

Saturday 20<sup>th</sup> May 2023 at St Martin's Church Liskeard and by Zoom

**'A Church that is increasingly confident in its calling,' because Jesus was wholly obedient to his Father's will.**

### Meeting as Truro Diocesan Synod

#### Attendance:

2 Bishops  
23 Clergy (11 in person, 12 by Zoom)  
24 Laity (14 in person, 10 by Zoom)  
13 apologies (5 clergy, 8 laity)

Revd Canon Simon Cade, Diocesan Secretary, and Mr Robert Perry, Chair of the House of Laity, welcomed members and visitors to the meeting.

Revd Anna Mason and the team from St Gregory's, Newquay, led a time of worship. The Chair of the House of Laity, Mr Robert Perry, thanked them on behalf of members.

#### Presidential Address

The Bishop of Truro, The Rt Revd Philip Mounstephen, gave his presidential address a copy of which can be found on the Diocesan Website [here](#):

Bishop Philip thanked the St Gregory's Team for their contribution. He also thanked Revd Chris McQuillen-Wright, as well as being Chair of the House of Clergy and Rural Dean of Pydar is the parish priest for the area immediately served by St Gregory's, he has warmly welcomed and encouraged this new initiative.

Members broke into small groups to consider the following questions posed by Bishop Philip.

- How do you see the Church's calling to bear witness to Jesus Christ being most effectively carried out in your parish, benefice or deanery?
- What one element in the Diocesan Plan for Change and Renewal would help you be more effective in obeying that calling?

Feedback from members included the following comments/observations:

Revd Canon Anne Brown, Pydar deanery, commented on the tension that can be felt by those who have difficulty finding what they can do. The Quiet Places initiative is one source of help with this, and there are larger churches that are good at resourcing the smaller ones.

Revd Ben Morgan Lundie, West Wivelshire deanery, said that in his benefices he is blessed with a strong, growing team of lay worship leaders, which enables him to be more effective. This is both encouraging and an exciting development.

Bishop Philip then led the meeting in saying farewell to Katie Fitzsimmons, Director of Education, who will be moving out of the diocese in September. He thanked Katie for all she has done during her time in post, and for being an outstanding Director. She leaves with the love and thanks of synod members for all she has done for us and for our schools. Members responded with a round of applause.

Katie thanked members and expressed her gratitude for the support she has received from schools, children and young people, and for all the opportunities she has been given.

### **Armed Forces Covenant and a presentation on the work of Armed Forces Chaplains**

The Rt Revd Hugh Nelson, Bishop of St Germans, introduced Revd Raphael Duckett, the Chaplaincy Team Leader at RNAS Culdrose. Bishop Hugh, as Bishop to the Armed Forces, has frequent contact with Raphael, and he thanked him for coming to speak to members today.

Raphael introduced himself to members. He explained that he is ordained, has Permission to Officiate in Truro diocese and ministers on occasion in Kerrier deanery. He then spoke about military chaplaincy.

Chaplains have a history of providing pastoral care to people in the military. This can seem contrary to the Christian's aim of being a peacemaker, but Chaplaincy provides spiritual support for all roles, ranks and faiths, and to those with no faith. Chaplains travel all over the world, and a chaplain is present wherever there are navy personnel. They are not warfare officers and are not required to employ violence.

The Navy requires Chaplains to provide:

- Pastoral Care
- Religious Leadership
- Unit Cohesion
- Defence Engagement
- Ethical Advice

Within that remit, Chaplains seek to bring the love of Christ to all. They are there to provide religious leadership, and to build community by providing opportunities to talk, chat, ask for help etc. They are also there, to stand for righteousness and justice, to advise on ethical matters, and to discern what is just and right in situations.

Revd Duckett asked members if they had any questions.

**Mr Nicolas Herian, General Synod Member**, asked how long Revd Duckett had served as a naval chaplain.

Revd Duckett replied to say that he had been in his current job for 8½ years. Prior to that, he had been in a 20-year ministry in Wolverhampton.

**The Bishop of Truro, the Rt Revd Philip Mounstephen**, observed that during a recent visit to HMS Tamar, he had noticed a room full of dressing up clothes. He asked if this is normal in the Royal Navy.

**Revd Duckett** replied to say that there are many variations of uniform; these need to be kept on board, as well as items of clothing used for specific occasions. Life on board ship can be stressful so opportunities to relax and let your hair down within bounds are necessary.

**Mr Christopher Edleston, St Austell Deanery**, asked whether Revd Duckett was ever required to be involved in jobs such as bunkering fuel or passing ammunition.

Revd Duckett replied that this is not the case. His sole responsibility is the spiritual care of people on board ship.

