

**FIT FOR PURPOSE REPORT  
PROPOSALS FOR GOVERNANCE  
REORGANISATION IN THE  
DIOCESE OF SOUTHWARK**

JULY 2015

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## RECOMMENDATIONS OF THE FIT FOR PURPOSE GROUP

The Fit for Purpose group recommends:

- I. Acceptance of the final report of the 'Fit for Purpose' Group proposing a new governance and committee structure for the Diocese of Southwark;
- II. Approval, by Diocesan Synod, of its proposed revised Standing Orders;
- III. Requests that the proposals be implemented including by
  - a. the Diocesan Board of Finance, including through any necessary amendments to the Memorandum and Articles of Association of the Board;
  - b. the Bishop's Council and the Diocesan Mission and Pastoral Committee;
  - c. the Diocesan Secretary, in conjunction with appropriate diocesan office-holders, staff and volunteers;
  - d. those implementing the proposals report regularly on progress to the appropriate diocesan bodies.
- IV. Undertaking further work on such other areas of diocesan life as are highlighted in the report, e.g. Diocesan Synod.

## SUMMARY OF THE FIT FOR PURPOSE PROPOSALS

The Fit for Purpose Report makes proposals to unify and simplify diocesan governance in support of mission. The following summary highlights six key points of the proposals whose detail is set out in these papers.

- 1. The creation of an umbrella Diocesan Council of Trustees. All members have trustee responsibilities and are simultaneously:**
  - a. **Members of the Bishop's Council;**
  - b. **Members, Directors and Trustees of the Diocesan Board of Finance;**
  - c. **Members of the Diocesan Parsonages Board;**
  - d. **Members of the Diocesan Mission and Pastoral Committee;**

This unifies meetings currently dealing separately with policy and with finance. It makes clear the Bishop's Council's responsibility and accountability for the financial consequences of policy decisions. It clarifies the Diocesan Board of Finance's responsibility and accountability for the policy consequences of financial decisions. By placing the Parsonages Board (currently within the Diocesan Board of Finance) and the Mission and Pastoral Committee in the same room, we ensure that areas of large expenditure and decisions about priorities are fully integrated. We also enable policy and finance decisions to sit alongside considerations about the shape of mission on the ground (pastoral reorganisation, Bishop's Mission Orders) and the presence of clergy in parishes (with parsonages) to support and enable mission.

**2. The creation of a much smaller sub-committee structure, a consequent reduction in the number of subsidiary meetings and in the hours of staff time needed to service these:**

The Diocesan Council of Trustees has two sub-committees: Audit and Governance; Policy and Finance. Policy and Finance has two sub-committees: Investment; Remuneration. This ends the present practice of diocesan Heads of Department being managed by committees. It increases accountability as all Heads of Department who are diocesan employees report directly to the Diocesan Secretary. It reduces the burden on diocesan staff to produce papers for meetings. It liberates those attending meetings, either as members or in support, to engage in more useful work. It is estimated that the proposed changes will release 1,521 member hours and approximately 2,300 officer hours. This is a total of  $(1,521 + 2,300) \div 8$  (hours in a working day) = 478 days - in other words, more than an extra year of time on in which to focus on the mission and ministry of the Diocese.

**3. A change of culture and behaviour:**

Changing structures will not effect the increased accountable and connected thinking which the Fit for Purpose group believes is necessary for the mission and ministry of the Diocese to thrive, unless it is accompanied by a change in culture and behaviour. The Fit for Purpose group therefore commends the Southwark Governance Principles included in these proposals. Members of new committees will need to appreciate and take seriously an outward facing, ambassadorial role within the diocese to ensure that parishes and deaneries feel engaged with the activities of the diocesan and area offices and the service they offer the churches. This is especially important as the connection between the Diocesan Board of Finance and the deaneries is represented through elections to the Diocesan Synod, by and largely from which the members of the Diocesan Board of Finance will be elected. Both training and role descriptions for the members of new governance bodies will make the duty to communicate with the Church in the parish and deanery clear.

**4. The adoption of certain principles to assess the good health of diocesan governance:**

Diocesan governance should support diocesan mission. Governance can be assessed in this regard in relation to twelve key principles which ask whether it is: (i) transparent; (ii) clear; (iii) exhibiting subsidiarity; (iv) communicable; (v) liberating (of clergy and laity, with simpler structures and fewer meetings); (vi) doable (and in the case of staff) manageable and managed; (vii) accountably delegated; (viii) collaborative; (ix) commanding the confidence, goodwill and engagement of parishes; (x) skills based and time specific; (xi) affordable; (xii) demonstrating coherence between structure and policy, mission and finance. These principles should be adopted, applied and their application monitored. These principles have informed the design and communication of the governance proposals in the following pages.

**5. The introduction of fixed terms of service for elected and nominated members of the proposed Diocesan Council of Trustees and its associated governance bodies:**

This is to ensure that new people with different skills and fresh eyes are regularly brought into the governance structures, as well as that a pool of experienced people will remain to offer continuity and perhaps to offer mentoring and other support. By changing membership, we should see an increased representative reach across the Diocese. Vacancies will occur predictably, enabling us all to identify and encourage gifts in others who might stand for election or nomination. New people with new talents and skills will help ensure the building up of the Church and its part in the mission of God in this Diocese.

The maximum term of service will be three consecutive terms of three years after which members will cease to be eligible for election or nomination for one term of three years. The norm is likely to be two consecutive terms of three years' service unless there are exceptional reasons why a member should stand for a consecutive third term. Members may resign at any time, as now. Fixed terms of service are not here proposed for Diocesan or Deanery Synods.

If the Fit for Purpose report is accepted, the first elections will take place in the autumn of 2015. Current holders of office will continue in place until these elections have taken place.

**6. The development of new practices to enhance work:**

These include the provision of role descriptions and training for those who are members of Diocesan Synod and governance bodies mentioned above; the use of a skills questionnaire to ensure that governance bodies are appropriately equipped and the development of ad hoc working groups to broaden participation and seek wider contribution. All these tools will be used to enable us to be alert to, and to address, questions of

- a. the presence in our governance structures of those who worship within our Diocese: black and Asian (and indeed, other) minority ethnic Anglicans; women (notably few are on the Diocesan Board of Finance at present); background, be that expressed in terms of class, wealth and poverty, geography or our rich diversity of church traditions;
- b. whether we feel confident to undertake the tasks of governance for the Church of God knowing that there will be means of support and equipping to enable us so to do.

It is often said that the mission task of the Church is to see what the Lord is doing and to join in. The Fit for Purpose group believes that, by the adoption of these proposals, Southwark will be freed from a burdensome structure, releasing time and energy to do just that. We will be more able to be the Church in this place, renewing vocations, empowering the laity; breathing new life into deaneries and calling people to the abundant life Jesus promises.

We commend these proposals to you.

## INTRODUCTION

### Short timeline

The Fit for Purpose group was established in July 2014 and presented final proposals in July 2015. During that time, the group or individual members researched the governance of other dioceses and met with people from dioceses whose governance commended itself. The group reflected on and drafted the principles governance and behaviour included here, and developed the structure in the following papers. Consultation took place through a Survey Monkey survey sent to every member of every diocesan board, council or committee extant in April 2015. Consultative meetings on earlier drafts of these papers took place with the Audit Committee (3<sup>rd</sup> February 2015) and subsequently its Chair (1<sup>st</sup> April 2015), with the Bishop's Council and the Diocesan Board of Finance (jointly on 13<sup>th</sup> April 2015; separately on 7<sup>th</sup> May and 21<sup>st</sup> May). Final proposals were submitted to the Diocesan Board of Finance and the Bishop's Council on 21<sup>st</sup> July 2015 for onward reference to the Diocesan Synod on 23<sup>rd</sup> July 2015.

Acceptance of the Fit for Purpose proposals is the beginning, rather than the end, of the improvement we seek to see in diocesan governance. The work, which will be needed to bring the proposals to life, is outlined in summary form below.

### Indicative tasks for implementation of proposals, if accepted

#### Skilled for Service

Shared membership of the four constituent bodies of the Diocesan Council of Trustees is most simply achieved by allowing the Diocesan Synod to elect three quarters of the members of the Diocesan Council of Trustees, of which three quarters, two thirds are members of the Synod.

This requires Diocesan Synod to be the equipped and engaged representative body for the Diocese. Further work remains to be done to enable this, which is outside the remit of the Fit for Purpose group. The group does, however, commend its proposals for training, for the use of a skills questionnaire and for role descriptions for members of Diocesan Synod and the Diocesan Council of Trustees' bodies. These are designed to ensure that electors and candidates alike are aware of the significant responsibilities both of Synod members and those who stand for election as trustees.

They underline the duty of those elected to communicate with those who elect them, either the members of their own deanery or a deanery to which they are asked to relate for this purpose. The ways in which we communicate and are in turn informed as a diocese, are changing. As the Parish Support Fund becomes part of our diocesan life, so too will annual Archdeaconry meetings - to give a brief refresher on the PSF or to inform those for whom it is new, to get feedback on its working, and to give time for explanation, questions and answers about the use of pledged resources.

Electing members of Diocesan Synod for their qualities and potential contribution, including because some are skilled for service as Diocesan Council of Trustees members, can improve communication concerning governance. Such an informed process offers transparency and enables those voting to know more about their fellow-Christians. The composition of local government bodies suggests that majority ethnic and BAME candidates alike come through such a process.

Enhancing the role of Diocesan Synod brings theological as well as practical benefits. Members of Diocesan Synods are members. To speak of membership reminds us that we are the body of Christ and members of that body (I Cor 12:27), in order that our contribution may be for the building up of the body of Christ (Ephesians 4: 13). The skills that we bring are the honing and developing of God-given gifts offered in the Church's service. It is important that we continue to think theologically along these lines as we go forward: to enhance Diocesan Synod, to ensure the membership and the qualities needed for good governance and to reflect on our own participation.

### **Structure and Behaviour**

Fit for Purpose uses twelve key principles which ask whether governance is: (i) transparent; (ii) clear; (iii) exhibiting subsidiarity; (iv) communicable; (v) liberating (of clergy and laity, with simpler structures and fewer meetings); (vi) doable (and in the case of staff) manageable and managed; (vii) accountably delegated; (viii) collaborative; (ix) commanding the confidence, goodwill and engagement of parishes; (x) skills based and time specific; (xi) affordable; (xii) demonstrating coherence between structure and policy, mission and finance. Diocesan governance assessed regularly (by the Audit and Governance Committee in the first instance) against these should avoid 'meeting creep' and the hardening of the arteries of diocesan life demonstrated through previous committee structures

However, it is easier to change structures than to change behaviour and behaviour has to change. Synod must realise its role as the source of governors and the scrutineer of both policy and finance. Those who are trustees must be willing and equipped to behave as such. The Fit for Purpose group therefore regards as integral the formal and personal adoption of the Southwark Governance Principles, based on the Nolan Principles in Public Life, which appeared in early drafts and are repeated here:

1. **Christian values** Trustees will seek to model and espouse Christlikeness and service. They will be people of prayer. They will be committed to supporting approved diocesan strategy for the furtherance of the mission of the Diocese of Southwark;
2. **Selflessness** Trustees should act solely in terms of the interests of the Church as the Body of Christ, the Diocese and the wider public. They should not do so in order to gain financial or other benefits for themselves, their family or their friends. They should take seriously their role as representatives, bringing parish views to meetings and reporting back to their electorate;

3. **Integrity** Trustees should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties;
4. **Objectivity** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit;
5. **Accountability** Trustees are accountable for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office;
6. **Openness** Trustees should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it;
7. **Honesty** Trustees have a duty to declare any private interests relating to their charitable, synodical or company duties and to take steps to resolve any conflicts arising in a way that protects the interest of the Diocese of Southwark, the wider Church and society;
8. **Leadership** Holders of public office should promote and support these principles by leadership and example.

The continued living out of these principles will embed them in our culture. It is therefore essential that when we adopt new structures, we also commit ourselves to renewed behaviour.

### Theology

The Fit for Purpose group took John 10:10, 'I came that they might have life, and life in abundance' as a theological *motif* and the Southwark Governance Principles set out in the previous section were informed by the living theology this implies. The comments about membership made under 'Skilled for Service' above set out a brief theology of the church easily applicable to its meetings. A diocese is both an administrative unit and a pastoral body, under the pastoral, missionary and spiritual care of its bishop through which 'the members may have the same care for one another' as Christ has for us. We belong to the body of Christ, we are members of one another and we seek each other's flourishing.

