



DIOCESAN SYNOD

Minutes of the meeting held on Wednesday 08 July 2020 business

The Rt Revd Christopher Chessun, the Bishop of Southwark, and 132 other members signified their presence.

01/20 WELCOME & OPENING PRAYER

1. Members of Synod were welcomed to their first ever remote Zoom meeting. Wendy Stephens, newly appointed Diocesan SPA, was welcomed to her first Synod meeting as Bishop Christopher's nominee. The Ven Dr Rosemarie Mallett, the Archdeacon of Croydon, led the Synod in prayers having invited the Warden of Readers, Ray Wheeler, to give his This Time Tomorrow update and prayer.

02/20 ANNOUNCEMENT & NOTICES

2. Members were updated on the process of holding APCMs following the extension to the usual deadlines due to Covid-19 and the ramifications on PCC and Deanery duties and deadlines. The Revd Canon Stephen Roberts (Deputy Diocesan Secretary), Paul Morris (Diocesan Registrar) and the Revd Canon Dr Mandy Ford (Director of Discipleship and Ministry), were thanked for their service as this was to be their last meeting of the Diocesan Synod. It was announced that Jackie Pontin had been appointed as Deputy Diocesan Secretary.

03/20 PRESIDENTIAL ADDRESS

3. The Bishop of Southwark gave his Presidential Address, the text of which can be found [here](#).

04/20 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR

Mr Alan Saunders (Chair of the DBF) to move that:
"this Synod receives the Annual Report and Financial Statements for the Year Ended 31 December 2019, for the South London Church Fund and Southwark Diocesan Board of Finance"

4. The Chair of the Diocesan Board of Finance (DBF), Alan Saunders, along with the Diocesan Secretary and Director of Finance, gave a presentation of the Annual Report and Financial Statements for the Year Ended 2019. The Annual Report had been unanimously approved by the Diocesan Council of Trustees (a copy can be found [here](#)) at its May meeting.
5. The Diocesan Secretary and her team were praised for their diligence and hard work in producing the Annual Report in such difficult circumstances as a result of COVID and the lockdown.

6. The Diocesan Synod formally received the Annual Report and Financial Statements for the Year Ended 2019 by a unanimous electronic vote.

05/20 FINANCIAL UPDATE IN THE LIGHT OF COVID-19

7. The Diocesan Secretary supported by the Director of Finance and Chair of the DBF gave a presentation on Diocesan Finances in the light of the Covid-19 Crisis. This included short term analysis and medium- and long-term planning. Both Bishop Christopher and Alan Saunders were encouraged by the team's dedication, support of parishes, careful stewardship through the crisis. It showed that we had held our faith to each parish in the Diocese, and Bishop Christopher encouraged parishes to share and trust in each other and the Diocesan Office as we emerged into the 'new normal'.
8. The financial outlook for the Diocese was much more positive than initially expected, and certainly better than many other dioceses and the National Churches forecasts. Although parochial fees and investment income had declined during the lockdown, Parish Support contributions had held well in the circumstances which was a tribute to the partnership between diocese and parishes, their support and trust. Members were encouraged to speak with their parishes and urged any that were in financial difficulty to contact Gabby Parikh (the Head of Giving) so that targeted help could be provided to those who most needed it in consultation with Archdeacons.
9. Given the downturn a reforecast budget had been compiled to ensure that the Southwark Vision, statutory functions and services to parishes and deaneries were maintained. This had meant that a review of central costs was being undertaken which included restructuring and reduction of posts regrettably including some redundancies. The Diocesan Secretary was working closely with the Director of Finance, Chair of the Diocesan Board of Finance, the Chair of the Policy & Finance Committee, and the Diocesan Council of Trustees to ensure a constant review of finances as the year and pandemic uncertainties unfolded.
10. The Chair of the Diocesan Board of Finance had been impressed with how quickly the team had 'grasped the nettle' of uncertain finances in the current pandemic. Bishop Christopher noted the great deal of encouragement and trust from parishes, which showed that we had faith in each other. The key to getting through the Covid-19 crisis was transparent accountability and communication.
11. Members were encouraged to send any queries to Charlie Hudson-Beddows following the meeting. A copy of the slides used can be found at Appendix A.

06/20 DEANERY MODEL RULES 2020

Mr Adrian Greenwood (Chair of the House of Laity) to move that:
"this Synod resolves to Approve the document entitled 'The Role of Deaneries and the Rules and Constitution of Deanery Synods 2020- 2023' in accordance with Rule 26 of the Church Representation Rules 2020."

