

**Formation for ministry
within a learning church**

**Alternative Sources
of Funding**

GS 1541A

Church House Publishing
Church House
Great Smith Street
London SW1P 3NZ

ISBN 0 7151 2630 X

GS 1541A

Published 2004 for the Ministry Division of the Archbishops' Council by Church House Publishing

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Table of Contents

Foreword	v
Section 1: Introduction	1
Section 2: Executive Summary	2
Section 3: Biblical and Theological Review	5
Section 4: The Present System of Ordinand Finance	7
Section 5: Results of Consultations	9
Section 6: Employment Patterns and their Implications	12
Section 7: Alternative Sources of Funding	14
Section 8: Areas for Further Investigation	29
Section 9: Conclusions	31

Appendices

A. Summary of Recommendations	33
B. Membership and Terms of Reference	38
C. Evidence Received	39
D. Results of questionnaire as at 29th March 2004	40

Foreword

In November 2003 the General Synod debated *Formation for Ministry within a Learning Church* GS 1496 ('The Hind Report'). The Synod passed an amendment which asked for further work to be undertaken to ascertain, in particular, whether alternative sources of funding could be found for the support of married ordination candidates. This report is the response to that amendment as well as some other matters raised by the Synod.

The task group met on four occasions. In addition an immense amount of work has been undertaken between meetings. A questionnaire was drawn up and circulated amongst interested parties, visits have been made to a number of theological colleges, and evidence and expert advice obtained from a number of sources.

The group presents some 31 recommendations to the Church. A number of these concern the overall vision of the Church for the place of residential theological training and the principles which the group has used in developing its recommendations. It is essential that the Church articulates a clear vision for its theological training and then, subsequently, sets out with clarity the methods available for funding the vision.

In less than four months it would not be possible to develop a comprehensive set of proposals fully worked out, subjected to wide consultation and gaining united support from all parties. We have not sought to do this. Rather we present the recommendations in the spirit of the request made by the General Synod to investigate alternatives to the possible reduction of 75 places in the number of married candidates able to train residentially. We present a number of credible alternatives which may be taken either in their entirety or else in part in order to provide a coherent alternative package. On any one particular option there would be a range of opinion within our group; presented as alternatives for consideration the recommendations come with the unanimous support of the group. We believe, however, that the three core proposals in this report represent a better and preferred way forward than that proposed in the Hind report.

I am immensely grateful for the support, work and dedication, often on short timescales to the group's members, who are noted in Appendix A. I also wish to thank the Director and staff of the Ministry Division for their commitment to this task. In particular, the secretary to the group, the Revd Chris Terry, was only appointed to his post as Finance and Administrative Secretary to the Ministry Division from January 1 and immediately launched into this intensive exercise. He has not only been cheerful throughout, but brought his own skills and insights to the task in hand and supported me as the Chair of the group for which I am indeed most grateful.

I commend this report for consideration.

Revd Dr Richard Turnbull

Chair, Alternative Sources of Funding Task Group

April 2004

Section 1

Introduction

- 1.1 The report *Formation for Ministry within a Learning Church* GS1496 (The Hind Report) was debated by the General Synod in November 2003. Among the recommendations which were agreed by the Synod was the following amended proposal, that:
 - a) "savings initially in the region of £1,000,000 should be made within Vote 1 by a reduction in the number of people requiring family support who train on a full-time basis and that this saving be used to fund additional costs of CME 1-4, being £700,000 for accredited training and £300,000 for residence or equivalent training;
 - b) but asks the Archbishops' Council to do further research into secular employment and retirement trends, before reducing any residential theological training places;
 - c) and that alternative sources of funding of family support be explored, with the aim of seeking a less drastic reduction of residential places than the 75 specified in the proposal 10(ii) as it appears in the report;
 - d) subject to the figures and the means by which they are arrived at being re-examined after the geographical boundaries of the regional training partnerships have been agreed."
- 1.2 The Synod requested that a report on the revised proposals be brought to the July 2004 group of sessions.
- 1.3 Following the debate in Synod the Ministry Division on behalf of the Archbishops' Council set up a small working party to examine the issues that were raised.
- 1.4 The Working Party met on four occasions and undertook a consultation with present ordinands, curates in their first years of training, Diocesan Directors or Ordinands and College Principals. The Group's Chair also visited four theological colleges for in depth discussions of issues that the proposals raised.
- 1.5 In addition staff members have carried out research into working trends and working and child tax credit provisions.

Section 2

Executive Summary

- 2.1 The group determined that crucial to its work is the articulation of the Church's vision for college-type residential theological training (hereafter referred to as residential training). Questions of finance and funding were, of course, essential to the delivery of the vision, but the Church needed to be clear what its purposes and intent was with regard to residential training for married candidates, so that a proper assessment could be made of funding alternatives.
- 2.2 The group was clear that the Church needed to affirm the principle of full-time residential training as a significant part of its training programme for ordination candidates regardless of the marital status of the ordinand. Similarly, if part of the vision for the Church was to be the encouragement of younger candidates, the Church needed to understand that many such candidates would have young families. Long-term investment in the future ministry would suggest that many in this position would benefit most from residential theological training.
- 2.3 Hence, a key finding is that the loss of 75 residential places for married ordinands requiring family support would be a great loss to the Church of God. Indeed, the group noted the significance of that reduction in that it represented approximately 40% of married candidates in training in need of family support.
- 2.4 The group was also clear that it might need to report that it was unable to find credible alternatives to the original proposal and that it would not shy away from doing so if that were necessary.
- 2.5 The group noted from the evidence gathered that many ordinands made considerable sacrifices during their training for the ordained ministry of the church. Some already made extensive contributions to the cost of their training, either through spouses' earnings or other means. Notwithstanding any possible changes to funding methods the group was unanimous in affirming its grateful thanks to the ordinands of the Church of England who sacrifice so much for the sacred ministry.
- 2.6 Alternative sources of funding cannot be considered in a vacuum. Inherited methods of funding cannot be assumed to be more theologically or biblically coherent than alternatives. Equally, a change in funding methodology needs itself to be tested against a theological understanding of Church and ministry. It is not possible in a report of this length to undertake or commission detailed and extensive theological reflection. However, in order to set a theological framework for the recommendations that follow an overview of biblical and theological material has been prepared.
- 2.7 The group was determined to present financial estimates in a responsible and conservative fashion such that serious and timed estimates of savings from alternative methods were clearly stated and with a mechanism for review.

- 2.8 The group does not believe that it is possible within the constraints of the time available to it to present one single blueprint as a straightforward alternative to the original proposal. Rather the group has developed a series of proposals and recommendations which it believes are serious options to meet the requirement for alternative methods of funding for ordination training. We present these options in the form of recommendations so that various aspects can, if necessary, be tested against the mind of the General Synod as to whether there is support for taking a particular proposal forward.
- 2.9 Taken together the range of proposals in this report would lead to savings in excess of £1m per annum. Indeed some of these proposals open up the possibility of more extensive sources of funding, although in ascertaining the actual saving likely we have adopted a conservative financial stance. It would be possible for some aspects of these proposals to be adopted, and not others, or for some proposals to be pursued in amended form, which could contribute in the region of £1m per annum. When the mind of the Church is clear on the range of options we present we do suggest that an overview is taken to ensure that what is finally agreed is a coherent set of proposals. There is always some danger in an exercise of this nature of a piecemeal approach.
- 2.10 The group adopted a number of principles which helped determine the outcome of its work. These principles included the equal treatment of all ordinands in any possible system of alternative funding, the provision of a clear statement of cost of training and grants available from the Vote 1 budget for each ordinand, reviewing the workings of any proposed alternative system, the freedom of Bishops to place and receive ordinands and the involvement of the candidate in the decision as to which college or course is the most appropriate for training.
- 2.11 The group puts forward options as recommendations in a number of key areas: *self-contribution, a partnership scheme, tax credits, training parishes, administration and other matters.*
- 2.12 It recommends that each ordinand be asked to make an additional personal contribution of £500 per annum in excess of any contributions required under the present system with a provision that the sponsoring Bishop could support an application for this to be waived in cases of genuine hardship. It is anticipated that this would raise **£500,000** per annum.
- 2.13 It recommends that colleges and courses should establish partnership schemes with parishes to engender interest, prayer and support for the work of theological training institutions. These partnership parishes should be encouraged to contribute financially to the colleges and course to enable them to award bursaries to candidates. It is anticipated that **£200,000** could be raised each year.
- 2.14 It is recommended that with the support of the Archbishops this partnership scheme could be commended to all of the parishes of the Church of England, perhaps bringing some into contact with theological education for the first time. This could be instrumental in the further fostering of vocations and could increase significantly the amount of money that could be raised through such a scheme.
- 2.15 It notes that the Church has saved £233,000 in the cost of the support for married candidates in 2003/04 from the introduction of the child tax credit provisions from

