, one Presbytery Clerk, four Parish Ministers and one Professor of Christian Dogmatics), a strategic HR specialist, a leading executive in a professional body, a group finance director, a former executive chairman, one charity and trust lawyer and one with significant parliamentary experience. All are active members of congregations and most are elders. Many have significant third-sector experience. We are also geographically spread with representation from Strontian, Garelochhead, Clyde, Ayrshire, Glasgow (2), Motherwell, East Lothian, Edinburgh (2), Dunfermline, Glenrothes, Stirling and Aberdeen. In March 2022 the then Chair of the General Trustees, Ian Townsend, resigned from that office and the Vice-chair, Rev Fiona Mathieson became chair *pro-tem* pending General Assembly and became a trustee by virtue of that office. In May 2022 we will welcome four new trustees upon the scheduled retirements of three original trustees whose terms of appointment are non-renewable and upon the retirement of one trustee for personal reasons.

26.2 Assembly Trustee information as at 11 March 2022

Trustee	Meetings	Attended
Anikó Schütz Bradwell	8	7
David Cameron	8	8
John Chalmers, <i>Convener</i>	8	8
Jean Couper	8	6
David Harrison, <i>Vice-Convener</i>	8	8
Barry Hughes	8	7
Linda Irvine	8	6
James McNeill, <i>Administrative Trustee</i>	8	7
Peter McEnhill	8	6
Geoff Miller	8	7
Ann Nelson	8	8
Philip Ziegler	8	8
Donald McCorkindale, <i>Convener, Assembly Business Committee (by virtue of office)</i>	8	7
Ian Townsend, <i>Chair of the General Trustees (by virtue of office)</i> <i>Resigned March 2022</i>	8	8

26.3 We were saddened to learn of the resignation of one of our members, Linda Irvine, due to the difficulty of balancing the combined pressures of trusteeship and her professional commitments. We are grateful to her for agreeing to continue to sit as a co-opted member on the Central Services Committee. We also record our appreciation to Ian Townsend who, as Chair of the General Trustees and trustee by virtue of that office, participated very fully and helpfully during his short time with us.

26.4 In order to reduce pressures on Assembly Trustees and Staff we are experimenting with having fewer regular Trustee meetings, arranging special meetings for important matters of urgency and using electronic communication for decisions which do not require discussion. The Governance Group meets on four occasions a year.

26.5 We were delighted that, after discussion among colleagues, David Cameron and Ann Nelson felt able to offer their services as, respectively, our new Convener and new Administrative Trustee.

27 CHIEF OFFICER'S REPORT AND THE WORK OF THE CENTRAL SERVICES COMMITTEE

27.1 A report by the Chief Officer in relation to the work of the National Administration can be found at <https://www.churchofscotland.org.uk/about-us/general-assembly/general-assembly-2022/reports-and-additional-documents>. In terms of reporting to the General Assembly in relation to outstanding deliverances the following can be noted.

27.2 In line with the recommendation of the Special Commission to review the staff pay grade scheme, a Job Evaluation Process, supported by an external consultant, commenced for all roles within the Central Services Committee in November 2021. As part of this process, all Job Descriptions have been reviewed and where necessary revised in a much-needed realignment of roles against the newly identified requirements of the Church. The scheme has been based on the principles of ensuring that a fair, consistent and transparent pay structure is in place within the CSC which is in line with best practice, legislation and future proofed. Each of the roles is being assessed by a panel of trained internal assessors. At the time of writing it is intended that the new pay and grading structure will be implemented in the Summer of 2022.

27.3 A report regarding the future of the George Street Offices will be presented to the General Assembly of 2023. In the meantime limited but necessary investment has had to be progressed in infrastructure and fabric to maintain safe working conditions. Emergency remedial work in relation to the building fabric to ensure the building remains wind and watertight and significant electrical work has occurred. The decision was also taken to refurbish one of the

floors of the building. This has enabled staff, previously located across four areas in different departments, to be bought together as one in an open plan arrangement akin to the arrangements that we are likely to require in the future with a greatly decreased footprint. Whilst concern could be raised that monies are being spent on a building that the Church might soon decide to relocate from, all purchases in respect of equipment and furnishings have been made on the basis that they can be relocated. Further investment is also required to our IT infrastructure, including the use of portable IT equipment to enable both in person and on-screen hybrid meetings which will help us to maintain the savings that have been made during the pandemic. Testing of this new technology commenced in March 2022.

In the name of the Committee

JOHN CHALMERS, *Convener*
DAVID HARRISON, *Vice-Convener*
JAMES MCNEILL, *Administrative Trustee*

Addendum

The Very Rev Dr John Chalmers, Convener of the Assembly Trustees

The Church could not have found itself in better hands when the Very Rev Dr John Chalmers was announced as the first Convener of the newly formed Assembly Trustees at the General Assembly of 2019. John is no stranger to finding his name appearing at the end of a report thanking him for his Service. Having been a dedicated servant to the Church for over 40 years, John has served as Parish Minister, Depute Secretary to the Board of Ministry, Principal Clerk, Chaplain to Her Majesty the Queen, Moderator of the General Assembly and latterly as Convener of the World Mission Council. These roles no doubt prepared the ground for his Convenership of the Assembly Trustees during an already difficult time within the Church's history which then reached uncharted waters with the onset of the Covid-19 pandemic.

The General Assembly has given the Assembly Trustees a crucial role in coordinating the reform and renewal of the church at all levels. The Assembly Trustees have been fortunate to have John at the helm at a time not merely of crisis but of uncertainty – it is much, much harder to deal with uncertainty than with crisis. The Assembly Trustees have been ably guided by John over the last three years: grace under pressure, encyclopaedic knowledge of the Church, a willingness to devote so many hours of time and a pragmatic style of leadership have been but a few ways to describe John during this time. John's understanding of our Presbyterian heritage, being courageous to embark on a reform agenda sometimes tested in times of trial and challenge, his openness to new ideas and new ways of thinking, along with his skilful chairing and wise counsel have been delivered with wit and compassion. He has been instrumental in laying a strong foundation from which the Church can build as we look to the future with confidence. Words cannot sum up the debt that is owed to John in respect of his work and service to the Church. The Assembly Trustees on behalf of the wider Church wholeheartedly thank John and wish him and Liz a healthy and happy retirement as they move on to their next adventure.

DAVID HARRISON, *Vice-Convener*
JAMES MCNEILL, *Administrative Trustee*

Mr James McNeill, Administrative Trustee

When the formation of the Assembly Trustees was first proposed there was some scepticism that the Trust's administration could be provided by one of the Trustees acting in a voluntary capacity. Most people would be overwhelmed by the amount of work involved in this new role, but James McNeill has been more than equal to the task. He has epitomised that sense of service which is found in the best elders of the Church of Scotland and he has approached this work as his ministry and service to the wider Church. As a member of the Special Commission which gave birth to the Assembly Trustees and as the principal author of the Constitution, James brought his encyclopaedic knowledge of Charity Law and a deep understanding of the background to the issues which had to be addressed as a matter of urgency. In dedicating himself to this work James brought to bear all the skills of his career as a distinguished QC. Most notably his gracious dealings with people, his attention to detail and his great gift for distilling complex discussions into a few apt sentences have been indispensable. These, qualities, however, pale into insignificance when compared to the level of Christian integrity and the depth of faith that he has brought to the life of the Trustees. Against significant pressures, not least the pandemic, which added to the complexity of the task, James has remained optimistic about the future and hopeful that the resources for which the Trustees are responsible can be used for the reform and renewal of the life of the Church of Scotland.

