

General Synod 2022

Representative Body Report

Speaker: Mr Henry Algeo

Check Against Delivery · Embargo Until Delivery

Your Grace,

Thank you for inviting me to present the report of the Representative Body for the year to 31st December 2021.

Before launching into the substance of my report, may I first of all pay tribute to my predecessor in the role of Chairman of the Executive Committee, Mr Henry Saville. His five-year term of office covered a period of some significant challenges, not least that of coping with the difficulties of leading an organisation in a time of a global pandemic. Mr Saville has always maintained a positive outlook and his detailed knowledge of the Church organisation has ensured that, as life returns to something approaching normal, nothing has been omitted in sustaining the activities of Church House, Belfast and Dublin, and our Library and Archives, in supporting the work of the Church. Mr Saville, a sincere thanks to you on behalf of us all.

Covid Support

Support during the pandemic has been needed in a number of areas. First, and as mentioned at Synod in October last, the Church House staff have been extremely co-operative, flexible in their approach and innovative in ensuring that what needed to be done got done. Whether working from home or in the office the regular activities were dealt with by our staff with their usual efficiency: no project was delayed or postponed because of Covid and a number of significant developments were advanced as in normal times. I take this opportunity to say thank you to all our staff for their commitment and their efforts during 2021.

Financial support for Cathedrals, Dioceses and Parishes has been arranged during the year. In 2020 the first Covid loans for Cathedrals were provided and this scheme was extended into 2021 with further loans. The total value of approved loans over the two years was €2.5m. The Diocesan Deferral Scheme which allowed for the deferral of €1m of diocesan assessments was extended. Finally, a grant was paid through Dioceses to all parishes as acknowledgement of the difficulties encountered across the Island as a result of restricted congregations. This last item which was paid earlier this year (2022) and totalled €800,000.

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Investments

Our ability to provide these supports is thanks to the success of our investment portfolio and to our investment committee, chaired by Mr Kevin Bowers, and supported by our investment staff. During 2021 our central investment fund increased in value by 21% to €239m a figure not seen since 2006. Our total return budget mechanism determines the maximum sustainable withdrawal from General Funds, essentially our budget, and thanks to the continued growth of General Funds has allowed us to continue to increase our expenditure incrementally over the past few years.

Financial Outcome for 2021

The RB investments provided us with an income last year of €6.3 million. Expenditure was affected on both sides by the reaction to the Covid pandemic. On the one hand expenditure was reduced by the need not to meet in person for many committees but rather by Zoom. General Synod did not take place in person either and this also resulted in further savings. On the other hand, grants to parishes to some degree balanced things out. There was a significant surplus from the sale of a property and in the final analysis the surplus on the income and expenditure account was €150,000. The breakdown of expenditure is illustrated on the slide shown. Comparing 2020 with 2021 illustrates little variation in most expenditure categories between the two years. I would like to thank Canon Graham Richards for so ably chairing the Allocations Committee which ensured that the funds of the RB are allocated effectively.

Investment Outsourcing

During 2021 the outsourcing of our investment management was more or less completed. The various funds which we administer have had managers appointed depending on each fund's investment objectives.

Whilst the General Fund is managed on a total return basis, the two unit trusts are required to have a reasonable dividend flow to meet the needs of the parishes and trusts for whom they are invested. This requires a different approach. The Clergy Pension Fund requires yet another approach as it has an asset allocation quite distinct from that of the other three funds. For each of these funds the investment managers have signed up to the Environmental Social and Governance policy which is set by the Representative Body. On that subject I can report that we now hold no direct investments in fossil fuels and our remaining indirect investment, which accounts for 1.3% of our total investments is on a divestment program which will complete by the end of 2022.

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Pensions

As part of the process of outsourcing investment management it was necessary to re-define the investment objective of each fund. This was essential before external fund managers could be selected. For the Clergy Pensions Fund, the trustee reviewed and redrafted the SIPP, the Statement of Investment Policy Principles. During the year, the actuary completed his triennial actuarial valuation and I am pleased to report that the scheme is on-track to exit the Funding Proposal agreed with the Pensions Authority on schedule at the end of December 2023.

The RB as scheme sponsor is keen to maximise the fund return by maintaining the current asset allocation between growth and de-risked investments and the Executive Committee is working with the trustee to provide a contingent asset which would allow the trustee to maintain this higher growth/higher risk portfolio with a view to maximising the pensions in payment. The exercise is near to completion and will set the outlook for pensions from this scheme for the next decade.

Pensions Board

I would like to acknowledge and thank Lady Shiel for her long service as Chair of the Church of Ireland Pensions Board, and I would also like to welcome Judy Peters as incoming Chair. The Pensions Board provides an essential interface between individual members of the scheme and its administration. In addition to the duties delegated by the Clergy Pensions trustee to the Pensions Board the Board also provides a valuable role of recommending the payment of grants to clergy.

Projects

I have already mentioned the Investment Management Outsourcing project. I also referred to the flexible working policy which was put together during Covid lockdown and is coming into operation this month. This policy will be reviewed to see how effective it is at the end of one year.

Also, during the year the Stipends Committee under the chairmanship of Mike Johnston reviewed the 1989 Clergy Remuneration and Benefits Report (the CRAB report). Following this review a new Dignity in Church Life policy addressing clergy parental leave is being developed. In addition, the Clergy Pensions Trustee and Executive Committee identified the need for enhanced protection for ill clergy. These policies, currently under development, should be in operation in the autumn.

The Bishop of Meath and Kildare has been leading the CoI MindMatters project focusing on issues of mental health. There is a growing awareness that life's stresses for our parishioners and also for clergy and their families can create mental health issues which need to be identified early and dealt with.

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This project is the subject of a presentation later today. Suffice to say that the team managing this project have approached it in an extremely professional manner. It is to run over three years and the practices developed to identify and deal with these issues will then become embedded in business as usual for the Church in future.

Another significant project in its infancy is the Pioneer Ministries proposal of which we will hear more of a little later on.

Library and Archives

Despite Covid restrictions the Library received parish and diocesan records for indexing and storage. The Library continues to support students of the Theological Institute as well as members of the public seeking genealogical information. Clearly Covid has curtailed some of the outreach activities which the Library and Archives routinely offer. However, as normality returns it is hoped to once again shine a light on what services we can offer to a wider audience.

Property and Trusts

The Property Committee has been busy as usual, seemingly unaffected by the Covid pandemic. The Chair of this committee, Mr Keith Roberts, has travelled extensively across the island assisting parishes and dioceses in resolving a range of property matters. Amongst other projects and activities the committee has secured a suitable bishop's residence in the northern part of the new Diocese of Tuam, Limerick and Killaloe.

In conclusion

I would like to take this opportunity to thank the members of the committees of the RB who have given generously of their time and expertise during the year, also to the Chairs who report on committee decisions and to the staff of the RB for supporting our committees.

Your Grace – I commend the report of the Representative Body to the members of Synod.