Alternative Sources of Funding

April 2003. In a full year, with increased take up, it is anticipated that a total of **£300,000** would be available to reduce the cost of providing for the maintenance of families during residential training. This provision was not accounted for in the financial calculations of the original report. The group believes that savings from this source should be retained within theological education and set against the need to find an additional £1m.

- 2.16 It recommends that Training parishes (which we define as those parishes to which assistant curates are licensed for their first four years of training) should be expected to contribute towards the cost of the post-ordination phase of initial ministerial education (CME 1-4), at an agreed rate, unless they are already members of a partnership scheme. In the interests of financial conservatism no additional amount has been calculated in this regard.
- 2.17 The report identifies that additional sums could be available to the Church from the Higher Education Funding Council for England. It recommends that the Finance Panel of the Ministry Division should be encouraged to assist the Regional Training Partnerships to develop the appropriate expertise in applying to Higher Education Institutions for such funding. No estimate of the funding that might come from this source is included.
- 2.18 Further work is necessary to determine the funding needs for research and CME 1-4 in order to ascertain whether savings might be possible in these areas. However, the group considers these possibilities to be secondary to the main proposals.
- 2.19 In making these options and recommendations available the group has been conscious of the need to both protect and encourage parishes and candidates who might not be able to make any move towards actively supporting and providing additional funds. This might affect inner urban parishes, younger ordinands and ordinands from non-professional backgrounds in particular. We believe that with the notion of a partnership scheme (rather than a required contribution from parishes) and flexibility in respect of additional personal contributions these concerns can be met.

Section 3

Biblical and Theological Review

- 3.1 In order to be able to give a proper assessment to the range of possible recommendations of this report we need to establish and develop a theological framework which undergirds our understanding of church and ministry.
- 3.2 The Bible contains a number of pictures of the Church. Prominent amongst these pictures are those of the people of God (e.g. 2 Peter 2:1-12), the body of Christ (e.g. Ephesians 4:1-16), the bride of Christ (e.g. Ephesians 3:22-33, Revelation 21) and the vine and the branches (John 15). Other passages deal with the idea of the Church as the temple for the indwelling Holy Spirit, the family of God and even the military metaphor of the army of God.
- 3.3 We have noted these biblical pictures because they are the crucial building blocks of a doctrine of the church; and the doctrine of the church has critical implications for understanding the ministry and the nature of the ministry. Indeed as the Hind report itself commented, “no talk about the ministry can be authentic unless it is set first in the context of the Church of which the ordained ministry is a part and second in the much more fundamental context of God’s purposes for creation” (p29). Theologically, the classic marks of the Church have been seen as oneness, holiness, catholicity and apostolicity.
- 3.4 In this context the 1997 House of Bishops report, *Eucharistic Presidency*, noted that “the Church is first and foremost the people of God” (p13). The Hind report gave emphasis to the interdependency and mutual belonging that was inherent in the New Testament pictures of Church. Hence that report states, “That the clergy belong to the Church and are not apart from the rest of its members” (p27).
- 3.5 It is thus essential for our purposes to understand the Church as the whole people of God, clergy and lay, Bishops and people, those whose focus is on parish, sector, diocese, college or other institution. The Church has, of course, over the centuries developed an institutional structure but this must not be confused with the more essential images of the Church. Consequently, we must not associate the marks of the Church simply with institutional expressions of Church, but rather as possessions of the whole church. Partnership within and between the institutions of church is thus a key theme reflected in the recommendations of this report.
- 3.6 Church and ministry belong together. The New Testament deals with a variety of patterns of ministry reflecting the variety of conditions which faced Jesus' apostles and indeed his subsequent followers. The key understanding of ministry in the New Testament is the ministry of the whole people of God who, we have already

seen, from the Church. Hence the various lists of gifts and the understanding of the people of God as a royal priesthood (1 Peter 2:9).

- 3.7 Nevertheless any faithful reading of the New Testament also notes that there have always been specific roles for groups called out from the whole people of God in terms of leadership, apostolic responsibility and teaching. We also see a progression in the terms and nature of this ministry. Hence in the gospels we see the calling of the twelve apostles (e.g. Matthew 4:18-22) and the sending out of disciples on an itinerant ministry with little or no material support (Luke 10:1ff) both reflecting a sacrificial offering of the self. This sacrificial offering for the privilege of ministry is also seen in some of Paul's writings. For example in 1 Cor 9 we see Paul sacrificing his apostolic rights to support for the sake of the gospel. Indeed we see this illustrated by Paul himself who supported himself in his ministry through his skill at tent-making (Acts 18:3). However, we also see in the Pauline corpus, especially the Pastoral Epistles, the development of a more settled ministry, for which specific qualities are laid down (1 Timothy 3) and for which specific and generous financial provision is made (1 Timothy 5:17).
- 3.8 Some of the financial issues debated in this report are related to the balance to be achieved in funding and finance between the itinerant, sacrificial, tent-making ministry of 1 Corinthians and the settled, supported, perhaps even institutional ministry of the Pastoral Epistles. The changing nature of ministry in the bible is at least a reminder to us that there is indeed a balance to be achieved and we should not press one model to the exclusion of the other.
- 3.9 Some of the implications of this are reflected in the Hind report's own theological chapter. Hence the ordained ministry, and the Church of England's reception of such ministry in terms of the three-fold ordering of Bishops, Priests and Deacons, is seen as a single ministry. However such oneness and catholicity is not seen as inconsistent with the recognition for changing patterns of church and ministry to reflect a changing world.
- 3.10 What conclusions can we draw for our work? We can draw something about the unity of the ministry as an expression of the unity and oneness of the Church. The Bible does not teach uniformity of provision for its ministers. However, we should be cautious about any proposals which might divide the oneness and catholicity of the ordained ministry. Hence the proposals in this report are intended to be applied to all ordinands, as ministers-in-training, regardless of their marital status or intended designation as stipendiary or non-stipendiary. We can also draw something about the variety of methods by which provision for ministry was made in the New Testament; there was tent-making, sacrificial surrender of apostolic rights and institutional provision. We should not assume a priority to one inherited model in the light of such variety. We can also draw something about a willingness to change institutional structures to meet missionary needs, the need for changing patterns of ministry in a changing world and culture and an understanding of the relational nature of training.
- 3.11 None of this means that the proposals in this report carry any more weight than the alternatives of the existing provision or the changes proposed under Hind. However, to the extent that they can be seen to fit with the biblical and theological framework they should be considered as credible alternatives which the Church can faithfully consider.

