

GENERAL TRUSTEES MAY 2022

Proposed Deliverance

The General Assembly:

1. Receive the Report and 2021 Accounts of the General Trustees. (Section 1.2)
2. Welcome progress on the Presbytery Mission Plan Act(Act VIII 2021). (Section 2.1)
3. Welcome:-
 - (a) the decision to provide 50% of the cost of centrally employed Presbytery Buildings Officers for reformed Presbyteries for three years and (Section 3.5.2)
 - (b) the appointments of Presbytery Buildings Officers in Fife and Clyde. (Section 3.5.3)
4. Remind Financial Boards of their duty to provide a habitable manse and to keep it in a good state of repair and decoration and remind Presbyteries of their oversight obligations in terms of Regulations VII 2007. (Section 4.3.8)
5. Welcome the proposed Consolidating Act for General Assembly 2023. (Section 6.1.3)
6. Note that the appointment of the Chair and the Vice-Chair has been delayed due to resignation of the Chair in March 2022. (Section 6.2.1)
7. Authorise payment of £1,900 to each of Mr Ian Townsend as the Chair and Rev Fiona Mathieson as the Vice-Chair for their services over the past year (Section 6.2.2).
8. Note and endorse the position of the General Trustees in relation to ongoing discussions with the Scottish Government about the significant adverse impact on the Church of the Land Reform (Scotland) Act 2016 (Register of Persons Holding Controlled Interest in Land) Regulations 2021. (Section 7.2)

Report

1. INTRODUCTION

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

1.2 The Trustees submit to the General Assembly their ninety-fifth report since their incorporation under the Church of Scotland (General Trustees) Order Confirmation Act 1921 and their Annual Report & Accounts for 2021.

1.3 As reported in 2021, the impact of the disruption resulting from Covid-19 on all aspects of the congregational, regional and national life of the Church has been immense. We have experienced sanctuaries temporarily closing to worship and then partially reopened and halls empty of congregational and community activities except to facilitate some essential users. The General Trustees’ staff have again played a prominent role in giving advice to congregations, and the Board of the General Trustees again wish to record its thanks to them, and to Presbytery and congregational Fabric Conveners and others who have worked tirelessly through these difficult times.

1.4 Due to restrictions, site visits have not been possible and only essential and emergency repairs, other than a few exceptional cases, have been approved by the Trustees. Staff have had limited access to the National Office and have been working from home throughout the period. Meetings have had to be conducted virtually by video conferencing. Only when restrictions are significantly relaxed will any effects of these limitations on the buildings unfold.

1.5 Constituted as a statutory corporation by the Church of Scotland (General Trustees) Order Confirmation Act 1921, the Trustees have now entered their 101st year. They continue to be an integral part of the Church of Scotland, and deliver a service to support a re-invigorated Church in Scotland.

1.6 Throughout the year the Trustees, advised and guided by the Chief Executive, have continued to overhaul and update internal processes and systems to ensure that effective and efficient services can continue to be offered to support Presbyteries and congregations. An electronic Asset Management System (AMS) is being created which will allow more effective use of information and produce more detailed records of buildings. A centrally controlled Document Management System (DMS) has now been implemented and is being developed to enable full control of digital files and documentation, and also to enable better control of documents, content, revisions etc. This will enable Trustees and staff to access information remotely, as well as from the National Office. It is hoped that as the systems develop it will be possible to permit Kirk Sessions and Presbyteries to have direct access to files and documentation relating to their properties.

1.7 The Trustees have defined five key Strategic Objectives:-

- Support the effective care and maintenance, refurbishment and, where appropriate, redevelopment of churches, halls and manses etc.
- Disposal of surplus, redundant buildings.
- Management and disposal of Glebe land.
- Administration of Investment of Funds Held by the General Trustees.
- Support congregations in their duty to comply with statutory requirements.

The Chief Executive and the Executive Leadership Team will develop Strategic Departmental Objectives to support those listed above.

1.8 The Trustees wish to take this opportunity to express their thanks and appreciation to the staff team for their commitment over the last twelve months and the support they have offered to the Trustees, Presbyteries and congregations.

2. PRESBYTERY MISSION PLAN ACT (ACT VIII 2021)

2.1 Reference to 2021 General Assembly decision

The General Assembly 2021 approved the Presbytery Mission Plan Act (ACT VIII 2021) (PMPA) which requires each Presbytery to have an Approved Mission Plan in place by 31 December 2022. The approved Plans will subsist for five years but will be subject to annual review. The Act requires Presbyteries to categorise church buildings into two categories, namely:-

- (a) those which will be required for the duration of the Plan (within five years), and
- (b) those which will be redundant and require to be disposed of during the duration of the Plan (within five years).

2.2 Presbyteries are also required to determine dates for disposal of buildings in category (b) and to list any Historic Properties (referred to later) within their bounds. Presbyteries, the Faith Nurture Forum and the General Trustees have been charged by the Act to work collaboratively to approve the missional aspects and building categorisation respectively.

2.3 The Trustees are offering guidance to Presbyteries in the preparation of their draft Plans, and the Trustees' Projects and Development Department have been directly supporting Fabric Conveners in the process of assessing of their buildings.

3. LAND AND BUILDINGS

3.1 The Church's Estate

3.1.1 In 2020 the Trustees identified that their priority should be to strengthen the planning role of Presbyteries in relation to land and buildings. The Trustees report every year on how Presbyteries fulfil the Assembly's requirement for churches, halls and manses to be professionally inspected on a regular basis. The continued Covid-19 lockdown and other restrictions has meant that the schedule of inspection reports has been interrupted once again. An Asset Management Building Audit (AMBA) is required to enable the Trustees to gather relevant information on each building in lieu of out-standing quinquennial reports, and give an accurate report on the current condition of each property - effectively a MOT for each building.

3.1.2 The Trustees continued with a cautious approach to approving applications and only considered applications as referred to in section 4.3.4.