In this context, we seek to discern the activity of the Spirit in the places of our diocese and to formulate our strategies in that activity's light. The theological intent of policy is then to enable, and to draw others into, the living of Christ-like lives, responsive to the Spirit and imitative of God.

How this works out in practice is a matter for every individual Christian as well as for governance bodies. Nevertheless, these elementary remarks do reinforce the fact that changing our governance is as much about behaviour as it is about structure. Fully to achieve such change will require prayer and commitment on behalf of us all.

## A Framework for Governance

In the pages below, the headings of Purpose, Procedure, Membership and Legalities structure description of the following bodies of diocesan governance:

The Diocesan Council of Trustees

The Bishop's Council

The Diocesan Board of Finance

The Diocesan Mission and Pastoral Committee

The Diocesan Parsonages Board

The Audit and Governance Committee

The Policy and Finance Committee

The Investment Committee

The Remuneration Committee

Other bodies are included to enable these to be seen in the context of the majority of diocesan meetings. Such other bodies are organised under different headings. This report therefore constitutes a draft illustrative Handbook of Southwark Diocesan Governance Meetings. It can be updated as future changes are made. It can be finalised as the implementation process refines terms for the Diocesan Council of Trustees and its constituent bodies in accordance with other instruments governing them, and for the Policy and Finance Committee. It can be brought regularly back to Synod.

## Glossary

**Measure:** law affecting the Church of England. This is debated by the General Synod whose Legislative Committee passes a draft Measure to the Ecclesiastical Committee of Parliament. If the Committee deems the bill 'expedient', the Measure is put before both Houses of Parliament in final form. If Houses must approve the Measure, it receives royal assent and becomes law. Examples include: the Diocesan Board of Finance Measure, 1925; the Synodical Government Measure, 1969; the Mission and Pastoral Measure, 2011.

**Ex officio:** by reason of an office held. Examples occurring in relation to the Diocesan Council of Trustees indicate people whose membership of the relevant body is determined by primary legislation determinative for the office held (primarily, Archdeacon or Diocesan Bishop).

## **DIOCESAN SYNOD: A SUMMARY OF THE CURRENT SITUATION WITH NUMBERS**

The Standing Orders and Constitution of Diocesan Synod are under revision at the time of writing (July 2015). Information contained here about key diocesan bodies is determinative for Diocesan Synod but is yet to be included in its documentation.

### **Purpose**

Diocesan Synod is our primary elected, representative body and brings people together from across the diocese. It considers resources, holds vision, drives mission, sets strategy and shapes priorities. It may respond to questions put to it by the General Synod. It is an advisory and deliberative body. It is not an executive body.

If the Diocesan Synod is carrying out its primary purpose, it debates the vision and sets the strategy and priorities, which the Diocesan Council of Trustees will take further. Diocesan Synod considers the diocesan budget, which does not become the budget without Synod's acceptance; it receives and adopts the diocesan accounts. The Synod responds to inquiries from General Synod and conducts debates on matters requested by General Synod. A self-review question for Diocesan Synod could be, How far are our debates mission focused?

Members of Diocesan Synod elect some of their number to the constituent bodies of the Diocesan Council of Trustees. In this way, and in accordance with the Diocesan Boards of Finance Measure, 1925:

- three quarters of the membership of the Diocesan Council of Trustees (Diocesan Board of Finance) are elected by the Diocesan Synod;
- of that three quarters so elected, two thirds are also members of the Diocesan Synod.

Diocesan Synod is therefore the electing body of the Bishop's Council, the Diocesan Board of Finance, the Diocesan Mission and Pastoral Measure and the Diocesan Parsonages Board.

Members of Diocesan Synod embrace the role of providing effective reporting back to and from parishes and deaneries. As many members as possible bring the qualities required for trusteeship, as well as for discerning vision and debating strategy. Such qualities include the ability to ask questions for clarification and information, as well as to draw on a diversity of understanding of church and diocesan life. The mission of the Diocese is on their hearts as they offer themselves for service.

### **Procedure**

Procedure is determined by the Constitution and Standing Orders (under revision subject to the outcome of the Fit for Purpose process).

## Membership

Members of Diocesan Synod are elected by members of Deanery Synods every three years as follows:

- Annual Parochial Church Meetings (APCMs) elect PCC members;
- APCMs elect members of Deanery Synod every three years. Those members become *ex officio* members of PCCs to create channels of communication between parish and deanery;
- Deanery Synods elect the members of the Diocesan Synod, also every three years. Those members become *ex officio* members of Deanery Synods - again, to enable communication.

The number of representatives to each Deanery Synod increases with the size of the parish electoral roll. Similarly, the number of members each Deanery elects to the Diocesan Synod is in proportion to the electoral roll numbers of the parishes in the Deanery.<sup>1</sup>

Any priest or deacon who is a member of Deanery Synod may be elected to Diocesan Synod. Any lay person who is an actual communicant of sixteen years or upwards and whose name is entered on the roll of any parish in the deanery, may be elected to the Diocesan Synod.

Lay representatives to the Diocesan Synod do not have to be members of the Deanery Synod but become *ex officio* members of Deanery Synod by election to Diocesan Synod.

Members remain members for three years unless resigning. There is no limit to the number of terms which can be served.

The Diocesan Synod also has *ex officio* members and total membership is of up to 199 people of whom about half must be clergy and about half lay.

The Diocesan Synod consists of a House of Bishops, a House of Clergy and a House of Laity. The composition of each is set out overleaf.

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<sup>1</sup> Church Representation Rules (2011), Rule 31; see <https://www.churchofengland.org/about-us/structure/churchlawlegis/church-representation-rules/part-iv.aspx> In addition, every fifth year the members of deanery synod elect the diocesan representatives to General Synod.

### **House of Bishops**

Bishop of Southwark (President of Synod), Area Bishops (4)

### **House of Clergy**

*ex-officio*: the dean (1), the Archdeacons (6), the clergy on General Synod (7); other members of the House of Clergy of General Synod who reside in the diocese (0).

*elected*: clergy - one per six clergy members of deanery synod elected by deanery synod (73)

*co-opted*: up to five clergy members co-opted by the House of Clergy (5)

*nominated*: up to five clergy members nominated by the diocesan bishop (5)

### **House of Laity**

*ex-officio*: the chancellor (1), the chair of the Diocesan Board of Finance (1), the chair of the Diocesan Advisory Committee (1), the members elected from the diocese to the House of Laity of the General Synod (7); *ex-officio* or co-opted members of the House of Laity of General Synod (0)

*elected*: one per 500 members on the total electoral rolls of the parishes of the deanery elected from and by deanery synods (78);

*co-opted*: up to five lay members co-opted by the House of Laity (5)

*nominated*: up to five lay members nominated by the diocesan bishop (5)

### **In attendance**

The Bishop of Fulham

The Canon Chancellor

The Canon Missioner

The Canon Treasurer

The MEACC executive officer

The Director of Communications & Resources

The Director of the Board of Education

The Deputy Diocesan Secretary

The Director of Human Resources

The Director of Finance

The Diocesan Secretary is the secretary to the Diocesan Synod.

## Legalities

The Synodical Government Measure, 1969, Section 4, says that

The functions of the diocesan synod shall be:

- a) to consider matters concerning the Church of England and to make provision for such matters in relation to their diocese, and to consider and express their opinion on any other matters of religious or public interest;
- b) to advise the bishop on any matters on which he may consult the synod;
- c) to consider and express their opinion on any matters referred to them by the General Synod, and in particular to approve or disapprove provisions referred to them by the General Synod under Article 8 of the Constitution;
- d) to consider proposals for the annual budget for the diocese and to approve or disapprove them;
- e) to consider the annual accounts of the diocesan board of finance of the diocese:

Provided that the functions referred to in paragraph (a) hereof shall not include the issue of any statement purporting to declare the doctrine of the Church on any question.

Section 4(3) of the 1969 Measure states that *“it shall be the duty of the bishop to consult with the diocesan synod on matters of general concern and importance to the diocese.”*<sup>2</sup>

The Church Representation Rules (2011), rule 30, defines the membership.

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<sup>2</sup> Synodical Government Measure, 1969 Section 4.2; Diocesan Synod is constituted under the provisions of the Synodical Government Measure 1969 ([www.legislation.gov.uk/ukcm/1969/2/contents](http://www.legislation.gov.uk/ukcm/1969/2/contents)), as amended by the Synodical Government (Amendment) Measure 2003 ([www.legislation.gov.uk/ukcm/2003/1/section/1](http://www.legislation.gov.uk/ukcm/2003/1/section/1)), and part IV of the Church Representation Rules (CRR) ([www.churchofengland.org/about-us/structure/churchlawlegis/church-representation-rules/part-iv.aspx](http://www.churchofengland.org/about-us/structure/churchlawlegis/church-representation-rules/part-iv.aspx)).

## THE DIOCESAN COUNCIL OF TRUSTEES

### Purpose

The Diocesan Council of Trustees holds, through its four constituent bodies, responsibility for the policy, financial and pastoral decisions necessary to implement the vision and strategy of Diocesan Synod.

The four constituent bodies of the Diocesan Council of Trustees are:

- the Bishop's Council;
- the Diocesan Board of Finance;
- the Diocesan Mission and Pastoral Committee;
- the Diocesan Parsonages Board.

These remain legally distinct bodies with identical membership. Their meetings are normally distinct but not separate.

All members, whether elected or nominated, of the Diocesan Council of Trustees are full voting members of all its constituent bodies. They engage in debate and decision from the perspective of all these bodies.

As members of the Diocesan Board of Finance, members are also Directors and Trustees. Members of the Diocesan Council of Trustees therefore have all the usual responsibilities of trustees.

As Trustees, members take responsibility for timely, accurate and local communication. They are expected to consult with and to report to deaneries and parishes by means of whose election they become members.

### Procedure

The Diocesan Council of Trustees normally meets five times per year. Papers are circulated electronically two weeks before the meeting; hard copies will be posted second class the following day upon request. Diocesan Synod receives minutes of the Diocesan Council of Trustee meetings.

One Diocesan Council of Trustees meeting, following a budget meeting, receives the accounts and constitutes the AGM of the Diocesan Board of Finance. This meeting reviews the past year and looks forward to the coming year. It scrutinises and reviews the performance of the diocesan administration and considers future plans.

Remaining meetings will normally

1. Receive updates in the form of papers for noting, sent and read in advance; questions on papers should be submitted to the Diocesan Secretary 48hrs in advance of the meeting. Where no questions are submitted, papers for noting will be considered deemed business.

This is to ensure proper scrutiny of papers by trustees in advance and to enable substantive debate on items for discussion and decision at meetings;

2. Take a finance item including any reporting back on the Parish Support Fund;
3. Take at least one significant item of policy for discussion and normally decision by the four constituent bodies of the Diocesan Council of Trustees. Examples of such policy items could include, but are not, of course, limited to: Communications; Fresh Expressions, new churches and other new mission initiatives; Lay and ordained patterns of training before and after ordination; Parsonages; work in relation to the Southwark Diocesan Board of Education; the work of the Diocesan Advisory Committee (DAC).

The Diocesan Secretary, as secretary of the Diocesan Synod, is also the secretary of the Diocesan Council of Trustees and its constituent bodies, save that the Deputy Diocesan Secretary may be secretary to the Diocesan Mission and Pastoral Committee.

Items of Any Other Business must be notified to the Diocesan Secretary 48hrs in advance of the meeting to be taken at the discretion of the Chair of the relevant body

The Diocesan Council of Trustees (all constituent bodies) is quorate in accordance with the Memorandum of Agreement and Articles of Association of the Diocesan Board of Finance, and the non-conflicting requirements of any other governing instrument of any of its constituent bodies. If the Diocesan Council of Trustees is not quorate, the chairs of its constituent bodies shall determine if each independent body is quorate and transact such business as may be possible.

Procedure in addition to that set out here is detailed below under the heading of each constituent body or contained in the relevant church law and regulation, save that apologies for the meeting should be sent to the Diocesan Secretary, and accepted in advance by the chair of the relevant body directly or through the Diocesan Secretary.

Elected or appointed members absent for three consecutive meetings without such apologies and such acceptance of apologies, shall be deemed to have resigned from all constituent bodies of the Diocesan Council of Trustees.

### **Membership**

Membership is largely determined by the legislative requirements of the constituent bodies of the Diocesan Council of Trustees: the Diocesan Board of Finance, the Bishop's Council, the Diocesan Mission and Pastoral Committee and the Diocesan Parsonages Board. All members are members of all four bodies and Directors and Trustees of the Diocesan Board of Finance.