Section 4

The Present System of Ordinand Finance

- 4.1 The cost of funding training, including the financial support for candidates and their families, is a joint responsibility of the Ministry Division and the dioceses concerned. The actual responsibility varies from diocese to diocese but at various stages in the process is likely to involve one or more of the DDO, the Diocesan Secretary and other diocesan officers.
- 4.2 Tuition fees for each college and course are set by the Finance Panel of the Ministry Division after a detailed budgeting process involving each college or course. The tuition fees are normally paid in full for each candidate, whether training residentially or non-residentially (we refer to course-type training as non-residential throughout for convenience).
- 4.3 The Ministry Division sets the level for a number of personal, central grants which each candidate receives according to a number of factors. These include a personal allowance of £1,155 per annum and additional allowances for vacations paid to candidates in residential training. A book grant of, presently, £207 per annum is made to those training on non-residential courses. Travel costs are also met centrally.
- 4.4 In respect of married candidates the Ministry Division issues guidelines on the amounts that candidates can expect to receive to support themselves and their families in training. These figures include the provision of the central grants referred to above together with guideline figures for family support depending upon the number of children involved and a range of other factors. In addition amounts are paid for ordinands housing up to a preset figure which varies according to location. The updated guideline figures for the 2003/2004 academic year are set out in the document, *The Support of Married Candidates*, published by the Ministry Division. This is available on the Ministry Division website (www.cofe-ministry.org.uk).
- 4.5 Partner's income and income from charities is disregarded below £1,795 and £370 respectively. Thereafter 75% of such income is expected to be available to meet family maintenance.
- 4.6 Child Tax Credit and Working Tax Credit, where received, are treated as "partner's income" and therefore subject to the same level of disregard.
- 4.7 Most ordinands are eligible for a grant from the *Church Times* TAP Fund or Archbishops' Discretionary Funds.

Alternative Sources of Funding

- 4.8 The net figure of support required after taking into account all of the above factors is paid by dioceses to the candidate for the support of their families during training.
- 4.9 Some Dioceses make additional grants to candidates over and above the levels recommended centrally.
- 4.10 The total annual amount to be expended under Vote 1 for the maintenance of candidates in training in 2005 is estimated to be £3,092,000
- 4.11 The cost of funding married candidates support falls proportionately on all dioceses due to the operation of a pooling mechanism. Once the full costs of support for a year are known, the costs are equalised across dioceses according to the formula used to apportion other national costs, to ensure that dioceses which sponsor a larger number of ordinands are not disadvantaged in having to bear a disproportionate share of the cost of supporting married candidates. A pooling arrangement for single candidates operates up to a limit of £1,000 per head. Pooling adjustments are made after a time lag of 2 years. We believe that this system may not be properly understood by all concerned in the dioceses and may inadvertently contribute to reluctance in some places to recommend married candidates for residential training.
- 4.12 With effect from September 2005 the cost of the funding of married ordination candidates will be paid nationally with the total amount being an addition to the Vote 1 budget. The effect of this will be cost neutral to dioceses but the neutrality will be more transparent to dioceses as they will no longer need to fund the cash flow with subsequent adjustments.

Section 5

Results of Consultations

5.1 The group consulted widely by means of a questionnaire sent to ordinands, curates in their first post, DDOs and College Principals. In addition the Chair of the task group visited four theological colleges (St. John's Nottingham, Oak Hill, Westcott House, Cranmer Hall, Durham) for discussions with a range of interested parties including Principals, Bursars, and married students and spouses.

5.2 A very wide range of opinion and views were expressed in these meetings. Significant common themes were as follows:-

- There was a significant commitment to the value of residential training in preparing people for ministerial life.
- Support was expressed for the idea of developing parish / college links
- Support for the concept of candidates providing some degree of self-funding which already occurs in a number of ways. However it has to be noted there was a significant proportion who considered that the church should be willing to pay for the training of those who would serve it.
- At some colleges, Oak Hill in particular, there are ordination candidates already funding a third-year of training.
- There was a view expressed that some parts of the church needed a change in culture to respond to these sort of challenges (this was commented on particularly by officers at the colleges visited)
- A concern that the significant sacrifice already made by candidates and their families was not overlooked.
- There was also a view expressed that the amounts paid to single candidates for their maintenance did not fully reflect the position that not all of today's single candidates come straight from University and have homes to go to in Vacation times.
- A view was expressed on a number of occasions that the quality and value of CME 1-4 needed to be improved if the reduction in the number of residential places for married candidates was to be justified.
- A view was also expressed that there was a need for clarity and consistency in the way that maintenance was provided for candidates particularly in the way that different dioceses interpret the guidelines and in the payments of grants.
- It was universally expressed that long-term low pay for the clergy made it significantly more difficult to expect contributions from ordinands towards training.

5.3 The answers to the questionnaire mirrored many of these comments

- Approximately 50% of both ordinands and curates in training felt that the system for financial support was not adequately explained to them as a part of the process for discernment and selection.
- Around 30% felt that there were specific requirements and constraints made upon them in terms of the financial support that was available.

Alternative Sources of Funding

- A significant proportion of the financial support that candidates received came from their spouse's employment, with the comment being made that the present 75% contribution is seen as a positive disincentive to spouses taking up work during training.
- The question regarding the claiming of state benefits revealed that some candidates had not taken up all the benefits to which they were entitled. Clearly there is a need to encourage all candidates to be aware that such claims can be made.
- There was support for the idea that candidates should make some personal financial contribution towards their training. However, a significant minority expressed opposition to this idea.
- There was support for the idea of a church wide appeal to create a fund for the support of married candidates in training.
- Candidates, curates and college principals were broadly in favour of the idea that sponsoring parishes might be invited to make a specific additional contribution to the cost of training. However, response from the DDOs was fairly consistently against such an idea with the view expressed that this might discourage the nurturing of vocations.
- Finally we asked if there was scope for training parishes to be asked to make a specific contribution to towards the cost of post-ordination training. The curates in training were supportive of this idea, and there was broad approval of the idea amongst candidates for ordination. However, the DDOs expressed themselves quite firmly against the concept particularly since it might affect the ability to place candidates in otherwise suitable training parishes.

- 5.4 The details of the questionnaire responses are included at Appendix D.
- 5.5 All groups were divided approximately 50/50 over whether ordinands should be asked for a personal contribution towards their training. We believe that this demonstrates something of a change of perception and culture within the church among those being called into ministry and those who train and support them.
- 5.6 Responding to the question of contributions from sponsoring parishes approximately 57% of ordinands and 66% of deacons supported this idea. In respect of contributions from parishes receiving a curate-in-training the figure for ordinands rose to 67% and for deacons to 94%. By contrast the percentage of DDOs supporting contributions in these two categories were approximately 30%.
- 5.7 The group makes proposals in section 7 for a partnership scheme which brings together funding from both sponsoring and training parishes.
- 5.8 The Association of Ordinands and Candidates for Ministry (AOCM) made a submission to us in which they supported strongly the place of residential training. The submission from AOCM also supported a degree of self-funding from own means, sending churches and churches receiving curates. We are grateful to AOCM for their openness to looking at alternative funding and consider that many of the proposals in this report take serious account of AOCM's suggestions.

- 5.9 The range of views expressed in the consultations was also, of course, reflected within the task group.
- 5.10 The group, however, does believe, reflecting upon its own work and upon the consultations which have taken place, that there is a clear willingness to consider some of the alternative funding options with which the group is concerned.

Section 6

Employment Patterns and their Implications

- 6.1 As part of our work we were requested to look at the recent government statistics on the changes to working patterns and retirement.
- 6.2 Recent Government statistics show that the age demographics of the working population are changing and will continue to do so over the coming years. The table below shows the proportion of labour force by age group over the last 20 years.