3.1.3 The Trustees current holding of land and buildings is as follows:

Churches	1,276
Manses	770
Halls	1096
Miscellaneous Congregational Properties	330
Total	3,608
Glebes	12,500 acres

3.1.4 Property disposals in 2021

Property	Number	Valuation	Gain/(Loss)
Churches/ & Halls	28	£4,200,356	(£1,923,464)
Manses	26	£8,129,313	£938,003
Halls	1	£102,039	(£35,009)
Glebes	9	£841,000 *	£431,177
Non-vested	8	-	£1,303,316
Totals	72	£13,292,708	(£2,071,795)

Note: property valuations are obtained (by the Church of Scotland Law Department) as part of the disposal process and are estimated market values provided by independent surveying practices.

**For Glebes, all land is given a value based on an average of £3,038 per acre (for 2021) for accounting purposes.*

3.2 Toolkit

3.2.1 The first edition of the General Trustees' Presbytery Planning Toolkit – Land and Buildings was published (initially) in December 2020, and circulated to all Presbytery Clerks following the Presbytery Clerks' Conference on 23 February 2021. The document covers a vast amount of information on land and buildings, and gives guidance on four key areas to assist with Presbytery Planning:-

- (a) Minimum Standards for Churches and Halls
- (b) Location Assessments – Churches, Halls and Manses
- (c) Surplus Buildings
- (d) Developing a Plan and the General Trustees' support.

3.3 Asset Management System

3.3.1 The Trustees resolved that a new Asset Management System be introduced, which was procured and the cloud-based software (Software as a Service – SAAS) installed in November 2021. In order to create the asset data, the Trustees require detailed information on each property.

3.3.2 As part of this exercise, a list of churches which have benefited from grants from the Heritage Lottery fund and/or Historic Environment Scotland, which are subject to ‘claw-back’ should the church no longer be used as a place of worship, has been compiled.

3.4 Asset Management Building Audit (AMBA)

3.4.1 The Asset Management Building Audit (AMBA) form was developed to assist with the collection of data on each property. The Trustees deemed the AMBA form was also an efficient and effective way to support Presbyteries in the planning process and was amended to assist with this important function of assessing Church and Hall buildings. Congregations can be assured that all church and hall buildings in the portfolio are being audited on a consistent basis, where difficult decisions need to be made, they are done so with the benefit of factual information. The Trustees need the building information to assist in assessing draft Presbytery Plans. Congregations can be assured that this process is consistent in all parishes and Presbyteries, and the process is undertaken objectively in each and every location.

3.4.2 The AMBA form took some considerable time to develop and was issued to Presbytery Clerks in September 2021. The Form is based solely on the principles of the Trustees’ Land and Buildings Toolkit (approved GA2020). The Form is designed in such a way that it generates objective information on each property (Churches and Halls) and should be used by Presbyteries to inform their decisions on buildings, as part of their Draft Mission Plans, and support the Trustees in building an asset database for each property.

3.4.3 The Trustees are encouraged by the positive support from Fabric Conveners in relation to the AMBA Forms and the confidence in the level of objectivity the information provides. This has been developed as an ‘evidence-based decision making’ approach.

3.5 Presbytery Buildings Officers (PBOs)

3.5.1 As reported last year, a pilot of employing a PBO in the North East Presbytery Cluster (Aberdeen & Shetland, Buchan, Gordon and Kincardine & Deeside) was implemented and a Buildings Officer appointed in June 2021. The appointment has proved to be of enormous benefit to the Presbyteries and congregations involved, as well as the Trustees.

3.5.2 The Trustees are liaising with the reformed Presbyteries to encourage similar appointments. The Trustees have committed to provide 50% of the costs of a PBO. The PBOs will be centrally employed, for a fixed 3-year term. Presbyteries will be involved in the day to day working of the PBOs but line management will be the responsibility of the Trustees’ Executive Team.

3.5.3 Two new PBOs have been appointed in 2022 – in the Presbytery of Clyde on 1 February 2022 and in the Presbytery of Fife on 14 March 2022.

3.6 Historic Properties - Historic Properties following Dissolution

3.6.1 General Assembly legislation provides that when a congregation is dissolved, the buildings of that dissolved congregation become the responsibility of the Trustees. Once disposed of, the net free sale proceeds are thereafter credited to the benefit of the Central Fabric Fund. In the case of Historic Properties (as defined in the Presbytery Mission Plan Act (Act VIII 2021)), dissolution can create a special set of challenging circumstances for the Trustees.

3.6.2 Historic buildings usually have an important place in a local, regional and indeed national context, and much work is required in liaising with local community groups, local authorities and national heritage bodies in order to find new owners for such buildings. Accordingly, the Trustees established The Historic Properties Portfolio Working Group in Spring 2020. The Group convenes and operates under a Remit agreed by the Trustees.

3.6.3 There are several significant challenges in regard to such buildings which the General Trustees are required to address:-

- The charitable purpose of the General Trustees is to maintain the Church of Scotland at a parish level by applying the assets, which they hold, to assist with the provision and maintenance of churches and manse and the payment of stipends to ministers. They are not a heritage body and must therefore seek to divest themselves of buildings which may be of considerable historical significance but are no longer functioning ecclesiastical buildings.
- The charitable purpose of the General Trustees is to support the care of buildings associated with the furtherance of religion. Surplus, redundant, vacant buildings do not fall within the charitable purpose of the Trustees.
- Provision of finance and staffing resources to assist, post-dissolution, with the ongoing administration (including utilities and insurance), management (including maintenance and repairs) and potential uses appropriate to the building.
- The Trustees have limited financial resources available (in the form of restricted funds) to assist continuing congregations with fabric matters. These funds cannot be used to administer, maintain, operate and insure buildings which are no longer used for Church of Scotland purposes.
- Balancing the need to acknowledge the sensitivities involved in administering buildings of this nature with the requirement to ultimately dispose of them.