Christopher also asked whether Revd Duckett has ever been involved with situations concerning the way female personnel are received in the Navy.

Revd Duckett replied to say that women have only been allowed at sea since 1980s. The Royal Navy is now a fully integrated equal opportunities employer with women employed in various ways, including command roles. The military is a very masculine oriented calling and traditionally not a safe space, but this is not acceptable in modern society and not acceptable in Royal Navy.

Priority is given to making sure that women in service are safe, honoured and as appreciated as men are. This is part of his responsibility as Chaplain.

Mr Robert Perry thanked Revd Duckett and members showed their appreciation with a round of applause.

Bishop Hugh then explained that the Armed Forces Covenant is a commitment to help with the practical issues affecting those in the armed forces. The invitation to support the Covenant has been extended to many organisations. He asked if members had any questions.

**Nicolas Herian, General Synod member**, asked if the Covenant would have any financial implications to the Diocese.

Bishop Hugh replied to say that there would be no direct financial implications but that indirect costs may apply, such as people's time uploading items onto the diocesan website etc. No cash expenditure, however, is associated with it.

The Rt Revd Hugh Nelson, Bishop of St Germans, proposed:

“that this synod does support and commend the Armed Forces Covenant.

Members voted:

In favour: 43

Against: 0

Abstain: 1

Bishop Hugh asked Synod to make a commitment to pray for Revd Duckett, that God would support him in his work, grant him wisdom and deep assurance of his presence. He then led members in a prayer of support.

### **General Synod Report**

Mr Robert Perry, Chair of the House of Laity and General Synod member, and Revd Andrew Yates, General Synod member, reported on the February sessions of General Synod.

Robert explained that the main business of this Group of Sessions was to consider the work of the House of Bishops on Living in Love and Faith (LLF). Group work and lengthy debate took place, with several items being postponed until the next meeting in July. The debate was highly charged, but was conducted in a civilised way. The motion under discussion referred to the new pastoral guidance and suite of prayers that will be prepared by the House of Bishops, within the context of re-affirming the church's traditional teaching on the nature of marriage as being the lifelong union of a man and woman.

The debate was very clearly not the end of the matter and the Church of England remains deeply split on this issue. Robert believes this division is likely to re-surface in July or whenever the House of Bishops next reports on its ongoing work.

Other business that took place at this session:

- A motion was passed which called upon the government to do more in supporting people through the current substantial increase in the cost of living
- Revision of the Parochial Fees Order so as to reduce the level of increase in fees for the remainder of 2023 and in 2024
- Members received an updated report on safeguarding
- A call to the government to exempt charities from liability to pay Insurance Premium Tax

Bishop Philip commented that, as part of the report on safeguarding, and from his position as Chair of the Redress Board, he spoke to General Synod members about the scheme which has been set up to provide redress to survivors of abuse. He was also involved at this group of sessions with the LLF steering group.

A question and answer session followed during which the following points were raised:

**Mr Andrew Prince, Powder deanery**, asked if there was any indication of what the proposed blessing for same sex relationships would look like, and whether or not there had been any debate about what form the blessing would take.

**Bishop Philip** replied to say that General Synod looked at a draft suite of prayers for LLF that is not just about blessings, but includes prayers that can be used for a number of different circumstances/occasions. There are three groups taking forward the work of synod on various themes, and one of these groups, pastoral reassurance, will look at the area of liberty of conscience of those who do not wish to use the prayers.

**Revd Andrew Yates, General Synod member**, emphasised that the very first thing listed on the motion was lamenting and repenting our failure. As churches we need to ask how welcoming we are being to the LGBTQIA+ community; this is the first thing to take to our hearts.

Bishop Philip thanked Andrew. He has recently seen outline pastoral guidance from the Diocese of London on what it can mean to be a truly welcoming church, and observed there was much in this which we may want to look at ourselves.

Andrew commended two organisations - Inclusive Church and Mosaic - for parishes to contact for advice and information.

**Mr Simon Taurins, Powder Deanery**, observed that there was clearly a bias of Bishops being in support of the prayers. He asked the Bishops and Archdeacons how those clergy who do not want to be inclusive in the way recommended and who may be ostracised for their approach, will be supported.

**Bishop Philip** replied to say that the work on pastoral reassurance is still in the process of development, but that he would give 100% guarantee that the desire is to stay together as a church whilst recognising the significant differences on this issue. He stressed that there is a need to protect liberty of conscience and to ensure there are substantial ways to achieve this. The Archdeacons of Cornwall and Bodmin agreed with Bishop Philip's response.

Revd Chris McQuillen-Wright, Chair of the House of Clergy, thanked Andrew and Robert for their reports, and thanked Bishop Philip and all the General Synod representatives for attending General Synod and representing all we stand for.

