

BISHOP'S COUNCIL & STANDING COMMITTEE

Update for Diocesan Synod November 2021

This note summarises some of the recent work and decisions of the Bishop's Council & Standing Committee (BCSC) and is shared with the Diocesan Synod for information.

Following our informal meetings in the summer, and the informal meeting of the new and outgoing Diocesan Synods in September, it was agreed that the Bishop's Council & Standing Committee (BCSC) would keep Synod members updated on work and decisions. This paper gives an overview of some of the work in progress and decisions made, particularly around the governance review, ways of working and changes in leadership in the Diocese. It is our intention to keep Diocesan Synod fully informed, and we welcome your comments and questions.

Governance Review

The BCSC members have been discussing a review of the Diocesan Governance structures. These conversations are still ongoing as we seek to agree the parameters of such a review. In the meantime, we have identified a few areas and aspects which we believe needed quick action and attention. These have included the following:

1. At our October meeting, we officially agreed to appoint Mr Alastair Barron as Interim Chair of the Winchester Diocesan Board of Finance (WDBF). We believe that long term it will be right for the Chair to be an appointed lay person rather than held conterminously by the Bishop of Winchester. To make this change permanent will require a special resolution and an Extraordinary Meeting of the WDBF which we anticipate will be actioned early in 2022.
2. We have agreed some amendments to the Terms of Reference for several Synodical Sub-committees, expanding the membership on the Finance Monitoring Group and Property Working Group amongst others.
3. We have reviewed the information that is shared with all Synod members for their induction, seeking to help clarify roles and increase the transparency of our structures and operations.

Housing Strategy

At our October meeting, we agreed a new Housing Strategy for the Diocese which had been reviewed by the Finance Monitoring Group and Investment Advisory Group. We noted that our historic approach to housing whereby we tended to retain all surplus clergy housing had a number of challenges:

1. **High environmental impact:** Holding surplus houses is counterproductive to our aim to become Carbon Neutral by 2030.
2. **Limited Flexibility:** By having the vast majority of our assets tied up within housing stock we have had almost no flexibility to purchase new houses in major development areas or where ministerial needs have changed.

3. **Low return on investment:** Whilst surplus houses have been rented out to generate income, detailed analysis indicates that this represents an average of 1.5% return on the value of the asset.
4. **Low investment per house:** retaining surplus housing stock reduces the amount of money and staff time that can be invested in the care and maintenance of each house.

The Bishop’s Council have therefore opted to adopt a new policy whereby the WBDF will primarily only retain houses required for ministerial purposes. Having carried out a detailed desktop review of the whole portfolio, we have identified

- 165 houses that will be retained for ministerial purposes
- 20 houses retained for non-ministerial purposes (rental)
- 41 houses identified for sale.

Those retained for rental are ones which offer a high rental income against costs, or where they cannot easily be disposed of for other reasons (such as being located on the same site as a church for example).

Our current estimate is that the sale of the 41 houses (along with the 8 sold during 2020/2021) will create a new investment pot of around £24.7m. This money will be used to generate an ongoing annual income to the Diocese to support and, we hope, grow the investment in parish mission and ministry. It is hoped this will be a net increase in income of around £565,000 a year.

	Current Model	New Model
Rental income pa	£700,000	£485,000
Agent’s fees	-£70,000	-£30,000
New investment income (assume 3% return on £24.7m)	£0	£740,000
	£630,000	£1,195,000

We estimate it will take two years to sell all the houses. Whilst most of those identified for sale are WBDF properties and therefore not subject to the formal consultation processes required for benefice or Glebe houses, we will nonetheless ensure that there is appropriate consultation with the clergy and parishes where the houses are located.

It is our hope that this new policy will have the following positive results:

1. **Reduced environmental impact:** Fewer houses will reduce our carbon footprint whilst also giving us greater flexibility to improve the energy efficiency of our remaining stock.
2. **Substantial Flexibility:** Whilst the capital will be invested to generate long term income for the Diocese, we will be able to use some to purchase replacement houses/new houses if ministerial needs so require.
3. **Return on investment doubled:** We conservatively estimate that the return on investment for the capital value of the houses will double.

4. **Increased investment per house by 18%:** Our Houses Team will have fewer properties to care for, and can therefore focus more of their attention on their primary task of caring for clergy family homes.

