

Board of Trustees Report Speech 2011

Introduction

Moderator, Fathers & Brethren it is my pleasure and privilege to present to you the report of the Board of Trustees. The Report is divided into a number of sections and I will comment on some of the matters which are contained in each section.

Before doing so I would like to remark on the environment in which the Church operates and then on the role of the Board of Trustees.

At a superficial glance we should be daunted by the situation faced by the Church in Scotland today. We are no longer the preferred religion; we have lost the attention of the mass of people in Scotland. We do not make opinion; instead opinion is made by the media, media gurus, academic and civic leaders and a myriad of pressure groups all equalised in a value plural society. We have to combat the perception that we are irrelevant, unscientific, Luddite and to be consigned to the curiosities of the past. Now of course we have to accept that we do and have played into this agenda by our actions, our misplaced resistance to change and by our lack of awareness of what was happening to us and in our society. We have to recover a senses of vision; we have to remind ourselves that the Church and the revelation of the Lord Jesus Christ has outlasted these reverses and as children of a Father with infinite resources we should face the world with complete confidence but with humility and engage with the forces who seek to enslave the minds of our people and who falsely assert the truth of their philosophies even when their philosophies seek to deny the existence of truth per se! I am encouraged by the fact that this situation is being so well articulated by active members of our Church. I refer to output like the article on our website by Professor Donald Macleod, *God's Vision for the Church*; to the interesting and thoughtful analysis of *transhumanism* by Rev Roddy Rankine and to the activities of SOLAS in Dundee. These are not by any means the only contributions –just a sample. It is important that we engage with society intellectually in the way to which I have referred as well as engage with them by our works, by our doing good for the people around us in our own parishes.

If I may quote the final paragraph of the article Professor Macleod writes:

“If I have one prayer above all, it is that God would give us an overwhelming belief that this gospel is true; an irresistible urge to preach it; and courage to keep on propounding it at every possible opportunity”

We must apply our resources, mould our structures so that we create the conditions for confidence in truth, for courage and for finding the best people –the called and gifted people – and giving them the best possible training so that they preach and preach well at every opportunity.

By now some of you may be asking if the Chair of the Board of Trustees has forgotten that this is the Board's report and not that of the Public Questions Committee. I deny the charge. As you know the central role of the Board is to look after the assets and resources of the Church and to ensure that they are applied to the charitable purposes of the Church. This is sometimes thought to be a dull and dusty role, to smack of business and to be divorced from the spiritual nature of the Church's activity. I would of course argue that this is a caricature and quite untrue.

The assets and the income of the Church are applied to the purposes of the Church. This means that the Trustees cannot do their job without constantly seeking to understand and prioritise the purposes of the Church. This means that the Church must have a vision and a clear articulation of its purposes and communicate this to its members –the ministers, elders, deacons and members in the pews. The frontline of the Church are these people- not the Board or the Committees within which the Board works in Edinburgh. I am therefore glad that sometime ago the Board and its predecessor committees initiated a Strategy process which is still on going. I always thought that the process was more important than the end. I commend the article by Professor Macleod, to which I referred. We need to have clarity around our vision and we need to permeate this vision throughout our whole membership. Without vision the people perish and the Church perishes with them. Without vision the work of the Trustees is completely nullified.

As stewards of the funds which are donated to the Church the Board has a duty to do all in its power to maximise the flow of funds into the Church and then to ensure not only that they are applied to the Church's purposes but that they are applied efficiently and effectively. *Efficiently* means that they are not wasted; that they achieve the end for which they are applied and not dissipated on achieving other things which are wrongly imagined as essential to the central purpose of the funds. *Effectively* means that they are applied in the most intelligent way possible –that they really bring about the changes and behaviours which the Church desires.

I am delighted that the Assembly has altered procedure to allow for discussion and I intend to use the discussion session to look forward to the financial situation which current trends suggest for the Church. We must ask ourselves what we can do to change these trends on the one hand, and to consider how, if these trends, do determine our financial future, how we can apply the income which we have, to realise our vision in the most effective and efficient way possible.

1 Finance and Resources

The Accounts and Future Financial Projections.

I am sorry that timetables have made it impossible to present the whole accounts of the Church to the Assembly (until today?). We have however presented an abbreviated version as we were asked to by the last Assembly. I hope that the abbreviated version bears out the analysis set out in the report and I hope that you find it an improved way of communicating the accounts than trying to follow the complex structure imposed by our practice. The bottom line is that when you strip away accounting noise and get down to pure income versus expenditure than we are living

beyond our means – to the tune of £181K and of course we cannot continue to do so. This means that if we do not secure higher income – and there are many reasons set out in the report which are casually related to diminishing income – then we will have to cut expenditure. In my view we cannot continue to cut expenditure by salami slicing existing budgets – we have to review our activity and where we can transform what we do, so that we achieve the ends of the Church with the money we have and sharpen the way in which we do things to make this possible. It is not being unspiritual to point out that this task faces institutions, private and public, throughout the land. Although it is sad and deplorable that many good and essential things will be inadequately funded, it is a fact that the focus on ensuring that money is used effectively and efficiently for the purposes for it is applied, is entirely beneficial stewardship. Many organisations will emerge more focussed and stronger as a result of this exercise. This is where we want to be.

We will, as a Board embark DV, on an exercise in conjunction with the budget holders of seeking a review of how we spend our money to ensure that it is spent according to the priorities of the Church and we will challenge our colleagues to think of ways of doing this. The process has already started and it comes to this forum today in our discussion time.