12. The Deanery Model Rules had been updated in the light of several new factors including the addition of the Southwark Vision, Deanery Leadership Teams, and the newly approved 'Church Representation Rules 2020', Bishop's Mission Orders and the movement of the Sutton Deanery into the Reigate Archdeaconry. The Rules had been

scrutinised and approved by the Diocesan Council of Trustees prior to coming to the Synod.

13. The Synod approved the Model Rules near unanimously- with one abstention- in an electronic vote. A letter and a copy of the Deanery Model Rules were to be circulated in due to course to Deaneries for them to formally adopt themselves.
14. The Bishop of Woolwich spoke in the debate.

07/20 DIOCESAN ADVISORY COMMITTEE (DAC) CONSTITUTION

Mr Philip Fletcher (Chair of the DAC) to move that:
“this Synod approves the amended DAC Constitution, in accordance with the Ecclesiastical Jurisdiction and Care of Churches Measure 2018.”

15. Philip Fletcher, the Chair of the Diocesan Advisory Committee, moved a motion that the Synod approves the amended DAC Constitution, in accordance with the Ecclesiastical Jurisdiction and Care of Churches Measure 2018. The Constitution had been approved by the DAC and the Diocesan Council of Trustees, and specifically included reference to the Southwark Vision and Eco Diocese (churches).
16. The Synod approved the motion unanimously via an electronic vote. Synod members were also reminded of two vacancies (one lay and one clergy) on the DAC and were encouraged to come forward if they wished to be considered.
17. The following members spoke in the debate: The Bishop of Kingston and the Revd Nigel Griffiths (Reigate Deanery).

08/20 SYNOD QUESTIONS

18. Formal questions and answers were presented to members and the Notice Paper, including supplementary questions, can be found here at Appendix B.

Paul Morris (departing Diocesan Registrar), the Revd Canon Stephen Roberts (departing Deputy Diocesan Secretary), and the Revd Canon Dr Mandy Ford gave some final words as this was to be their last meeting of the Diocesan Synod.

The meeting ended with the Grace.



DIOCESAN SYNOD

04/20

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



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*“this Synod receives the Annual Report and Financial
Statements for the Year Ended 31 December 2019, for the
South London Church Fund and Southwark Diocesan Board of
Finance”*



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Financial highlights 2019

- Surplus of £3.9m
- £4.1m Gain on Clergy Pension Scheme Valuation, without which a marginal deficit would have been the result
- Parish Support Fund collection rate 99%
- £5.7m invested in maintaining and improving the quality of property



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Funding Parsonages

Asset Sales and Purchases



Year	Sale of investments (£m)	Sale of property (£m)	purchase of properties (£m)	Capital commitments (£m)
2014	1.0	2.0	0.0	0.0
2015	1.0	0.5	0.0	0.0
2016	0.0	0.0	6.0	1.0
2017	0.0	8.0	0.0	0.0
2018	0.0	0.0	7.0	0.0
2019	0.0	0.0	6.0	0.0

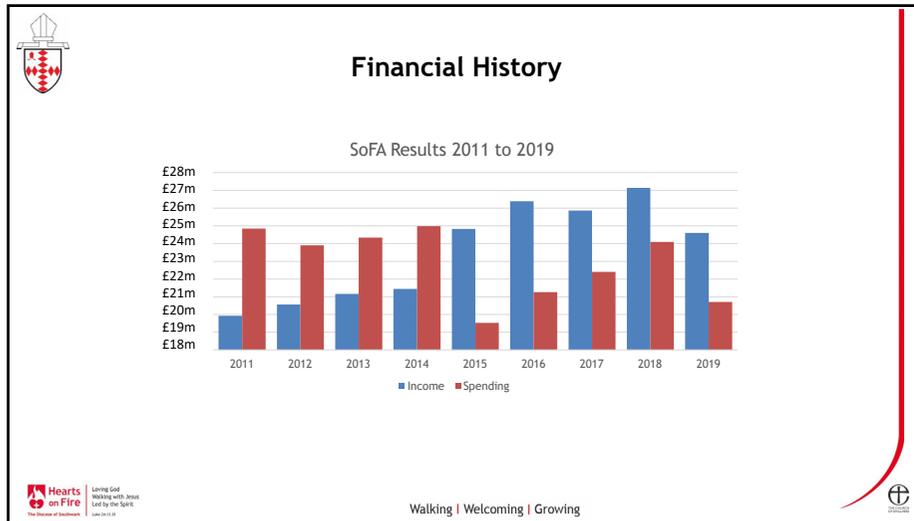


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 *Mr Alan Saunders, Chair of the Diocesan Board of Finance to move that:*