Age Group	1981 (per cent)	1991 (per cent)	2001 (per cent)
16-29	33.0	33.2	26.1
30-49	42.1	46.2	49.9
50-64	22.9	19.0	22.5
65+	2.0	1.6	1.5

- 6.3 The age of the economically active in the next few years will be affected by:-
- The pension able age of women being increased to 65 during the period 2010-2020
 - From 2006 legislation will outlaw compulsory retirement ages
 - Government plans to increase the minimum age for taking a pension from 50 to 55 by 2010
 - Pension age in the public service to be increased to 65 (for new entrants from 2006)
 - Overall labour market population ageing since the late 1980s – and this could accelerate if, as it appears, trends towards higher numbers of early retirements are reversed
- 6.4 The table below shows Government estimates of the percentage of the population that is economically active by age and sex, for 2001/02, 2010/11 and 2020/21 for those over 40.

Age Group	Men			Women		
	2001-02	2010-11	2020-21	2001-02	2010-11	2020-21
40-44	91%	89%	89%	79%	80%	80%
45-49	89%	88%	88%	80%	84%	85%
50-54	85%	84%	84%	73%	79%	80%
55-59	74%	71%	71%	56%	54%	67%
60-64	51%	49%	50%	25%	25%	40%
65-69	15%	13%	13%	9%	9%	13%
70+	4%	4%	4%	1%	1%	3%

6.5 With regard to the age profile of the stipendiary clergy:-

- In 2003 8.6% of those recommended for the open category Ordained Ministry (Stipendiary and Non-Stipendiary) were over 50 years of age
- In 2003/04 8% of those training residentially and 42% of those training on Courses were over 50
- In 2002 54% of full-time stipendiary clergy were over 50
- In 2002 3% of full-time stipendiary clergy were over 65

6.6 The Working party concluded that whilst the Government figures gave a useful “big picture” they did not provide sufficient evidence as to the likely effect on the number of candidates nor of their ability to fund their own training. It concluded that so far as the Church was concerned there was no hidden bounty.

Section 7

Alternative Sources of Funding

Introduction

- 7.1 The group has considered a wide range of alternative options for funding some or all of the cost of support for married ordinands and has reflected within its own membership a range of opinion. In some respects the group considered it rather strange that married ordinands were targeted in this way. Hence the group has tried to keep as broad a picture as possible in terms of the need to either find additional funding or reduced expenditure in the region of £1m per annum.
- 7.2 The group has been at work for just over three months. A substantial amount of work has been undertaken and considered during that time. However, clearly, within such a time scale it has not been possible to spend a great deal of time weighing every aspect of the matters before us or every angle to proposals and recommendations that we are making. Similarly, there has not been an extensive consultation process outside of those involved in theological education. The group fully appreciates that further work would be necessary on its recommendations in order to prepare some or all of them for implementation.

Vision

- 7.3 In terms of method the group was clear that it was a matter of considerable importance that the recommendations of the group, even narrowly focussed within its terms of reference, needed to be set in the context of vision. Hence the first four recommendations of the group are concerned with inviting the Church to affirm aspects of its vision for theological training which affect the work of this particular group.
- 7.4 The group was united in affirming the value of residential training for ordination candidates, alongside the use of non-residential courses; in effect we affirm the principal of a mixed economy. However, we were concerned that the current proposals in the Hind Report in respect of married ordinands would have two implications: (a) that ordinands might be treated differently in respect of their training needs on the basis of their marital status or family circumstances and (b) that the place of residential training within the current mixed economy would be significantly reduced.

Recommendation 1

- 7.5 **We recommend that the value of full-time residential theological training be affirmed and commended regardless of the marital status of the ordinand.**

- 7.6 The age profile of ordinands is a significant matter which has already been noted. It may indeed be the case that older ordinands may be more likely to train non-residentially. It is certainly more likely that younger candidates will train in residential colleges, but these candidates are more likely to have or begin to have young families, requiring financial support during training.
- 7.7 From a strategic perspective then, the Church needs to come to a view as to whether it wishes to encourage younger candidates for ordination. Younger candidates who might serve for around 40 years will bring significant long-term commitment to the ministry. They will also represent a considerable return on the investment in their training. To the extent that the Church wishes to encourage younger ordination candidates then it will have to face up to the cost implications of family support either by maintaining the current system or by adopting some or all of the options presented here for alternative funding or reduced expenditure elsewhere.

Recommendation 2

- 7.8 **We recommend that the Church affirms the importance of seeking, under God, to call into long-term ministry younger candidates and provide them with the theological and formational training necessary, including the appropriate availability of residential training.**
- 7.9 A recurrent theme in the evidence we received was the current commitment of ordinands to their calling under God and by the Church to serve in the ordained ministry. We received many stories and evidence of numerous instances where ordinands and their families had undertaken very significant self-sacrifice in order to be able to train for the ministry. The surrender of future salary and prospects was only the starting point. This sacrifice is made by candidates, spouses and children. The group is agreed that it is a matter of gratitude to God that the Church is blessed with such commitment among those called to be its future ministers and, irrespective of the outcome of the recommendations offered here, that this sacrifice and commitment needed to be laid before the Church.

Recommendation 3

- 7.10 **We recommend that the significant self-sacrifice of ordinands which they undertake already in order to train for the ordained ministry be affirmed with grateful thanks.**
- 7.11 In the light of these discussions the group noted the significant impact of a reduction of 75 places in the number of candidates requiring family support. Although this figure represents some 25% of all married candidates (a significant figure in its own right) the overwhelming proportion of support costs relate to candidates with children. If the reduction of 75 in the number of candidates requiring family support is to meet its target it would need to effectively fall amongst those with children in which case the proportion of places effected would be approximately 40%.

Recommendation 4

- 7.12 **We recommend that the Church affirms that the reduction of 75 residential places for married ordinands requiring significant family support (approximately 40% of the places in that category) would be a great loss to the church of God.**

Overall principles

- 7.13 In dealing with the matters before it the group sought to develop a number of principles to guide its work. These principles relate to the equality of treatment of ordinands and the need for clarity and transparency in financial matters together with the need for the ability to review progress.
- 7.14 The possible distinction between ordinands on the basis of marital status was a matter of concern to the group. It did not seem appropriate either theologically or practically. Even if the group most expensive to train were married ordinands requiring family support, that same group might also be the group least able to raise additional funds. Ordinands on non-residential courses were normally in continuing employment. Catholic order would also suggest something about equality of treatment.

Recommendation 5

- 7.15 **We recommend that any alternative financial arrangements made to mitigate the impact of the potential loss of 75 places should apply equally to all ordinands whether training residentially or non-residentially.**
- 7.16 One of the disadvantages of the current funding system is that since the majority of costs are borne either centrally or at diocesan level there is little recognition of the need for enhancing the understanding of ordinands, or indeed other parties, as to the actual cost of training. A transparency over cost, together with increased education and understanding of the make-up and funding of these costs, is a prerequisite to building partnerships of a different nature for the future. However, the group did not wish to recommend processes that would simply increase the already stretched administrative load of either the Ministry Division or of dioceses.

Recommendation 6

- 7.17 **We recommend that each ordinand (whether at a college or on a course) be provided with a statement setting out the full cost of their training, including tuition fees, family support costs, housing and other costs for each academic year, together with a clear statement of the grant awarded from Vote 1 of the General Synod budget for theological training. The grant from Vote 1 would take into account contributions from the recommendations which follow.**
- 7.18 We are conscious that it is always possible for any group to make far-reaching recommendations, which perhaps meet the immediate need, but in the event do not deliver, either in terms of cost savings or even in terms of practical

implementation. The group was also aware of the tentative nature of some of its recommendations given the time scale involved in the work. The group did seek to ensure that in its costing conservative estimation was used of potential savings and the method of arriving at such calculations be clearly set out. However, the group was also of the view that the implementation of any of these proposals needed to be reviewed in the future to ensure that they were having the intended effect and that the appropriate savings were in fact being realised. Any such review also had to take account of constraints.