His fellow Trustees will miss his steady hand and wise counsel. He can, however, be confident that he has left the Trustees in a strong position to tackle the challenges that still have to be faced. The whole of the Church of Scotland should be grateful to James for a period of service which has been above and beyond any ordinary expectation. To do this enormous piece of work James put to one side the plans he had for the early years of his retirement; we hope that those plans can now be fulfilled.

JOHN CHALMERS, *Convener*
DAVID HARRISON, *Vice-Convener*

Appendix A**CONGREGATIONAL CONTRIBUTIONS 'GIVING TO GROW' REGULATIONS****General**

1. All Congregations (with registered charity number) within a Charge, with the exception of single Congregation Local Ecumenical Partnerships and Congregations within the Presbytery of International Charges, are required to make a Contribution in terms of these Regulations. For the avoidance of doubt, single Congregation Local Ecumenical Partnerships are required to make an equivalent Contribution in terms of Regulations I 2007. Congregations within the Presbytery of International Charges are required to make a Contribution in terms of Regulations V 2016.
2. Each Congregation shall pay its required Contribution in ten or twelve equal monthly instalments during the financial year by bank standing order, unless permission is granted annually by Presbytery to allow payments to be made under some other arrangement. The Presbytery shall advise the Stewardship and Finance Department annually by Extract Minute of any such individual arrangements.
3. It shall be the responsibility of the Financial Board of each Congregation to inform the members of the Congregation of the required Contribution and the ways in which this Contribution enables the worship, mission and service of the Church.
4. Contributions shall be credited to the Church of Scotland General Fund. Any shortfalls in Contributions shall be borne by that Fund.
5. The Stewardship and Finance Department shall inform each Presbytery, on a monthly basis, of shortfalls in Contributions from Congregations within their bounds. They will also inform them of shortfalls, where applicable, in respect of reimbursement by Congregations of locum and ministers' travelling expenses, both for the latest financial year and any accumulated totals for previous years. Each Presbytery shall record all such shortfalls annually in the Minutes of the Presbytery and shall consult with the office-bearers of the Congregations concerned.

Process of determining Contributions

6. To facilitate the process of calculating the required Contribution for each Congregation, Financial Boards shall be required to submit annually by 31 March to the Stewardship and Finance Department a copy of their Congregational Accounts for the previous financial year. Where the accounts of a Congregation have not been received by 30 June the Department shall be entitled to make an estimate of the income.
7. Where accounts are subsequently received this estimate will only be amended if materially different, as determined by the General Treasurer. Only the Contribution for the current year and subsequent years shall be amended.
8. The Stewardship and Finance Department shall provide to each Presbytery by 30 September each year a list of the proposed Contributions for Congregations within a Charge and the Income Base of each Charge within the bounds of that Presbytery for the following financial year.
9. By 15 November each year, each Presbytery shall (1) notify Congregations within their bounds, with the exception of single Congregation Local Ecumenical Partnerships, of their proposed Contributions for the following financial year; and (2) communicate this information by Extract Minute to the Stewardship and Finance Department.
10. Where a Congregation has shortfalls in the current year and previous years, any payment made will be allocated against the oldest debt first.
11. The Stewardship and Finance Department shall issue to Congregational Treasurers by 31 December each year confirmation of the required Contributions for the following financial year.

Income Base Assessment

12. The required Contribution shall be calculated, based on each Charge's Income Base and the total Cost as defined below of all Minister(s) of Word and Sacrament allocated to that Charge. Such Cost is the total of the gross salary, employer's national insurance contribution, employer's pension contribution, death in service benefit cost and cost of income protection. The Income Base is the sum of the assessable income of all of the Congregations within that Charge. The Stewardship and Finance Department shall determine and report annually the Cost of a Minister of Word and Sacrament.
13. In determining Assessable Income for each Congregation, all of the following shall be included:
 - (a) General Fund income;
 - (b) Income specifically received to meet the cost of ministries (including, but not exclusively, glebe rents, Consolidated Stipend Fund income and local endowment income);
 - (c) Fabric Fund and Reserve Fund income (including income in Fabric Funds held by the General Trustees);
 - (d) Half of all gross income in excess of £10,000 received from outside agencies for the use of premises;
 - (e) Income from a Local Mission Church for which the Charge has responsibility;
 - (f) Wedding and funeral income (as disclosed as donations in the annual accounts);
 - (g) Any other income which is available to meet the normal purposes of a parish church (which includes income held in restricted and designated funds);
 - (h) Net income raised through giving online or through other digital means;
 - (i) Net property rental income (including, but not exclusively, locally held manse, shop and garage);

- (j) Net café and charity shop income (which shall be understood as those funds which are transferred to the General Fund of the congregation);
 - (k) Net income from telephone masts, electric vehicle charging points, renewable energy sources and all other similar commercial income;
 - (l) Net visitor income to the congregations from historic buildings which are open to the public;
 - (m) In respect only of items (h) – (l) inclusive, expenditure incurred wholly in the provision of the service generating the income may be deducted from gross income calculated from the sources in the preceding section. All expenditure must be disclosed in the annual accounts as relating to the income and be separately identifiable from other similar expenditure.
14. For the avoidance of doubt the following items (which, if applicable, must be disclosed in the accounts and separately identifiable) shall be **excluded** from the Income Base:
- a) Legacies;
 - b) Proceeds from the sale of property or investments;
 - c) Special collections for other charities;
 - d) Grant income;
 - e) Restricted income which cannot be used for normal purposes of a parish church, including funds raised specifically for building projects that fall out with normal fabric works.
15. Where the Income Base has been incorrectly calculated due to the Congregational Accounts not being fully compliant with the Regulations for Congregational Finance (Regs II 2016), only the income of the current year and previous year will be corrected, if material, as determined by the General Treasurer.

Calculation of the Giving to Grow Components

16. The Contribution calculated for each Charge is the sum of the following three components:
- (a) Ministry Here: 50% of the Charge's Income Base, but not exceeding the Cost of the Charge's allocated posts of Minister or Ministers of Word and Sacrament post at the maximum of the stipend scale. This allocation shall be based on the number of full-time equivalent posts of Ministry of Word and Sacrament allocated to that Charge as at 31 August in the year of calculation.
 - (b) Ministry Elsewhere: 35% of the Charge's Excess Income. This component shall not exceed 1.5 times the Cost of the Charge's allocated posts of Ministry of Word and Sacrament
 - (c) Shared Activities: 10% of the Charge's Income Base.
17. The total Contribution for the Charge shall be apportioned among each Congregation in the Charge on a pro-rata income basis, that is in proportion to the contribution of income each congregation makes to the total income of the Charge.
18. All income received from the Consolidated Stipend Fund or Glebe Rent Shall be deducted from the Congregation's Contribution.
19. If the Congregation's Contribution is calculated to be less than its stipend endowment income, the required Contribution shall be increased to equal the amount of the stipend endowment income.

Appeals

20. The Governance Group of the Assembly Trustees shall appoint a Panel to adjudicate on any appeals from Congregations relating to the application of paragraphs 13 and 14 above. Appeals on any other grounds shall not be permitted. (Full details of the appeals process are available from the Church of Scotland website.)

Transition Funding

21. The sum total of increases in Contributions for Congregations within a Presbytery between the last year of the previous Contribution system (2022) and that current year's requirement, will be made available as Transition Funding to Presbytery. This will be communicated when the list of proposed Contributions is issued to Presbytery. This funding will available annually, for the first three years (i.e. in the years 2023 – 2025) of this Giving to Grow contribution system.
22. This transition funding may be used by the Presbytery to reduce the proposed Contributions for individual Congregations before these are finalised for the following year. This will be charged to the Church of Scotland General Fund.

