

The United Reformed Church
Minutes of Assembly Executive meeting
held via Zoom
Tuesday 28 November 2023

Monday 28 November

The Moderator, the Revd Dr Tessa Henry-Robinson, was in the Chair.

The meeting opened at 19:00 with worship led by the Chaplains, the Revd Stephen Anda-Addo and Miss Karen Campbell.

En Bloc

Human Resources policy of the body which

Paper G1 2024 M&M Budget Finance Committee

The Treasurer, Mr Alan Yates, began by offering an apology that the paper did not report the fact that neither the Finance Committee nor the URC Trust meeting considered the stipend rise recommended by Ministry's Maintenance of the Ministry sub-committee when making their stipend decisions. Unfortunately, the sequencing of meetings meant that the MoM sub-committee had actually met after crucial meetings between the Finance Committee and the Trust. He assured Assembly Executive that steps were being taken to ensure that more joined up working would take place between Finance, the URC Trust and MoM sub-committees in future, and outlined the procedure for the setting of stipends and salaries.

The Treasurer explained that in budget meetings with committees and Church House staff, budget holders were asked to base their requests on actual needs rather than a percentage change on existing operations. The outcome predicts a deficit of almost £1.5m. There are good reasons for treating the pandemic years as extraordinary, but the 2024 projections are based on the new normal for the Church (eg rising costs, declining giving, and more church closures). The URC's reserves can cover the deficit for 2024, but it cannot be maintained in the long-term.

Resolution G1 was put:

Assembly Executive adopts the M&M budget for 2024, as set out in the appendix to Paper G1 for the November Assembly Executive.

Assembly Executive agreed unanimously.

The Treasurer presented paper G2, along with the draft resolution:

Assembly Executive instructs the Finance Committee to begin work and consultations to manage the budget deficits from 2025 onwards in line with the agreed option:

1. Reduce the deficit quickly (two to three years); or
 2. Reduce the deficit slowly (>ten years); or
 3. Maintain the deficit at today's levels; or 4. Increase the deficit (spend to grow).
- And to report back to Assembly Executive or General Assembly as soon as possible.

The Treasurer explained that since the pandemic, the URC budget has been operating at a significant deficit. On our present trajectory, that deficit is expected to keep increasing by at least 10% a year. The URC Trust cannot fund this deficit indefinitely, so significant changes must be made to eliminate the deficit. The Finance Committee noted that there were three levers available to reduce the budget:

- Reduce spending on Assembly Committees and Church House by 20%
- Increase M&M giving by 8-9%
- Regular grants from Synods.

Mr Yates thanked local churches for the fact that M&M giving had fallen by less than the fall in membership, but said they could hardly be expected to find this extra money amid all the other challenges they face.

A number of Synod representatives indicated that, in principle, they would be willing to explore possibilities for giving grants and/or using Synod funds to maintain M&M giving at current levels.

Mr Yates responded to a number of questions, and the following points were clarified:

- There is nothing precise about the timescales indicated in options 1 and 2. They are merely to indicate 'quickly' and 'slowly'.
- Reducing the deficit does not necessarily imply a blanket reduction across all departments.
- Paper G2 addresses only the M&M budget, without reference to the Church Life Review or synod resource-sharing. Synods remain responsible for their own funds, and retain their liberty to finance local or regional initiatives.

The General Secretary noted that the Church Life Review should come to General Assembly 2025, and the process of implementation would begin thereafter. This will take time. Decisions about the M&M budget need to be taken now.

A fifth option was added, at the suggestion of the Revd Steve Faber:

Option 5: Reduce the deficit medium term (5-7 years).

An informal indication of the mood of the meeting was taken using the Zoom polling feature:

Option 1 - 7%, Option 2 - 17%, Option 3 - 0%, Option 4 - 27%, Option 5 - 49%

The General Secretary reminded the meeting that it is the M&M Budget that is under discussion, not the finances of the whole URC including Synods.

At the request of the Clerk, the Legal Adviser clarified that the URC Trust is the Trustee of the church's general funds and is responsible for their appropriate management. There will be a conflict if they are asked to deplete the funds in a way that prevents them from furthering the charitable purposes of the church.

A number of members expressed the view that any budget cut might hasten decline, and that a policy of investing in