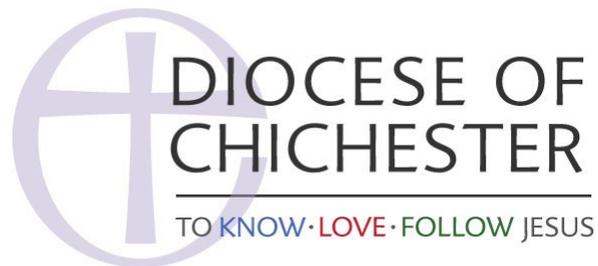




SUPPORTING PAPERS

**DIOCESAN SYNOD
ON 7th NOVEMBER 2020**



**SUPPORTING PAPERS FOR DIOCESAN SYNOD
ON 7TH NOVEMBER 2020**

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MEETING OF THE DIOCESAN SYNOD

AGENDA ITEM 3. REPORT FROM GENERAL SYNOD – SEPTEMBER 2020

The July group of Sessions was cancelled for obvious reasons but we were able as a Synod to meet via Zoom to have a question and answer session. Inevitably the Archbishop of Canterbury faced a barrage of questions about the locking of Churches and the banning of services.

As a Synod we could not transact business remotely unless legislation had been passed to allow us to do so. Parliament did not have the time to do this on our behalf so a Synod was set up in September in London to do this! Those attending this special session of Synod (a quorate of each house – 20%) debated the measure to allow Remote Meetings under temporary Standing Orders. The measure had to undergo revision on the floor of Synod. One of the amendments would permit the Synod to deal with Article 7 business at a remote meeting. This was lost as many believed that any matters relating to the Sacraments of the Church should not be dealt with remotely.

The final measure was passed by the Synod later that afternoon. During the debate there were various views expressed about remote meetings and whilst it was recognised that this had to happen at this time it was also noted that much of the debating happens in the coffee room and small informal meetings. The officers of the Synod had set up various zoom meetings with the different houses beforehand so that there could be as fair a contribution as possible. Tributes were paid to them and to the staff of Synod for enabling such meetings to happen. The measure now goes to the legislative committee and then to the Ecclesiastical Committee of Parliament before receiving Royal Consent.

Mary Nagel

AGENDA ITEM 4. REPORT ON THE BISHOP'S COUNCIL

Since the last report in May the Bishop's Council has met twice, in July and October.

In July, Council received the annual safeguarding report and was assured by the Chair of the Safeguarding Advisory Panel that recruitment and training were on track and that the safeguarding team had been able to respond to reports and concerns in spite of the pandemic, but that some C2 leadership training had been delayed and a backlog was building up. An online version of C2 training was about to be trialled and would be available later in the summer. The safeguarding team would also run domestic abuse related training in the future.

The Finance Director presented the draft budget for 2021 showing a deficit of £0.87m. This draft would be used to calculate PMC costs which would increase by 0.3% over 2020. He also presented a paper setting out a five year outlook which would be presented across the Diocese together with video commentary on excellent work being done in parishes.

The Diocesan Secretary discussed future planning that was under way and that a strategic plan for clergy deployment would be refined to take into account the impact of Covid-19 before being presented to deaneries and parishes.

The DBF Chair warned Council that Covid-19 would make long range forecasting and budgeting for 2021 very difficult and proposed that the draft budget be revisited at the October meeting.

Council was updated by the Archdeacon of Lewes and Brighton about a Strategic Development Funding proposal for an exciting new project between the Diocese and the Company of Mission Priests in Brighton and Hove. This was welcomed and approved unanimously.

A business plan for the acquisition of the Queen's Square building in Crawley was noted and the transfer of funding previously awarded by the SIB for a church plant to this project was also approved.

The Diocese's risk register was reviewed, especially in the light of the pandemic's impact on operations and activities.

At its October meeting Council received the annual church buildings report. The incoming DAC Chair was welcomed and told Council that the committee was working well in current conditions although site visits, paperwork and physical oversight of plans were at times challenging. He assured us that the needs of parishes in furthering their mission and outreach would remain at the heart of the DAC's work.

The DAC Secretary felt that the financial impact of the pandemic would be felt more fully by parishes next year and that it remained important for parishes to secure the support of the broader local community for their care of church buildings. She outlined a few

developments that should make the faculty process more effective for both DAC and parishes.

The DBF Chair advised Council that the 2021 budget would remain under review but was now beginning to be presented to deaneries with requests for parish share commitments for next year. There was already some evidence that parishes had dug into reserves during 2020 and would find parish share challenging next year.

She also presented a paper to Council on the Diocese's ethical investment policy which had recently been discussed at a special meeting of the Assets Committee. The Committee proposed that we now align ourselves more fully with the national church policy on fossil fuels, specifically not to divest immediately from fossil fuel companies, but to ensure that our investment managers take an active role with management teams of those companies, monitoring their progress over time. In 2023 we will divest from any fossil fuel company that our investment managers report back as being not prepared to align themselves with the Paris Agreement. This change to our investment policy was unanimously agreed.