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 **DIOCESAN SYNOD**

05/20

FINANCIAL UPDATE IN THE LIGHT OF COVID-19

Diocesan Secretary & Anthony Demby

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 **Revised Financial Forecast for 2020**

- Challenge posed by Covid-19
- Continue to invest in the Southwark Vision 2018-2025
- Maintain high standards of financial management and compliance as a large charity
- Continue to maintain Diocesan Investment in Strategic Development Projects for growth
- Inevitable deficit due to Covid-19, currently estimated to be £3.5m

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2020 Revised Budget

Resourcing Southwark Vision - Income
2020 Reforecast vs Budget

	2020 Reforecast £m	2020 Budget £m
Parish Support Fund	14.9	16.5
Parochial fees	0.3	0.5
Investment income	1.0	1.4
Property income	0.8	1.1
Grants & other income	3.7	4.6
Gains on disposal of assets	0	1.5
Total income	20.7	25.6



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Update on PSF in the light of COVID-19

Although it is still early days, as of the end of May:

- The collection rate of PSF in the year to date is 97% to the end of May compared to 97.8% in 2019. The June collection rate is looking to be around 96.5% (June 2019 97.7%)
- This is a small but consistent and perceptible decline each month and has been mitigated by the close working partnership between parishes, archdeacons and the diocesan teams.
- Those parishes not paying their pledge to the end of May 2020 are 10 in number, compared to 4 last year.
- The total PSF arrears are £213k to the end of May this year covering 44 parishes compared to 2019 when it was £153k and 30 parishes.
- This is better than anticipated and we are working daily and weekly monitoring the situation.
- A number of parishes adopting encouraging giving initiatives such as online giving, appeals and using the Church of England videos have seen generous responses.



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Principal Reforecast Assumptions - Income

1. Parish Support Fund pledge reduction to year end
2. Property income reduces to the end of the year
3. Strategic Development 2 grant reduction to year end
4. Investment income 30% reduction for 2020



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Resourcing Southwark Vision - Expenditure

2020 Reforecast vs Budget

The outcome is that we are having to plan cautiously for a £3.6 million deficit this year only, as there is little room for manoeuvre within a current year.

	2020 Reforecast £m	2020 Budget £m
Stipends including grants & moving costs	12.3	12.6
Housing Costs	3.3	3.5
Vocations, Training & Other Ministry Support	3.0	3.0
Governance & Administration incl. Safeguarding	3.9	4.1
Strategic Development	0.3	1.0
Contributions to National Church	1.6	1.6
Total Expenditure	24.4	25.8



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Principal reforecast Assumptions - Expenditure

1. Minimal clergy moves / resettlement / first appointment grants until 30 September
2. Property maintenance spend 50% reduction until 30 September
3. No property sales until 30 September
4. Furlough around 20 staff to end in July
5. A reduction in posts as we walk alongside parishes working so hard to maintain pledges and as we recognise the impact of COVID-19
6. Operational restructuring with a focus on the future with some redundancies

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Summary 2020

- Work continuing on legacy property projects including completion of two sites to generate three more housing units
- Challenge posed by Covid-19 while continuing to invest in the Southwark Vision 2018 - 2025
- Confidence in our long term resilience and solvency with strong financial management
- An inevitable deficit in 2020 is forecast, estimated at £3.5m

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Cash Flow in the Light of COVID-19

- Like so many organisations we have to plan for potential cash flow and liquidity issues.
- Our cash flow has benefitted from the deferral of three months clergy stipend to the national church which we can repay from April 2021 next year.
- We are expecting cash flow problems to continue in to 2021 as well as 2020
- We also have bank borrowing facilities if needed.
- The Diocese does not have the historical assets of the older dioceses.
- It is better to plan for the worst case scenario in such uncertain times.
- Our PSF is holding up well but we have been prudent in our cash flow forecasts as uncertainty continues.

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Three Year Revised Summary

- A new three year revised budget will be prepared for December 2020 Diocesan Synod
- 2021 expected to be a deficit budget
- Financial outlook expected to be more positive from 2022
- A balanced budget is unlikely to be achievable until 2023
- Anticipated financial turnaround from years 4 and 5 following investment in Fresh Expressions, pioneering ministry and missional initiatives
- Focus on *Giving Strategy* with additional staff resource, part-funded by the Church Commissioners
- Maintain the existing Strategic Development Funded projects across the Diocese to foster growth

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