#### **Diocesan Plan for Change and Renewal**

Members were informed that the questions raised by Mrs Mary Wooding, Penwith deanery, under Question under Standing Orders, would be covered instead under this agenda item.

Revd Chris McQuillen-Wright, Chair of the House of Clergy, explained that the Bishop of St Germans, the Rt Revd Hugh Nelson, would give a presentation on the Diocesan Plan for Change and Renewal. There would then be a vote on the amendment to the original motion. This would be followed by debate and an opportunity to ask questions, after which members would take a final vote on either the original motion, or the amended motion.

The Bishop of St Germans, the Rt Revd Hugh Nelson, introduced & presented the Diocesan Plan for Change and Renewal.

He explained that the first priority of the plan is that “There are more Christians of every age and background, worshipping God and serving the people of Cornwall, especially the poorest”

This priority sits within the context of a long-term decline in clergy numbers, congregations and children in our churches. However, Bishop Hugh emphasised that although these numbers cannot be ignored, neither can the fact that faith, hope and love cannot be measured and are equally as important.

He reminded members that the plan is the latest stage in a long-term process that the diocese has been engaged in for the last 2 - 3 years. This began with the Saints Way, then moved to On The Way (OTW), with its goal of fruitfulness and sustainability. By August 2022 there were 12 deanery plans in place, plus one for the Isles of Scilly. Bishop Hugh thanked everyone in the deaneries for doing this work.

There is now a Diocesan plan for Change and Renewal. This describes ways in which we will work, pray and invest in order to change and renew things. The work that the plan describes is long-term, perhaps 10 years, and is not a quick fix but one for deep change.

The plan does not replace the 12 deanery plans but is built on them; it looks at what the whole diocese needs to do so that the deanery plans can be delivered. It also looks for common themes, i.e. those things that are flagged by all deaneries that the diocesan plan can help with. There has been consultation, including with Diocesan Synod, Bishop’s Diocesan Council and Rural Deans.

The three main purposes of the plan are to:

1. Give a diocesan level overview of the scale and scope of change
2. Give a clear framework within which to make decisions about the use of diocesan resources
3. Support an application for Commissioners funding

The three key themes of the plan are:

1. Significant change in the patterns of parish ministry
2. Plans to reverse the decline in engagement with children and young people
3. Focus resources with people and communities experiencing deprivation

The pattern of ministry will move towards oversight ministry supported by local ministers, including pioneers and chaplains, children and youth ministers. The desire is for the life of all individual churches to be supported. The diocese does not want to close churches, although decline does mean that we need to do things differently and the deanery plans support this.

The plan recognises that the practice of the last few years of giving stipendiary clergy more and more parishes is not going to work. We need to invite our clergy to become oversight ministers and to be a leader of leaders within their communities, possibly also overseeing ministries such as CAP, and other expressions of church. Safeguarding has to be in the DNA of all this.

There are five subsidiary themes in the plan.

1. Church buildings. The plan notes that PCCs and local communities recognise significant challenges in maintaining historic buildings.
2. Small churches i.e. those with less than 35 people. There are many of these, they are not a failed large church, but we will need to plan for the work to support them.
3. Governance and leadership.
4. Sustainable financial models.
5. Carbon Net Zero by 2030.

Our culture, the way things feel, is very important. There are three ways of being that we need to pay attention to:

- Faithfulness - Jesus Christ at the heart of all we do.
- Curiosity - the world changing fast. We need to ask each other questions and listen.
- Mutuality - we need to be really good at owning the responsibilities that we each carry. We need to recognise that we are connected to others who also have responsibility.

Bishop Hugh concluded by saying that change is the natural order of creation, but that but that it needs courage to move into what is new. He commended the plan to synod.

Members broke into small groups to discuss the following questions:

1. What is the most significant strength of the plan?
2. What is the greatest weakness of the plan?
3. What is your most urgent question about the plan?

At the conclusion of Bishop Hugh's presentation, Revd Chris McQuillen-Wright, Chair of the House of Clergy, asked The Bishop of Truro to formally move the motion.

The Bishop of Truro proposed the motion:

*“that the Diocesan Plan for Change and Renewal be noted”*

Mr Vivian Hall, General Synod Member, moved that this motion be amended to:

*“That this Synod requests and requires the draft plan to be sent to all Deanery Synods and PCCs for their comments, and that those comments are reported back to Synod.”*

Mr Vivian Hall, General Synod member, then spoke to the amendment. He believes it is vital that a document of such importance should have as wide a circulation and feedback as possible, and that it needs greater exposure; its discussion should not be limited to Diocesan Synod. The foreword to the plan refers to “we” and he queried whom the ‘we’ refers to in this context. The plan affects everyone in the diocese, at every level, and it is important that it should not be seen as coming from the top down. He understands that this is a matter of perception, but believes that it is still important. Accepting this amendment will show this Synod that the higher levels care about what is happening to everyone.