Elected members normally serve for one or two terms of three years and may serve for three terms of three years. Members elected by and from Diocesan Synod cease to be eligible for the trustee body as members of Synod when no longer on Synod, save that membership of the Diocesan Council

of Trustees continues until new members are elected after the triennial Synod elections. Terms are counted from these elections. All elected members cease to be eligible for the trustee body for one term of three years upon having served for three terms of three years.

<b>Clergy</b>		<b>Laity</b>	
The President of the Diocesan Synod	1		
The Archdeacons	6	The Chair of the Board of Finance nominated by the Diocesan Bishop elected by the Diocesan Board of Finance and <i>ex officio</i> thereby a member of the House of Laity	1
Up to three Area Bishops being members of the House of Bishops, elected by the House of Bishops	3	The Vice Chair of the Board of Finance nominated by the Diocesan Bishop, elected by the Diocesan Board of Finance	1
The Chair of the House of Clergy elected by the House of Clergy to be Chair of House and a member of the Diocesan Council of Trustees	1	The Chair of the House of Laity elected by the House of Laity to be Chair of House and a member of the Diocesan Council of Trustees	1
Two licensed or beneficed clerics from each episcopal area being members of the House of Clergy, elected by the House of Clergy	6	Twelve lay persons being members of the House of Laity, elected by the House of Laity, of whom at least three shall be from each episcopal area	12
		Six lay persons with up-to-date financial or other relevant expertise elected by, but not necessarily members of, the House of Laity	6**

\*\*In the first instance, elected by and from the current Diocesan Board of Finance to serve as directors and trustees for not more than three years.

**Clergy: 17**

**Laity: 21**

The Diocesan Bishop, after appropriate consultation and taking into account the recommendation of the Audit and Governance Committee, may nominate up to four further members for their and relevant and up-to-date expertise. Of these, not more than two shall be clergy and all shall have full voting rights. All nominated members serve for three years and may normally serve for a second term of three years. They may serve for a third term of three years and shall then stand down for at least one term.

The maximum membership of the Diocesan Council of Trustees is 42

**In attendance:**

Normally, Heads of Department when necessary to support papers relating to their work or for questions on minutes or circulated papers, and only for that part of the meeting. An indicative list of those who may be in attendance from time to time would include:

The Deputy Diocesan Secretary (Pastoral)

The Director of Ministry (currently the Canon Chancellor)

The Director of Mission (currently the Canon Missioner)

The Director of Vocations (currently the Canon Treasurer)

The Director of Communications (Communications & Resources)

The Director of the Diocesan Board of Education

The Director of Finance (Finance)

The Director of Human Resources (HR)

The Senior Diocesan Surveyor (Property)

The Minority Ethnic Anglican Concerns Executive Officer (MEAC)

The Head of Office Support Services (IT)

The Bishop's Public Policy Adviser

The Area Bishop(s) not elected to the Diocesan Council of Trustees by the House of Bishops.

**Always in attendance**

The Bishop's Chaplain

The Diocesan Secretary, who is Secretary to the Diocesan Council of Trustees' constituent bodies;

The Diocesan Secretary's PA (minutes).

**Legalities**

The President of the Synod is the Diocesan Bishop who is *ex officio* on the Diocesan Council of Trustees by virtue of the Diocesan Boards of Finance Measure, 1925, Section 1(2)(d). The Archdeacons are *ex officio* members of the Diocesan Council of Trustees by virtue of the Repair of Benefice Buildings Measure, 1972, Section 1(4) and the Mission and Pastoral Measure, 2011, Schedule 1(4).<sup>3</sup>

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<sup>3</sup> The Diocesan Boards of Finance Measure, 1925: <http://www.legislation.gov.uk/ukcm/Geo5/15-16/3>; the Repair of Benefice Building Measure, 1972: <http://www.legislation.gov.uk/ukcm/1972/2>; Mission and Pastoral Measure, 2011: <http://www.legislation.gov.uk/ukcm/2011/3>.

## DIOCESAN COUNCIL OF TRUSTEES: BISHOP'S COUNCIL

The Bishop's Council is one of the four constituent bodies of the Diocesan Council of Trustees.

### Purpose

The Bishop's Council is the Standing Committee of the Diocesan Synod. It

- approves policy to implement strategy;
- sets targets and scrutinises performance in key areas of activity e.g. progress under *Strategy for Ministry*;
- receives reports preliminary to or on behalf of Synod in accordance with an agreed cycle or exceptionally on the recommendation of the Policy and Finance Committee, e.g. from WelCare, diocesan departments (Vocations, Training, Mission, MEACC), the Southwark Diocesan Board of Education;
- may carry out Synod's work when Synod is not in session;<sup>4</sup>
- advises the bishop when he so requests;
- is subject to Synod's direction, plans its business, initiates proposals for its action.

It also nominates members to other bodies, e.g. WelCare.

### Procedure

The procedure of the Bishop's Council is set out in standing orders of the Diocesan Synod, and the Church Representation Rules 34(1)(k).

### Membership

See above pp.14-16 Membership.

### Legalities

The Church Representation Rules state that 'there shall be a bishop's council and standing committee of the diocesan synod with such membership as may be provided by standing orders and with the functions exercisable by it under section 4(4) of the Measure and such other functions as may be provided by the standing orders or by these rules or by any Measure or Canon'.<sup>5</sup>

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<sup>4</sup> Synodical Government Measure, 1969, 4(2)(b); 4(4); see <http://www.legislation.gov.uk/ukcm/1969/2>.

<sup>5</sup> Church Representation Rules 2011 34(1)(k): see <https://www.churchofengland.org/about-us/structure/churchlawlegis/church-representation-rules/part-iv.aspx#ba30>.

## DIOCESAN COUNCIL OF TRUSTEES: DIOCESAN BOARD OF FINANCE

The Diocesan Board of Finance is one of the four constituent bodies of the Diocesan Council of Trustees. All members are Directors and Trustees.

### Purpose

The Diocesan Board of Finance is an incorporated charitable body, empowered to act as a Committee of the Diocesan Synod. Members are Directors and Trustees. They are responsible for the corporate governance of the diocese as a charity and for:

1. raising and disbursing money;
2. setting targets and scrutinising performance in key areas of diocesan life e.g. progress under *Strategy for Ministry*;
3. employing staff;
4. managing the assets of the Diocese;
5. providing administration;
6. holding property on behalf of Diocesan Synod

The Board provides information and advice on financial matters to clergy, PCCs and Treasurers. It also nominates members to other bodies e.g. the Cathedral Council, WelCare.

### Procedure

Diocesan Board of Finance procedure is set out in the Diocesan Board of Finance Measure, 1925, its Memorandum of Agreement and Articles of Association and such procedural rules for the Diocesan Council of Trustees as do not conflict with the Measure, Memorandum and Articles. Trustees have a duty to consult with, and to provide feedback to, those who elect them. They hold the responsibility for timely, accurate and local communication. It is important that the members of all the constituent bodies refer back to the parishes and deaneries but particularly important in the case of the Diocesan Board of Finance. Members are one of several strands ensuring effective communication to parishes and deaneries, not least concerning the stewardship of parish pledges.

### Membership

See above pp.14-16 Membership.

### Legalities

The Diocesan Boards of Finance Measure, 1925, stipulates that every Diocese shall have a Diocesan Board of Finance which shall be registered as a Company and empowered, amongst other things:

1. to hold real and personal property for purposes connected with the Church of England;
2. to perform, work and to transact business in connection with the Church of England and the diocese and to act as a committee of the Diocesan Synod;
3. to have such other powers as the Diocesan Synod of the diocese concerned may think necessary or expedient in view of the requirements of the diocese.

The Measure also stipulates that:

- a majority of the Board shall be lay
- three quarters of the membership shall be elected by the Deanery or Diocesan Synods as specified in the Memorandum of Agreement and Articles of Association;
- two thirds of the three quarters, howsoever elected, must be members of Diocesan Synod;
- remaining members shall be elected, nominated or co-opted as allowed by the Memorandum of Agreement and Articles of Association;
- There must be a maximum membership specified.

The Board of Finance is the body which ensures that the Diocese has good, or better, corporate governance in line with current Company legislation and Charity Commission guidance, and the recommendations of our auditors. Among those matters of which its members, directors and trustees must be mindful are:

1) best practice for trustees as indicated by the Charity Commission:

- a. Understanding their role;
- b. Ensuring delivery of organisational purpose;
- c. Working effectively both as individuals and as a team;
- d. Exercising effective control;
- e. Behaving with integrity;
- f. Being open and accountable<sup>6</sup>

2) the fulfilment of the statutory duties of directors - in summary, these are:

- a. to act within powers in accordance with the company's constitution and to use those powers only for the purposes for which they were conferred;
- b. to promote the success of the company for the benefit of its members;
- c. to exercise independent judgement;
- d. to exercise reasonable care, skill and diligence;
- e. to avoid conflicts of interest;
- f. not to accept benefits from third parties;
- g. declare an interest in a proposed transaction or arrangement.<sup>7</sup>

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<sup>6</sup> Good Governance: A Code for the Voluntary and Community Sector, available at <http://www.governancecode.org/wp-content/uploads/2012/06/Code-of-Governance-Summary.pdf>

<sup>7</sup> From the Institute of Directors Factsheet, 'The Duties, Liabilities and Responsibilities of Directors' available at [http://www.iod.com/MainWebSite/Resources/Document/dutiesresponsibilities\\_1006.pdf](http://www.iod.com/MainWebSite/Resources/Document/dutiesresponsibilities_1006.pdf).

### **DIOCESAN COUNCIL OF TRUSTEES: PARSONAGES BOARD**

The Diocesan Parsonages Board is one of the four constituent bodies of the Diocesan Council of Trustees.

#### **Purpose**

A Parsonages Board provides for the repair and replacement of parsonage houses, and for repair or other work to any building belonging to a benefice.

#### **Procedure**

The procedure of the Parsonages Board is set out in the Diocesan Synod's Scheme which provides for the Board; see below, Legalities, and, for a draft illustrative scheme, Appendix V.

Members will have a duty, as indicated above, to consult with, and to provide feedback to, those who elect them. They hold the responsibility for timely, accurate and local communication. It is important that the members of all the constituent bodies refer back to the parishes and deaneries not least over the matter of parsonages, which represent significant diocesan assets for mission and ministry.

#### **Membership**

See above pp.14-16 Membership

#### **Legalities**

The Repair of Benefice Buildings Measure, 1972 stipulates that:

every diocesan synod shall provide by scheme either—

(a) for the appointment of a Board for the purposes of this Measure, which shall be known as the Parsonages Board for the diocese concerned; or

(b) for designating the Diocesan Board of Finance as the Board for the purposes of this Measure;

A Parsonages Board shall be a body corporate, with perpetual succession and a common seal, and the purposes of the Board shall be the furtherance of the work of the Church of England by the exercise of their functions under this Measure, and they shall in the exercise of those functions have power to enter into contracts, hold property, borrow money, execute works (whether by entering into contracts or by the employment of direct labour) and have such other ancillary powers as may be provided by scheme of the diocesan synod.

The Repair of Benefice Buildings Measure, 1972, further says that:

(6) [...] the constitution and procedure of a Parsonages Board shall be prescribed by scheme of the diocesan synod, and provision may be made for the appointment of committees and the exercise of functions by them [...].

(7) A Parsonages Board shall present an annual report and annual accounts to the diocesan synod, and within one month of such presentation the secretary of the synod shall send a copy of the report and accounts to the Commissioners together with a copy of any resolutions passed thereon by the synod.

(8) The Board shall comply with any such directions as may be given to them by resolution of the diocesan synod.

## **DIOCESAN COUNCIL OF TRUSTEES: DIOCESAN MISSION AND PASTORAL COMMITTEE**

The Diocesan Mission and Pastoral Committee is one of the four constituent bodies of the Diocesan Council of Trustees.

### **Purpose**

The Diocesan Mission and Pastoral Committee makes recommendations to the Diocesan Bishop, after local consultation, concerning arrangements for pastoral supervision and care in the diocese including in relation to:

- pastoral reorganisation - changes to boundaries, uniting benefices, creating teams and so on - for the betterment of the mission of the Church;
- strategies or proposals (which the Committee draws up) for making better provision for the cure of souls, which may include reorganisation;
- the future of churches no longer required for public worship.

### **Procedure**

The procedure of the Diocesan Mission and Pastoral Committee is prescribed in the Constitution of the Committee provided by the Diocesan Synod; see below, Legalities and at Appendix III.