3.6.4 Church buildings which fall into the Historic Property category will inevitably require significant sums for upkeep and maintenance until disposal. A designated Historic Property Fund was established to receive funds from sales of these types of buildings. The Trustees are going through due diligence on the first of these properties in establishing the running costs. Projections indicate that the Fund will only be able to sustain the running costs of these types of buildings for a limited period. The Trustees have assessed this issue as being a major risk (for the Trustees, and the wider Church) which will require very careful management and consideration.

3.6.5 The Trustees acknowledge the significant role Historic Properties have played in the life of the Church in terms of worship and mission, and their importance in town and (less often) rural settings. The Trustees understand that a sensitive and appropriate approach to disposal is required. As such, several factors need to be borne in mind:

- As mentioned in 3.6.3, the purpose of the General Trustees is predicated on assisting continuing congregations, with their building requirements. The limited financial and staffing resources available to the Trustees are insufficient to deal with the long-term administration and management of Historic Properties.
- The Trustees will work with interested stakeholders both in the administration and potential disposal of such buildings (there is at present no appetite for local and national government or national heritage bodies to acquire such buildings).

3.6.6 The buildings within the Historic Properties Portfolio present a number of challenges for the Trustees, and inevitably for the National Church. The Trustees will continue to consider and review all issues relating to HPP risks.

3.7 COVID-19

3.7.1 The work of the General Trustees continued to be affected by the ongoing Covid restrictions but have continued to offer support and assistance to congregations and Presbyteries wherever possible.

3.7.2 The General Trustees have been an active participant in the Church of Scotland Covid Group since its inception. The Trustees would like to note their thanks to all staff and Trustees who have been heavily involved in the Covid Group over the past two years.

3.8 Energy Supply Scheme

3.8.1 The contracts for both gas and electricity were renewed on 1 April 2020 after a detailed procurement exercise carried out in late 2019. Gas continued to be supplied by Scottish Hydro (part of SSE) on a 48-month fixed term contract while the green electricity supply switched to OPUS on a 42-month fixed term contract.

3.8.2 912 congregations with 1,450 supply points currently participate in the electricity scheme while 610 congregations with 843 supply points are in the gas scheme. The Trustees' staff continue to assist congregations wishing to join the scheme and any that face administrative difficulties.

3.8.3 While the terms of the 2020 contract were slightly higher than previously, it should be a real comfort to congregations that these tariffs will continue to apply until 31 March 2024 (gas) and 30 September 2023 (electricity) given the current state of the energy market.

3.9 Heating Consultant

3.9.1 The Trustees provide advice on efficient heating design for congregations through the Trustees' Heating Consultant. Mr Andrew W MacOwan (Andrew MacOwan Associated Ltd) carries out independent surveys of existing heating systems at churches, halls and manses and gives advice on new heating systems and advises congregations on how they may improve standards relating to the efficiency of heating systems, lowering carbon footprint and reducing costs. Despite the difficulties posed by lockdown during 2021, Mr MacOwan undertook a total of 38 surveys.

3.9.2 Mr MacOwan carried out three surveys to manses to assess the heating requirement and engaged with nine congregations relating to approvals for heating works. Trustees cover one-third of the cost of surveys in respect of Church of Scotland premises.

3.10 Net Zero and Carbon Reduction

3.10.1 The General Trustees continue to actively participate and support the Church of Scotland Net Zero Strategy Group. The Group has acquired an assessment tool which will enable congregations to generate information on their carbon footprint and the footprint of each of their properties.

3.10.2 Key goals determined by the Trustees:-

- Reduction of CO2 emissions from their operations and activities.
- Reduction of the Carbon Footprint from their operations and activities.
- Commitment to Climate Engagement.

3.10.3 The General Trustees are currently members of the Climate Heritage Network and will continue to work with other built heritage organisations to develop strategies to meet our Net Zero responsibilities.

4. COMMITTEE REPORTS

4.1 Audit and Assurance Committee

4.1.1 The financial accounts of the General Trustees and other financial reports are prepared to the highest level of competence, accuracy and integrity by professional staff of the Stewardship and Finance Department. They are ably supported by the staff of the General Trustees and the work of the internal and external auditors who report to the appropriate Committee regularly.

4.1.2 The governance of all the work of the Trustees is upheld by meeting the highest level of responsibility and integrity. During the year there was a dedicated meeting revisiting Trustees' duty to ensure that these standards are maintained and appreciated. Identification and assessment of risks faced by the General Trustees is monitored regularly with sufficient control mechanisms in place.

4.1.3 In January 2022, the Trustees implemented a new Risk Management Policy. This Policy now includes Departmental Risk Registers, Committee Risk Registers, Corporate Risk Register as well as a Board Risk Register. Conveners of each Committee and Heads of Departments will now be deemed as 'owners' of the relevant risk registers and the risks associated with their area of responsibility. The Board will assess risks deemed as significant on a quarterly basis.

4.2 Finance and Resource Committee

4.2.1 The General Trustees' principal activities are the support of parish ministry and support of congregations in the provision of '*well equipped spaces in the right places*'. In doing so, the Trustees administer a significant level of funds which are applied towards the achievement of their trust purpose and charitable objectives.

4.2.2 Although administration charges are levied on all the funds, these only partially cover the actual costs incurred by the Trustees in operating them and so the balance of such costs is met by the General Fund.

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4.3 Fabric Committee

4.3.1 The Trustees continued to provide guidance and financial assistance to congregations in terms of repairs to and works on buildings. The Covid-19 pandemic inevitably had a significant effect not only on the number of applications which were presented to the Fabric Committee, via Presbyteries, but also on the nature of the applications, many of which were focused on the installation of AV and streaming equipment. The Policy & Legislation Department arranged for much of this type of work to be approved under powers, with recommendations from the Sanctuary Development Officer.