Giving Agreements

23. Presbyteries may increase the proposed Contributions for individual Congregations where they deem that there is considerable potential for increased giving by completing a 'Giving Agreement' with the trustees of the Congregation which will indicate the agreed Contributions for the following financial year. As per paragraph 9, Presbyteries shall communicate by Extract Minute the required Contributions for Congregations within their bounds subject to application of a Giving Agreement for the following financial year to the Stewardship and Finance Department not later than 15 November each year. Any agreed increase in the proposed Contribution will be used by Presbytery to fund Presbytery or National Initiatives, as determined by the congregation entering into the Agreement.

Miscellaneous

24. Where a Charge has a ministerial vacancy, an allowance within limits determined by the Faith Nurture Forum shall be given towards extra costs incurred for locum provision during the vacancy. This allowance will be deducted from the Charge’s Contribution and charged to the Church of Scotland General Fund.
25. Where a Charge is in Guardianship, an allowance, within limits determined by the Faith Nurture Forum, shall be given towards extra costs incurred for locum provision during the Guardianship. This allowance will be deducted from the Charge’s Contribution.
26. Where a Congregation undergoes a form of adjustment (e.g. union) the Contribution due will be recalculated from the effective date of the adjustment, ensuring that the newly adjusted Congregation will not pay more in that financial year under the adjusted form compared to the previous form.
27. Where an adjustment results in a significant reduction in Charge income, the General Treasurer may apply a further decrease to the Contribution.
28. These Regulations will be subject to annual review by the General Assembly, in accordance with proposals submitted by the Assembly Trustees.

Transitional provisions

29. These Regulations shall come into force when passed at the General Assembly, with the effect of enabling the collection of Giving to Grow Contributions from 1 January 2023. The Stewardship & Finance shall calculate the first year’s Contributions based on congregational accounts received, or estimates for, the year ending 31 December 2021. The Ministries and Mission Contributions Regulations (Regs I 2012) shall remain in force until 31 December 2022 and then shall be repealed, save for section 15 which shall remain in force until 31 December 2023 and then shall be repealed.

Definitions

30. a) A “Financial Board” shall mean shall mean the body responsible for managing the finances of a congregation, e.g. Kirk Session, Congregational Board, Deacons’ Court, Committee of Management, etc.;
- b) A “Local Mission Church” shall be a Christian community whose purpose is to worship, witness and serve in a distinct geographical setting, established in terms of the Local Mission Church Regulations (Regs II 2021);
- c) A “Charge” shall have the meaning given to it in the Presbytery Mission Plan Act (Act VIII 2021);
- d) “outside agencies” shall mean those which are an independent body to the congregation and not an extension of the life of the church;
- e) “Excess Income” shall mean that portion of the Income Base which is over and above twice the cost of the Charge’s allocated Minister of Word and Sacrament post(s);
- f) “Shortfalls” shall mean unpaid Contributions, including any contributions outstanding under the Ministries and Mission Contributions Regulations (Regs I 2012).

Appendix B

COMMUNICATIONS STRATEGY FOR GIVING TO GROW

Stage 1

A factual communication was sent to Presbyteries in September 2021 outlining the work being carried out on the implementation of the new *Giving to Grow* system and the transition from Ministries and Mission.

- A more detailed communication was sent out to all treasurers in December 2021 explaining the new system, with sample calculations.

Stage 2

Wider awareness raising on the new *Giving to Grow* system will be through the following means:

- stories and material on the Church’s website demonstrating what can be achieved through taking part in initiatives such as Stewardship programmes and webinars; digital giving; raising funds through other means;
- production of a video explaining the new system;
- a webinar held prior to the General Assembly (April) with questions and answers to a panel, communicating the principles of the new system and the vision of enabling local mission;
- a webinar for treasurers post General Assembly hosted by the Stewardship team;
- a communications pack with factual background and information that can be used where there is an opportunity to speak to Presbyteries and office bearers;
- training of staff in the National Office to support office bearers and ministers.
- An article in *Life and Work* and articles made widely available through social media and digital platforms

Appendix C

REGULATIONS AMENDING THE ALLOCATIONS IN LOCAL ECUMENICAL PARTNERSHIPS REGULATIONS (REGULATIONS I 2007)

Edinburgh, [] May 2022, Session []

The General Assembly hereby enact and ordain that the Allocations in Local Ecumenical Partnerships Regulations (Regulations I 2007), shall be amended as follows:

1. *In section 1, delete the first sentence and substitute: "The allocation will be based on the income of the Local Ecumenical Partnership (LEP) in the previous financial year;"*

REGULATIONS AMENDING THE REGULATIONS FOR CONTRIBUTIONS FROM CONGREGATIONS IN THE PRESBYTERY OF INTERNATIONAL CHARGES (REGULATIONS V 2016)

Edinburgh, [] May 2022, Session []

The General Assembly hereby enact and ordain that the Regulations for Contributions from Congregations in the Presbytery of International Charges (Regulations V 2016), shall be amended as follows:

1. *Delete section 7 and substitute: "The required Contribution for each congregation shall be calculated by the Stewardship and Finance Department as 10% of the congregation's Income Base."*
2. *Delete the first sentence of section 9 and substitute "The Income Base figures for the latest financial year, calculated as specified above in paragraph 8, shall be the base figure for calculating the required Contributions from congregations."*

Appendix D

MINISTERS FOR THE FUTURE

Vision Statement

1. The vision of the Church of Scotland is to seek to inspire the people of Scotland and beyond with the Good News of Jesus Christ through enthusiastic worshipping, witnessing, nurturing and serving communities.
2. The Church of Scotland is going through transformational change at all levels and it needs to ensure that its Ministers are properly equipped to provide effective ministry to both the Church and to the wider communities in which they are placed. The focus has to be missional in alignment with the vision of the Church and with the Faith Action Plan.
3. We require ministers who will be both leaders themselves and inspire leadership in those they are working with and through. Together they will develop and nurture disciples and deliver the mission of the church. A grounding in Biblical Studies, Missiology, Systematic Theology, Pastoral Theology, Leadership Skills and Church History will be vital in this.
4. We require ministers who are authentic, collaborative, reflective and formative and will reach out to the communities in which they serve and of which they are an integral part; Ministers who see beyond the bricks and mortar and will inspire those around them to become involved in the mission of God.
5. They will be authentic pastors, worship leaders, educators and pioneers. They will develop meaningful, relevant forms of worship and outreach, making the best use of the resources and technology available to meet the ever-changing needs of their communities.
6. Ministry of Word and Sacrament is a calling and Ministers who are ordained as such should all be grounded in a common journey of education, training and formation to ensure that they are best placed to fulfil that calling wherever that may lead them. The formation of the individual should be at the centre of the training and development of Ministry of Word and Sacrament. Layered on top of that should be a component of formal education, training and development woven through which will have some elements that are more tailored towards the contextual requirements of the individual and their situation.
7. Finally, ministers will seek opportunities for continuous development of themselves and others and therefore we must provide space, time and an on-going programme of education and training to enable our ministers to grow spiritually and in their ability to better serve their congregations and their communities.

Appendix E

REPORT OF THE D10 GROUP TO THE ASSEMBLY TRUSTEES OF THE CHURCH OF SCOTLAND, MARCH 2022

An extended version is available, showing the Group's work in greater detail, can be found at <https://www.churchofscotland.org.uk/about-us/general-assembly/general-assembly-2022/reports-and-additional-documents>

SHAPING THE NATIONAL, ENCOURAGING THE LOCAL

1 EXECUTIVE SUMMARY

1.1 In October 2020, the Church agreed a Faith Action Plan to bring focus to taking forward the Church's work. From a national perspective the various related work streams are being brought together in a Faith Action Programme, intended to be a coherent and integrated way of taking forward the Faith Action Plan over a five-year period. The leadership input for the Programme is through two Forums, the Faith Nurture Forum and the Faith Impact Forum, who were newly established in January 2020.