Members will have a duty, as indicated above, to consult with, and to provide feedback to, those who elect them. They hold the responsibility for timely, accurate and local communication. It is important that the members of all the constituent bodies refer back to the parishes and deaneries not least in the matter of pastoral reorganisation which may present parishes and deaneries with considerable change.

### **Membership**

See above pp.14-16 Membership.

### **Legalities**

The Mission and Pastoral Measure, 2011, obliges the Diocesan Synod to provide the Diocesan Mission and Pastoral with a Constitution (see below, Appendix III).<sup>8</sup> The Measure requires the committee to give an annual account of its activities to the Diocesan Synod. Sections 2 and 3 of the Mission and Pastoral Measure, 2011, specifies its duties in more detail:

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<sup>8</sup> The Mission and Pastoral Measure, 2011, can be found at <http://www.legislation.gov.uk/ukcm/2011/3>.

## 2 Appointment of mission and pastoral committees

- (1) The diocesan synod of every diocese shall establish a committee which shall have the functions conferred on it under this Measure.
- (2) The committee established under subsection (1) may be called by such name as the diocesan synod may decide but, in this Measure and in any other enactment, instrument or document, shall be known as the mission and pastoral committee.
- (3) The mission and pastoral committee shall not be the same body as the pastoral committee established under section 1 of the 1983 Measure unless it is reconstituted in accordance with subsection (4) but, otherwise, subject to that subsection, may be an existing body or a new body established to carry out the functions referred to in subsection (1) and may have other functions in addition to those functions.
- (4) The diocesan synod shall provide the mission and pastoral committee with a written constitution or, if the committee is reconstituted as mentioned in subsection (3), an amended or new written constitution, which shall comply with the provisions of Schedule 1.
- (5) The mission and pastoral committee shall present annually to the diocesan synod a report on its activities during the preceding year and shall also present annually to the Commissioners a report on the exercise of its functions under section 3(3)(e).

## 3 Functions of mission and pastoral committees

In carrying out any of its functions the mission and pastoral committee shall, without prejudice to section 1, have regard to worship, mission and community as central to the life and work of the Church of England.

In carrying out any of its functions the mission and pastoral committee shall also have regard to—

- (1) the financial implications for the diocese and the Church of England as a whole;
- (2) subject to subsection (5), the need to allocate appropriate spheres of work and to ensure that appropriate conditions of service are enjoyed by those employed or holding office in the diocese and, where relevant, that reasonable remuneration is provided for all those engaged in the cure of souls;
- (3) the traditions, needs and characteristics of particular parishes; and
- (4) any other aspects of the policies of the diocesan synod to which the synod has requested the committee to have regard in discharging its responsibilities.
- (5) It shall be the duty of the mission and pastoral committee—
  - (a) to make or assist in making better provision for the cure of souls in the diocese as a whole and, to the extent that the committee thinks appropriate, in particular parts of the diocese or in particular parishes;
  - (b) from time to time, as the bishop may direct, or as the committee thinks fit, to review arrangements for pastoral supervision and care in the diocese as a whole and, to the extent that the committee thinks appropriate, in particular parts of the diocese or in

- particular parishes (including sharing agreements in respect of a church or parsonage house and any proposals for sharing agreements);
- (c) from time to time, as the bishop may direct, or as the committee thinks fit, to prepare strategies or proposals for carrying out the committee's functions under paragraphs (a) and (b) for submission to the bishop and the diocesan synod for their approval;
  - (d) to maintain an overview of matters relating to church buildings in the diocese and their use, other than matters which are within the jurisdiction of the consistory court or within the functions of the Diocesan Advisory Committee;
  - (e) in the case of listed buildings or buildings in a conservation area, to make, in accordance with section 55, every endeavour to find a suitable alternative use or suitable alternative uses for churches which are proposed to be closed and buildings which have been closed for regular public worship in the diocese under a pastoral church buildings scheme and, in the case of any other such building, to develop proposals for the suitable alternative use or uses of the building or for the demolition of the building and the disposal of its site;
  - (f) where it considers it desirable, to make recommendations to the bishop in accordance with section 6 or 21 for any of the matters for which provision may be made under this Measure (other than section 50) by a pastoral scheme or order; and
  - (g) to carry out any other functions conferred upon a mission and pastoral committee of a diocese by any enactment.
- (6) The mission and pastoral committee shall, in carrying out any of its functions, to the extent that it thinks appropriate, consult any other persons or bodies, whether within the Church of England or not, which exercise functions or carry out activities relevant to the functions of the committee.
- (7) Nothing in this section shall enable the mission and pastoral committee—
- (a) to exercise functions conferred on any other person or body by or under any enactment, or
  - (b) to fix or alter the terms of service of any person employed or holding office in the diocese.

**AUDIT AND GOVERNANCE COMMITTEE**  
**(A sub-committee of the Diocesan Council of Trustees)**

**Purpose**

The Audit Committee has a wide remit. It has authority from the Diocesan Council of Trustees (Diocesan Board of Finance) to

1. Investigate any activity;
2. Seek any information that it requires from any employee of the Board; all employees are directed to co-operate with any request made;
3. Inquire as to the numbers of committee meetings, cancellations of meetings and additional meetings of diocesan governance bodies throughout the year, as well as to note the number of non-governance meetings;
4. Obtain outside professional advice as deemed necessary; such advisors may attend meetings as invited;
5. To support the Diocesan Council of Trustees (Diocesan Board of Finance) in overseeing all issues of financial probity;
6. To support the Diocesan Council of Trustees (Bishop's Council, Diocesan Board of Finance) in scrutinising the on-going suitability of governance;

Its responsibilities are:

**External Auditor**

1. Review the appointment and independence of the external auditor, ensuring key partners are rotated at appropriate intervals;
2. In accordance with Statement of Auditing Standards (SAS610) or successor standards, to ensure that there is mutual understanding of audit scope and respective responsibilities and to facilitate information sharing to ensure these responsibilities are fulfilled;
3. Approve the terms of engagement and the remuneration to be paid to the external auditor and pre approve any additional fees;
4. Receive and respond appropriately to external auditor's management letter.

## Year End

1. Agree the nature and scope of the audit prior to commencement and review the auditor's procedures to respond to changes in regulatory requirements;
2. Review draft financial statements prior to submission to the Policy and Finance Committee, and challenge where necessary:
  - i. Accounting policies;
  - ii. Clarity of disclosures;
  - iii. Significant adjustments resulting from the audit;
  - iv. Compliance with accounting standards;
  - v. Other topics, as defined by the Diocesan Council of Trustees (Diocesan Board of Finance) as directors, or the Policy and Finance Committee, or as are deemed appropriate by the audit partner.

## Internal Controls

Review the effectiveness of systems for:

- a) Financial control;
- b) Financial reporting;
- c) Risk management;

And

- d) Initiate proposals aimed at optimising the financial effectiveness of the diocese;
- e) Consider any further matters brought to the attention of the Committee.

## Governance

Having due regard to best practice in the Church of England and charity sector generally, to review and make recommendations to the Diocesan Council of Trustees (Diocesan Board of Finance and other constituent bodies) concerning:

- a. the appropriateness of the governance and committee structure and the associated Scheme of Delegation;
- b. the appropriateness of the mix of skills and up-to-date experience on the various committees and sub-committees;
- c. trustee and committee member induction and training;
- d. succession planning, which may include advising on information to be sent out in connection with triennial elections;

- e. the maintenance of a Register of Interests for all members, directors and trustees of the Diocesan Council of Trustees and other committees, senior staff, and other persons in positions of responsibility as determined by the committee;
- f. adherence to terms of office and improvement of representation by variety and diversity of membership;
- g. attendance at committees as monitored by committee chairs, and the annual disclosure of this to the Audit and Governance Committee.

### **Procedure**

The Audit and Governance Committee shall meet least four times a year but the chair may determine that there should be more meetings in any one year. The meeting shall be quorate when four members, of whom one is a member of the Diocesan Council of Trustees (Diocesan Board of Finance), are present. Papers are sent out two weeks in advance. Minutes are received by the Diocesan Council of Trustees (Diocesan Board of Finance). Meetings should coincide with key dates in the Diocesan Board of Finance reporting cycle and should include:

1. Pre year-end agreement terms of reference with both management and external auditors;
2. Receipt of draft financial statements and review of effectiveness of the audit process;
3. Progress/other meetings as required;
4. External auditors and management may severally or jointly request a meeting via the committee chair if they consider this to be necessary.

### **Reporting Procedures**

1. The secretary shall circulate minutes to all members (directors) of the Diocesan Council of Trustees (Diocesan Board of Finance).
2. The committee shall conduct an annual review of its work and terms of reference and make recommendations to the Diocesan Council of Trustees (Diocesan Board of Finance), where appropriate through the Policy and Finance Committee;
3. The committee's duties shall be disclosed in the annual financial statements;
4. The committee chair shall attend Diocesan Council of Trustees (Bishop's Council and Diocesan Board of Finance) meetings and answer questions on the Committee's activities and responsibilities;
5. The committee chair may also attend meetings of the Policy and Finance Committee.

## Membership

The Committee and its Chair are appointed by the Diocesan Council of Trustees (Diocesan Board of Finance). The Chair shall normally be a member of the Diocesan Council of Trustees (Diocesan Board of Finance) but shall not be the Board's Chair or Vice-Chair. There are no stipulations concerning clerical or lay membership but the Board shall appoint, in addition to the chair:

- five members with relevant and up-to-date expertise, of which at least two must be members of the Diocesan Council of Trustees (Board of Finance) but not including the Chair or Vice-Chair of the Diocesan Board of Finance;

In addition:

- The Chair of the committee, and at least one Diocesan Council of Trustees (Diocesan Board of Finance) member of the committee, shall have significant relevant and up-to-date governance, financial or regulatory experience, e.g. as an auditor or finance director;
- The Chair of the Diocesan Council of Trustees (Diocesan Board of Finance) and other directors may attend if invited by Audit and Governance Committee Chair;
- the external auditors must attend at least one meeting a year without management present, and secretarial arrangements must be made to enable this.

The Diocesan Secretary is the secretary to the committee. The Director of Finance and the Deputy Diocesan Secretary are in attendance.

Members are appointed initially for one three year term and normally for a second three year term. They may be appointed for a third three year term. Elected members of the Diocesan Council of Trustees who are appointed to the Audit and Governance Committee cease to be eligible for the Committee as members of the trustee body once their membership of the trustee body ceases.

Apologies for the meeting should be sent and accepted in advance. Members absent for three consecutive meetings without such apologies and such acceptance of apologies, shall be deemed to have resigned.

## Legalities

There is no requirement for a diocese to have an audit committee

## POLICY AND FINANCE COMMITTEE

(A sub -committee of the Diocesan Council of Trustees and its Standing Committee)

### Purpose

The Policy and Finance Committee is the standing committee of the Diocesan Trustee Body (which receives its minutes) and responsible for its agenda.

The Policy and Finance Committee makes recommendations for policy in line with strategy. It resources the Diocesan Council of Trustees for good decision-making; it supports the Diocesan Council of Trustees (Bishop's Council) in its work as the standing committee of the Diocesan Synod. It advises the Diocesan Council of Trustees on how proposals for the use of Synod's resources can make effective progress. It advises and guides management in the work of diocesan administration, scrutinising the draft budget and acting as the stipends committee. The committee holds the work of the Diocesan Secretary and, through the Diocesan Secretary, diocesan officers to account. Heads of Department and Executive Officers may be asked to attend by the chair for the purpose of scrutiny and accountability.<sup>9</sup> It may appoint working groups to support its work. These shall be limited to one year but after review and on the approval of the Audit and Governance Committee may be extended for up to three years with a review also at the end of the second year. Its secretary is the Diocesan Secretary who attends all meetings.

The principle work of the Committee is:

1. Under delegated authority from the Diocesan Council of Trustees (Diocesan Board of Finance), and through the Diocesan Secretary and the senior management team, to account for:
  - a. financial propriety and responsibility in diocesan administration;
  - b. the delivery of strategic policies which the Diocesan Council of Trustees (Bishop's Council) approved for implementation;
  - c. compliance with statutory requirements;
  - d. the parish support fund and the use and deployment of sites;
  - e. progress towards agreed annual objectives.
2. Under delegated authority from the Diocesan Council of Trustees (Diocesan Mission and Pastoral Committee) to conduct necessary work relating to churches proposed for closure for public worship;

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<sup>9</sup> Including Deputy Diocesan Secretary, Diocesan Surveyor, Directors of Communications and Resources, Training, Vocations, Mission, Head of Office Support Services; archdeacons and others with line management responsibilities.