Revd Chris McQuillen-Wright thanked Vivian and asked if anyone wished to speak against the amendment.

The Bishop of Truro spoke against the amendment.

He agreed with all that Vivian had said, that it is really important that deaneries and parishes discuss the plan, and confirmed that feedback and healthy engagement are welcomed. A shorter, simplified version of the plan will be produced to help with this.

He pointed out, however, that the original OTW process was one of consultation, and he would query whether there is an appetite for more. The owner of the plan is the Bishop's Diocesan Council (BDC) and, even if the plan does go back to the parishes, this will not stop it. As Trustees of the Diocesan Board of Finance, BDC members are making sure the charity meets its obligations. It is therefore important the plan comes to Diocesan Synod to note, but the BDC has different responsibilities.

**Bishop Philip** believes the amendment is flawed, and queried what would be done with the feedback it demands? For example, if one PCC refused to accept the plan, then what would

happen from there? The amendment has the potential to give the power to one PCC to stop the whole process and refusal to accept the plan could therefore lead to uncertainty.

**Mr David Fieldsend, Lay Chair, Carnmarth North deanery**, has been involved in OTW for a long time. He believes the deanery has made significant progress in trying to focus the resources they have with the vision of fruitfulness and sustainability. He welcomes this plan because it brings together everything that has been proposed and it provides money to facilitate this. He therefore believes synod members should vote in favour of this report and against the amendment.

**Mr Mike Rowe, Lay Chair, St Austell deanery**, commented that communication has been the biggest thing to address throughout the OTW process. The Diocesan Plan has been created from all the deanery plans, and this should be fed back from Diocesan Synod to deanery synod who, in turn, should report back to their PCCs; this channel of communication is there and it should be used. Information can also be fed back to Deanery Implementation Teams and to the Change and Renewal Team. He therefore supports the original motion.

**Mrs Sarah Vinson, Lay Chair, Trigg Major deanery**, agreed with David and Mike. She observed that OTW has been a two-year process that has included a vast amount of consultation. Trigg Major deanery has worked to feed responses back up the line and she would encourage all deanery synods to act as such. She agrees with Bishop Philip and supports the original motion.

**Mr Mike Sturgess, Chair of the DBF** agreed with Bishop Philip. He said that there was now a need to get on with the plan and he therefore does not support the amendment.

**Mrs Mary Wooding, Penwith Deanery** said that she supports the amendment. She commented that Bishop Philip's mention of consultation and participation sounds weak when members have been told that the plan will be passed anyway. She would prefer to have a formal directive that the draft plan should be discussed and the feedback used. Their deanery has, during OTW, experienced too much of being told they could object and raise concerns, and then learnt to their cost when their views were not taken into account. She believes that if the Bishop's original motion goes ahead, this will mean give up any real possibility of making any change.

Revd Chris McQuillen-Wright, Chair of the House of Clergy, thanked all those who had spoken.

Members then voted on the amendment to the original proposal.

In favour: 5  
Against: 40  
Abstain: 2

The amendment to the original motion was not carried.

Debate then took place on the Diocesan Plan for Change and Renewal.

The questions submitted by Mrs Mary Wooding, Penwith deanery were raised:

### **Question 1**

The concept of the Diocesan Ten-Year Plan and the considerable detail within it must have started a long time ago, before what is clearly a very carefully crafted document could be created. Despite that, it is only very recently that such terms such as 'oversight ministers' have begun to be used.

If it was under discussion and being honed at the same time as On The Way was being rolled out, it would make the On The Way project fundamentally flawed by lack of openness.

**Though this Plan is only just coming to light, when exactly did work on it begin?**

The Rt Revd Hugh Nelson, Bishop of St Germans, responded as follows:

**Answer to Question 1**

*“The proposal to write a Diocesan Plan for Change and Renewal was first brought to BDC on 14 July 2022. Following agreement at that meeting, a more detailed process for preparing the plan was taken to Episcopal College on 25 July.*

*The process was outlined to Diocesan Synod on 24 September 2022 and work on the content began at that point. The content of the plan has been consistent throughout, and is built on:*

- 1. The combined deanery plans, as created through the On the Way process;*
- 2. The support provided at diocesan level to enable the deanery plans to be implemented*
- 3. The work planned and initiated at diocesan level, focussed on fruitfulness and sustainability, but which was beyond deanery responsibility.*