Recommendation 7

- 7.19 **We recommend that a review by the Finance Panel of the Theological Educational and Training Committee be undertaken to ascertain the workings of the proposed new system in 3 years time. The Finance Panel should also consider what changes if any could be made to guidelines regarding the recommended income levels for ordinands, the treatment of spouses' income and other external income.**
- 7.20 Some of the suggestions and recommendations in this report have implications for ordinands themselves, relationships of colleges and courses with parishes, Bishops and dioceses. There are realities which need to be faced in terms of the expectations of candidates who might be offering additional funding and the on-going relationships between parishes and colleges/courses in respect of the placing of curates. A key word in our report, as in the Hind Report, is partnership. We wish to encourage partnership in all directions without seeking in any way to fetter Episcopal leadership.

Recommendation 8

- 7.21 **We recommend that the final decision concerning an ordinand's choice of college or course rests with the Bishop in partnership with the candidate and training institution/RTP and should be based primarily on the training needs of the individual candidate.**

Self-contribution

- 7.22 Many ordinands training residentially already contribute financially towards their theological training, mainly through spouses' earnings and occasionally other sources of funding. We note that in this section we are dealing with the possibility of additional sums to those already made under the current guidelines.
- 7.23 Many ordinands already raise additional financial support from other sources including churches, family and a variety of Trusts.
- 7.24 It should not be presumed that the Church of England's approach to the financing of training is the norm. For example, both ECUSA and the Anglican Church of Australia require significant self-funding from ordinands. In addition, other Anglican institutions, such as Church Army, and many mission societies, including CMS, also work on the assumption of considerable self-funding for those in training.

Alternative Sources of Funding

- 7.25 The biblical and theological review demonstrated a variety of funding methods for those in ministry from sacrificial giving of everything, through support from part-time work to generous church provision.
- 7.26 As a principle, self-funding is neither unbiblical nor un-Anglican. In fact, as has already been noted, the principle of self-funding has already been established and conceded by the Church.
- 7.27 We also note that AOCM has supported the idea of self-funding.
- 7.28 The group was clear, however, that we would not be willing to recommend a significant shift towards a self-funding regime. However, we were also clear, as was supported by the evidence received, that a modest shift in the direction of additional self-funding for ordinands, with appropriate safeguards, was a reasonable option to put forward.
- 7.29 We considered how any additional personal contribution might be funded. A significant number of ordinands train on non-residential courses while continuing in employment. Currently no direct financial contribution is sought from this group towards their training. We believe that it would be entirely reasonable to seek some such contribution from this group of ordinands, likely in these cases to be funded from earnings or savings. There is a considerable argument that ordinands in this position may be more able to make a personal contribution than others. There is also a significant case to be made that individuals are more committed and motivated to courses of training when they are financially committed to the process in hand.
- 7.30 There are a number of sources from which candidates might be able to make additional contributions. With the requirement being made known right at the beginning of the discernment process there would be a significant period of time during which a candidate could save from current earnings towards this contribution. For example, an ordinand training for 3 years residentially, depending of course on individual circumstances, might easily have 2 years of lead-in time during which they are going through local vocations work and selection processes (many would have longer than this). In that case a prospective ordinand would have to save around £60 per month for those 2 years to accrue the whole £1,500 required over 3 years of training. For those on non-residential training courses contributions could also be made from current continuing income; indeed with a two-year lead-in, plus three years part time training, the ordinand in this position would actually only need to find £25 per month over that 5 year period. We do not consider these figures to be unreasonable.
- 7.31 There are also other potential sources. Spouses already contribute to married candidates support (if training residentially); some might be willing to contribute further from this source and if non-residential, candidates might voluntarily contribute from this source for the first time. Family and friends might also be willing to make modest contributions in support of candidates. This is an area not at all unknown to candidates for many mission agencies. There may also be trust funds, Christian, church orientated or other which might not have been fully exploited by candidates seeking support. In addition, in some cases, although on a limited basis, it might be possible for a candidate to undertake part-time work during a course. Although we recognise that the scope for this is limited, the entire

additional sum could come from 4 days supply teaching in a year. Some professionals might be able to command considerable sums for professional advice occupying only limited time from personal or college schedules.

- 7.32 Our contention is that funds for this contribution are likely to come from a combination of sources.
- 7.33 Possible contributions from sending parishes or those receiving a curate-in-training are dealt with in the next section dealing with the partnership scheme.
- 7.34 There is some argument that permitting an ordinand to undertake limited work would be beneficial to both the individual and the wider church in formation for ministry.
- 7.35 We recognise that with a change of culture in the direction of inviting and challenging candidates to consider the degree to which they might be willing to contribute towards the costs of training, in a number of cases, individuals may be willing to offer contributions in excess of the minimum of £500.

Recommendation 9

- 7.36 **We recommend that each ordinand be asked to make a minimum additional personal contribution of £500 per annum.**

Recommendation 10

- 7.37 **We recommend that each prospective ordinand be invited to consider under God what additional personal financial contribution they would be willing to make towards the cost of their training. This would include (a) contributions saved from earnings (b) further contributions from spouses' earnings (c) possible limited part-time work (e.g. occasional supply teaching) (d) support from family and friends (e) trust funds.**
- 7.38 We consider these proposals to be modest. Nevertheless, there remains the serious question of dealing with instances where, for whatever reason, it is not reasonable to request such a contribution from a candidate. We are clear that such a safety net must exist, but are also concerned that any application of safety net provisions is applied consistently. We believe that any recommendation for reduction or exemption from personal contribution is best made locally by those who know candidates best and moderated nationally. We also believe that, for the sake of transparency, guidelines should be produced.

Recommendation 11

- 7.39 **We recommend that applications for exemption from, or reduction of, the personal contribution be made by the sponsoring Bishop to the Finance Panel with evidence drawn up in accordance with guidelines produced by the panel.**
- 7.40 There are currently 1,298 ordinands in training. There are 505 training residentially in colleges, 596 on non-residential courses and 197 on OLM schemes. We consider that conservative estimates should be used in assessing potential

savings. We have based our calculations upon an estimate of 1,000 ordinands paying the full £500 minimum additional contribution. This would raise £500,000 per annum. We consider this to be a minimum sum which would be generated through these proposals.

Recommendation 12

- 7.41 **We recommend that a conservative estimate of £500,000 be used in assessing the potential saving from self-contributions.**

Partnership Scheme

- 7.42 The group considered a range of evidence and considerations relating to the possibility of contributions to funding from either sending parishes or parishes receiving a curate. There was significant (though not overwhelming) support for this in principle from the consultation exercise, except from DDOs. This was also reflected in the group.
- 7.43 The group was concerned in its consideration of this matter to ensure that parishes were not disadvantaged either through sponsoring a significant number of ordinands or through socio-economic circumstances acting as a disincentive to either send a candidate or receive a curate-in-training.
- 7.44 The group considered that there was substantial mileage to be gained by building relationships between colleges and courses and parishes of the Church of England. Although some parishes have links with particular institutions, the overwhelming majority do not. There was, therefore, the opportunity for some significant building of links which might for the first time bring parishes into partnership with theological institutions which could enable long-term involvement and support for theological education. Such involvement, in prayer, contact and financial support could make a considerable contribution to the long-term fostering of vocations, not least in parishes where there has not been any history of candidates coming forward.
- 7.45 The basic idea is for each college or course to be encouraged to enter into a partnership scheme with parishes that wish so to do, together with connected and supportive individuals. Each college or course will have a pool of immediate contacts. These might include parishes that have sent candidates to the institution, parishes that have received curates from them, parishes used for placements, parishes of particular traditions, or parishes in particular regions or socio-economic settings (some courses, for example, have strong links with particular areas). In addition colleges and courses will have individuals who are interested in its welfare. The partnership arrangement would be two-way. The parish would receive prayer information, newsletters, possible visits as well as being possible settings for placements and missions (perhaps for the first time). The parish would commit to prayer, interest, promotion of vocations and general interest. We will deal with the financial arrangement shortly.