1.2 There is now a Head of Faith Action Programme and the staff of the Forums have become a united Faith Action Staff. The Forums are engaged in increasingly joined-up working. The Faith Action Staff are demonstrating how they could work together and how the work of the Faith Action Programme could become more cohesive.

1.3 Building on the leadership shown in the Forums and the detailed work in which they are engaged, this report recommends that, from May 2023, a single Leadership Team should oversee the Faith Action Programme with four Programme Groups taking forward the detail.

1.4 One half of the members of the Leadership Team would be people with suitable skills and experience from the Church's Presbyteries, one from each of the new Presbyteries. The Team would be around twenty people, depending on the final number of Presbyteries. Four members of the Leadership Team would be appointed by the General Assembly each with suitable skills and experience to lead a specific Programme Group: Mission, People & Training, Public Life & Global Justice, and Resource & Presence (working titles). The Convener of the Team and the leaders of the four Programme Groups would together be the voice of the Team at the General Assembly and between Assemblies. During 2022, a Strategic Planning Team, of Forum members, staff and others, would make the detailed preparations with a view to bringing final proposals to the General Assembly of 2023.

2 INTRODUCTION

2.1 In this Report the D10 Group^[1] recommends to the Assembly Trustees how, from May 2023, Members, Elders and other members of local congregations should be involved in the development, oversight and delivery of the Kirk's Faith Action Programme and how the details of this should be developed.

2.2 The report is in the context of the Assembly Trustees' responsibility 'to encourage vision among the members and Agencies of the Church so as to enable the emergence of ministries to meet the needs of the people of Scotland'.^[2]

2.3 Two members of the D10 Group are Assembly Trustees, and therefore aware of the Assembly Trustees' ambition and desire on behalf of the General Assembly for the Church of Scotland to move beyond the management of decline: to progress from pruning to investing, from decline to growth. The Church of Scotland is going through huge changes, and this report recommends more. Why? Because the Assembly Trustees and the General Assembly have signalled that the changes cannot be piecemeal, they all need to come together, and soon. 'D10' is only one component, but the Faith Action Programme, on which D10 has focussed, has a big part to play, because it brings together so many aspects of Church life and witness which, in this national Church, have traditionally been led and delivered nationally. The Programme includes such key elements as:

- how the Church recruits and trains Ministers of Word and Sacrament;
- how to support the vision for 100 new churches in 10 years;
- how mission is encouraged and supported, both globally and in this country;
- how the 'voice' of the Church of Scotland is developed and expressed on many key issues.

2.4 The primary why is Jesus: the D10 Group, like the Assembly Trustees, wants to see the Church of Scotland grow, bringing life in all its fullness to individuals and transformation in communities.

The D10 Group was appointed after the General Assembly in 2020^[3] and provided an update in March 2021.^[4] Following a decision of the General Assembly in May 2021^[5] the Trustees invited the Group to recommence work in that autumn.^[6]

3 WHAT THE D10- GROUP CONSIDERED – THE EVIDENCE BASE

3.1 Our work has been about **the involvement of people from Church of Scotland congregations – Ministers, Elders, other members – in decisions that the Church of Scotland takes in its national work.** It is about how they participate in developing, making and implementing these collective decisions. In our extended report we reflect on why Ministers, Elders and other members – Appointed Members^[7] – are involved and the need to balance their roles and responsibilities with those of staff.

We have come at our task in a number of ways including:

(I) **A succession of reports on this matter** – in particular the report of the Special Commission on Structural Reform to the 2019 General Assembly. The Commission saw their work as both an event, and a continuing process^[8], and it was particularly helpful that the Commission's Convener, Professor David Fergusson, participated in the first phase of D10's work. The key themes of the Special Commission's report included:

- The need for national structures which are "leaner and fitter":
 - to be more responsive in supporting the mission of the local Church,
 - to be proportionate to the size of a smaller Church,
 - to enable the transfer of work from national to regional entities,
 - to be less costly to operate (both from an administrative and financial perspective).
- The importance of trusting and empowering staff.
- The need for clear reporting lines into the Trustee body, and ensuring appropriate collaboration with other Agencies in their reporting to the General Assembly.
- The need for a collaborative approach amongst Trustees, Staff and Agencies; supported by clear schemes of delegation.
- The need to avoid duplication in the Church's work, in particular through collaborative working.

(II) **The nature of the challenge the Forums took on.** The Faith Nurture Forum and Faith Impact Forum came into existence in January 2020 only two months before the Covid-19 pandemic began. They already had a challenging task in succeeding four Councils, with fresh expectations following the Special Commission. Added to this, the

Assembly Trustees had only recently been established. In the best of circumstances, it would have taken time to get to know one another, but aspirations for meetings together were hit by lock-down, each (Assembly Trustees/ Forums) expected more of the other and was disappointed, and communications were not good.

The Forum arrangement has been made to work through the huge commitment of those concerned, in the context of the continuing pandemic and the changing Church. The Conveners work tirelessly to deliver across the Forums' work programmes and to support more joined-up thinking and working. Vice Conveners and Forum members lead and participate in very significant Groups such as PMPIG and Net Zero.^[9] Many Forum members, and staff, have long-standing, passionate, commitment for example to aspects of the Church's life including within the previous Councils.^[10]

- (III) **The nature of the Faith Action Plan and the Faith Action Programme.** The Radical Action Plan was about the whole church, so too the Faith Action Plan. The Plan envisages Kirk Sessions and Presbyteries generating robust plans for the future that are integral to delivering the Plan's outcomes.^[11] John Chalmers, convener of the Assembly Trustees, describes the Faith Action Plan as being 'a concerted effort to bring all the work streams of the Church under one Action Plan'.^[12]

The Faith Action Plan incorporates the Church's commitment to the Five Marks of Mission.^[13] However, we do not think the Plan as a whole is well known or understood.^[14] Though the terms Faith Action Plan and Programme seem to be used interchangeably, in our analysis they are different. We suggest that it is helpful to **think of the Assembly Trustees as 'holding' the Faith Action Plan on behalf of the General Assembly for the whole church.**^[15]

As we see it, the **Faith Action Programme is one way in which the Faith Action Plan will come to life.** The Faith Action Programme is the programme, within the Faith Action Plan, which brings together the work streams of the Forums.^[16] The Faith Action Programme is to be **over a five-year period.**

- (IV) **Personal Input.** We heard individually from around 50 people who in one way or another had an interest in D10's work. Some of the engagement was in writing, some in conversation, some with staff, some not, and some people were speaking on behalf of a wider group. We also engaged collectively – for example with each of the Forums. In our extended report we note the 'good' and 'not so good' points that stood out for us, expressed as we heard them, concerns that people shared and possible risks around Faith Action.
- (V) **Engagement with the Head of Faith Action Programme.** In mid-2021 the Rev Dr Scott Shackleton took up post as the Head of Faith Action Programme. Feedback that D10 received in early 2021 – and one of the reasons for pausing D10's work – was that we must take account of the Programme Head's input. We have had significant engagement with the Programme Head since the autumn, adopting a constructive and challenging approach. The work that he has led with his staff, in which Forum leaders too have been involved, is a key part of the evidence-base for our proposals.
- (VI) **Observing at meetings.** Since autumn 2021 when we picked up the D10 work afresh, we have been accorded generous opportunities to sit in on Forum meetings and staff meetings. Listening in to discussion reinforces the breadth and depth of the work.