*The Diocesan Plan for Change and Renewal has been on the BDC agenda each time it has met since then, and Diocesan Synod was given an in depth presentation on the plan at its last meeting in November 2022.*

*The bulk of writing the plan took place between October and March, including away days with BDC and Rural Deans. Numerous conversations about the emerging plan have taken place both formally and informally across the diocese.*

*On “Oversight Ministry” specifically, while the phrase is not explicitly used in every Deanery plan, all the plans describe some of kind of change to the role of stipendiary clergy, and in the majority of plans that change is significant. That said, oversight ministry has already been exercised in a number of areas for many years, but without clergy or local churches being trained or resourced for it. For their own welfare and wellbeing, we want to rectify that.*

- In developing the plan for oversight ministry contained in the diocesan plan for change and renewal, we have considered the changes described in deanery plans alongside:*
- The widespread desire to support the flourishing of small churches, including by providing more identifiable local leadership of church communities, especially in rural communities.*
- The widespread desire for more pioneering, more work with young people and more work with people and communities in need.*
- The widespread desire to hold together the traditional models of church and new ways of engaging with communities, and to do so under priestly oversight.*
- The very high priority to embed safeguarding in everything that we do.*
- The widespread evidence that the current model is not leading to fruitfulness and/or sustainability in most places.*
- The evidence from within the diocese where clergy have been in oversight roles for some time.*
- The evidence from other dioceses where this model has been introduced.”*

**Question 2**

The opening long sentence of Section 2.2, ‘Parish Ministry - oversight and local’ bears scant relation to what is in the Penwith Deanery Plan. Our plan certainly does not describe a changing



role for stipendiary clergy, unless you count the reduction of numbers based entirely on MMF contribution deficits, in an area of extreme poverty and need.

Simon's cover note talks of consultation on 'the detail of the proposed assets strategy' but the rest of section 2.2 calls into question how far reaching any consultations are likely to be, listing as it does 'key indicators of success that we will see as the plans are implemented'.

Many of us spent considerable time and effort challenging aspects of On The Way, only to have our reservations ignored and being led to accept deanery plans under varying degrees of pressure.

**Will Synod members, churchwardens, parish treasurers and deanery synod members be genuinely consulted on all elements of this Plan or just on Diocese selected aspects?**

**Answer to Question 2**

*"We recognise that the process of developing the deanery plan in Penwith was particularly difficult. However we now have 12 deanery plans for fruitfulness and sustainability and this has, for the first time, enabled us to focus the priorities, prayers and resources of the whole diocese around the priorities described in those plans.*

*Those 12 plans were all approved by their relevant Synod and by Episcopal College, and work on implementation is well underway.*

*The Diocesan plan for change and renewal is publicly available for individuals, PCCs and Synods to consider and we welcome feedback both on the plan as a whole and on specific details.*

*While we welcome feedback, we do not plan more formal consultation on the Plan for Change and Renewal with the wider group described in the question, as the plan is the responsibility of the Bishop's Diocesan Council to develop, as the Trustees of the Truro Diocesan Board of Finance. There will be wide consultation on proposals for our use of assets and these proposals will come back to Synod following that consultation.*

*One key outcome of On the Way is that we can now build a budget based on the deanery plans, which allows us to release assets previously used to fill a very large unplanned deficit towards the missional priorities of local churches across Cornwall. This will be the basis of the consultation on our use of assets.*

Mary Wooding thanked Bishop Hugh for his responses. She commented that she is still concerned, because of the experience the deanery has been through with OTW, that they are being excluded from participation in what is obviously a far reaching plan, and that because the process has not been open, it is almost irrelevant to look at it now because where will that take us? Work will carry on regardless of what those in the deaneries think or whether or not they agree with it.

Bishop Hugh thanked Mary for her comments. He noted that this synod meeting was providing an opportunity to discuss the plan and if, following that discussion, there are any members who do not agree then they will have the opportunity to vote against the plan.

The Revd Chris McQuillen-Wright, Chair of the House of Clergy then opened the debate:

Bishop Philip commented on the issue of consultation. He said that the plan covers a lengthy period of time that it is not set in stone, but will change over time. The bad thing would be not to have a plan. He assured members that feedback will be received, that this will make a difference, but that we do need to have a plan.

**Nicolas Herian, Penwith Deanery** asked how the plan would be resourced. Would it be by the diocese or nationally?

**Bishop Hugh** replied to say both. The plan commits to an explicit consultation over the summer on the use of diocesan assets for the plan as well as discussing the release of more assets to support the life of the local church and supporting work with children and young people. It will also be a significant part of the bid for national funding.