Recommendation 13

- 7.46 **We recommend that each college and course establish a partnership scheme with parishes (parishes producing ordinands, training parishes, placement parishes and other parishes), together with other connected individuals, to engender interest, prayer and support for the work of theological training.**
- 7.47 Part of the rationale behind this idea is to generate a flow of funds. However, rather than suggest parishes make contributions of a specific amount, a widely-promoted partnership scheme of this type provides significant protection for parishes for whom any form of designated amount might be daunting or discouraging. All parishes entering the partnership scheme should be encouraged to make a financial contribution of their own choosing to a fund to be used for college or course bursaries. For some this might be £50 per annum, for others it might be £1,000 per annum. Hence inner urban and deep rural parishes could take their place alongside wealthier suburban parishes in such a scheme. The submission from AOCM noted that all traditions in the Church have both wealthy churches and churches in deprived areas. It is right for all to be appropriately challenged. It also the case that a Partnership Scheme could be an appropriate vehicle to encourage legacies.

Recommendation 14

- 7.48 **We recommend that Partnership Parishes be encouraged to contribute financially according to their ability and desire to the college or course with which they are associated for the creation of a bursary fund.**
- 7.49 Some members of the group have reservations about inviting parishes to contribute in this way, while others consider this scheme to be a creative response to the need to generate funding and could expand in the long-term to produce very significant sums indeed for theological education. If the funds which flowed through this route did increase in a major way it might be possible and reasonable for some of these funds to be used for capital projects in the colleges and courses. Nevertheless, there needs to be some guidelines established to ensure that priority is given to making grants to ordinands, that there is some consistency in application and how, if at all, any future capital spending might be permitted from these funds.

Recommendation 15

- 7.50 **We recommend that guidelines are produced, in conjunction with the colleges and courses, to deal with the distribution of grants from this source and also, if significantly greater sums are raised, the possible use of such funds for capital improvements in the theological establishments concerned.**
- 7.51 On the matter of the amount of money which might be raised and hence, the initial level of grant that might be available, we have used conservative principles of estimating. There are approximately 2,000 curates-in-training. If the scheme only generated support from these parishes (and we consider that membership of such a partnership scheme should be a normal expectation upon both a sponsoring

parish and a receiving parish) at the rate of £100 per annum then the sum of £200,000 would be raised. This would permit grants at the level of £200 per ordinand, which would thus be deducted from the central funding provided. If a mere 25% of Anglican parishes joined schemes at a contribution rate of £100 per annum then in the region of £325,000 would be generated.

Recommendation 16

- 7.52 **We recommend that colleges and courses should seek to provide a grant for each ordinand at an average level of £200 per annum, though with local discretion as to the actual levels of distribution.**

Recommendation 17

- 7.53 **We recommend that, using the conservative estimating principles already adopted (costing based on 1,000 ordinands), that the sum of £200,000 be used in assessing the saving from such partnership schemes.**

- 7.54 One of the great strengths of this proposal is that it allows for a significant expansion of parishes involved in theological education. We suggest that appropriate literature be prepared by the RTPs acting together which would then be sent to every parish in England with a covering letter from the Archbishops inviting each parish to join a partnership scheme of their choice. If desired guidance could be given to parishes without connections or interest to link to the course or college of the RTP covering their particular diocese. We consider that the costs of such an exercise would amount to less than £10,000 in cash terms and could be shared equally across all the colleges and courses.

Recommendation 18

- 7.55 **We recommend that the Archbishops of Canterbury and York, in conjunction with the colleges and courses, write to every parish of the Church of England inviting them to join a partnership scheme of their choice in long-term support of theological education in the Church of England.**

Tax Credits

- 7.56 In outline the child tax credit system, introduced in April 2003, provides for government support for those charged with the care of children. The support provided is significant, tapering down as income increases, but such that everybody earning under around £50,000 per annum would receive a minimum of £545 per annum. Additional allowances include a baby addition of £545 and £1,445 for each child. The allowances are removed at a preset rate of 37% once income exceeds a certain threshold (currently £13,230).
- 7.57 In addition to child tax credit there are significant additional allowances available to those working a minimum number of hours per week in employment (Working Tax Credit), although in this case the threshold for withdrawal falls to £5,030. Working Tax Credit falls to zero at an income level of £13,230.

- 7.58 The grants received by ordinands are not subject to Income Tax under section 331 of the Income and Corporation Taxes Act 1988. Such income is specifically excluded from income for tax credit purposes under the Tax Credit regulations.
- 7.59 Hence married ordinands with families to support and perhaps with a spouse not working (the category most in need of financial support) are likely to be eligible for the maximum allowances under the tax credit system. For a married ordinand with two children (and minimal income for tax purposes) the allowances would amount to £3,535 per annum.
- 7.60 As the position currently stands, ordinands as such are not eligible for Working Tax Credit (as they are not employed) although in a number of cases spouses have been eligible for the enhanced allowances.
- 7.61 The income flow from this source was not taken into account in the original Hind report's assessment of the likely future cost of married ordinands maintenance.

Recommendation 19

- 7.62 **We recommend that the savings accruing through the money becoming available for family support through the system of tax credits (from April 6, 2003) should be retained within theological education as part of the overall savings that are being sought.**
- 7.63 Tax credits are taken into account by the Ministry Division in the same way as spouse's income. The first £1,750 is retained by the ordinand and 75% of the surplus is allocated against the family maintenance budget. The amount of money flowing into the system from tax credits is already significant but clearly the actual amounts need to be monitored.

Recommendation 20

- 7.64 **We recommend that the Ministry Division monitor at staff level the actual saving to the family support budget for the academic years 2003/04 and 2004/05 from the impact of tax credits. We note that family maintenance payments will be made centrally from September 2005.**
- 7.65 The group estimated, on the basis of the estimated number of married candidates with children, and based upon the Ministry Division's current guidelines, that in excess of £300,000 should be accruing to the Church in this regard. The advice of the Ministry Division Grants Officer is that some £233,000 has already accrued from tax credits in 2003/2004. On the basis of the response to the consultation it would appear that some 2/3 of eligible ordinands have claimed the tax credits. Hence on the basis of a full take-up the figure would be approximately £350,000. Thus the original estimate of a saving of £300,000 does not seem unreasonable.

Recommendation 21

- 7.66 **We recommend that in the light of the Ministry Division's current estimate of approximately £233,000 having accrued from this source for 2003/04, together with the estimated 2/3 take up reported from the consultation that a**

provisional sum of £300,000 be used as an estimate for the savings from tax credits.

- 7.67 It is clear that it is essential that all those eligible for child tax credit (and if appropriate Working Tax Credit) make the necessary claims. In this way the maximum benefit will be obtained for the whole church. It is in the interests of the church as a whole to ensure that this process is facilitated in any way possible.

Recommendation 22

- 7.68 **We recommend that appropriate guidance, together with relevant claim forms, are made available to all ordinands in order to ensure the maximum take-up of eligibility for tax credits.**

- 7.69 Finally in respect of tax credits it is recognised that they generate wider issues of ensuring that the rules and guidelines of the Ministry Division are appropriate. Especially given the intention of the child tax credit system that their purpose is to alleviate child poverty it is important that the Ministry Division undertake some review of recommended income levels for ordinands as part of the review of the operation of any new or revised system of funding.