4.3.2 Specialist advice continued to be made available in the areas of:

- Assembly Legislation.
- Procedures and Processes.
- Lighting.
- AV equipment.
- Heating
- Communion-ware, memorials and movables
- Planning and Ecclesiastical exemption
- Release of funds held for the benefit of congregations in the Consolidated Fabric Fund for utilisation against costs for a variety of fabric and related items

4.3.3 Despite the smaller number of applications for approvals for works to buildings and financial assistance, the Fabric Committee made available grants of £714,526 to a total of 35 congregations, and loans of £823,730 to a total of 11 congregations for the year ending 31 December 2021. The Fabric Committee continued to meet regularly, by video conferencing, and although visits by Trustees and staff were significantly curtailed, much guidance was given either by telephone, video conferencing or email.

4.3.4 Another factor affecting the number of new applications during 2021, and which will continue to have a similar effect in 2022, is the Presbytery Mission Plan Act. The General Trustees, Faith Nurture Forum and the Office of the General Assembly agreed that, during the period in which Presbytery Plans are being considered and drafted, only works of a replacement, urgent or wind/watertight nature should be approved by Presbyteries although items such as the replacement or installation of AV equipment and the like would continue to be positively considered. Once Presbytery Plans are approved and in place, the Trustees very much look forward to considering once again applications for project and refurbishment works.

4.3.5 During 2021, the Trustees became increasingly concerned that several manses were not being properly cared for so that some ministers and their families were living in unsatisfactory conditions, while manses which were let were not always being adequately managed. This led to the establishment of a Manse Working Group.

4.3.6 The Manse Working Group considered issues including the lack of attention to wants of repair raised in the annual completion of the Manse Condition Schedule and five -yearly professional reports.

4.3.7 There are continuing examples of poorly maintained manses and church buildings arising on a regular basis. This highlights the need for a more professional approach overall to building management, including occupancy, letting and maintenance and ongoing operation.

4.3.8 It is likely that the Trustees will, in due course, seek the assistance of Presbyteries in identifying manse which do not meet tolerable standards and considering how best to effect more robust enforcement of Assembly legislation regarding maintenance standards. In the meantime, the Trustees wish to remind congregations that they have a duty, through their Financial Boards, to provide a habitable manse and to keep it in a good state of repair and decoration. The oversight of manse inspection (both annual via the completion of the Manse Condition Schedule and five-yearly professional inspections) and follow-up maintenance is a matter for Presbyteries but the Trustees will wish to engage with Presbyteries on the question of more rigorous application of the regulations.

4.4 Safe Buildings Committee

4.4.1 The Safe Buildings Committee (SBC) is concerned at the likelihood of a serious and perhaps fatal accident occurring within a congregational building within the foreseeable future resulting from non-compliance with Health and Safety Regulations, and General Assembly Legislation. This has provided the main driver for publishing up to date health and safety standards, allied to online training for congregations, a helpline for what has been a huge increase in health and safety queries, fire inspections, an ongoing review of the existing web-based Health and Safety Toolkit, and encouragement to congregational Health & Safety Administrators to act where required to keep all congregational properties, including manses, as safe as possible. The application of health and safety standards across all congregational properties is challenging, but Financial Boards should note that they are responsible for the proper maintenance of congregational buildings and for discharging all duties imposed by H&S legislation and statutory regulations in relation to these properties.

4.5 Presbytery Strategy and Innovation Committee

4.5.1 The Presbytery Strategy and Innovation (PSI) Committee has continued to liaise with Presbyteries and congregations in dealing with priority issues and initiatives.

4.5.2 The principal activity following the General Assembly in 2021 has been development of the Land and Buildings Toolkit to create an Asset Management Building Audit (AMBA) which will enable an evidence-based audit of each building for the benefit of congregations, Presbyteries and individual congregations. The AMBAs will be an essential mechanism for use by Presbyteries and the Trustees when considering the provision of buildings within the new Presbytery Plans.

4.5.3 The PSI Committee has also been instrumental in promoting the employment of PBOs, referred to elsewhere in this Report. The success of the pilot project in the North East cluster is also referred to elsewhere within this Report.

4.5.4 Support has been provided to the Presbytery of Perth for a Presbytery Mission Initiative at Bertha Park, a new settlement on the outskirts of Perth. A small retail unit within Bertha Park has been acquired by the Trustees and leased to the Presbytery and the sponsoring congregation, Perth: Riverside. The property will provide a physical facility for the mission team as they plant a new presence which will hopefully lead to a requirement for a larger building in due course.

4.5.5 The PSI Committee is collaborating with the Scottish Futures Trust on their Rural Hubs Initiative. This involves assessing both active and redundant rural church buildings to determine what other community based uses the buildings can accommodate. A number of locations in the Highlands and North West are under consideration.

4.5.6 Opportunities for the development of new, or redevelopment of existing, facilities are being actively considered with congregations in locations such as Aberdeen and Inverness.

4.6 Glebes Committee

4.6.1 The Trustees report that income from agricultural, grazing and amenity lets had increased by 4.3% from the previous year by the end of 2021.

4.6.2 Throughout 2021, a total of 99 new leases were approved by the Trustees with a total of 110 reviews of existing leases carried out. The total income generated from glebe rents was £438,000 which continues to assist the financial commitment of congregations to support their Ministry and Mission contribution.

4.6.3 The Trustees continue to work with local congregations to actively manage all glebe land, and to plan for potential development opportunities. The capital from the sale of glebe land is credited to the Consolidated Stipend Fund and, as with glebe rents, the income accrued annually is applied towards Ministry and Mission costs in that particular parish.

4.6.4 The Trustees would encourage all congregations who have glebes to actively engage with the Trustees and consider active management of glebe land to generate income for their congregation. The Trustees would also encourage local congregations to work with their Land and Estates Department to plan for potential development opportunities that may arise, to ensure that glebe land can continue to generate income to support their contribution to Ministry and Mission.

4.7 PMPA Committee

4.7.1 A dedicated Committee has been created to meet the Trustees' responsibilities under the Presbytery Mission Plan Act. The Committee comprises both Trustees and Advisory Members. Committee members are not involved with Plans for their own Presbytery.