3. To review progress towards medium term objectives and to review and monitor three and /or five year plans - for example, for integrated databases or major property projects;
4. To review, scrutinise and, where appropriate, advise, on policies to be brought to the Diocesan Council of Trustees in relation to parsonages, redundant churches and other sites the ownership or administration of the Diocesan Council of Trustees (Diocesan Board of Finance) including glebe and benefice property.
5. To initiate ideas for strategic policy, and to further ideas received from officers or other committees. The Diocesan Secretary and the senior management team will develop these for review and for recommendation to the Diocesan Council of Trustees (Bishop's Council);
6. To review any strategic policy proposals from the Diocesan Secretary and the senior management team before they are prepared for the Diocesan Council of Trustees;
7. To review the annual plans prepared for approval by the Diocesan Secretary and the senior management team as part of the budget planning process;
8. To scrutinise in detail the prepared budget and annual plan;
9. To approve the budget prior to presentation to the Diocesan Council of Trustees (Diocesan Board of Finance). Indicative annual budget cycle steps to include:
  - a. A strategic planning discussion between trustees and members of the senior management team, taking into account the views of the Archdeacons (notably in relation to parishes and deaneries);
  - b. Senior management team produces a plan to deliver against strategic direction, with 3 year and 5 year horizons leading to the annual plan for the year ahead;
  - c. Develop draft one year plan;
  - d. Critical evaluation of proposed annual plan (Bishop's Staff Meeting; Archdeacons);
  - e. Build draft budget on basis of draft plan;
  - f. Build proposed budget for submission to Policy and Finance Committee, with best and worst case financial scenarios also presented; take into account developments in national church funding and parish share to enable fall back positions;
  - g. Submit budget to Diocesan Council of Trustees.
10. To agree the annual cost of living pay award for employees and to hear any appeals on remuneration, having the remuneration committee as its sub-committee.
11. To give advice, guidance and support to the Diocesan Secretary and the senior management team in their development of the professional staff of the diocese;

12. To discuss management reports prepared for committee and providing feedback and challenge.

### Procedure

The Committee normally meets six times a year. The meeting is quorate with 50% of the clergy and 50% of the laity, normally with either the Chair or the Vice-Chair of the Diocesan Board of Finance, present. Papers are sent out two weeks in advance. Minutes are received by the Diocesan Council of Trustees.

Apologies for the meeting should be sent and accepted in advance. Members absent for three consecutive meetings without such apologies shall be deemed to have resigned.

Further procedure of the Policy and Finance Committee is set out in the Terms of Reference provided for it by the Diocesan Council of Trustees.

### Membership

<b>Clergy</b>		<b>Laity</b>	
(The Diocesan Bishop <i>ex officio</i> )	1)*	The Chair of the Diocesan Board of Finance	1
An Area Bishop elected by the Area Bishops	1	The Vice-Chair of the Board of Finance	1
An Archdeacon from each episcopal area elected by the Archdeacons	3	The Chair of the Investment Committee	1
Up to two clergy licensed or beneficed in the Diocese nominated by the Diocesan Bishop on the basis of expertise and taking into account the recommendation of the Audit and Governance committee (of whom one must be also a member of the Diocesan Council of Trustees) elected by the Diocesan Council of Trustees.	2	Up to five lay people who are actual communicants and on the electoral roll of a parish in the diocese, nominated by the Bishop on the basis of expertise and taking into account the recommendation of the Audit and Governance Committee (of whom one must be also a member of the Diocesan Council of Trustees) elected by the Diocesan Council of Trustees. <sup>10</sup>	5
<b>Total clergy members</b>	<b>6 (7)</b>	<b>Total lay members</b>	<b>8</b>

<sup>10</sup> An actual communicant as defined in the Church Representation Rules 54(1); 'a person who has received communion according to the use of the Church of England or of a Church in communion with the Church of England at least three times during the twelve months preceding the date of his election or appointment being a person whose name is on the roll of a parish and is either -  
(a) confirmed or ready and desirous of being confirmed; or  
(b) receiving the Holy Communion in accordance with the provisions of Canon B 15A paragraph 1(b)'.

The Bishop appoints the chair who will normally be the chair of the Diocesan Board of Finance.

If the Bishop is present, he may take the chair. He has the right but not the obligation to attend. The Diocesan Secretary is the secretary to the meeting. The Director of Finance is in attendance. The Deputy Diocesan Secretary and other officers may be in attendance, as the business of the committee requires

Members are elected or appointed initially for one three year term and normally for a second three-year term. They may be elected or appointed for a third three-year term. Elected members of the Diocesan Council of Trustees who are elected to the Policy and Finance Committee cease to be eligible for the Committee once their membership of the trustee body ceases.

### **Legalities**

There is no requirement for a diocese to have a Policy and Finance Committee.

**THE INVESTMENT COMMITTEE**  
(A sub committee of the Policy & Finance Committee)

**Purpose**

1. To advise the Diocesan Council of Trustees (Diocesan Board of Finance,) directly or through the Policy and Finance Committee, on Investment Policies, management of the Glebe, and alternative investment proposals;
2. To implement such policies on behalf of the Policy and Finance Committee and actively monitor their effectiveness;
3. To determine the optimal means of realising such incomes as are required by the agreed diocesan budget, and advise the Budget Committee as appropriate;
4. To review the performance of investment managers, comparing performance achieved with relevant indices and make appropriate decisions concerning appointing and removing managers in line with diocesan policy and committee purpose;
5. Review asset allocation and make recommendations to the Policy and Finance Committee concerning any changes to the statement of Investment Principles;
6. Recommend the selection of relevant and current professional advisers, notably in relation to the Glebe and Investment management;
7. Initiate proposals, within the sphere of this committee, aimed at optimising the financial effectiveness of the diocese, including the investment of any surplus funds available for investment;
8. Undertake, on behalf of the Policy and Finance Committee, other appropriate functions as required by the Glebe and Endowments Measure 1976 and successor legislation.

**Procedure**

The Committee will meet at least once a quarter. It shall be quorate when four members, of whom at least one shall be the Chair or the Vice-Chair of the Diocesan Board of Finance, are present. Papers will be sent out two weeks in advance and minutes are received by the Finance and Policy Committee for onward recommendation to the Diocesan Council of Trustees.

Apologies for the meeting should be sent and accepted in advance. Members absent for three consecutive meetings without such apologies shall be deemed to have resigned.

**Membership**

1. The Chair and Vice-Chair of the Diocesan Board of Finance;
2. One Archdeacon appointed by the Bishop, nominated by the Archdeacons taking into account the recommendation of the Policy and Finance Committee;
3. Up to six members, nominated by the Bishop on the basis of relevant and up-to-date expertise, and appointed after appropriate scrutiny by the Policy and Finance Committee, who need not themselves be members of the Policy and Finance Committee.

The chair shall be a member of Diocesan Council of Trustees (Diocesan Board of Finance). The Diocesan Secretary is in attendance and acts as secretary to the committee. At the invitation of the Chair, the Board's Property Agents and Investment Advisers may attend and receive papers for the part or parts of the meeting relevant to their role. The Director of Finance may attend each meeting. Other officers may attend as the business of the Committee requires.

Members are elected or appointed initially for one three year term and normally for a second three year term. They may be elected or appointed for a third three year term. Elected members of the Diocesan Council of Trustees who are appointed to the Investment Committee cease to be eligible for the Committee once their membership of the trustee body ceases.

**Legalities**

There is no requirement for a diocese to have an Investment Committee

## **REMUNERATION SUB-COMMITTEE**

**(A sub-committee of the Policy and Finance Committee)**

### **Purpose**

The sub committee shall, on receipt of appropriate recommendations from the Diocesan Secretary,

1. review and agree the remuneration for Diocesan Secretary, and other senior employees;
2. agree any changes carrying a material financial implication to employment policies;
3. scrutinise and approve the diocesan expenses policy prepared by the Diocesan Secretary.

### **Procedure**

The Remuneration Committee shall meet annually. Papers are sent out two weeks in advance and minutes shall be received by the Policy and Finance Committee for onward recommendation to the Diocesan Council of Trustees (Diocesan Board of Finance). The meeting shall be quorate when three members, of whom at least two shall be on the Diocesan Board of Finance, are present.

Apologies for the meeting should be sent and accepted in advance. Members absent for three consecutive meetings without such apologies shall be deemed to have resigned.

### **Membership**

The Diocesan Bishop (Chair). The Bishop shall nominate members on the basis of relevant and up-to-date expertise, taking into account the recommendation of the Audit and Governance Committee, for appointment by the Policy and Finance Committee. Members shall normally include:

1. the Chair and Vice-Chair of the Diocesan Board of Finance or, if they so wish, two Diocesan Board of Finance members nominated by them;
2. up to two up-to-date specialists in HR and remuneration nominated by the Policy & Finance Committee and appointed on an annual basis;

The Diocesan Secretary is the secretary to the meeting, withdrawing when under discussion.

Members are appointed annually. Elected members of the Diocesan Council of Trustees cease to be eligible for appointment to the Remuneration Committee if ceasing to serve as trustees.

### **Legalities**

There is no requirement for a diocese to have a remuneration committee.

## THE ARCHDEACONRY MISSION AND PASTORAL COMMITTEES

### Purpose

The AMPCs form one level in consultation concerning pastoral reorganisation. They enable parishes where suspension and/or pastoral reorganisation is considered to meet with the archdeacon and a small group of members elected from deanery synods to express their views. The committees make representation to the Diocesan Mission and Pastoral Committee. They form an intermediate body between the deanery and the diocese. They are chaired by the relevant Archdeacon. Archdeaconry Mission and Pastoral Committees allow the practical implications of reorganisation to be considered in their own right as well as in the light of (a) a strategic overview of the effective deployment of resources and (b) the missionary and spiritual lead given by the Area Bishop.

### Procedure

The meeting meets as needed but at least twice per year to ensure good communication concerning local mission. Papers are sent out a week in advance and the meeting is quorate when the Archdeacon and one member from each deanery are present. Apologies are sent and accepted in advance. Minutes or extracts therefrom are received by the Diocesan Council of Trustees (Diocesan Mission and Pastoral Committee) where necessary to inform discussion and decision concerning pastoral reorganisation.

### Membership

#### Clergy

The Archdeacon of the Archdeaconry

One cleric elected from the deanery synod by the deanery synod per 6 parishes and of whom one shall be *ex officio* on the Deanery Mission and Pastoral Working Group

**Croydon**

**Reigate**

**Lambeth**

**Wandsworth**

**Lewisham & Greenwich**

**Southwark**

**In attendance**

#### Laity

One lay member elected by the deanery synod from the deanery synod per 6 parishes and of whom one shall be *ex officio* on the Deanery Mission and Pastoral Working Group.

7 clergy, 7 lay

6 clergy, 6 lay

6 clergy, 6 lay

6 clergy, 6 lay

7 clergy, 7 lay

4 clergy, 4 lay

The area dean and lay chair of the deanery in discussion and, if not otherwise represented, one clerical and one lay member of the Deanery Mission and Pastoral Working Group.

Elected members of deanery synods serve for the three year term of their election. If they are re-elected to deanery synod, they may be re-elected to the Archdeaconry Mission and Pastoral Committee for a second term of three years. Where appropriate, if they are re-elected to the deanery synod for a third term they may serve for a third three-year term on the Archdeaconry Mission and Pastoral Committee if they are elected.

The Archdeaconry Mission and Pastoral Committees do not have any sub-committees.

### **Legalities**

There is no requirement for dioceses to have any Mission and Pastoral Committee than the Diocesan Mission and Pastoral Committee

## **Deanery Mission and Pastoral Working Groups**

### **Purpose**

The DMPWGs were established following the Bishop's Council's acceptance *Strategy for Ministry* to

1. work creatively and proactively with the Archdeacon and Area Bishop, to assist the Archdeaconry and Diocesan Mission and Pastoral Committees in identifying changes to the pattern of ministry in the deanery so that available resources are used to best effect in resourcing mission;
2. be a forum in which to offer a local (deanery) perspective on matters relating to the reduction in stipendiary posts and possible pastoral reorganisation.

### **Procedure**

The Working Groups meet as and when required. They report to their respective Archdeacons.

### **Membership**

Each Deanery Mission and Pastoral Working Group shall have six members equally divided between clergy and laity comprising:

- the Area Dean and Deanery Lay Chair
- the elected representatives from that deanery to the APMC
- Co-options (by the Working Group) as necessary to make a total membership of three clergy and three lay members.

### **Legalities**

There is no requirement for dioceses to have any Mission and Pastoral Committee than the Diocesan Mission and Pastoral Committee.