Recommendation 23

- 7.70 **We recommend that wider issues relating to tax credits and the application of the current rules be considered as part of the review in recommendation 7.**

Training parishes

- 7.71 We use the description of a training parish simply as way of describing a parish which receives a curate-in-training placed there by the Bishop. We recognise fully that in terms of formation and training the Church rightly places greater emphasis upon training incumbents.
- 7.72 There was considerable support for the idea that these parishes should be invited to make a direct contribution towards the cost of training, except from DDOs. These parishes receive a specific privilege and benefit from having a curate in post.
- 7.73 However, there was concern that parishes would consider that they were already contributing through the parish share system. The group considered that transparency and openness were the best responses. We needed to be open that the need was for modest additional contributions, be clear as to the reasons why and what the money was being used to fund.
- 7.74 There was anecdotal evidence of the reluctance of some parishes to take on a curate in some instances, concern over the differing effect on parish share in different dioceses from the presence of a curate and the perception, as noted, that such parishes will take the view that they had already made the necessary contributions to training through parish share.

- 7.75 The group's view was that by and large these concerns were dealt with effectively through the partnership scheme which has already been described. Hence we would expect any receiving parish to be part of such a scheme. If for any reason a parish was not in a partnership scheme it would then be equitable and reasonable to expect that parish to make a direct contribution to the costs of CME 1-4. However, for reasons of financial conservatism, and recognising that the preferred method is through the partnership scheme we make no financial assessment of additional savings.

Recommendation 24

- 7.76 **We recommend that all training parishes be expected to be either in a partnership scheme with a college or course (and contributing financially through such a scheme) or to make a direct contribution to Post Ordination Training at a level to be agreed appropriate to the parishes circumstances and in accordance with guidelines to be developed.**

Recommendation 25

- 7.77 **We recommend that in the interests of conservative financial estimates no additional amounts be assessed as savings in this regard other than that already noted through the partnership scheme.**

Administration

- 7.78 A number of other, ancillary matters arose during the course of our work. There is confusion among ordinands over the degree to which the financing system for ordinands in training had been explained to them. We recognise that information is made available by the Ministry Division at an early stage and that DDOs and diocesan financial officers are also involved. Nevertheless, it is clear that the nature, timing and distribution of guidance need to be reviewed; all the more so if some or more of these proposals are adopted.

Recommendation 26

- 7.79 **We recommend that revised and clear guidance on the financial arrangements for ordinands be prepared and made available to diocesan officers, Bishops' offices and to potential ordinands at appropriate stages in the selection process.**
- 7.80 Significant concern was expressed by ordinands that dioceses varied significantly in the arrangements for the payment of grants. This was a source of intense irritation. It was not within either our capability or scope to investigate this further. However, it is clearly a matter of vital importance that any agreed grants are paid in an efficient and timely matter.
- 7.81 Concern was also expressed by ordinands throughout this process of pressures being exerted on them (e.g. over the choice of college, pressure to refrain from having children) and lack of consistency or clarity over interpretations of national guidelines and other aspects of general advice. Again, the detail of these matters was outside of our immediate task and so we were unable to investigate further. It

is again, a matter of considerable importance for the future ministers of the Church, that they can have confidence in the institution of which they are part.

Recommendation 27

- 7.82 **We recommend that such guidelines deal specifically with key areas of sensitivity including the appropriate advice to be given to ordinands on housing, families and book grants together with arrangements for the payment of any grants.**

Research

- 7.83 An integral part of the Hind Report was the recommendation that the sum of £240,000 per annum be provided for research purposes. To the extent that this sum is not spent or redirected it would represent a saving.
- 7.84 The rationale behind this funding provision was set out in paragraphs 2.13, 2.14, 6.13 and 7.33 of the Hind Report and we commend those paragraphs for further study.
- 7.85 The group noted a number of factors in respect of research:
- There is a considerable amount of research already taking place within theological institutions, the NCIs and other bodies
 - The decline of the traditional models of university theology departments with the trend towards more nebulous religious studies
 - A small addition to the capacity to undertake research can have disproportionate influence
 - There is an issue of the ability of the Church nationally to commission and direct necessary research projects
 - There will be a need for detailed proposals regarding the application of such funds to be established
 - There is a designated task group for taking the research proposals forward

Recommendation 28

- 7.86 **We recommend that further work be undertaken to ensure that the proposals for research funding are more fully worked out and costed.**

CME 1-4

- 7.87 The Hind Report recommended that the £1m saved through the proposed reduction of 75 places for married candidates requiring financial support should be redirected into CME 1-4. In particular £700,000 was to be the initial budgetary provision for accredited fees, especially for degree candidates and £300,000 was the provision for additional residential training fees for CME 1-4.

- 7.88 In July 2003 the General Synod carried an amendment which deleted the proposal that required all clergy to have acquired a degree-level qualification before assuming a post of first responsibility. Although this may lead to a reduction in the funding required, it was noted that the need for coherence and flexibility in training needs over the seven years of initial ministerial training, together with possible future requirements for ministerial CME, means that possible savings may be modest.

Recommendation 29

- 7.89 **We recommend that the Financial Framework Task Group, in consultation with the Curriculum Task Group, undertake further work to review the amount of funding for CME 1-4 that may be required.**

Endowment Fund

- 7.90 One suggestion made to the group was for the raising of an endowment fund from which the required £1m could be funded. This endowment fund might be raised from parishes, individuals and other trusts with a commitment to residential training in theological education.
- 7.91 In order to generate £1m at a return of, say, 5% per annum would require an endowment of some £20m.
- 7.92 If half of all Church of England parishes responded to such an appeal they would each need to give approximately £3,000. We do not consider this to be a realistic target.
- 7.93 We also note that past proposals to raise endowment funds have not met with particular success. With such suggestions being made in a number of different areas the Church cannot seek to raise multiple endowments in parallel.
- 7.94 We do not make recommendations in this area. We consider that the alternative proposals in this report would carry greater credibility as alternatives for raising the necessary income stream.

Other observations

- 7.95 We recognise that further work would need to be undertaken in order to ensure the effective implementation of some or all of these proposals. This would include assessing the most effective way of a candidate gathering together the relevant information as to the sources of the various funds open to candidates so that the correct amount of support grant from the Vote 1 budget can be allocated. This may also require further consultation with interested parties.
- 7.96 We note that we have presented a series of recommendations which may be accepted in all or in part. Subsequent to further discussions and decisions we would suggest an overview is taken to ensure coherence of the overall package.

Recommendation 30

7.97 **We recommend that our assessment of total estimated savings of £1m be accepted in the light of the above recommendations.**

Section 8

Areas for Further Investigation

8.1 In the time available to us we were unable to deal adequately with every aspect of the matter before us. A number of areas of discussion arose which would require further investigation before action could be recommended or taken.

8.2 We note a number of areas in particular:

- Funding from the Higher Education Funding Council for England (HEFCE)
- The ability of ordinands to reclaim Working Tax Credit
- The use of trust funds originally set up to provide for the relief of hardship among the clergy or those in training; the use of the funds created on the sale of former colleges and other trust fund possibilities

Funding from HEFCE

8.3 The Higher Education Funding Council for England (HEFCE) distributes funds to Higher Education Institutes (HEI) and Further Education Colleges (FEC). The funds are provided to Universities and Colleges to support teaching, research and related activities.

8.4 The Council in its guidance notes aims to

- Increase opportunities for students from all types of backgrounds to benefit from higher education.
- Maintain and enhance the quality of teaching and research
- Encourage universities and colleges to work with business and the community
- Support diversity
- Encourage efficiency in the use of public funding
- Provide stability in funding from year to year.