4.7.2 Guidance from the Trustees' staff is being provided to Presbyteries regarding completing the Asset Management Building Audits (AMBAs). Presbyteries have the responsibility of categorising each building within the draft Plans and the AMBAs will be an invaluable resource in this regard. They will also provide evidence to the Trustees when assessing a Presbytery buildings' proposals.

4.7.3 Committee members are liaising with facilitators from Faith Nurture Forum to ensure Presbyteries receive, whenever possible, a unified response to both the missional and buildings aspects of plans as they are being framed.

5. FINANCIAL RESOURCES

5.1 Funds Supporting Parish Ministry

5.1.1 Glebe Funds

5.1.1.1 The Trustees hold glebe land on behalf of individual congregations. Rental income net of a nominal amount of administration and collection costs is transferred to the Faith Nurture Forum to be applied as a contribution to each congregation's ministry costs.

5.1.1.2 Funds arising from the sale of glebe land totalling £934,000 were transferred to the Consolidated Stipend Fund in 2021 with the capital being held for the benefit of that congregation.

5.1.2 Consolidated Stipend Fund

5.1.2.1 The Trustees administer the Fund on behalf of 1,164 (was 1,189) congregations with holdings in it. The total value of the fund was £111,972,000 at the end of 2021 and it is almost wholly invested in the Growth Fund of the Church of Scotland Investors Trust (COSIT).

5.1.2.2 This is in accordance with the Fund's investment policy that was revised at the 2021 General Assembly so that (a) it aims to distribute £3.2m each year from 2021 to 2025 inclusive comprising dividend income and sale proceeds and (b) its objective is otherwise to maximise the long-term capital value of the Fund to benefit future levels of income and capital.

5.1.2.3 Distributions in 2021 totalled £3,200,000. After deducting administration costs of £22,000 they were passed to the Faith Nurture Forum to help the individual congregations meet their parish ministry costs.

5.1.2.4 On the recommendation of the Presbytery and with the concurrence of the Faith Nurture Forum, General Assembly Regulations provide for the possibility of surplus capital in a congregation's holding in the Consolidated Stipend Fund being transferred to its holding in the Consolidated Fabric Fund.

5.2 Funds Assisting Congregations in the Provision of Suitable Buildings

5.2.1 Central Fabric Fund

5.2.1.1 This Fund is the main resource which enables the Trustees to provide financial assistance in the form of grants and loans to congregations for repairing and improving the buildings which they use as local resources for Christian mission. Loans totalling £824,000 and grants totalling £680,000 were awarded in 2021. Both these figures are lower than usual due to the pausing of major projects during Presbytery planning and the effects of Covid-19.

5.2.1.2 The administrative costs of the Fund are met entirely by the General Fund admin charge of 6.5% applied against total income, 2021 figure £76,000 (see section 5.3.1) which also makes transfers from time to time. In 2021 there was no transfer of funds from the General Fund.

5.2.2 Consolidated Fabric Fund

5.2.2.1 In this Fund, the Trustees hold both properties and investments on behalf of congregations.

5.2.2.2 The heritable properties are those occupied by congregations which are vested in the Trustees as owners in trust. These properties principally comprise churches, halls and manses. At the end of 2021, their total value in the Trustees' accounts was £520,115,000. The Trustees wish to emphasise that this amount is *illiquid* which means it neither represents cash available to be spent nor is it an indication of the open market value if the premises were to be sold. However, valuations are undertaken prior to each and every disposal. Local congregations are responsible for the repair, maintenance and insurance of the buildings they occupy and for the health and safety of all those who use them.

5.2.2.3 The Fund also comprises investments derived from the past sale of properties that are held on behalf of individual congregations. The total value of these investments including accrued revenue was £75,815,00 at the end of 2021. Subject to various safeguards and approvals, both capital and accrued revenue may be withdrawn to meet a wide range of buildings-related expenditure incurred by the congregations on churches, halls and manses to enable them to maintain, repair and improve these buildings. On the recommendation of the Presbytery and with the concurrence of the Faith Nurture Forum, General Assembly Regulations provide for the possibility of surplus capital in a congregation's holding in the Consolidated Fabric Fund being transferred to its holding in the Consolidated Stipend Fund.

5.2.2.4 The Trustees are entitled to deduct an administration charge from distributions of income from the investments, and rental income, though they omitted to do so for some investments prior to the end of 2021. No charges are levied in respect of the properties even though much of the work of the staff of the Trustees relates to them.

5.3 Funds Supporting the Work of the General Trustees

5.3.1 General Fund

5.3.1.1 The General Fund, which is unrestricted, is used to meet expenses incurred by the Trustees in the administration of their business, the main item being staff salaries and associated costs. The net incoming resources of this Fund (primarily the payments received under Gift Aid from Church of Scotland Insurances Services Ltd) are applied towards reserves or may be transferred to other Funds such as the Central Fabric Fund to assist in the making of grants and loans to Congregations.

5.3.2 Historic Property Fund

5.3.2.1 The Fund comprises the Historic Buildings and moveable assets of congregations that are dissolved. The Fund monies will be applied towards the costs of keeping such buildings in good order until disposal.

5.3.3 Church of Scotland Insurance Services Limited

5.3.3.1 The Church of Scotland Insurance Services Limited (“the Company”) is a limited company incorporated and domiciled in Scotland with registered company number SC001777. The registered office is 121 George Street, Edinburgh, EH2 4YN.

5.3.3.2 The Company is a wholly-owned subsidiary of the General Trustees, it provides an income to them and its assets, liabilities and results for the year are consolidated with those of the General Trustees.

5.3.3.3 CoSIS provide competitively priced insurance with comprehensive cover for congregations in respect of the operation of their church, hall, and manse. A portfolio wide revaluation of Building Sums insured will be required in the near future which, due to escalation in construction costs over the last few years, and will inevitably have an adverse effect on premiums.