Nicolas observed that this is a ten-year plan and asked whether there be reviews during that time? Bishop Hugh replied to assure that there would be regular reviews involving the Board of Change & Renewal, various diocesan officers, those with scrutiny roles, as well as others who are experienced with change management.

Bishop Hugh also pointed out that there are still several areas of the plan that have not yet been finalised and are therefore still 'up for grabs', including assets strategy, small churches work, church buildings.

**Mr Jeremy Stuart, Pydar deanery,** asked whether time would be given at future synods for feedback from deanery synods and PCCs?

Bishop Philip and Bishop Hugh confirmed that there would be.

**Mr Roger Smith, Trigg Minor and Bodmin deanery,** said that he could see the merits of the oversight minister model, but asked if there is a sufficient pool of qualified people to carry out these roles.

**Bishop Philip** thanked Roger for asking this question. He said that oversight ministry is not new to the diocese, the first role of its type was advertised in 2016. However, at that time, the diocese was not intentional in supporting and providing resources for those appointed and many clergy therefore suffered some damage in the process. He also observed that many clergy in the diocese are already exercising oversight ministry in one way or other. The proposal now is to give training that will enable people to grow into this ministry. He also said that clarity about the role is now given to clergy who may be considering moving into this diocese.

**Mrs Mary, Wooding, Penwith Deanery,** asked what the Rural Dean post will be like in the future and observed that it appears to be similar to the Oversight Minister role.

**Bishop Hugh** thanked Mary for her question. He explained that there is not total certainty as to what the role will look like, but that it will include responsibility for the formal role of Rural Dean, and may include responsibility for more than one deanery. There will also be involvement in the implementation of the deanery plans, working alongside church leaders and congregations. Those appointed will need to be good at facilitating change and enabling people to step boldly into a different way of doing things. In some deaneries the role of the Rural Dean is already written into their plans (e.g. Kerrier deanery has already appointed), and these will still go ahead. However, where this is not the case, it is hoped that this is what the role will look like.

Bishop Hugh confirmed that the role of oversight minister is not the same as Rural Dean and that every parish will be in the care of an oversight minister. The aim is not for one priest to have many churches, but to oversee a 'community of communities', which will include traditional congregations as well as new things.

**Mr Andrew Prince, Powder deanery,** commented that the recent appointment of an Oversight Minister in Powder deanery is working well. He observed that it is different from having a clergy person who is responsible for a large number of churches, and is about supporting those who are already there.

**The Ven Kelly Betteridge, Archdeacon of Bodmin**, commented that she recently spoke with two clergy who are very interested in the advertised oversight posts, with one person saying that they are encouraged with way Truro diocese is moving with this.

Revd Chris McQuillen-Wright asked The Bishop of Truro to propose the motion.

Bishop Philip observed that the challenges faced in this diocese are not unique, but what is different is that we are taking a constructive and positive approach, going back to grass roots and producing a single plan. He therefore commended the plan and encouraged everyone vote in favour of noting it.

Members voted on the motion:

***“That the Diocesan Plan for Change and Renewal be noted”***

In favour: 42

Against: 3

Abstain: 0

The motion was carried.

#### **Meeting as members of Truro Diocesan Board of Finance Ltd The Annual General Meeting of the Company**

The Bishop of Truro, The Rt Revd Philip Mounstephen, welcomed and introduced Mrs Sophie Eddy, Director of Finance and Assets.

Sophie thanked Bishop Philip and said that she would be presenting the Strategic Report, the auditor’s report, and the audited financial statements of the Truro Diocesan Board of Finance Ltd (TDBF) for the year ended 31st December 2022.

Sophie explained that the budget for 2022 had planned for an income of £7.6m and expenditure of £9.05m, making an overall deficit of £1.46m.

The actual figures at 31 December show that the TDBF’s income was £7.261m, £332k less than budgeted. However, the actual expenditure of £8.184m was also less than budgeted, by £869k.

Sophie reminded members that the 2022 budget was made before the deanery plans were completed, and was therefore a transitional, finance led budget, prepared on the assumption that the deanery plans would start to be implemented during 2022, which ultimately they were.

Variances in the budget include:

- Less income from MMF, SDF grant income (the Transforming Mission projects), and dividends
- New funding from the national church in response to the cost of living and energy crises

Detail of other variances amounting to £233k, but individually less than £40k, were not detailed but Sophie asked members to email or call her if they wished to know more.

Sophie then gave a breakdown and analysis of expenditure in 2022. Operating expenditure was £95k, only slightly more than budgeted (less than 1.5%) which Sophie believes shows that the TDBF has managed to gain control of expenditure, both for Church House and in supporting parish ministry. This is quite an achievement considering the level of change currently being experienced.