Settlement Agreements

In response to the concerns raised by members of Synod about the use of Settlement Agreements whilst negotiating the departure of WDBF employees and stipendiary clergy posts, the BCSC commissioned a law firm to carry out an independent review. The report was considered by the BCSC on 13 September 2021. Due to the nature of these agreements, the BCSC is limited in what they can share with Synod in order to protect the legal rights of the individuals involved. The following reflections and comments are offered:

1. The BCSC share the many concerns across the whole Church of England that the current legislation and processes for tackling clergy dispossession, capability, and discipline are not ideal. There are sadly multiple examples from across the whole CofE where the use of such processes has caused serious harm to individuals, parishes and Diocesan leaders. The recent financial need to reduce the number of stipendiary posts in a short time period made the highly public and protracted dispossession process outlined in the Mission & Pastoral Measure unappealing for all involved. It has therefore been the custom and practice in the Diocese of Winchester to try and address such issues in more pastorally sensitive manner through the use of bespoke, individually negotiated, settlement agreements.
2. These Settlement Agreements include a clause relating to mutual confidentiality and one mutual non-derogatory clause between the WDBF and the individual. These are there to protect both parties, ensuring the individual complete privacy around their settlement, and helping the WDBF to be good stewards of the resources entrusted to our care. The BCSC is particularly concerned to protect the individual, and to ensure any financial settlement remains confidential. The confidentiality provisions make clear what an individual is permitted to disclose, and it is not intended as a 'gagging' clause: individuals are still able to raise concerns about the Diocese and to speak about their time in the Diocese. We are not convinced that we have always made this as clear to those involved as it needs to be, and are committed to so doing in the future
3. The WDBF contributes up to £384 (plus vat) towards independent legal advice for any individual considering a Settlement Agreement to help them make an informed decision on whether the terms are fair and positive for them.
5. Having had the chance to discuss this matter at some length, the BCSC are reassured that the Settlement Agreements have been used legally, and out of a genuine desire for a pastorally sensitive process, that seeks to prioritise the needs and wellbeing of the individuals, whilst still achieving the sadly necessary outcomes.
6. Inevitably any discussions about ending someone's role, whether they are employed in the Diocesan Office or in stipendiary ministry, will always be deeply emotive and difficult. Those involved are being asked to accept significant changes to their lives, vocations and even sense of self-worth. If any person or individual subject to a Settlement Agreement has genuine concerns that they wish to raise, we encourage them to do so directly by contacting members of the Bishop's Staff Team.

Diocesan Office Review

In October we approved the Terms of Reference for a new review of the future location of the Diocesan Office. Like many organisations, the Diocesan Team was able to adapt well to home working during the national lockdowns in 2020 and 2021. As a result, most members of the Diocesan Team have accepted hybrid home working/hot desking contracts thereby reducing the amount of desk space required.

The Review Group will look at the various options now open to the Diocesan Team for future office provision, balancing the required facilities against cost constraints. Alastair Barron will chair the Group, supported by the Area Dean of Southampton, the Lay Chair of Odiham Deanery, a member of the Bishop's Council and a member of the Bishop's Staff Team. Synod members are welcome to submit any views or suggestions by emailing the Director of Operations.

CEO Review (process about to start)

Following the departure of the Chief Executive, at our November meeting we gave our support to a proposed external review process commissioned by the Acting Bishop of Winchester and the Chair of the DBF to identify and articulate the requirements of the role of Chief Executive or Diocesan Secretary. The review will seek to address the capabilities and qualities of the person required to ensure that the right person is recruited to this demanding role at this demanding time.

The review will be undertaken by a highly experienced external consultant funded by a one off grant from national Church Funds. It is hoped that a wide range of people from across the diocese will take the opportunity to feed into the review with information on how to achieve this being shared in due course. A draft report is expected in January 2022.

This review is in effect the first stage of the wider governance review, and will feed in to that process later in 2022.

Vacancy in See

Members of the Bishop's Staff Team and the Director of Operations have been in contact with the Archbishops' Secretary for Appointments over the likely timescale and process for discerning and appointing a new Diocesan Bishop. Due to the unusual circumstances, they are not yet in a position to confirm the dates of the Crown Nominations Commission (CNC) meetings that Winchester's vacancy will be considered at. It is hoped that our first meeting may be before the end of 2022.

The Diocesan Synod is now in the process of electing new representatives to the Vacancy in See Committee which will help shape the role profile and elect diocesan members to the CNC. Synod will be updated on the results of the election in due course, along with any further information on the expected timescale.

Stewardship Strategy

At our November meeting we considered a comprehensive new Stewardship Strategy presented by our Stewardship & resources Adviser, Luke Maundrell. This received unanimous support from the Council and will be presented to Diocesan Synod in 2022.