In September the staff of the two Forums came together as the Faith Action Staff, leading to increasingly integrated working across all staff engaged in the work of the Faith Action Programme. In our extended report we describe various of the further developments. It has been good to see the senior staff's energy, combined with an honesty about challenges, their willingness to learn from one another, and the cross-fertilisation of ideas as team experiences and practices are shared. Work is also being done around culture and values.^[17] Of particular interest to D10's work has been the trialling of experimental staff structures ('laydowns') to inform how the Programme might be organised going forward. Also, two developing aims are to reduce the number of meetings, and to develop a more agile, hybrid, way of working.

4 RATIONALE FOR D10'S PROPOSALS

4.1 Given that the Forums are still quite new, and that there are numerous other changes going on in the Kirk, the consideration for D10 has been: is there a *better* arrangement than what is in place? We believe that there is, that it should be set in place from May 2023, and that the detailed preparations should be made by those more closely involved than D10.

Here, briefly, are our reasons.

1. The Church is part way through a shift in organisational emphasis from the national to the local being supported by Presbyteries. The establishment of a much smaller number of Presbyteries is an opportunity to **restore a structural connection between the national and Presbyteries**, solidifying that connection and allowing for **good reciprocal engagement**. The national has to get to know what Congregations and Presbyteries want from it.
2. The Forums have had a crucial role in taking the work of four Councils and developing and delivering it through two Forums. The pandemic has intervened, remits are large, a Head of Faith Action Programme is in post, joint ways of working are developing, and an option would be to continue as is. **However, D10 thinks that there is a logical next step, combined with a shift of emphasis and a sharing out of the load that will benefit not only those directly involved, but the wider church.**
3. The Faith Action Plan can be described as summarising the gospel mission of the Church. The **Faith Action Programme** is intended to be a coherent and integrated way of taking forward this mission over a **five-year period**. We need a body whose chief purpose is the leadership, oversight and monitoring of this Programme. The proposals are for that period, commencing May 2023, with planning for the period beyond beginning after three years.

4. Staff have a key role in the delivery and implementation of the Faith Action Programme – and in working with Appointed Members in its development. They have been **trailing how the work of the Faith Action Programme might be grouped in fresh, more integrated, ways, more suited to a scaled back national operation**. This has helped form the evidence base for D10. The proposals are the result of careful listening and observation.
5. Throughout, D10 has had a concern for people, not just structures. Good structures enable, poorer structures hinder. D10 has sought to imagine **structures that will enable**, and in so doing has thought about **associated aspects like capacity, accountability, the experience of serving, clarity of roles, balance as between staff and Appointed Members**.
6. D10 has been external to the Forums and staff, and this has allowed for an external perspective. D10 sets out a proposed new arrangement. **Work on the detail** is needed before May 2023. This should be done, not by an external group like D10, but **by those most closely involved with the Faith Action Programme and** by others, beyond the Forums, such as the Ecumenical Relations Committee and the Theological Forum whose roles are particularly relevant to the Faith Action Programme. The **Theological Forum and Ecumenical Relations Committee** have a significant part to play in the development of the Faith Action Programme. The detail to be developed includes names for the bodies that we recommend: those given in our recommendations are working titles.

From rationale to recommendations



5 D10 GROUP RECOMMENDATIONS

5.1 Preliminary: The D10 Group recommends that, with immediate effect, **greater clarity and visibility should be given to the Faith Action Plan**, in particular by the Assembly Trustees. Information about the 5-year Faith Action Programme can follow as it is developed further.

5.2 OUTLINE

5.2.1 From May 2023, the D10 Group recommends changing from two Forums to **one Active Faith Leadership Team** and **four Programme Groups**.

- The **Active Faith Leadership Team would have an enabling, overarching leadership role**.
- By Programme Group we mean a group of Appointed Members who meet across a wider policy area than the current Implementation groups, and a narrower policy area than the current Forums. As we heard in 2021, they need to be able to produce manageable, meaningful work.
- It would be **the Programme Groups** who carry the more detailed responsibility within their areas. This is **where strategy and policy are developed and detailed implementation overseen**.
- The Programme Groups would align with the work streams of the Faith Action Programme, taking the work of the Forums and re-imagining it in fresh configurations, with new approaches and prioritisation. The Programme Groups would have a synergy with Staff Support Groups.

5.2.2 There would be three other main changes:

- **Half of the perhaps twenty members of the Active Faith Leadership Team** would be people with **suitable skills and experience** from the Church's Presbyteries, **one from each of the new Presbyteries**. [The numbers would reflect the eventual number of Presbyteries.]
- **Four members of the Active Faith Leadership Team** would be appointed by the General Assembly each with **suitable skills and experience** to **lead a specific Programme Group**.
- **The Convener of the Active Faith Leadership Team and the four Programme Group Leaders** would together be **the voice of the Team** at the **General Assembly** and between Assemblies.

5.3 TIMING

- **A gradual process beginning in May 2022 after the General Assembly, with the new arrangements going live from May 2023.** In so recommending, we are being responsive to what we heard in 2021, that there should be a more gradualist approach, incremental change, a staged approach to a single body. A **Strategic Planning Team** would make the preparations.

6 THE ACTIVE FAITH LEADERSHIP TEAM

6.1 The Active Faith Leadership Team would oversee the development, communication, implementation and assessment of the 5-year Faith Action Programme on behalf of the General Assembly. The work of both of the current Forums would be housed under this umbrella, with streams of work identified and taken forward in detail within the Programme Groups (and their sub-Groups, as appropriate).

- The Active Faith Leadership Team would ensure
 - that the Faith Action Programme is championed across the Church
 - coherence and integration across the Programme
 - good connections with the new Presbyteries
 - within the Programme Groups
 - creativity and excellence in strategic planning
 - consistency with the Faith Action Programme
 - co-ordination of priorities
 - elimination of duplication
- consistency of values across the whole Faith Action Programme
- effective collaboration and communication
- that Programme Groups and Staff are empowered to develop and deliver the Faith Action Programme.

7 STRATEGIC PLANNING TEAM: 2022-2023

7.1 We recommend the formation of a Strategic Planning Team to operate from May 2022 to May 2023, and progress the detailed preliminary work, alongside staff, reporting in to the two Forums and on to Assembly Trustees. The core Strategic Planning Team should be the Vice-Conveners of both Forums, the Assembly Trustees' liaison trustees with the Forums, and the Head of the Faith Action Programme, with a representative from the Ecumenical Relations Committee, and additional others involved as appropriate.

- 7.2** Working collaboratively, the purposes of the Strategic Planning Team will be to
- recommend titles for the Active Faith Leadership Team and the Programme Groups
 - define the remits of the new bodies and their subsidiary groups, including identifying, on advice, where to locate the residual World Mission Council and the Ministries Council, either within the AFLT or a Programme Group^[18]
 - begin preparatory work on evaluation criteria and processes, and in outlining the culture and values of the new bodies
 - alongside Presbyteries and the Nomination Committee, help identify individuals to be nominated onto the new bodies
 - prepare training material for those sitting on the new bodies.