Income, however, was less than budgeted and, as the year progressed, it became apparent that 'operating within our means' was not going to be possible, mainly because the On the Way process had taken longer than anticipated. This realisation informed some of the 2023 budget work and has further informed the Diocesan Plan for Change and Renewal relating to the release of funds/reserves.

As well as the operating deficit, the value of investments fell in 2022 by £1¾ million. However, despite the current economic challenges, property prices increased in value by £4.5m i.e. 11%. This gain is higher than the reduction in the value of the investments and operating deficit, which is why the Balance Sheet value increased again. At the end of 2022, the TDBF balance sheet showed a value of £115 million.

Sophie emphasised that we are blessed to have these assets and that the Diocesan Plan for Change and Renewal will inform key decisions around the use of these assets over time.

Non-operating expenditure shows an underspend of £1.2m which could look like bad budgeting, but is explained by the fact that the 2022 budget was finance led. It anticipated expenditure on mission and implementing deanery plans which in fact did not occur to any great extent in 2022. Now that the deanery plans are in place and are beginning to be implemented, we are starting to see planned spend in these areas in 2023.

The restricted fund expenditure shows an overspend of £426k which again looks like bad budgeting but is explained by the fact that the expenditure on energy and cost of living grants was not budgeted for in 2022 as it was not known about in November 2021, when the budget was prepared.

Pension deficit payments, which are not budgeted for, have now been completed.

The four headlines in the 2022 annual report are:

## 1 Supporting strategic change

The Trustees remain committed to supporting strategic change through On the Way and Next Steps On the Way, based on the deanery plans. Project management disciplines are being used to align under one portfolio the governance and leadership of Transforming Mission, On the Way deanery planning, Next Steps On the Way deanery implementation, the use of LICF and large mission funding.

Other strategic decisions made in 2022 by the Trustees were:

- the approval of work towards achieving Carbon Net Zero in the environment strategy;
- to establish a new Mission and Pastoral Committee,
- To approve 2023 budget with increased support for parishes
- To allocate financial support to parishes, clergy and lay staff for energy cost inflation
- Approval of move from Church House to Old Cathedral School

## 2 Income contributed by parishes to the MMF (Mission and Ministry Fund)

MMF increased in 2022 by £27k (less than 1%). £3.074m was received against a budget of £3.539m, a budget which was based on conversations with deaneries in 2021 when the general consensus was that they expected to return to pre-pandemic levels of MMF contributions. Despite the contributions not returning to the 2019 level, the persistent fall in MMF does seem to have levelled out.

For the first 4 months of 2023 the level of MMF contributions has been lower than the amount received for the same period in 2022 (by about £20k), and is £127k lower than the budget (which is based on the deanery plans). Conversations are continuing with parishes and Deanery Implementation Teams to try and understand why this is. It may be that, as with

last year, parishes may be making their contributions later in the year.

Sophie assured members that we continue to be very grateful for all contributions received and are very aware of the challenges that parishes are experiencing.

**3 The overall value of assets for which trustees are responsible continued to perform strongly**

There have been some large increases in the values of assets over the last 3 years; an 11% £4.464m increase in 2022.

Despite selling some glebe plots in 2022 (valued at over £250k), the portfolio continued to increase in value, by some £1.745m. Sophie thanked Savills, the managing agents, for continuing to serve us well and providing strong management for the property and Glebe portfolio.

Investments, which fell in 2021, fell further in 2022, so that by the end of 2022 they had fallen in value by £3.8m. However, between year-end and 30 April, the value of the investments held by fund managers has risen by £850k. The loss in 2022 of £3.8m has not been reversed but progress is being made. Despite seeing a fall in value in 2022 the portfolio is at the level it was sometime between March and June 2021.

Sophie thanked the Investment Management Committee, who regularly review the investment portfolio, for the work they carry out on a voluntary basis for the diocese to ensure the investments held are well managed.

**4 Increasing direct support for parish ministry.**

Sophie gave a detailed breakdown of the diocesan reserves and explained that there is now a strategic plan in place to start utilising these in a planned way. Section 94 of the Mission and Pastoral Measure 2011 covers the Payment of expenses from diocesan pastoral accounts and application of moneys.

Sophie went on to say that, looking forward to 2023, at the heart of planning is an enduring commitment to the parishes and churches of the diocese. The challenging work of Next Steps On the Way will continue, as well as working with the deaneries to implement their plans. Some deaneries are already in receipt of the LICF and mission funding and more will be paid as the year progresses.

The Diocesan Plan for Change and Renewal and the Assets Strategy will be the key strategic documents to ensure the assets of the TDBF are used as effectively as possible, and for the fruitfulness and sustainability of the wider diocese.