5.4 Services from the Office of Assembly Trustees

5.4.1 As reported last year, General Trustees staff along with other support services, including legal, financial, IT, HR and Comms, are provided by the Assembly Trustees through the employing agency of the Central Services Committee (CSC). The cost of the staff working directly for the General Trustees, as well as the services provided by the CSC, is re-charged to the General Trustees who meet all these costs from their own funds and not from the M&M budget. The intention is for Service Level Agreements (SLA) to be agreed between the various Departments and the Trustees as soon as practicable. The first SLA with Stewardship and Finance has proved beneficial to both parties. An SLA with HR is under discussion. As decided by the 2019 Assembly, the Chair of the General Trustees also serves as an Assembly Trustee to provide a link between the two sets of trustees.

5.4.2 Staffing and Services Overheads:

General Trustees’ Staff Costs	£ 656,954
Support Services Costs (paid to CSC)	£ 593,376
Total staffing and services overheads	£1,250,330

6. WHAT NEXT?

6.1 Legislative Review

6.1.1 In the General Trustees’ report to the 2021 General Assembly, reference was made to proposals to undertake a review of Assembly legislation (both Acts and Regulations) pertaining to and governing the work of the Trustees. It is not intended that major amendments are proposed but the Trustees feel that a review is required to make it easier to access and reference the legislation and to update the legislation where appropriate.

6.1.2 The Trustees have established a Legislative Review Working Group and will consult with other committees and departments (in particular the Office of the General Assembly) and Presbyteries when proposing amendments to current Assembly legislation as it pertains to the Trustees. Two online presentations were made to the Presbytery Clerks in mid-November 2021.

6.1.3 It is proposed that all current Assembly legislation pertaining to the General Trustees be brought together, with any proposed amendments, in a single consolidating Act and it is the intention that the draft of this Act will be submitted to the General Assembly of 2023.

6.2 Trustees

6.2.1 Due to the resignation of the Chair in March 2022 the Trustees were unable to recommend either the Chair or Vice Chair at the time of submitting this report. A process of nomination and election will take place in April and the details will be brought before the General Assembly in a Supplementary Report.

6.2.2 The Trustees recommend that Mr Ian T Townsend Chair and Rev Fiona M Mathieson Vice-Chair each receive £1,900 for their services as Chair and Vice-Chair over the past year, as authorised under S.38 of the 1925 Act.

6.2.3 Six Trustees are retiring under the former 75-year age rule at this Assembly (see Appendix 1):

- Mr Michael J P Cunliffe
- Rev James S H Cutler
- Mr J G Grahame Lees
- Mr David Menzies
- Mr Donald W Thomas
- Mr Kenneth M Wright

6.2.4 One resignation in the last 12 months (see Appendix 2):

- Ian T Townsend

6.2.5 No new Trustees have been appointed in the last 12 months.

6.2.6 One Advisory Member has resigned (See Appendix 3):

- Deborah Nicol

6.2.7 Three Advisory Members have been appointed by the Board (see Appendix 4):

- Michael Craig
- Alan Gibson
- Bahar Raeisi-Dehkordi

6.3 Staffing

6.3.1 The staffing structure of the General Trustees has changed due to operational requirements. The former Assistant Secretaries have taken on more of a leadership role and are now classified as Heads of Departments. The Heads of Department support the Chief Executive and have the operational responsibility to lead their respective departments.

6.3.2 The Trustees continue to review their Governance and Strategy arrangements, and continue to empower the Executive Leadership Team to manage the operational aspects and to offer effective and efficient support to Presbyteries and Congregations. The Chief Executive has been tasked by the Trustees to review current policies and produce new policy and procedures that support the business of the General Trustees.

6.3.3 Current staffing number is 24 (20.27 full-time equivalent).

6.3.4 Future Staffing and Resourcing is continually under review by the Trustees. The introduction of Presbytery Building Officers will see the staffing complement continue to grow as Presbyteries move to adopt the support of Building Officers.

7. GENERAL MATTERS

7.1 The Next Twelve Months

7.1.1 The Presbytery Mission Plan Act continues to be a key priority for the Trustees, and is demanding greater resources as the draft Plans are submitted.

7.1.2 Completed AMBA forms are essential to enable Presbyteries and the Trustees to properly assess the building aspects (church and hall buildings) of the plans effectively and objectively. This is designed to be evidence-based decision making for Presbytery and the Trustees.

7.1.3 The Trustees are likely to see a significant increase in requests for support, both financial and technical, as we move into Q3 2022. Congregations are reopening and maintenance work will be required. Many aspects of building development and refurbishment is currently subject to a moratorium other than works to make the property wind and water-tight. The conclusion of Presbytery Planning will see another increase in support required. Any property disposals resulting from Presbytery planning will need to be programmed and managed by congregations and Presbyteries, working closely with the General Trustees and the Law Department, and will take some considerable resource to achieve. Presbyteries who choose to appoint a Building Officer will now have the additional technical support to efficiently maintain and safely operate their properties.

7.1.4 The Trustees continue to work with, and assist, Presbyteries to support the work of the congregations.

7.2 Register of Persons Holding a Controlled Interest in Land

7.2.1 This new Register became effective as of 1 April 2022 and implements the Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021. It brings with it a substantial compliance burden. It has the policy aim of showing who has significant influence or control over dealings with land/buildings by the owner (or tenant, in a lease of more than 20 years) where this information is not publicly available elsewhere. This is done by requiring a property owner, and those who are “associates” of the owner (and thus deemed to have significant influence of control), to notify the Keeper of the Register of certain personal details: name, contact address, date of birth and date on which the “association” was formed. There is provision for non-disclosure in the case of anyone who may be placed in danger if their details were made public, and dates of birth will not appear in the public Register.

7.2.2 In terms of the legislation, office-holders within a congregation are deemed to be “associates” of the General Trustees, where title is vested in the General Trustees. This is because the Regulations say that in the case of unincorporated bodies such as congregations, a person is responsible for the general control and management of the administration of the body if they hold an office or other official position in it. This means that the details of such office-holders (usually the Minister, Session Clerk and Treasurer) in each congregation will require to be provided to the General Trustees, who will then be responsible for making the necessary entries in the Register. It will also be necessary to amend the Register each time any of this information changes.