### OTHER MEETINGS

In any environment, people meet each other. Other meetings in diocesan life are not, however, governance meetings. They are working meetings, working groups or *ad hoc* meetings for particular projects or work. The Audit and Governance Committee has power to ask Bishops, Archdeacons and diocesan officers about the meetings they have set up in a year, as well as to monitor governance meetings through their chairs, to ensure that 'meeting creep' does not harden the arteries of diocesan life.

Other meetings do not feature here: the Diocesan Advisory Committee; the Vacancy-in-See Committee; the Southwark Diocesan Board of Education (outside our remit).

Other meetings outside the group's remit were The Minority Ethnic Anglican Concerns Committee and the Bishop's Staff Meeting. MEACC's work has long been at the heart of diocesan life. MEAC is not a governance committee, and so its work was not strictly part of the remit of the Fit for Purpose Group although its current terms of reference were included in earlier papers. MEAC's work will be taken further in the first instance by the recommendations of 'The World in a Diocese'. For the Bishop's Staff Meeting, please see below (next page).

There are new meetings which are mentioned here for the purposes of transparency again. These are gatherings of people with a common interest in the smooth running of the diocesan administration and its ability to serve the needs of the diocese. They include:

1. The Senior Management Team: a monthly meeting of the Diocesan Secretary and her deputy with those who lead departments in Trinity House - for example:
  - a. The Director of Communications & Resources
  - b. The Director of Office Support Services
  - c. The HR Director
  - d. The Senior Surveyor
  - e. The Finance Director
  - f. The Canons Missioner, Chancellor and Treasurer.
2. The Archdeacons and Diocesan Secretary's meeting. This is what it says. It meets monthly before the DAC and allows the Diocesan Secretary and the Archdeacons to share ideas.
3. The College of Bishops: this is a new meeting (since 2014) of what used to be the Four Bishops Meeting and is the locus for the bishops to take counsel and form their spiritual and missionary leadership of the diocese.
4. The Archdeacons' Meetings: these enable the Archdeacons to meet with each other to ensure that their leadership complements episcopal leadership and offers the parishes service which is informed, consistent and enabling. They are in addition to the Archdeacons meeting with the Diocesan Secretary.

## **BISHOP'S STAFF MEETING**

### **Purpose**

To advise and inform the Bishop of the Diocese on matters dealt with at area and archdeaconry level or by officers. The meeting makes no governance decisions or decisions with financial implications which are not within the already agreed policies of the diocese: clergy appointments are discussed on the basis of what the Trios suggest (see below) in line with the strategy for ministry numbers, for example and the chair of the strategy implementation group holds the trios accountable for their recommendations through the staff meeting as well as the Bishop's Council. Other recent agenda items have included a presentation from the Chief Executive of the Sons and Friends of the Clergy on their approach to the relief of clergy poverty, consideration of diocesan Fresh Expression initiatives, reflection on urban regeneration e.g. in Deptford and Battersea, and a preliminary consideration about revisiting the Signs of Growth work.

### **Procedure**

The Bishop's Staff Meeting normally meets ten times a year, twice residentially. Papers are sent out by the Bishop's Chaplain's PA or members of the meeting four days in advance

### **Membership**

Whomsoever the bishop wishes, but currently all the bishops, all archdeacons, the dean, the Canons Missioner, Treasurer and Chancellor, the Diocesan Secretary, the Director of Communications and Resources and the Director of the Board of Education. The Bishop's Chaplain is member and secretary.

### **Legalities**

There is no legal requirement for a Diocesan Bishop to have a staff meeting.

### **AREA FORUM**

Each Episcopal Area has an area forum. These are called by the Area Bishop to allow the Bishop and Archdeacons to take counsel with the members of the Forum: the Area Deans, Lay Chairs and others on matters of concern for the Episcopal Area.

The Area Forums resulted from a decision to move away from formal Area meetings to 'a framework for Area Bishops to meet and consult in a style which suits their area'. The Bishop's Council agreed this on 5<sup>th</sup> February 2004. The Forum includes Area Deans, Lay Chairs, Ecumenical Area Borough Deans and Archdeacons as well as the Area Bishop. It meets at least twice a year and may establish small consultative groups for a specific mission or administrative task for a limited period. There is flexibility within the proposals accepted by the Bishop's Council for 'change as time goes on, which will reflect the amount and style of consultation but in an informal manner, responding to the needs of the Area.' The constitution agreed in 2004 is below at Appendix VI.

### **AREA TRIO**

These are Episcopal Area working meetings, one in each episcopal area. The Area Bishop and archdeacons meet, with the P.A.s, primarily to discuss process (e.g., advertising posts) and pastoral matters (e.g., the well being of clergy and laity in the Area). It also considers the implementation of matters of policy, for example, post reduction. It may undertake tasks given to it by another body - for example, accounting for its budget or advising the Bishop.

They meet as often as the Area Bishop and archdeacons wish.

### **MEETINGS NOT DISCUSSED ELSEWHERE**

Such diocesan meetings as will continue if the Fit for Purpose proposals are implemented include:

1. The Diocesan Advisory Council;
2. The Diocesan Board of Patronage;
3. The Safeguarding Reference Group;
4. The Vacancy-in-See Committee;
5. The Wychcroft Management Committee;
6. The Diocesan Liturgical Committee.

The Diocesan Liturgical Committee reports directly to the Bishop. The Diocesan Advisory Committee, Diocesan Board of Patronage, Safeguarding Reference Group, and the Vacancy-in-See Committee are mandatory.

Nevertheless, the Fit for Purpose Group recommends that bodies including these and those currently known as Working Groups (e.g. Public Policy), are subject to some consideration. This would ensure that they are still able to carry out their purpose in the light of Fit for Purpose changes and that they are suitable to do so. This is particularly important as new Working Groups may be proposed so that the reinvention of old, or the multiplication of new, meetings is avoided.

## APPENDIX I: SCHEME OF DELEGATION

The new Diocesan Council of Trustees will require a scheme of delegation to inform its work and enable its work to be delivered. Schemes of delegation separate governance and management and make the locus of decision making clear. They reserve to higher bodies those matters appropriate to them: in the Diocese, for example, Synod has a role to approve, endorse or ratify decision and may express ownership of business by early contribution and final sign-off.

The Scheme of Delegation is subject to review normally annually but in any case not less than every three years by the Audit and Governance Committee.

### **Matters reserved for the Diocesan Council of Trustees in its constituent bodies**

Certain matters must always be reserved for the Diocesan Council of Trustees and cannot be delegated to the secretariat or to the Council's sub-committees.

Matters reserved for the Diocesan Council of Trustees may on occasion be delegated to committees accountable to it, provided that the Chair of each relevant committee with delegated authority is a full member of the Diocesan Council of Trustees and reports to it on behalf of the committee concerned. Delegated matters must return to the Diocesan Council of Trustees before onward recommendation to Synod.

Matters reserved for the Diocesan Council of Trustees (and committees reporting to it) will include

1. Approval of diocesan strategy and vision, strategic objectives, and strategic policies to fulfil our core purposes for onward recommendation to Diocesan Synod;
2. Compliance with law and regulation: ecclesiastical, charity, company/corporate, employment and other law and regulations, including Synodical and legislative regulation of the Bishop's Council, Diocesan Board of Finance, Diocesan Mission and Pastoral Committee and the Parsonages Board;
3. Approval of the annual budget (which is underpinned by an annual plan of work) for onward recommendation to Diocesan Synod;
4. Approval of the annual accounts for onward recommendation to Diocesan Synod;
5. Approval of medium (3-5 year) and long term (5 years plus) plans for onward recommendation to Diocesan Synod;
6. Remuneration for the Diocesan Secretary and senior staff\*;
7. The job description, key performance indicators and performance management of the Diocesan Secretary as the lead employed officer serving the diocese, and through whom the work of the diocesan administration is evidenced and held to account \*.

\*These matters will normally be held and disseminated under confidential cover.

### Committees reporting to the Diocesan Council of Trustees

1. There will be two committees with delegated responsibilities:
  - a. Policy and Finance
  - b. Audit and Governance
  
2. Each committee will have a designated number of members, detailed in the specifications for each committee. The chair of each must be a member of the Diocesan Council of Trustees. In addition to its delegated powers, each committee may encourage strategic thinking, initiate policy ideas for the Diocesan Secretary and for her team to consider and on which they through her shall report to the Policy and Finance Committee, monitor progress towards agreed goals, and provide guidance and advice to the Diocesan Secretary and other senior staff.
  
3. In addition there are two committees that do not have delegated powers:
  - a. The Minority Ethnic Anglican Concerns Committee;
  - b. The Archdeaconry Mission and Pastoral Committees.
  
4. The Policy and Finance Committee also has two committees with delegated powers. These are:
  - a. The Investment Committee;
  - b. The Remuneration Committee.

### Nominations, Memberships and Terms of Reference

All committees listed in section 2 will have terms of reference and specified membership agreed by the Diocesan Council of Trustees. These will include terms of office, representational duties where appropriate, and a requirement for membership to include relevant and up-to-date experience.

The chairs of committees shall normally be nominated by the Diocesan Bishop. However, suggestions for nominations may be made through the Diocesan Council of Trustees to the Diocesan Secretary, and submitted as recommendations for the Diocesan Bishop's consideration. It shall be the responsibility of the Diocesan Secretary to seek *curricula vitae* where not provided and to ensure that any other appropriate scrutiny (e.g. whether a DBS declaration is required) shall be satisfactorily undertaken.

Nominations for membership of the committees may be made to the Diocesan Secretary by any baptised person whose name appears on the electoral roll of a parish in the Diocese. Nominees must be eligible for election to Diocesan Synod (but need not be elected to Diocesan Synod). The Diocesan Secretary will consult the chair of the appropriate committee and carry out the necessary

scrutiny before commending the name to the chair of the committee for approval by the Bishop and for ratification by the Diocesan Council of Trustees.

Members of the Diocesan Council of Trustees, its committees and other area, archdeaconry or diocesan committees will uphold the business ethics policy of the Diocese of Southwark. Declarations of Interest will be explicitly sought annually and members of any committee will be required during the year to declare any conflict of interest which emerges during the year.

Committee chairs and members will have role descriptions setting out the role and its accountabilities and each member shall be required to sign a confidentiality statement in addition to the role description. Role descriptions for membership shall be publicly available allowing those seeking elected membership clearly to understand the work to be done and the skills required. The Diocese will express its clear policy of attracting nominations from black and minority ethnic Anglicans, given their underrepresentation at all levels of Diocesan structures.

Meetings of the Policy and Finance Committee scrutinise the work of the diocesan administration on behalf of the Diocesan Council of Trustees. These meetings therefore shall not be cancelled unless unable to be quorate. Exceptionally, other committee meetings may be cancelled should there be no substantive business to discuss, and any papers updating its work may be circulated. Cancellations shall be monitored by the Audit and Governance Committee.

#### **Delegations to the Diocesan Secretary and administrative staff**

The Diocesan Council of Trustees will hold the Diocesan Secretary and her direct reports to account through the Policy and Finance Committee. She will lead the staff in preparing an annual plan of work for scrutiny, amendment and approval which undergirds the budget. She will report on this to every meeting of the Finance and Policy Committee.

Committees will be updated through progress reports against the approved annual plans and decisions will be implemented in accordance with approved plans. Any major exceptions to planned projects and budget spend will be brought to the attention of the Diocesan Council of Trustees, who will in any case receive a mid-year review presented by the Diocesan Secretary.<sup>11</sup> Other senior staff may be in attendance at meetings and will be held to account for the specific responsibilities they discharge.

Diocesan officers will prepare policy proposals, major project proposals and management information to enable the Diocesan Council of Trustees to order its work in accordance with the vision, values and objectives of the Diocese.

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<sup>11</sup> 'Major' shall be £20,000 for the 2015 – 16 financial year. The Fit for Purpose Committee shall recommend any change to this amount to the Diocesan Council of Trustees (Diocesan Board of Finance) for decision.

The Diocesan Secretary will manage the day to day organisation within the annual plan and budget approved, establishing operational policies to exercise due care and control of resources. The job description of the Diocesan Secretary reflects this enhanced management role and will be made available to members of the Diocesan Council of Trustees. The annual objectives of the Diocesan Secretary, and the key performance objectives, will be agreed by the Chairs of constituent bodies of the Diocesan Council of Trustees (Bishop's Council and the Diocesan Board of Finance) and presented to the Finance and Policy Committee and the Remuneration Committee.

