

Representative Church Body Report

Mr Henry Saville

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Archbishop

Thank you for inviting me to present the report of the Representative Body for the year ended 31 December 2019.....and my thanks also to the members of Synod for suspending Standing Orders to allow me make this presentation.

I know that we are all only too aware of the unique circumstances in which we find ourselves conducting the business of this Synod – and one might well ask what is the point of presenting a report for 2019 when we are almost 12 months on from that date.

I will touch later on some of the particular issues that have arisen in 2020 and how these have been dealt with but the primary purpose today is to account to Synod on the report for 2019 and the activities of that year.

As the Trustee body for the Church of Ireland the Representative Body exists to serve and support the Church. The RCB came into existence in 1870 as part of the Disestablishment process; at that time the property of the Church, which had previously been in state ownership, was transferred to the newly created statutory trustee body. Since that date the RCB has existed to hold and care for the assets of the Church, both physical and financial, and in fulfilling this role the RB is accountable both to General Synod and also to the civil authorities in relation to the discharge of its trustee responsibilities.

Let me talk a little about things financial.

FINANCES

The effective management of the financial assets is clearly a critical feature of the work of the RB and its staff, as the return on these assets is what funds so many of the activities necessary for the continuing existence of the Church of Ireland as we know it, activities incorporating not only those set out in the Allocations resolution on page 54 of the book of reports but also including many other support services for the Church delivered by the staff of the RCB in both Dublin and Belfast.

In reporting to you on our stewardship of the financial aspects of the RB there are two distinct strands:

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- Firstly, the management of the invested assets, the maintenance and growth of which are essential to provide the future funding needs
- And secondly, the management on a year on year basis of the activities of the RB to ensure that services are delivered in as cost effective a manner as possible, that costs are controlled and then also to look into the future a little to see what new needs may arise and how services can be provided to meet those needs from a limited source of funds.

INVESTED FUNDS

Calendar year 2019 recorded a strong performance for the invested general funds; the total grew during the year from €167.7m to €190.2m. These are indeed impressive figures but they are slightly off the target benchmark rate of return. And whilst I am not today here to talk about 2020 investment performance it will come as no surprise to anyone that follows investment markets that our funds were hammered in Quarter 1 of 2020 – along with all investment markets – as a result of the early impact of coronavirus and lockdowns; happily, the most recent figures indicate that funds have recovered to the recent peak figures recorded at the start of this year.

Growth in the top line value of general funds is critically important as, under the budgetary and financial management systems that we operate by any fall in fund levels will have a limiting impact on our ability to fund activities in the future, without heading into deficit.

I should also report that, in line with commitments made at previous Synods, there has been further increase in investment in forestry and renewable energy; the Investment Committee continues to keep under review the Environmental, Social and Governance policy and Climate Change policy set out in Appendices D and E of the Annual Report.

FINANCIAL OUTTURN – 2019

I suggest that those of you who wish to understand the financial performance for 2019 look more closely at the summary tables on pages 24 and 25 of the Book of Reports than at the actual financial statements

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The table on page 24 summarises financial performance for 2019 in traditional format and relates directly to the Financial Statements on pages 66 and 67 of the Book of Reports.

Essentially the tables show that whilst we operate at a deficit applying conventional (traditional) accounting methodology, when applying total return as a budgetary and management tool we are showing a small surplus for the year; the logic of utilising total return is that it means that we can invest for capital growth as well as for income streams without penalising our capacity to deliver services within the budgeted figures. Utilising a total return basis of accounting for managing activities is an accepted methodology and allows greater flexibility in managing investments.

We currently use 3.5% as the permitted withdrawal rate, applied to a 5 year rolling average of total funds as measured at the start of each year; this rate was originally set at 4% some years ago and has been reduced already to the current 3.5%; there is some concern that even 3.5% may not be a sustainable rate of withdrawal over the longer term and it is planned to review these rates to ensure that budgets are as accurate as possible for long term sustainability.

ALLOCATIONS

The relevance of almost all that I have said so far is that this information and activity is essential to make available the funds needed for supporting the “business” of church; and that “business” is reflected in the allocations shown on page 26 of the Book of Reports and which will come before you to be voted upon quite soon.

Allocations reflect just some of the activities that need funded; there are many other support activities delivered from Church House - in both Belfast and Dublin, as well as from the RCB Library.