8 THE PROGRAMME GROUPS

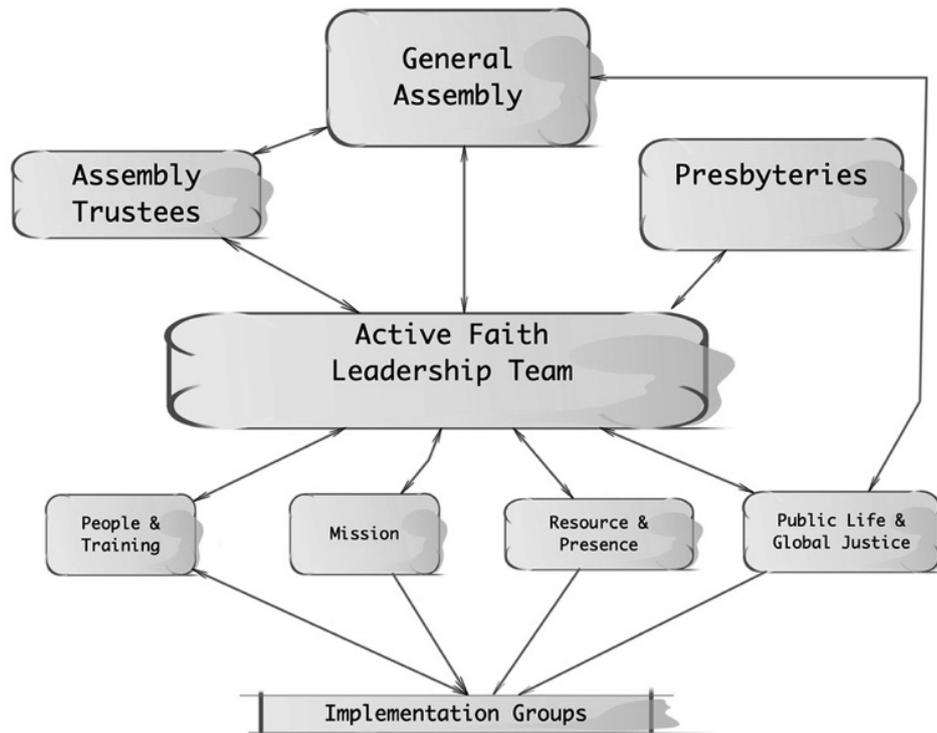
8.1 The AFLT would delegate authority within set parameters to each Programme Group. Within those parameters the Programme Group would not have to take a decision up to the AFLT. Programme Groups would have the principal responsibility for strategic development and implementation of the key workstreams in the Faith Action Programme.

8.2 Four Programme Groups are recommended: **Mission, People & Training, Public Life & Global Justice and Resource & Presence** (working titles and as currently envisaged).

- Mission, national and international, to include:
 - digital ministries, congregational support and engagement, new ways of being Church, priority areas, partnerships (national and international), close connections with The Guild, Ecumenical Relations.
- People & Training to include:
 - ministries recruitment & support
 - leadership and training (ministry of all believers)
 - close connection with Theological Forum.
- Public Life and Global Justice to include
 - those parts of the Faith Action Programme about the Church of Scotland's relationship with world issues of culture and justice
 - responding to issues of the day, on which the Church has already spoken in reports to previous General Assemblies
 - developing the Church's thinking in relation to new issues of public theology, public issues, ethics, regarding which the Group would report direct to the General Assembly.
- Resource & Presence to include
 - the business elements of the Faith Action Programme (e.g. Life & Work, the Storytelling Centre and the entities in Israel/Palestine).

8.3 Each of these groups would be given a clearly defined remit within the Faith Action Programme to develop strategy and policy, and to work alongside staff members as appropriate in its implementation. The Groups would have power to co-opt.

8.4 In keeping with the need for a 'leaner and fitter' structure our recommendation would be that these groups remain small in size. There should also be a strong element of complementary staff leadership.



9. ECUMENICAL RELATIONS COMMITTEE & THEOLOGICAL FORUM

9.1 This report is primarily about the work that is currently with the Forums.^[19]

9.2 When the Forums were established in 2020 the Theological Forum and the Ecumenical Relations Committee were placed within the management structure of the Faith Nurture Forum, while continuing to have their discrete identities and reporting separately to the General Assembly.^[20] During the first phase of its work, the D10 Group heard that this placement had not yet become workable and in 2021 the General Assembly agreed to their temporary move to the management and departmental structure of the Office of the General Assembly. At the time, a strong reason for this was the heightened involvement of Churches with government during the Covid pandemic: this was on an ecumenical basis, and also involved the Principal Clerk.

9.3 The Ecumenical Relations Committee has been engaged in work which offers considerable potential for encouraging and enabling more ecumenical partnerships in ministry and mission locally and regionally. There is a clear importance in ecumenical relations being woven in to the Faith Action Programme and we therefore propose that **the Ecumenical Relations Committee and the Strategic Planning Team should confer on the Committee's role, remit and location with, preferably, a representative of the Committee serving on the Strategic Planning Team.**

9.4 It can be said that the underlying purpose of a piece of work from the Theological Forum is to inform and to help equip people exercising ministry responsibilities. From D10's perspective, we think that there is an argument for bringing the Theological Forum within the 'People & Training' sphere, provided the Theological Forum continues to have its discrete identity and reports separately to the General Assembly. However, we make no recommendation other than to propose that **the Theological Forum and the Strategic Planning Team should confer on the Forum's location.**

10 ACCOUNTABILITY – THE ASSEMBLY TRUSTEES & THE GENERAL ASSEMBLY

10.1 The Assembly Trustees as charity trustees would exercise general oversight over the work of the AFLT, as successor to the Forums. The AFLT would ensure **reporting from the Programme Groups to the Assembly Trustees, and vice versa.** The **AFLT Convener and the four Programme Group Leaders** would together be **the voice of the Team** at the **General Assembly** and between Assemblies. Although not a matter for D10, we hope that developments in the organisation of the General Assembly will allow for creative approaches to be taken.

11 BENEFITS

11.1 The context is:

- The Church is facing considerable challenges and trying to find its voice in an increasingly secular Scotland.
- The Faith Action Plan is at the heart of the Church's efforts to engage. The Faith Action Plan needs to come alive. The Faith Action Programme, led as proposed, would demonstrate how it can.
- The Forums are already demonstrating the desirability and possibility of joint approaches. Some Groups have members from both Forums. The Church needs to be 'leaner and fitter' and more joined-up still in its work and outlook. The experimental work among the Faith Action staff shows that this can be taken further, though it is hard work.

- The slimming down of the national organisation is in the context of a strategic decision to devolve power and resource to the regional level...the empowering of the local church, support for its forms of ministry, stimulating mission in parishes and beyond, planting new churches, and a regional reorganisation to facilitate these processes.
- The Church of Scotland is changing the nature of what it offers nationally, and how it does it. In the process the intention is to continue to improve the financial situation of the Church so as to release resources for growth.

11.2 We suggest that the move to a single Active Faith Leadership Team would:-

- help the Church streamline the development and oversight of the Faith Action Programme. It is more difficult to develop and own one Programme with two Forums.
- ensure that the work streams of the Faith Action Programme, whether 'projects' or ongoing, are implemented in a coherent way. One programme, with one integrated team to lead it.
- continue the shift from four separate councils to a place where all the work streams can be considered together.
- open the way for still more unified, coherent thinking and output – blended rather than in parallel.
- improve governance, because the AFLT will act as a Board in the strategic planning process, working alongside the Head of Faith Action Programme and the staff.
- create a single body for the Programme to oversee a shift in who does what towards Presbyteries and the local church.
- make 'Leadership' explicit. A key element of the Faith Action Plan is its emphasis on 'inspirational leadership'.

11.3 In addition, the four Programme Groups would:-

- involve a relatively small group of Appointed Members engaging in responsive decision making – responsive in the sense of facilitating ready responses to a range of different situations, in ever-changing contexts.
- work in clearer ways with staff, balancing improved governance with entrusting staff to develop ideas and 'to get on'.
- provide focussed oversight, as staff work to reduce duplication, and manage overlap in a coordinated way.
- with their individually appointed Group leaders, share out the leadership load.