7.2.3 Statutory duties are placed on the property owner to supply this information to the Register, and also on the “associates” to provide the requested information to the owner and give notice of any changes to the information previously supplied. There is a 12-month period of grace, until 1 April 2023, after which criminal penalties attach to non-disclosure, and to the provision of false or misleading information.

7.2.4 The same duties also apply where congregational properties are vested in local trustees. So, where there is an “Assembly control” clause in the title, local trustees will have to notify details of the General Trustees as an “associate”, and in all cases will have to register details of congregational office-bearers if they are different to the property-holding trustees, and update the Register each time there is a change of trustee.

7.2.5 The consultation document which preceded the Regulations explained their purpose as being to ensure that land in Scotland is sustainably owned, used and developed and that people, including community groups, are empowered by having the opportunity to understand who is in control of land owners. Given that there is no perceived or actual difficulty in this regard so far as land and buildings owned by the Church of Scotland is concerned, the General

Trustees and the Solicitor of the Church went to some lengths to highlight to the civil servants engaged in drafting the Regulations the extent of the “disconnect” between any enhanced transparency so far as Church properties were concerned and the huge logistical and financial burden which compliance with the proposed regime would place on the Church. This did not result in any significant lessening of the compliance burden when the Regulations were finalised.

7.2.6 An Equalities Impact Assessment was carried out by the Scottish Government, as required, in order to assess the impact of the Regulations on protected characteristics. This noted that the requirements of the new Register would have a significant impact on some religious organisations due to the nature of their organisational structures and the scale of their land holdings, and that actions had been taken to mitigate the impact whilst not compromising the transparency aim of the Register. Three mitigations were listed: none in fact operate so as to reduce the compliance burden to a manageable level.

7.2.7 The Solicitor of the Church, working with the General Trustees and other colleagues, is at the time of writing once again engaging with the Scottish Government to seek to have the Regulations amended so as to take Church of Scotland properties out of their scope, the gulf between the cost of compliance and any possible public benefit being so wide as to be unbridgeable. An update on these discussions will be provided to the Assembly.

7.3 Determinations under Regulations V 1995

The Regulations provide a mechanism to re-allocate the capital held by the Trustees for the benefit of congregations in the Consolidated Stipend and Fabric Funds. The following reallocation was made during 2021: Dalmeny Kirk - £20k from the Consolidated Stipend Fund to the Consolidated Fabric Fund.

7.4 Determinations made under Act VII 1995

The Trustees report that under the powers delegated to them by the General Assembly by Act VII 1995 they have made eighty nine Determinations as set out in Appendix 5.

In the name of the General Trustees

ALAN F K KENNEDY, *Pro-tem Chair*
BARRI S MILLAR, *Chief Executive & Clerk*

Appendix 1

Michael J P Cunliffe (2014-2022)

Michael's main career was that of a Town Planner specialising in urban regeneration and the management of the Crown Estate in Scotland. He then went on to be an Inquiry Reporter on behalf of the Scottish Government and dealt with a number of high-profile Planning Appeals. Michael was a member of the Fabric, latterly as Convener, and PSI Committees. Michael took up the post of Property Convener of Edinburgh and West Lothian Presbytery on 1 January 2022.

Rev James S H Cutler (1995-2022)

James was a member of the Institute of Structural Engineers and worked for Colville Constructional & Engineering Co Ltd, and for both Lanark and Strathclyde Councils. James was a General Trustee for twenty-seven years. A late entrant to the ministry, his work experience coupled with his understanding of the church gained over thirty-six years as an ordained minister, meant that Jim has a skill set which brought distinctive insights to the work of the Fabric Committee, and the General Trustees.

J G Grahame Lees (2017-2022)

Grahame is a qualified solicitor and, prior to retiring, was a partner in a Dunblane based legal practice. Before being appointed as a Trustee, Grahame served on a variety of Church committees including Legal Questions Committee and the Personnel Committee. Grahame has also served as Chair of the Housing and Loan Fund. During his time as a Trustee, Grahame served on the Glebes Committee.

David Menzies (2014-2022)

David's professional background is that of a Chartered Structural Engineer and has spent his career either in professional practice or with consulting firms in the construction industry. David's knowledge and experience has enabled him to advise congregations within Lothian Presbytery where he has served as Convener of the Property Committee. As a Trustee, David served on the Fabric Committee and the PSI Committee of which latterly he was Convener.

Donald W Thomas (2012 - 2022)

Donald worked for over 40 years in local government and was a member of the Chartered Institute of Public Finance and Accountancy. His career covered spells with Glasgow Corporation, Renfrew County Council Strathclyde Regional Council and South Lanarkshire Council. Donald is a keen cyclist and has participated in a number of cycling challenges for various charities. Donald has served on the Finance and Resources Committee and also represented the Trustees on Glasgow St Rollox Project Board.

Kenneth M Wright (2016-2022)

Ken is a member of the Chartered Institute of Building and has a Master's Degree in Construction Management. Much of Ken's career was spent in both the Middle and Far East. On returning to Scotland, Ken was involved in the project management of several large, commercial developments in and around the capital. Ken served on the Fabric Committee.

Appendix 2

Ian T Townsend (2014 - 2022)

Mr Ian Townsend was elected and nominated by the General Trustees as their Chair in 2021 and was appointed by the General Assembly of that year.

Educated at Morgan Academy, Dundee, and Robert Gordon's Institute of Technology, Aberdeen, Ian is also a Fellow of the Royal Institution of Chartered Surveyors. He has a wide experience in commercial property development throughout the UK and is also an experienced Board Director in both business and voluntary sectors. Ian has served as an Elder for 44 years and as a Property Convener, Session Clerk and Presbytery Elder.