To provide for day-to-day management, a contingency budget of 1% of annual operating costs shall be made available as part of the balanced budget to the Diocesan Secretary as part of ensuring swift response to emerging needs. The Diocesan Secretary reports to the Diocesan Bishop and will normally also provide reports to senior staff at the Bishops Staff Meeting. Contingency spend will be detailed in management reports to each meeting of the Policy and Finance Committee. Any spend on any project **not** in the annual plan and budget **must** be referred to Policy and Finance Committee for approval for any amount in excess of £50,000. This includes new property proposals not included in the annual plan.

The Diocesan Secretary shall normally have accounting authority for spend up to £50,000 without referral; the heads of department will have authority for spend in accordance with a schedule to be agreed between the Diocesan Secretary and the chair of the Policy and Finance Committee and approved by the whole Policy and Finance Committee.

A full management report will be provided for each committee of the Diocesan Council of Trustees at each of its meetings.

## APPENDIX II

### CONSTITUTION FOR ARCHDEACONRY MISSION AND PASTORAL COMMITTEES

Each Archdeaconry shall have an Archdeaconry Mission and Pastoral Committee (AMPC).

#### Purpose

The function of the AMPC is to consider matters before they come to the Diocesan Mission and Pastoral Committee (DMPC), and occasionally to other diocesan committees, in considerably greater detail than would be possible at DMPC meetings, and make formal recommendations to the DMPC. They also monitor pastoral and legal matters pertaining to reorganisation within the archdeaconry. They may refer items to deanery meetings - for example, the synod, standing committee, and Deanery Mission and Pastoral Working groups; they also expect to receive advice and information from the Deanery Mission and Pastoral Working Groups. They may refer items to other archdeaconry (e.g. meetings of Area Deans) bodies.

#### Procedure

“It shall be the duty of any person or body carrying out functions under this Measure to have due regard to the furtherance of the mission of the Church of England.” (*Mission and Pastoral Measure, 2011 Section 1*)

“In carrying out any of its functions the mission and pastoral committee shall, without prejudice to section 1, have regard to worship, mission and community as central to the life and work of the Church of England.” (*Mission and Pastoral Measure, 2011 Section 3(1)*)

#### Membership

##### Clergy

The Archdeacon of the Archdeaconry

One cleric elected from the deanery synod by the deanery synod per 6 parishes and of whom one shall be *ex officio* on the Deanery Mission and Pastoral Working Group

**Croydon**

**Reigate**

**Lambeth**

**Wandsworth**

**Lewisham & Greenwich**

**Southwark**

**In attendance**

##### Laity

One lay member elected by the deanery synod from the deanery synod per 6 parishes and of whom one shall be *ex officio* on the Deanery Mission and Pastoral Working Group.

7 clergy, 7 lay

6 clergy, 6 lay

6 clergy, 6 lay

6 clergy, 6 lay

7 clergy, 7 lay

4 clergy, 4 lay

The area dean and lay chair of the deanery under discussion and, if not otherwise represented, one clerical and one lay member of the DMPWG.

Elected members of deanery synods serve for the three year term of their election. If they are re-elected to deanery synod, they may be re-elected to the Archdeaconry Mission and Pastoral Committee for a second term of three years. Where appropriate, if they are re-elected to the deanery synod for a third term they may serve for a third three-year term on the Archdeaconry Mission and Pastoral Committee if they are so elected.

Note: Archdeaconry Mission and Pastoral Committee membership changes from 1<sup>st</sup> January in the year following Deanery Synod Elections. AMPC members who may not have been re-elected to the Diocesan Synod nevertheless continue in office until 1<sup>st</sup> January.

The archdeacon chairs the meeting which may appoint a vice chair from among its members. Members may co-opt a secretary if one is appointed who is not a member of the meeting. The area or archdeaconry ecumenical officer may be co-opted if not a member.

Area Deans and Lay Chairs, if not members in their own right, may be invited to attend, but without voting rights, for matters relating to their deaneries.

The Secretary or the Deputy Secretary of the DMPC may attend an AMPC meeting in an advisory capacity, if requested.

**APPENDIX III: CONSTITUTION FOR THE DIOCESAN MISSION AND PASTORAL COMMITTEE**

PROVIDED UNDER SCHEDULE 1 OF THE MISSION AND PASTORAL MEASURE 2011

**Purpose**

The functions of the Diocesan Mission and Pastoral Committee (DMPC) are defined in Section 3 of the Mission and Pastoral Measure 2011 (*MPM 2011*) - see Schedule 1 attached. Duties include:

“It shall be the duty of any person or body carrying out functions under this Measure to have due regard to the furtherance of the mission of the Church of England.”

*(Section 1)*

“In carrying out any of its functions the mission and pastoral committee shall, without prejudice to section 1, have regard to worship, mission and community as central to the life and work of the Church of England.”

*(Section 3(1))*

**Procedure**

The Bishop of Southwark may chair the Diocesan Mission and Pastoral Committee. If the Diocesan Bishop is not the chair, he shall appoint the chair. The committee shall appoint a vice-chair from amongst its members. The meeting shall be quorate when not less than two thirds of its members are present or when the Diocesan Board of Finance is quorate.

Every question submitted to a meeting of the committee shall be decided by a majority of those present and voting, and the chair of the meeting shall have a second or casting vote in the case of an equality of votes.

Elected members shall normally serve for one or two terms of three years and may serve for three terms of three years. Members elected by and from Diocesan Synod cease to be eligible for the Diocesan Mission and Pastoral Committee as members of Synod when no longer on Synod. All members other than those whose membership is conferred by law through the office they hold, cease to be eligible for the Diocesan Mission and Pastoral Committee for one term of three years upon having served for three terms of three years. The committee may act notwithstanding any vacancy in its membership.

The committee shall have the power to appoint additional sub-committees or working groups, which shall appoint secretaries, and to appoint thereto persons who are not members of the committee as may be required.

The committee may delegate any of its functions to a sub-committee except the duty under section 6(5) or 21(4) to afford opportunities to incumbents of benefices and vicars in team ministries and persons subject to Common Tenure to meet the committee itself and its functions under Schedule 4 of the Measure.

Subject to the provisions of the Measure and to any directions given by the Diocesan Synod, the Committee shall have power to regulate its own procedure and that of any sub-committee and to provide for any other matters which it thinks fit. The secretary to the committee shall be the Diocesan Secretary except that the Deputy Diocesan Secretary may be the secretary.

#### Membership (as above, pp.14-16)

The Committee shall be one of the four constituent bodies of the Diocesan Council of Trustees whose members shall be coterminous and shall be:

#### Clergy

The President of the Diocesan Synod (ex-officio) 1

The Archdeacons (ex-officio) 6

Up to three Area Bishops being members of the House of Bishops, elected by the House of Bishops 3

The Chair of the House of Clergy elected by the House of Clergy to be Chair of House and a member of the Diocesan Council of Trustees 1

Two licensed or beneficed clerics from each episcopal area being members of the House of Clergy, elected by the House of Clergy 6

#### Laity

The Chair of the Board of Finance nominated by the Diocesan Bishop elected by the Diocesan Board of Finance and *ex officio* thereby a member of the House of Laity 1

The Vice-Chair of the Board of Finance nominated by the Diocesan Bishop, elected by the Diocesan Board of Finance 1

The Chair of the House of Laity elected by the House of Laity to be Chair of House and a member of the Diocesan Council of Trustees 1

Twelve lay persons being members of the House of Laity, elected by the House of Laity, of whom at least three shall be from each episcopal area 12

Six lay persons with up to date financial expertise elected by the House of Laity but not necessarily members of the House of Laity 6\*

\*In the first instance, elected by and from the current Diocesan Board of Finance to serve as members and directors for not more than three years

**Clergy:**

**17**

**Laity:**

**21**

The Diocesan Bishop may nominate up to four further members, of whom not more than two shall be clergy and two lay: for their and relevant and up-to-date expertise after appropriate scrutiny and taking into account the recommendation of the Audit and Governance Committee. All nominated members serve for three years and may normally serve for a second term of three years. They may serve for a third term of three years and shall then stand down for at least one term.

## **SCHEDULE 1**

Extract from MISSION AND PASTORAL MEASURE 2011

### **3 Functions of mission and pastoral committees**

- 1) In carrying out any of its functions the mission and pastoral committee shall, without prejudice to section 1, have regard to worship, mission and community as central to the life and work of the Church of England.
- 2) In carrying out any of its functions the mission and pastoral committee shall also have regard to –
  - a) the financial implications for the diocese and the Church of England as a whole;
  - b) subject to subsection (5), the need to allocate appropriate spheres of work and to ensure that appropriate conditions of service are enjoyed by those employed or holding office in the diocese and, where relevant, that reasonable remuneration is provided for all those engaged in the cure of souls;
  - c) the traditions, needs and characteristics of particular parishes; and
  - d) any other aspects of the policies of the diocesan synod to which the synod has requested the committee to have regard in discharging its responsibilities.
- 3) It shall be the duty of the mission and pastoral committee –
  - a) to make or assist in making better provision for the cure of souls in the diocese as a whole and, to the extent that the committee thinks appropriate, in particular parts of the diocese or in particular parishes; .
  - b) from time to time, as the bishop may direct, or as the committee thinks fit, to review arrangements for pastoral supervision and care in the diocese as a whole and, to the extent that the committee thinks appropriate, in particular parts of the diocese or in particular

parishes (including sharing agreements in respect of a church or parsonage house and any proposals for sharing agreements);

- c) from time to time, as the bishop may direct, or as the committee thinks fit, to prepare strategies or proposals for carrying out the committee's functions under paragraphs (a) and (b) for submission to the bishop and the diocesan synod for their approval;
  - d) to maintain an overview of matters relating to church buildings in the diocese and their use, other than matters which are within the jurisdiction of the consistory court or within the functions of the Diocesan Advisory Committee;
  - e) (e)in the case of listed buildings or buildings in a conservation area, to make, in accordance with section 55, every endeavour to find a suitable alternative use or suitable alternative uses for churches which are proposed to be closed and buildings which have been closed for regular public worship in the diocese under a pastoral church buildings scheme and, in the case of any other such building, to develop proposals for the suitable alternative use or uses of the building or for the demolition of the building and the disposal of its site;
  - f) where it considers it desirable, to make recommendations to the bishop in accordance with section 6 or 21 for any of the matters for which provision may be made under this Measure (other than section 50) by a pastoral scheme or order; and
  - g) to carry out any other functions conferred upon a mission and pastoral committee of a diocese by any enactment.
- 4) The mission and pastoral committee shall, in carrying out any of its functions, to the extent that it thinks appropriate, consult any other persons or bodies, whether within the Church of England or not, which exercise functions or carry out activities relevant to the functions of the committee.
- 5) Nothing in this section shall enable the mission and pastoral committee –
- a) to exercise functions conferred on any other person or body by or under any enactment,  
or
  - b) to fix or alter the terms of service of any person employed or holding office in the diocese.

## APPENDIX IV: CONSTITUTION OF INVESTMENTS COMMITTEE

### A SCHEME UNDER THE ENDOWMENTS AND GLEBE MEASURE 1976

The Committee required under the Measure shall be a sub-committee of the Policy and Finance Committee of the Diocesan Council of Trustees (Diocesan Board of Finance) and shall be known as the Investment Committee (“the Committee”).

#### 1. Membership

- 1.1. The Committee shall consist of the Chair and Vice-Chair of the Diocesan Board of Finance; one Archdeacon appointed by the Bishop having been nominated by the Archdeacons taking into account the recommendation of the Policy and Finance Committee; and up to six members nominated by the Bishop on the basis of relevant and up-to-date expertise, and appointed after appropriate scrutiny by the members of the Policy and Finance Committee;
- 1.2. The Chair of the Investment Committee shall be a member of the Diocesan Council of Trustees (Diocesan Board of Finance);
- 1.3. The Chair and Vice-Chair of the Diocesan Board of Finance shall not be also the Chair of the Investment Committee;
- 1.4. The Diocesan Secretary is in attendance and acts as secretary to the committee;
- 1.5. At the invitation of the Chair, the Board’s Property Agents and Investment Advisers may attend and receive papers for the part or parts of the meeting relevant to their role;
- 1.6. The Director of Finance may attend each meeting;
- 1.7. Other officers may attend as the business of the Committee requires;

#### 2. Procedure

- 2.1. The Committee will meet at least once a quarter;
- 2.2. It shall be quorate when four members, of whom at least one shall be the Chair or the Vice-Chair of the Diocesan Board of Finance, are present;
- 2.3. Papers will be sent out two weeks in advance;
- 2.4. minutes are received by the Finance and Policy Committee for onward recommendation to the Diocesan Council of Trustees;
- 2.5. The procedure of the Committee shall be covered by Diocesan Synod Standing Orders or by further procedure established by the Policy and Finance Committee and ratified by the Diocesan Council of Trustees;
- 2.6. The Committee shall observe all provisions of the Endowments and Glebe Measure 1976.