11.4 The proposals as a whole:

- help bring the Faith Action Programme together as it picks up momentum.
- tap into the regional reorganisation and reinstate an express link with Presbyteries.
- improve connections with other parts of Church of Scotland, specifically the Theological Forum and the Ecumenical Relations Committee.
- allow for the work of the AFLT and Programme Groups to be themed on the outputs of the Faith Action Programme.
- protect space for developing thinking on emerging Public and Global Issues.
- ensure good reporting to the General Assembly.
- show an enthusiasm to try things and learn, to do more to push forward the new, and build in tolerance of risk.
- aim to improve the experience of serving nationally – spending one's time with focussed purpose, sharing the load with others, more flexibility around the timing and nature of their expected commitment. This may help with the continued challenge of attracting people to serve the Church in national positions.
- play a part in addressing capacity issues, breadth of remit and adjusting the balance with staff:
 - the task is already underway of having to do less better. The prioritisation process will continue in 2022. Detailed choices continue to have to be made about what to focus on, within the Programme.
 - clear, written, delegations to staff through the staff line will be an important complement, to bring clarity to the 'authorising environment' in which staff work.
 - a broader and closer working relationship with staff, enabling stronger involvement and ownership by Appointed Members.
- deliver an appropriate pace of change, taking account of staff and Forum morale and the lived experience of the effort and time it takes to effect significant change.
- have a clear duration: 5 years with review after 3 years to plan for the period beyond.
- on behalf of the General Assembly help enable the holistic mission of local churches.

12 NEXT STEPS

12.1 The move to the new arrangements should be at a pace that balances a need to get things resolved quickly and to provide certainty, with progressing steadily and collaboratively.

12.2 We recommend that the General Assembly in May 2022 be asked to agree the key changes with a view to them becoming sufficiently live for the Nomination Committee process beginning later in 2022.

If the General Assembly approves the key changes/direction of travel the Strategic Planning Team would refine the details, with a view to the changes being confirmed in detail in May 2023 and being enacted thereafter.

13 HOPES

13.1 We have been asked the question 'so what?' 'how we will know that this has been worth doing?' We think that it is important to set out an answer, especially given the challenges of other current changes within the Church. The Active Faith Leadership Team will have responsibility for developing measures for the assessment of the Programme, but these are among our current hopes for the model we propose:

- Those involved in the Church's work will get beyond a sense of being focussed on the internal. "Eyes on Jesus who goes before us, and out to Presbyteries and Congregations."

- There will be vibrant working relationships, bringing everything in concert.
- With the Active Faith Leadership Team thinking and guiding, inspiring and challenging, encouraging and deciding, speaking up and speaking out, all parts of the Church will feel able to experiment ... doing this with vision and excitement...
- There will be a connectedness between the Faith Action Plan and the life of local congregations and their surrounding communities.
- Encouraged by the leadership of the Faith Action Programme from a national perspective the new Presbyteries will embrace the Faith Action Plan, supporting congregations in locally implementing its aims of the Faith Action Plan and offering back insights and creative suggestions.
- People will look out for one another, acknowledging the pain we go through in letting things go.
- As choices are made about priorities, and agendas lightened, there will be more opportunity to continue serving Christ and the Church in other ways.
- There will be an increasing positivity around the Church of Scotland, a sense of adventure and expectancy, and God will be seen to act.

14 FINALLY

14.1 As has been said elsewhere, our prayer is that through the Faith Action Plan we will set the sails of the Church to catch afresh the wind of God's spirit.

‘That our lives together will make You famous, all for Your glory, honour and praise’
quote from Tommy MacNeil’s “Sleeping Giant”

ADDENDUM



**D10: Active Faith Leadership Team – Outline remit
The Church of Scotland’s Active Faith Leadership Team**

Purpose: The Active Faith Leadership Team will lead and oversee the development and implementation of the 5-year Faith Action Programme.

Context: The Faith Action Programme is a nationally led programme within the framework of the Church of Scotland’s Faith Action Plan.

Structure:

1. **Active Faith Leadership Team.** The Active Faith Leadership Team will be a Standing Committee of the General Assembly of the Church of Scotland.
2. **Assembly Trustees.** With authority from the General Assembly, the Standing Committee known as the Assembly Trustees has legal responsibility for the Church of Scotland charity called the ‘Unincorporated Entities’ (UE). The Assembly Trustees’ responsibilities include ensuring that the charity remains true to its purpose, that the finances are sufficient and that the governance arrangements are sound. In their oversight role, they are to ensure that the focus is on the General Assembly’s strategic objectives. Given these responsibilities, the Assembly Trustees, as charity trustees, exercise general oversight over the work of the Active Faith Leadership Team, among others. Being a successor body, the AFLT will be one of the Agencies referred to in the Trustees’ Constitution and Remit clause 74.
3. **Programme and other Groups.** Programme Groups will have written delegated authority from the Active Faith Leadership Team to take forward the Faith Action Programme. Implementation and other Groups will report to the Programme Groups, who in turn will report to the Active Faith Leadership Team.

4. **Review.** The Assembly Trustees will review the structure in 2026 and report to the General Assembly in 2027 with recommendations from 2028 for the work encompassed within the 5-year Faith Action Programme.

Role

In relation to the Faith Action Programme:

- To lead and oversee its development and implementation.
- To ensure liaison with all appropriate parties including Presbyteries, the General Trustees, the Principal Clerk and the Assembly Business Committee, and good communication with the wider Church and beyond.
- Having regard to the strategic objectives of the General Assembly and the strategic priorities of the Assembly Trustees to:
 - ensure consistency with the Faith Action Plan
 - model and lead a shared culture and values for the Programme
 - ensure that in delivering the General Assembly's emphasis on supporting local congregations, and Presbyteries, the Church of Scotland's commitments to world church/global mission, and the Gospel imperative for the poorest, are maintained
 - lead in, and oversee the development of
 - strategic objectives for the Programme
 - implementation plans
 - specific projects
 - milestones and measures to assess progress
 - ensure
 - that decisions are taken as to work to be laid down, work to be commenced and work to be transferred to others such as Presbyteries
 - co-ordination and oversight of priorities
 - creativity and excellence in Strategic Planning
 - encouragement of talent
 - effective collaboration and communication
 - elimination of duplication
 - reporting from the Programme Groups to the Assembly Trustees, and vice versa
 - that the Programme's objectives, plans, measures etc are being implemented and continually evaluated.
 - contribute to reviews and adjustments of the strategic priorities of the General Assembly and the priorities of the Assembly Trustees.

In relation to the life and work of the Church of Scotland and of the wider Church:

- to maintain a broad view and ensure that Team members are continuously aware of the context in which the Faith Action Programme is being undertaken
- to champion the work of the Programme.

Ann Nelson (Chair), Neil Glover on behalf of the D10 Group also comprising Jan Mathieson & Donald McCorkindale, with appreciation to David Fergusson & Sheila Kirk who served as Group members to May 2021.