The People Business

The Church is a people business. The frontline of the Church are its ministers. How they are treated; what they are paid and how many of them we have and can afford are crucial; how they are trained; what conditions do they work under; what structures support them –these are all therefore crucial questions for the Church. Our financial structures already reflect this –the largest item of spend is the stipend and the employment costs of ministry. The higher the stipend the more we have to squeeze other budgets and challenge spend elsewhere in the Church. Even if we freeze the stipend then the lower the volume of ministers the less frontline activity we deliver. We have to watch that we avoid a vicious spiral of lower ministry volume, lower ministry quality and a depressed and demoralised workforce working in unsupportive structures and distracted by financial worry.

The Remittance System

On the income side we are in constant examination of the new remittance system. When the Church changes administrative processes like this we have to be vigilant for unintended and unforeseen adverse consequences. Our judgement, and this is expressed in the report and well summarised in the accounts leaflet, is that there is no evidence yet that this is the case. We have to allow the system run on a bit longer before we can make a full assessment. We will keep the system under critical scrutiny. We did meet budget holders in the last year and suggested some tweaks to make the system clearer to people and avoid unnecessary confusions which might lead to interruptions in the flow of donations.

We have drawn attention to the importance of the ministerial levy and I would simply echo comments in the accounts report already circulated.

Capital Funds

An important part of the role of the Trustees is to hold capital funds on behalf of congregations. For some time now the Trustees have sought to use these funds, which

hitherto lay unused in this fashion, to lend money to individual congregations to improve their buildings. Our contribution is usually substantial and represents the gap in the funding package for these projects. I am delighted that we were able to do this for a number of congregations, in Dundee for St Peters and in Inverness for Smithton Culloden. We look forward to assisting other congregations and we have agreed in principle to a scheme for refurbishing Caol Free Church in Fort William. This is wholly good because we are making our resources work for us and creating the conditions for spiritual prosperity. This only happens because congregations invest their funds with the Church and the Assembly instructs us to manage these funds on behalf of the congregations. If congregations did not do this we would not be able to fund these projects. It is tempting in these times for congregations to think that they could manage their own funds better than the Church. I do not think that this is so and I think our performance over the year bears this out. I would therefore make a plea to the Assembly that they continue the practice of instructing the Trustees to hold the funds on behalf of the congregations. This is what enables us to lend these funds to the Church to good effect. I hope therefore that the Assembly will reject the petition from Glasgow City coming after this report where they ask permission to take the funds into congregational management. This could be the thin end of a wedge which will eliminate this capacity we have to improve the Church and it will not lead to better returns on money –the application of a large block of money handled by professionals and scrutinised by the central Church is far more likely to produce better money management

The Model Trust Deed views the central church as having some interest in congregational assets and their use, and therefore seeks to protect these assets. This is why I assume, that sale proceeds are lodged with the central trustees. The Model Trust Deed actually has a presumption against the sale of a property and only allows it for the purpose of replacing it with a more suitable property or as a result of some special circumstance. Applying the proceeds from the sale of properties to congregational funds seems to be contrary to the spirit of the Model Trust Deed and I think the General Assembly would need to be much more careful about the terms under which it would be prepared to approve petitions for the sale of property if this became rife.

The Colegio

On the income side we record our appreciation of the work done by Clive Bailey and others in turning around the economic fortunes of the Colegio San Andres. As you will see from the report we now believe we are in a position to effect the transfer of the school to a Local Association. This house believed that this was in the best interest of the School –we should not see it as a loss but a sign of success that we no longer have to run the school from Scotland. I understand that we will have to modify the name of the Association slightly and I assume that this will be acceptable to the house.

Retirement Accommodation

The Church and the Board are still wrestling with the issues of retirement accommodation. We will continue to do so. The fact that we are not bringing recommendations here on this subject is not an indication of complacency but recognition of the difficulties of finding a solution which is meaningful, affordable and equitable.

The Strategy Committee

I have already referred to the work of the Strategy Committee. I commend to the house the recommendations for the more effective operation of Presbyteries. I have personal view from attending Presbyteries that as Church institutions they have in recent years lost their way. They are frequently enmeshed in the minutiae of running Churches –minutiae that could for the most part be handled by a person rather than a committee. They are frequently tempted to leave too much to Assembly Committees who are seen to be encroaching on their work. In a Presbyterian Church, particularly one which has not seen a busy role for synods, Presbyteries should be lively engines of Church policy, practice and delivery of vision. These proposals are designed to help Presbyteries get into that space.

I would draw to the attention of the Assembly the failure of Presbyteries to comply with the request for information on Diaconal Ministries. I do not wish to get this out of proportion but it is essential that if the Assembly asks for a task to be done by the Board which involves some activity on the part of Presbyteries, those Presbyteries comply. It is wasteful of the time and effort of many people and disrespectful to this house. I hope that the house will endorse the sentiment and when we assemble in May 2012 we will not have sentences in our report which record no progress as a result of non-compliance.

Compliance and Risk

Compliance and risk management is not always exciting or glamorous work. I will not repeat what is in the report except to state the obvious that compliance is essential to the good working of the Church, adherence to the rightful sphere of the Civil magistrate and I commend those who serve on the committee and the staff who service the committee and provide this service to the congregations of the Church.

The Church Staff

In all our deliverances we acknowledge the work of our staff. This is a good thing but its frequency perhaps blunts the sentiment. I would like to end this report by thanking my fellow trustees and others for their time and support on our committees and above all to express my appreciation of the quality of service provided by our staff under the leadership of Rod Morrison and ably supported in matters financial by Catriona Cazaly.

I commend the report to the house and as I am not a commissioner call upon a mover and seconder.