Support continues for stipendiary ordained ministry as well as discerning and growing other patterns of service and mission.

The 2023 budget has been re-forecast, and the deficit has increased from £2.5m to £3.7m. This is mainly due an increase in the property maintenance budget, as it was agreed that, with the current high level of clergy moves, further funds needed to be made available to enable work on properties as and when they become vacant.

The 2024 budget process has now started. This will be for a strategically led budget and, as in the past 3 years, there will be a budget consultation with the wider diocese.

Sophie concluded by affirming the TDBFs commitment to the Next Steps on the Way process.

Bishop Philip thanked Sophie for her presentation and for the care she gives to our finances.

A question and answer session followed:

**Nicolas Herian, General Synod**, asked whether any restructuring could be done that would ween the diocese from MMF reliance.

Bishop Philip replied to say that he does not think we should that. Christian giving is an aspect of Christian discipleship and an important discipline, and MMF is an important expression of that. A great deal would be lost if we did not take intentional Christian giving seriously.

Sophie Eddy, Director of Finance and Assets, commented that everything has to be paid for one way or the other, and that the diocesan reserves will not last forever. A way needs to be found that works for everyone, and this will be a blend of reserves and of today's giving.

Revd Canon Simon Cade, Diocesan Secretary, replied, making three points:

- The TDBF is deliberately trying to protect parishes and deaneries from unexpected fluctuations in costs and expenses so that they can plan with confidence e.g. support that was given to parishes towards their energy price increases in the winter, and not passing on inflationary increases incurred around stipends and lay salaries. The TDBF is giving stability via the reserves so that the plans deaneries have made can be delivered.
- Support is being given towards parish ministry through different sources of funding. In most dioceses, the proportion of parish ministry supported by Common Fund or MMF is much higher than in this diocese. We also receive a disproportionately large amount of funding from the Church Commissioners to support deprived areas.
- Simon referred to the Church of Sweden, which is funded by taxation and is extremely well resourced. However, he would not swap this for the profound faithfulness expressed by a small church in Cornwall, a precious and beautiful thing.

Members responded with a round of applause.

**Andrew Prince, Powder deanery**, commented that Glebe issues are still very much at forefront of people's minds. Bearing in mind the continual uplift in prices over the years, he queried the practise of selling some houses, which means that, in effect, every time a property is sold, we miss out. He asked if the sale of Glebe properties be communicated more widely than just within diocese?

**Revd Canon Simon Cade, Diocesan Secretary**, replied. He explained that the diocese's Glebe estate is largely agricultural consisting of around 250 very small plots, and other larger plots. Where an opportunity to do good is identified then there has been an effort to do so e.g. to provide parking spaces at a church, or for a community garden or food project.

However, Glebe is held in trust to help pay stipends so when a commercial use is identified which adds significant value, then that is pursued. This is usually housing development, those which include affordable/social housing. However, it needs to be recognised that if that strategy is continued over a long period of time, the amount of Glebe we have will decrease. One of the questions, therefore, that will be considered at the assets consultation this summer is whether opportunities should be taken to buy more Glebe.

Mr Mike Sturgess, Chair of the DBF, replied to Andrew's question concerning the sale of Diocesan properties. He explained that there are many costs attached to maintaining property. Also, that the TDBF is responsible for providing housing for clergy, not to be a property owner. When houses surplus to requirements are identified, they are sold and the money is invested. Investment growth has been considerable over the years so the decision has been made to sell.

Mr Mike Sturgess, Chair of the Diocesan Board of Finance, proposed *“that the members of the company receive the Reports and Financial Statements of the Board for the year ended 31<sup>st</sup> December 2022”*

Voting took place:

In favour: 43

Against: 1

Abstain: 0

Mr Mike Sturgess, Chair of the Diocesan Board of Finance, proposed *“that the members of the company re-appoint Haysmacintyre as the company’s auditors under section 485 of the Companies Act 2006”*

Voting took place:

In favour: 43

Against: 1

Abstain: 0

Mr Mike Sturgess, Chair of the Diocesan Board of Finance, proposed *“that VWV LLP are re-appointed as solicitors of the company”*

Voting took place:

In favour: 45

Against: 0

Abstain: 0

#### **Meeting as Truro Diocesan Synod**

##### **Items to note**

The Bishop of Truro proposed from the chair that Synod note:

- the minutes of the meeting of Diocesan Synod on 19<sup>th</sup> November 2022
- the report from the Bishops Diocesan Council

There were no comments or questions. Members voted with a show of hands.

All were in favour of noting both items.

**The Bishop of Truro closed the meeting with prayer at 2.20 pm.**