I have spent enough time on finance, though it is a critical area as none of the other activities that I wish to touch on could take place without a sound underlying financial base to support them.

SERVICES PROVIDED....AND THEIR COST

A number of activities fall under the “Service Delivery” heading, including not just:

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- Financial management and reporting
- Investment management

but also:

- Property and Trust administration
- Clergy payroll and pension administration
- Safeguarding and human resource management and advisory
- Legal services
- Library and archive management
- Charities advisory services
- GDPR
- Committee support

The pie chart on page 15 of the RB report incorporates all these services under the heading “RCB Service Delivery” and the cost of delivering these services amounts to almost exactly half of annual outgoings.

Some of these activities are entirely focused internally to Church House such as **financial management and reporting**; some have mixed points of focus – investment management is internal with regard to general funds but externally focused with regard to the unit trusts.

Library and archives has the significant responsibility of maintenance of church records for parishes, dioceses and central church, as well as serving the needs of students from the Theological Institute. But the Librarian and her staff also manage a significant archive of material that we possibly undervalue; important grants were obtained for digitisation of archival records reflecting the significance of these records not solely for the Church of Ireland but for a larger academic audience.

Safeguarding is an increasingly important activity with regard to both the protection of children and also the protection of vulnerable adults. Much work has been done over the last few years developing and documenting codes of practice in these fields. We must not be found wanting in our approach to Safeguarding both in the creation of codes of practice and also in following through to ensure proper awareness and implementation on the ground. We

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are grateful to have experienced and dedicated staff working in this field particularly as it is an area where there is likely to be significant interaction with all levels of the church – from parishes through to the House of Bishops. It is clear also that Safeguarding is likely to have a growing financial requirement and how the Church is to deliver its Safeguarding responsibilities in an efficient and cost effective manner will need to be addressed in coming months.

Another critical activity in recent years has been the work done in relation to the **charities governance legislation** in both jurisdictions. This work has been of critical importance in enabling all arms of the church engage more readily with the charities regulatory authorities. The amount of work done in this field will be invisible to most members of Synod – unless you happen to be a parish secretary or treasurer – in which case there are probably many occasions over the past few years when you will – or certainly ought to, have remembered with gratitude the amount of work done centrally agreeing a common approach that would meet the needs of charity regulators without every parish secretary having to address the issue for themselves!

Might I also bring to your attention the breadth of support available online to anyone involved in the running of a parish – be you the rector, a parish officer, or simply a member of a Select Vestry. If you have never had cause to do so I suggest that you take an early opportunity to look up the Parish Resources section of the Church of Ireland website – you will not fail to be impressed at the extent of information there to assist those in positions of responsibility within parishes.

2020

It would be strange to finish without making some reference to 2020 and the impact of the pandemic on the activities of the RB.

Like all other bodies the working environment changed radically for the RB staff this year – with working from home becoming the norm early in the year and continuing to be the case.

After experimenting with a couple of platforms ZOOM became the normal vehicle for all Committees to meet and do business.

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Like many others, we miss the personal interaction that is possible when meetings take place physically – and it is undoubtedly more difficult to deal with some business where the finer points of a discussion can be more fully developed when everyone is in a room together, but nonetheless most business of Church House has continued, largely uninterrupted, and services have continued to be developed and delivered.

STAFF

Before closing my remarks it has been my custom to note the contribution and commitment of all RB staff in delivering the range of services that they provide, and to thank them for that commitment and the friendly and professional manner in which work is delivered. Given what I have just said about continued delivery of services throughout the pandemic and the totally changed methods of working....home working, more online activity, ZOOM meetings....it is even more important than usual to acknowledge the commitment, input and support of staff in enabling the delivery of the range of services that the RB provides. We are indeed grateful to them for all they contribute.

Like everyone I hope that we will see a return in 2021 to ways of working that resemble what we were once used to – though I acknowledge that there are likely to be some permanent differences when we resume “normal activity”.

CLOSE

And finally, may I say personally, that whilst I find the prospect of making this presentation a little daunting, I would much prefer to be standing in front of a full hall at General Synod than talking to a screen. Please God I will be able to do so in 2021 and may we all be able to meet in person.

Archbishop, members of Synod, I am pleased to commend to you the Report of the Representative Body for 2019.