### 3. Purpose

- 3.1. To advise the Diocesan Council of Trustees (Diocesan Board of Finance,) directly or through the Policy and Finance Committee, on Investment Policies, management of the Glebe, and alternative investment proposals;
- 3.2. To implement such policies on behalf of the Policy and Finance Committee and actively monitor their effectiveness;
- 3.3. To determine the optimal means of realising such incomes as are required by the agreed diocesan budget, and advise the Budget Committee as appropriate;
- 3.4. To review the performance of investment managers, comparing performance achieved with relevant indices and make appropriate decisions concerning appointing and removing managers in line with diocesan policy and committee purpose;
- 3.5. Review asset allocation and make recommendations to the Policy and Finance Committee concerning any changes to the statement of Investment Principles;
- 3.6. Recommend the selection of relevant and current professional advisers, notably in relation to the Glebe and Investment management;
- 3.7. Initiate proposals, within the sphere of this committee, aimed at optimising the financial effectiveness of the diocese, including the investment of any surplus funds available for investment;
- 3.8. Undertake, on behalf of the Policy and Finance Committee, other appropriate functions as required by the Glebe and Endowments Measure 1976 and successor legislation.

### 4. Operative date of Scheme

This Scheme was made by the Diocesan Synod of the Diocese of Southwark at a meeting held on **DATE**, and approved by the Church Commissioners on **DATE**. It shall be effective from **DATE** and replaces the Scheme approved by the Church Commissioners on **DATE**.

**APPENDIX V: INDICATIVE TERMS FOR THE CONSTITUTION AND PROCEDURE OF THE  
DIOCESAN PARSONAGES BOARD**

**CONSTITUTION AND PROCEDURE OF BOARD (Repair of Benefice Buildings Measure, Schedule I 1972)**

**Membership**

The Diocese of Southwark's Parsonages Board is a constituent body of the Diocesan Council of Trustees and its membership is accordingly the same. (See above pp.14-16).

**Date, place and frequency of meetings**

Meetings shall take place within the meetings of the Diocesan Council of Trustees

**Appointment or election of chairman and vice-chairman**

**Quorum**

The Diocesan Parsonages Board shall be quorate when

**Notice of meetings and special meetings**

Ordinary meetings shall be those of the Diocesan Council of Trustees. Notice and papers shall be sent in accordance with its procedural rules.

**Special meetings**

**Keeping of minutes**

The Diocesan Secretary is the secretary of the Board and shall ensure that minutes are taken. Minutes are a part of the minutes of the whole Diocesan Council of Trustees.

**How questions are to be determined (e.g. by simple majority)**

Decisions shall be made by a simple majority in accordance with the procedural rules of the Diocesan Council of Trustees.

**Powers of delegation**

Powers of delegation from the constituent bodies of the Diocesan Council of Trustees are set out in the Scheme of Delegation

#### **Appointment of committees and the exercise of their functions**

There are no committees of the Parsonages Board at the date of this Scheme (**INSERT DATE**). Any proposed committees and their functions must be commended by the Audit & Governance Committee and reviewed as indicated in its procedure.

#### **Opening of banking accounts and powers in relation to financial and property assets**

The Parsonages Board's financial affairs shall be conducted through the Diocesan Board of Finance's staff. The Board shall have no accounts, investments, cash, or other actual and real property or assets of any kind. It shall have no power to enter contracts, acquire property, or borrow money.

The Parsonages Board is one of the four constituent bodies of the Diocesan Council of Trustees, whose members are coterminous. Another such constituent body (the Diocesan Board of Finance) and a committee of the Diocesan Council of Trustees (Investment Committee) undertake such work for the Parsonages Board.

#### **Appointment of officers and other staff (e.g. auditors) and their remuneration and terms of service**

The Parsonages Board shall not appoint, employ or remunerate staff. The Parsonages Board is one of the four constituent bodies of the Diocesan Council of Trustees, whose members are coterminous. Another such constituent body (the Diocesan Board of Finance) undertakes such work for the Parsonages Board.

The appointment of specialist staff for the work of the Parsonages Board (for example, diocesan surveyors), shall be undertaken by the Diocesan Secretary after consultation with and the approval of the Diocesan Council of Trustees (all constituent bodies).

#### **Ancillary matters**

##### **Custody of seal and rules of affixing thereof**

The seal of the Parsonages Board shall be that of the Diocesan Board of Finance and its custody and rules as set out for that Board.

#### **Other Matters**

## APPENDIX VI: AREA FORUMS

As put forward by the Area Bishops and agreed by the Bishop's Council 5<sup>th</sup> February 2004

### Area Forums

There shall be one forum per episcopal area

### Membership

The Area Bishop (Chair)

Two Archdeacons

The Area Deans

The Lay Chairs

The Ecumenical Borough Deans

### Terms of Reference

To move away from formal meetings with elected representatives but to keep in place a framework for the Area Bishop to meet and consult in a style which suits the Area.

To meet at least twice a year with the above membership.

The Area Bishop to be able to appoint a smaller group to consult on more pressing but non-urgent business, and for planning.

By making the process less formal it is possible for more groups to be formed to react to a specific task (mission or administrative) on a time limited basis

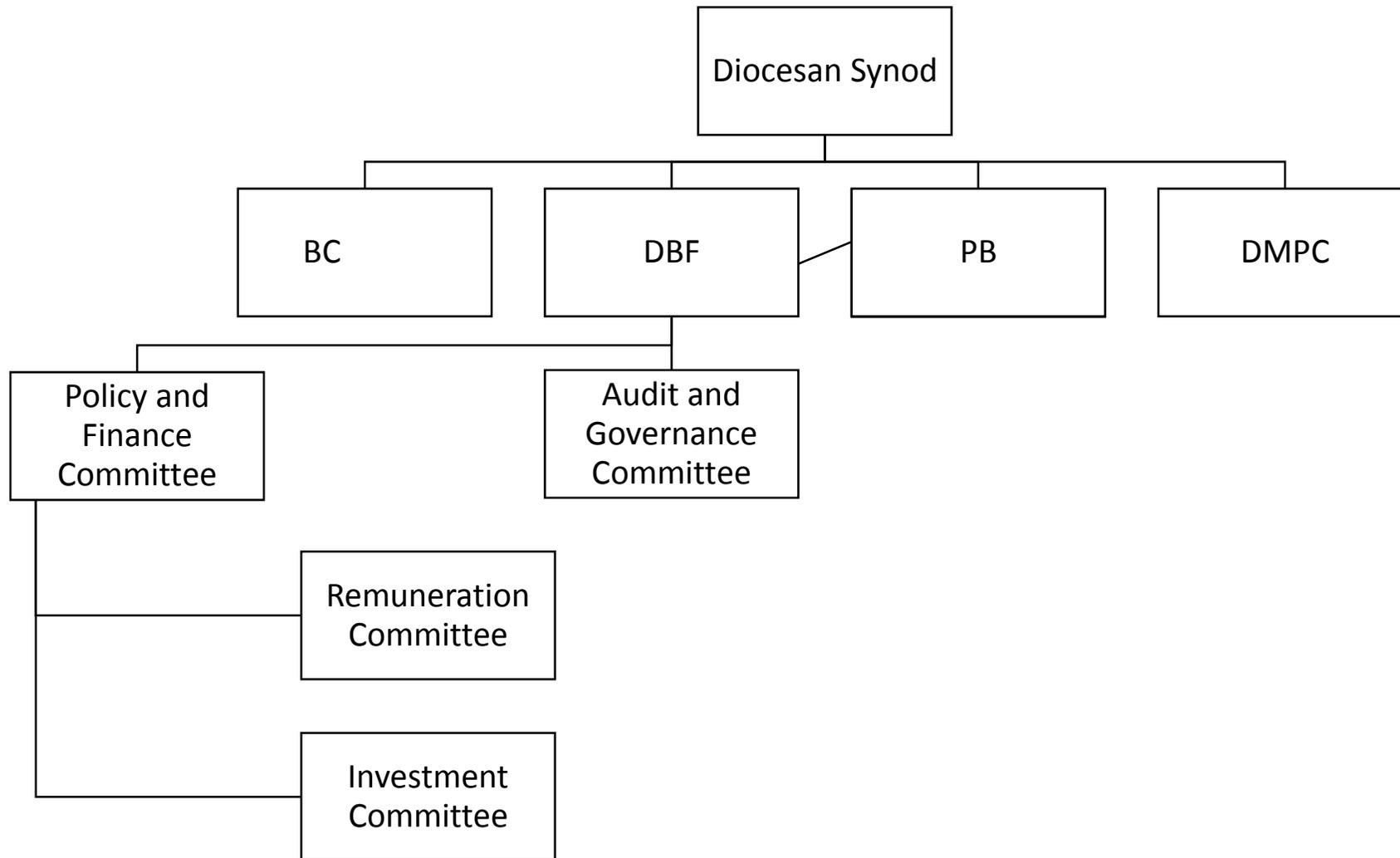
It is envisaged that these arrangements will change as time goes on, which will reflect the amount and style of consultation but in an informal manner, responding to the needs of the area.

**Note:** The Area Bishops identified areas of work on which they had consulted, or were likely, to consult, rather than making decisions on their own; these included:

- Grant allocations of Church Commissioners Mission Money
- Appointment of Area Mission Team members and support staff
- Evangelism Resources Group
- Zimbabwe Link
- Parish Development Network
- Appointment of Area Representatives on Boards and Committees
- Area Minority Ethnic Anglican Concerns Committee.

They noted that the list was not exhaustive and was different for each Area. It is fair to say that while some of the areas of work have endured, the list is of its time.

**APPENDIX VII: LANDSCAPE SUMMARY CHART**



## APPENDIX VIII: FIT FOR PURPOSE GROUP TERMS OF REFERENCE AND MEMBERSHIP

### Aims

- To review the governance of the Diocese in regard to its Board and Committee structures;
- To pay particular attention to the unity of purpose and administration;
- To bring forward recommendations to the Bishop in Council.

The Bishop of Southwark will appoint the Chair and, in consultation, with the Chair, the group.

### The group will:

Bring forward proposals to simplify the diocesan structures;

- Within these proposals, suggest ways to restructure the statutory Boards and Committees and their sub- committees, so that they are integrated into a simpler governance framework, their number is reduced and their efficacy enhanced. Work to begin as soon as possible by researching and commending different models for the most effective relationship between policy and finance
- Review the delegation of responsibilities to officers, ensuring that officers are both empowered and accountable with proper management structures both in place and in use;
- Consider how participation by individuals within a new governance framework will meet present and future needs, ensuring proper skilling and representation;
- Draft, or put in place a framework for drafting, cogent and coherent terms of reference for such re-shaped committees etc. as may need them, being mindful of good practice regarding control, and legislative compliance.

In order to inform their work, if the group deems it necessary and if time allows:

- Look at other diocesan structures;
- Draw on such reports as have from time to time been made on this or other dioceses, or such summaries of them as those for whom they were written feel appropriate.

In addition:

- Comprehensively seek comments from stakeholders to include:
- Members of existing Boards and Committees and Councils;
- Heads of Departments and advisers;
- Employees.
- 

The Group to regularly up-date the Bishop's Council and to bring a report it in May 2015.

**Members**

Jane Steen	Archdeacon of Southwark	Chair
John Kempzell	Chair, DBF	Chair, DBF
Ian Akhurst	Vice-Chair, DBF	Vice-Chair, DBF
Martin Day	Member, DBF	BC; involved with Perry report
Sarah Thewlis	From Carshalton All Saints	Organisational/HR expertise
Paul Morris: consultant	Diocesan registrar	Legal and compliance expertise
Mark Steadman	Bishop's Chaplain	For Bishop Christopher; legal expertise
Simon Parton	Diocesan Secretary: 2014	Diocesan processes expertise
Ruth Martin	Diocesan Secretary: 2015f	Governance expertise
Andrew Lane	Deputy Diocesan Secretary	Diocesan processes expertise
Anne Deering	From Wimbledon Team	Strategic and organisational expertise
Wendy Robins	Head of Dept., C&R	Dept. Head/Communication
David Loft	Head of HR	HR expertise
Adrian Greenwood	Chair, House of Laity	Charities and organisation expertise