Appendix F

CONSTITUTION AND REMIT OF THE CHARITY TRUSTEES OF THE CHURCH OF SCOTLAND

Replaces Schedule D, 2019 of Constitution and Remit of the Charity Trustees of the Church of Scotland]

SCHEDULE D

BUDGET PLANNING, APPROVAL AND FINANCIAL CONTROL

1. The Trustees shall adopt, maintain and keep under review both a Financial Strategy and Budget Principles.
2. For each calendar year the Trustees shall maintain budgetary control by:-
 - (i) requiring each Agency to submit to the Chief Officer and the General Treasurer, (a) budget proposals for the cost of its work in the next but one calendar year and (b) draft budget proposals for such costs in the four ensuing calendar years;
 - (ii) requiring representatives from each Agency to meet with the Chief Officer and the General Treasurer, for the purpose of discussing the budget proposals for that Agency,
 - (iii) requiring the Chief Officer and the General Treasurer, following such meetings, to present to the Trustees a comprehensive annual and forward budget proposals
 - (iv) determining the financial provision to be made available for the work of each Agency in the ensuing calendar year;
 - (v) commenting to each Agency, each year, upon its draft budget proposals for the four succeeding calendar years;
 - (vi) making clear to each Agency that the financial provision determined upon for a calendar year will be made available to that Agency only for the work approved for that financial year through the foregoing budgetary process. Any funding not applied for such work will not be made available to the Agency for

alternative work and will not be carried over as additional funding available to the Agency in ensuing calendar years unless such an approach is approved by the Trustees upon a special report being made by the Agency to the Trustees, during the calendar year in respect of which special approval to use or carry over is sought, detailing the exceptional circumstances giving rise to the request, seeking appropriate approval and setting out proposals as to how the allowance of such additional funding is to be taken into account in the draft budget proposals for ensuing calendar years;

- (vii) making clear to each Agency that the foregoing provisions are as applicable to access to Special Funds held by the Trustees for specified purposes; and
 - (viii) presenting a report to the General Assembly annually recording the work of the Trustees during the preceding twelve months, outlining the strategic aims and policies which it is seeking to further and setting out the view of the Trustees as to the standards of financial management of each Agency and the compliance of each Agency with the requirements of the Trustees under the provisions of this paragraph.
3. In determining the said annual financial provisions the Trustees shall –
 - a. have regard to the strategic priorities, policies and decisions of the General Assembly;
 - b. have regard to the anticipated income arising from the Charitable Estate for the year in question as estimated by the General Treasurer;
 - c. take into account the availability of income and capital from any part of a Special Fund or Unrestricted Fund or from trading and fundraising activities;
 - d. decide for the year in question whether, and if so to what extent, there should be a use of part of the capital of the Charitable Estate for any special purpose, whether from a Special Fund or otherwise.
 4. In exercising financial control over the work of Agencies, the Trustees shall –
 - a. authorise the Chief Officer and the General Treasurer to liaise with the Agencies;
 - b. ensure that the Chief Officer and the General Treasurer report to the Trustees as to their discussions with Agencies on budget proposals;
 - c. ensure that there is financial accountability by each Agency by provision to the General Treasurer and Chief Officer of monthly management accounts showing actual income and expenditure as against budget together with the Agency's explanations for any material disparity; and
 - d. instruct the General Treasurer to report to each meeting of the Trustees with an up to date financial statement showing overall expenditure against budget together with a note of any disparity of actual expenditure as against budget in the management accounts of any Agency

References

- [1] The D10 Group was appointed by the Assembly Trustees: clause 51 of the Trustees' Constitution & Remit states that 'The Trustees shall make recommendations to the General Assembly on matters of reorganisation and structural change ...' The Group's task was to assist the Trustees in responding to section 10 of the Trustees' Deliverance of the General Assembly 2020, held on-line in October because of the Covid-19 pandemic, hence the Group name.
- [2] Constitution & Remit of the Assembly Trustees clause 52.
- [3] The Deliverance section 10 instructed the Trustees *"to examine the implications and changes that would be required to unify the work of the Church under a single Forum and bring a report to the General Assembly in 2021 on what they believe will be the most effective and efficient structure for the delivery of work which has to be managed and delivered from the Church's national base."*
- [4] **Update on 'D10' March 2021 | The Church of Scotland.**
- [5] Which *"acknowledged that much has been learned through the consultations carried out on behalf of the Trustees by the Special Group (D10) which was exploring the most effective and efficient way of delivering the work of the Faith Action Plan and note that the Trustees, building on the lessons learned, will continue this work in a spirit of collaboration, bringing a final report to the General Assembly of 2022."*
- [6] Two of the original Group were unable to continue for this next phase: Professor David Fergusson and Rev Sheila Kirk.
- [7] They are either appointed by the General Assembly, or through co-option are appointed by Forums directly. Co-opted members are usually appointed on the basis of specific expertise and do not normally have voting rights on Forums or their constituent groups.
- [8] The Commission saw itself building on the *Church Without Walls* report of 2001, the *Brodie Commission on Review and Reform of 2008*, the establishment of Councils in 2004 and further back to the Committee of Forty's work which established an Assembly Council in 1978. The Commission also expressed considerable debt to the work of Rev Dr Doug Gay whose Chalmers Lectures and accompanying book had promoted reflection and the generation of new ideas.
- [9] PMPIG is the group which works with Presbyteries in developing their Mission plans, Net Zero is about enabling Churches to support the reduction of their and their communities' carbon emissions. There are many other effective initiatives which we could have named at this point.

- [10] Ministries Council and World Mission Council retain an existence for legal reasons, but the previous Councils ceased in their previous role upon the formation of Forums in January 2020.
- [11] In 2020, the General Assembly endorsed the incorporation of the Radical Action Plan 2019 in the Faith Action Plan.
- [12] writing in the January 2022 edition of Life & Work
- [13] To proclaim the Good News of the Kingdom – to teach, baptise and nurture new believers – to respond to human need by loving service – to seek to transform unjust structures of society, to challenge violence of every kind and pursue peace and reconciliation – to strive to safeguard the integrity of creation and sustain and renew the life of the earth.
- [14] The Plan is not easy to find. It exists graphically as an appendix to a report **General Assembly 2020 Reports (churchofscotland.org.uk)**, and is known to involve the Five Marks of Mission. Beyond this, we do not think that it is referred to substantively. In our extended report we examine the Plan textually, drawing out the purpose, intended outcomes and means of achieving them.
- [15] As we set out more fully in our extended report, as charity trustees the Assembly Trustees have a broad sweep of oversight: of CrossReach, the Forums, other agencies, the service departments. Beyond their direct ambit, ensuring good co-ordination is, we suggest, part of the Trustees’ responsibility in the interests of the good governance of the UE (unincorporated entities) charity.
- [16] Regarding the nationally organised parts of the church, the Plan is relevant for the work of HR, IT, Finance, Legal, Communications, Estates, who are fully within the responsibilities of the Assembly Trustees, though not part of the Faith Action Programme. Also, some elements of the Plan come within the responsibilities of the General Trustees, a separate church charity with property responsibilities, or of the Principal Clerk of the General Assembly and the Assembly Business Committee.
- [17] As intimated in the Assembly Trustees’ report to the General Assembly in October 2020, one of the underpinning requirements of the Faith Action Plan is an expectation about values and behaviours in all interactions both inside and outside the national offices. The national offices are committed to deploying six agreed values and these also inform attitudes to working together and with others across the Church. The values to which the national offices are working are **grace, integrity, respect, professionalism, collaboration and innovation**.
- [18] The Ministries Council and World Mission Council continue to exist for a specific purpose related to the Church’s pension schemes. They are currently within the Faith Nurture Forum and Faith Impact Forum respectively.
- [19] They are two among a number of ‘Agencies’ whose work the Assembly Trustees oversee. The other Agencies include the Ecumenical Relations Committee and the Theological Forum. Constitution & Remit of the Assembly Trustees clauses 22, 44ff, 74 etc.
- [20] Assembly Trustees’ report to Commission of Assembly 2019: **Report-of-the-Assembly-Trustees.pdf (churchofscotland.org.uk)**