The Finance Director informed us that the 2021 budget now showed a reduced deficit of £0.6m and that central church funding for extra curates had been found.

The five year forecast was then discussed. The Finance Director felt it may still be optimistic and should be treated with caution at this stage, but that it was a work in progress.

Council were updated on the Strategic Development Funding bid, now submitted.

It was agreed reluctantly that November Diocesan Synod should again be held via Zoom.

Council was updated on safeguarding and heard that C2 online training was receiving mixed feedback across the national church and that a meeting with the national safeguarding team had been convened in early November to see how this could be improved. C4 training for senior staff was not yet available from the national safeguarding team. PCR2 (Past Cases Review 2) is ongoing across the Diocese and parishes are being encouraged to respond speedily.

The risk register was discussed and would be subject to in-depth review by a smaller group early in the new year.

John Booth
Chair, House of Laity

**MEETING OF THE CHICHESTER DIOCESAN FUND AND BOARD OF FINANCE
(INCORPORATED)**

AGENDA ITEM 2. UPDATE ON THE DBF'S APPROACH TO ETHICAL INVESTMENT

Introduction and purpose

To update Synod on an amendment to the current Investment Policy (copy attached) to highlight an ethical policy in relation to climate change.

Background

There is increasing interest in the Diocese's policies in relation to climate change and in particular its investment in fossil fuel companies. The existing investment policy did not make specific reference to this matter although it did state that the CDBF endorses the Church of England Ethical Investment Policy, which does have a clearly stated policy in this area.

Following a request made by the Assets Committee, a meeting has recently been held to discuss this matter involving representatives of CDBF and also the National Church and our Investment Managers.

Amendment

The Bishop's Council therefore agreed that the following paragraph be added to the Ethics section of the investment policy:

The Diocese will align its investment portfolio with the objectives of the Paris Agreement on Climate Change. Investment managers acting on behalf of the Diocese are instructed to encourage the transition to a lower carbon economy through active ownership (engagement and voting), monitoring and reducing the carbon footprint of the investment portfolio, and where appropriate investing in solutions (for example renewable energy, infrastructure and land). The screening policy currently also excludes investing investment in coal and tar sands.

In line with the Church of England Policy, by 2023 the Diocese will divest from fossil fuel companies that the investment managers have assessed as not prepared to align with the goals of the Paris Agreement.

**Lesley Lynn
Chair, Finance Committee**

INVESTMENT POLICY STATEMENT

Charity Registration No. 243134

Status

The Chichester Diocesan Fund and Board of Finance Incorporated (the CDBF) is established to manage the financial affairs of the Diocese and hold its assets.

Responsibility for the management of the Diocesan assets is delegated (through the Finance Committee) to the Assets Committee which oversees investment policy, monitors performance and reviews strategy with its advisors.

The CDBF is subject to the Charities Acts, the Trustee Investment Act 2000 and Measures passed by the General Synod of the Church of England.

Reserves

The CDBF maintains unrestricted funds sufficient to meet up to two months expenditure. Investments represent the Diocesan strategic reserves and are held principally to contribute income to the Diocesan budget.

Investment powers

There are no restrictions on the CDBF's power to invest subject only to the Acts and Measures set out above plus Charity Commission guidance CC14 and the ethical policy referred to below. Specific Trustee permission is required for investments in Private Equity, Hedge Funds, Commodities or Derivatives.

Ethics

The CDBF endorses the Church of England Ethical Investment Policy and requires its investment managers to apply an ethical screen to the portfolio which precludes direct investment in companies which have more than 10% of their turnover in armaments, pornography or tobacco.

The Diocese will align its investment portfolio with the objectives of the Paris Agreement on Climate Change. Investment managers acting on behalf of the Diocese are instructed to encourage the transition to a lower carbon economy through active ownership (engagement and voting), monitoring and reducing the carbon footprint of the investment portfolio, and where appropriate investing in solutions (for example renewable energy, infrastructure and land). The screening policy currently also excludes investing investment in coal and tar sands.

In line with the Church of England Policy, by 2023 the Diocese will divest from fossil fuel companies that the investment managers have assessed as not prepared to align with the goals of the Paris Agreement.

Investment objectives

To maintain and enhance the real value of the Fund over the medium and long term, whilst producing an annual income which grows at least in line with inflation and having due regard to the need for liquidity.

Risk profile

Medium high with a commensurate level of volatility in capital value being acceptable. The permitted asset classes are detailed under Investment Powers. The base currency of the portfolio is sterling and direct exposure to other currencies should normally be hedged. The minimum acceptable credit rating for bond issuing or deposit taking institutions is BB.

Investment brief

The portfolio will be split among a number of investment managers who may each have a different brief in order to achieve diversification and spread risk.

Each manager will operate on a discretionary basis with a normal weighting in favour of equities.

Managers may be appointed to perform principally to an Income target (while maintaining capital value) or a Total Return basis. It is expected that funds will be fully invested. Benchmarks will be agreed with each Investment Manager.

Review

This policy was agreed by the Finance Committee on 1 October 2020 and will be reviewed every three years.