Ian was appointed to the General Trustees in 2014. His wide ranging and depth of experience was a real gift to the work of the Trustees. Ian was unstinting in the work which he undertook on our behalf. It was his work with Presbyteries which launched our Presbytery Buildings Officer initiative. He grappled with the challenge of our Historic Building Portfolio. He established the protocol and methodology for our Presbytery Mission Planning Group. He guided the Trustees as we sought to restructure our work to meet the tasks ahead of us as we support the church as it endeavours to provide 'Well Equipped Spaces in the Right Places' and also meet the needs the communities which we serve in the twenty first century.

It was, therefore, with profound regret that the Trustees had to accept Ian's resignation at the beginning of March this year. We thank him for all that he has brought to our work and to the service of the Church of Scotland and we wish Ian, his wife Vivien and their family well for the future years.

Appendix 3

Deborah J Nicol (2021 -2022)

Appendix 4

Michael Craig (February 2022)

Alan Gibson (October 2021)

Bahar Raeisi-Dehkordi (May 2021)

Appendix 5

DETERMINATIONS MADE UNDER ACT VII 1995

General Sales:

In the following cases, the General Trustees made determinations authorising the sale or let of the property concerned and directed that the proceeds should be credited for the benefit of the congregations in the Consolidated Fabric Fund:

Aberdalgie & Forteviot and Aberuthven & Dunning – sale of manse; Aberdeen: North – sale of former Summerhill buildings; Aberdeen: Woodside – sale of manse; Abernyte – sale of ground; Acharacle – sale of manse; Alvie and Insh – sale of Alvie Church; Arbuthnott, Bervie & Kinneff – sale of Herd Centre; Assynt & Stoer – sale of Elphin Kirk; Athelstaneford – sale of manse; Auchinleck – sale of halls; Barrhead St Andrew’s – sale of building; Bearsden New Kilpatrick – sale of Old Halls; Benbecula – sale of manse; Bucksburn Stoneywood – sale of manse; Carnock and Oakley – sale of Carnoch Church; Carnoustie – sale of Philip Hall; Coatbridge: Middle – sale of manse; Coldstream and District Parishes – sale of Ladykirk Church; Connel – sale of hall at St Oran’s Church; Cowal Kirk – sale of church and manse at Innellan; Crosshouse – sale of manse; Dirlerton – sale of flat; Dores and Boleskine – sale of Dores Church; Dun & Hillside – sale of Dun Church and Dun Church Hall; Falkirk: Camelton – sale of St John’s Church; Fearn Abbey and Nigg – sale of manse; Fintray, Kinellar and Keithhall – sale of church at Keithhall; Glasgow: Carmunnock – sale of manse; Glasgow: Cranhill – sale of Cranhill church; Glasgow: Gallowgate – sale of church; Glasgow: Greenbank – sale of Church Hall and Church Officer’s House; Glasgow: Kelvinside Hillhead – sale of manse; Glasgow: Knightswood – sale of manse; Glasgow: Possilpark – sale of manse; Glencoe St Munda’s – sale of St Munda’s building; Gretna Old, Gretna St Andrew’s, Half Morton and Kirkpatrick Fleming – sale of Kirkpatrick Fleming Church; Gullane – sale of manse; Harthill: St Andrew’s – sale of Eastfield Church; Inchtute and Kinnaird – sale of church at Kinnaird; Kilmarnock Riccarton – sale of manse; Kilmuir and Logie Easter – sale of Logie Easter Church; Kincardine, Croick & Edderton – sale of church at Edderton; Kirkcaldy: Templehall and Torbain United – sale of manse; Kirkcaldy: Torbain – sale of manse; Langholm, Eskdalemuir, Ewes & Westerkirk – sale of former Eskdalemuir Church; Lochs-in-Bernera – sale of land; Maryculter Trinity – sale of Church Officer’s House; Melness and Tongue – sale of Melness Church; Monifieth – sale of St Rule’s Church; Monikie, Newbigging, Murroes and Tealing Auchterhouse – sale of manse; Muckhart – sale of Glebe House; Muiravonside with Blackbraes and Shieldhill – sale of manse; Netherlee & Stamperland – sale of manse; Newbattle – sale of Newbattle Church and church hall building at Newtongrange; North West Lochaber – sale of Lochailort Mission Hall; Paisley: North – sale of church and hall buildings; Paisley: South – sale of St Luke’s Church and Halls; Peterhead: New – sale of manse; Portsoy – sale of manse; Rattray – sale of church hall; Redgorton & Stanley – sale of manse and remaining church/manse grounds; Shetland Church – sale of Hillswick Church; Shetland Church – sale of Sandness Church; Skene – sale of Kirk Cottage; Stromness – sale of ground; The Bengairn Parishes – sale of manse; The Glens and Kirriemuir United – sale of St Andrew’s building; Tarbat – sale of hall at Inver; Tarbert, Loch Fyne and Kilberry – sale of Kilberry Church; Tomintoul, Glenlivet and Inveravon – sale of manse; Traprain – sale of Whitekirk Church; Udry & Pitmedden – sale of Udry Green Church; Watten – sale of manse; West Lochfyneside: Cumlodden, Inverary and Lochgair – sale of church and hall buildings

Glebe Sales:

In the following parishes, the General Trustees made determinations authorising the sale of Glebe subjects and directed that the proceeds should be credited to the benefit of the congregations in the Consolidated Stipend Fund:

Assynt; Dallas; Dun; Kilmelford; Maryculter; Meldrum; New Cumnock; Portnahaven; Saline

Miscellaneous Sales:

The General Trustees made the following miscellaneous determinations:

Banton (Dissolved) – sale of church and hall buildings; Bargeddie (Dissolved) – sale of buildings and proceeds credited to the Central Fabric Fund; Glencorse (Dissolved) – sale of church and proceeds credited to the Central Fabric Fund; Lochwinnoch (Dissolved) – sale of church and proceeds credited to the Central Fabric Fund; Paisley: St Ninian’s Ferguslie (Dissolved) – sale of manse and church; Westruther (Dissolved) – sale of church and proceeds credited to the Central Fabric Fund