

**Ruth Martin**

...... 18 May 2017

- Secretary of the Diocesan Synod
- Company Secretary of the [Southwark] Diocesan Board of Finance
- Secretary of the Diocesan Council of Trustees and its constituent bodies

# DIOCESAN COUNCIL OF TRUSTEES MEMORANDUM OF UNDERSTANDING THE DIOCESE OF SOUTHWARK

Adopted 11 May 2017  
By the Diocesan Council of Trustees

## **Interpretation**

All defined terms used in this document shall have the same meaning as given to them in the Articles of Association of the South London Church Fund and Southwark Diocesan Board of Finance (“**Diocesan Board of Finance**”) and shall be construed accordingly.

## **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:

- i. the Bishop’s Council;
- ii. the Diocesan Board of Finance;
- iii. the Diocesan Mission and Pastoral Committee; and
- iv. the Diocesan Parsonages Board.

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

## **Trustees**

All trustees, whether elected or nominated, of the Diocesan Council of Trustees are full voting members of all its constituent bodies (subject to any terms to the contrary in the governing documents of the relevant bodies). They engage in debate and decision from the perspective of all these bodies.

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

All trustees 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 trustees.

Membership of the Diocesan Council of Trustees 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.

Elected trustees normally serve for one or two terms of three years and may serve for three terms of three years. Trustees 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 trustees are elected after the triennial Synod elections. Terms are counted from these elections. All elected trustees cease to be eligible for the Diocesan Council of Trustees for one term of three years upon having served for three terms of three years.

Not less than 75% of the trustees (excluding the Diocesan Bishop) shall be elected by the Diocesan Synod not less than two-thirds of whom shall be members of the Diocesan Synod and a majority of the trustees shall at all times be laymen.

If at any time any vacancy or vacancies shall occur which give rise to an equality of lay and clerical members on the Diocesan Council of Trustees or to a lay minority, no clerical members shall be elected or nominated, as the case may be, to fill such vacancy or vacancies until such time as there shall be a lay majority of members unless, in the case of the election or nomination of several members together, there shall be a lay majority as the result of such election or nomination.

No person shall be elected, appointed or co-opted as a trustee unless he or she is a communicant member of the Church.

The membership of the Diocesan Council of Trustees is as follows:

### **Clergy**

The President of the Diocesan Synod (which shall be the Diocesan Bishop)	1
The Archdeacons	6
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
<b>Total Clergy</b>	<b>17</b>

### **Laity**

The Chair of the Diocesan Board of Finance nominated by the Diocesan Bishop elected by the Trustees of the Diocesan Board of Finance in accordance with the articles of 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 Trustees of the Diocesan Board of Finance in accordance with the articles of 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 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 or other relevant expertise nominated by the Diocesan Secretary in consultation with the Diocesan Bishop, the Chair of the Diocesan Board of Finance and elected by, but not necessarily members of, the House of Laity. Such nominations may be revoked at any time following which the	6

person so nominated will cease to be a trustee with immediate effect.

## **Total 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.

## **Termination of membership**

Membership of the Diocesan Council of Trustees and all the constituent bodies is automatically terminated if a trustee ceases for whatever reason to be a member of any one constituent body.

## **Behaviour of the trustees**

The trustees will at all times carry out their activities in relation to the Diocesan Council of Trustees in a manner which 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; and
- xii. demonstrating coherence between structure and policy, mission and finance.

In addition, each trustee shall complete the form titled "Trustees and Committee Members Declarations of Eligibility, Responsibility and Conflicts of Interest" ("Declaration Form"). If the trustee does not complete the Declaration Form within 3 months of the date on which they were elected then

they shall cease to be a trustee.

The trustees shall have regard to the Southwark Governance Principles, based on the Nolan Principles in Public Life which are:

- i. **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;
- ii. **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;
- iii. **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;
- iv. **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;
- v. **Accountability:** Trustees are accountable for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office;
- vi. **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;
- vii. **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;
- viii. **Leadership:** Holders of public office should promote and support these principles by leadership and example.

## Procedure

The Diocesan Council of Trustees normally meets five times per year. Papers will be circulated electronically two weeks before the meeting by the Diocesan Secretary. Hard copies will be posted second class the following day upon request.

The trustees and Diocesan Secretary will ensure at all times that the meetings of the trustees comply with the procedural requirements for meetings set out in the Articles.

In the notice of the meeting the Diocesan Secretary will make it clear whether the business of the meeting will require the trustees to sit in their capacity as the board of directors of the Diocesan Board of Finance or as a general meeting of the members of the Diocesan Board of Finance.

Diocesan Synod receives minutes of the Diocesan Council of Trustees meetings.

Meetings will normally include:

- i. Receiving 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; and

- ii. Taking a finance item including any reporting back on the Parish Support Fund;

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 (as all constituent bodies) is quorate in accordance with the Articles, 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 in the constitutional document 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.

#### **In attendance**

##### **Normally in attendance:**

Bishop's Chaplain

Director of Finance and Investment

The Deputy Diocesan Secretary

##### **Always in attendance:**

The Diocesan Secretary

An assistant responsible for recording the minutes of the meeting

#### **General meetings of the Diocesan Board of Finance**

At least one meeting of the Diocesan Council of Trustees sitting in their capacity as members of the Diocesan Board of Finance shall constitute a general meeting of the Diocesan Board of Finance. Following a budget meeting, the trustees will receive the accounts and review the past

year and look forward to the coming year. The trustees will scrutinise and review the performance of the diocesan administration and consider future plans.

### **The Diocesan Secretary**

The Diocesan Secretary, as secretary of the Diocesan Synod, is also the company secretary of the Diocesan Board of Finance, 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.

The Diocesan Secretary is entitled to attend and speak at a meeting of the Diocesan Council of Trustees but is not entitled to vote.

### **Status of this Memorandum**

If there is an inconsistency between any of the provisions of this Memorandum and the provisions of any one of the constitutional documents of the constituent bodies, the provisions of the relevant constitutional document shall prevail.