8.5 Funds are provided in accordance with guidelines laid down in the form of fees in respect of the number of students. The position regarding the possibility of church benefiting from such funding are set out in the Hind report in paragraphs 7.14 to 7.21.

8.6 A number of dioceses have relationships with HEIs in the accreditation of Reader training. In many instances the effect of this relationship is increased funding for

Alternative Sources of Funding

the HEI rather than the Church. It does though open up access in many cases to resources and facilities (e.g. library, IT). It is possible that some savings might accrue through not having to make certain provision.

- 8.7 At this stage it is not possible to quantify by how much the church might benefit from such funding. However such funding should be available and we recommend that the Finance Panel begin the process of conversations with some HEI's to confirm eligibility and that in each RTP an officer should be tasked to open negotiations with appropriate HEI's to obtain such funding. These officers will need to have a good working knowledge of HEFCE funding, that each RTP is clear in what it is seeking to obtain and has put in place the appropriate patterns of provision so as to maximise the potential funding.

Working Tax Credit

- 8.8 Details of the basis of the payment of Working Tax Credit have already been noted. Generally speaking ordinands are not eligible for WTC although some spouses may be.
- 8.9 It is possible that if the provisions of common tenure were extended to ordinands then it might be possible for ordinands to be in receipt of this benefit by being paid a stipend or salary. However it has to be noted that there could be, depending upon the level set, significant costs to the church in establishing such a system not only in terms of the employers National Insurance and pension contributions but also in respect of terms and conditions of employment.
- 8.10 There would also be questions to consider including the definitions of working and income, and also any ability to pay non-taxable support grants either in addition to stipend/salary or direct to a dependant. There might also be considerations relating to the application of the Minimum Wage Act.

Trust funds

- 8.11 During our work our attention was drawn to existence of various trust funds whose primary aim is the alleviation of poverty amongst the clergy; funds which have come into existence on the closure of theological colleges and other trust funds established at Diocesan and central church levels.
- 8.12 In addition there are a wide range of other trust funds, some with either local or regional bases and others with educational aims, which might provide a source of other limited funds.
- 8.13 Further work would be required to ascertain whether it would be possible for the terms of certain trust funds to be amended so as to support ordinands in training. This would require significant work to identify trusts, amend their terms and/or classes of beneficiary and to develop appropriate systems of payment.
- 8.14 A further area of discussion might be existing clergy charities, though of course many of these funds are already in heavy demand.

Section 9

Conclusions

- 9.1 We present our report and recommendations as a contribution to the on-going debate surrounding the financing of theological education in general and of married ordinands in need of family support in particular.
- 9.2 We consider that the three main proposals in this report (self-contribution, partnership scheme and the use of tax credit money) represent a better alternative for the Church than the proposal in the Hind report to reduce by 75 the number of places in residential training for those requiring family maintenance support.
- 9.3 We wish also to re-emphasise the importance of setting these recommendations in a framework of vision for the future of theological education, including the continued provision of residential training without regard for marital status or the number of children.
- 9.4 Although we recognise that some of these recommendations concern a degree of self-funding, we would note that the principle of self-contribution towards the costs of training has already been established and implemented. For a married candidate at Westcott House with two children and no external funding or existing self-support the total cost of training, support and housing amounts to approximately £28,000 per annum. The minimum self-funding contribution in this case amounts to 1.8% of the total costs. Course fees average around £4,000. Hence in the case of a non-residential student with a continuing income the self-contribution of £500 would amount to approximately 12.5% of the costs. We consider these amounts to be reasonable and to represent adjustments at the margins.
- 9.5 We consider these proposals to represent credible alternatives. We have been conservative in our financial estimates and recommended mechanisms for monitoring progress. Some members of the group, though not all, believe that the flow of money from the parishes into bursary or similar schemes could be considerably greater than that indicated.
- 9.6 We also note again in our conclusions that AOCM has indicated its support for alternative sources of funding including most of the aspects that we have discussed in our report. We suggest that this openness does reflect the changing nature of how ordinands view the task of training and their own role in making this happen in the most effective way.
- 9.7 We recognise that all proposals such as these require time for proper implementation. We consider that these proposals, if adopted, should be in place by September 2006.

Recommendation 31

- 9.8 **We recommend that the additional expenditure on CME 1-4 should not happen until these proposals, or alternatives, have been implemented.**
- 9.9 We commend our report for consideration and approval.

Appendix A

Summary of Recommendations

We have grouped our recommendations in eight sections.

A. Vision

Recommendation 1

We recommend that the value of full-time residential theological training be affirmed and commended regardless of the marital status of the ordinand.

Recommendation 2

We recommend that the Church affirms the importance of seeking, under God, to call into long-term ministry younger candidates and provide them with the theological and formational training necessary, including the appropriate availability of residential training.

Recommendation 3

We recommend that the significant self-sacrifice of ordinands which they undertake already in order to train for the ordained ministry be affirmed with grateful thanks.

Recommendation 4

We recommend that the Church affirms that the reduction of 75 residential places for married ordinands requiring significant family support (approximately 40% of the places in that category) would be a great loss to the church of God.

B. Overall principles

Recommendation 5

We recommend that any alternative financial arrangements made to mitigate the impact of the potential loss of 75 places should apply equally to all ordinands whether training residentially or non-residentially.

Recommendation 6

We recommend that each ordinand (whether at a college or on a course) be provided with a statement setting out the full cost of their training, including tuition fees, family support costs, housing and other costs for each academic year, together with a clear statement of the grant awarded from Vote 1 of the General Synod budget for theological training. The

grant from Vote 1 would take into account contributions from the recommendations which follow.

Recommendation 7

We recommend that a review by the Finance Panel of the Theological Educational and Training Committee be undertaken to ascertain the workings of the proposed new system in 3 years time. The Finance Panel should also consider what changes if any could be made to guidelines regarding the recommended income levels for ordinands, the treatment of spouses' income and other external income.

Recommendation 8

We recommend that the final decision concerning an ordinand's choice of college or course rests with the Bishop in partnership with the candidate and training institution/RTP and should be based primarily on the training needs of the individual candidate.

C. Self-contribution

Recommendation 9

We recommend that each ordinand be asked to make a minimum additional personal contribution of £500 per annum.

Recommendation 10

We recommend that each prospective ordinand be invited to consider under God what additional personal financial contribution they would be willing to make towards the cost of their training. This would include (a) contributions saved from earnings (b) further contributions from spouses' earnings (c) possible limited part-time work (e.g. occasional supply teaching) (d) support from family and friends (e) trust funds.

Recommendation 11

We recommend that applications for exemption from, or reduction of, the personal contribution be made by the sponsoring Bishop to the Finance Panel with evidence drawn up in accordance with guidelines produced by the panel.

Recommendation 12

We recommend that a conservative estimate of £500,000 be used in assessing the potential saving from self-contributions.

D. Partnership Scheme

Recommendation 13

We recommend that each college and course establish a partnership scheme with parishes (parishes producing ordinands, training parishes, placement parishes and other parishes), together with other connected individuals, to engender interest, prayer and support for the work of theological training.

Recommendation 14

We recommend that Partnership Parishes be encouraged to contribute financially according to their ability and desire to the college or course with which they are associated for the creation of a bursary fund.

Recommendation 15

We recommend that guidelines are produced, in conjunction with the colleges and courses, to deal with the distribution of grants from this source and also, if significantly greater sums are raised, the possible use of such funds for capital improvements in the theological establishments concerned.

Recommendation 16

We recommend that colleges and courses should seek to provide a grant for each ordinand at an average level of £200 per annum, though with local discretion as to the actual levels of distribution.

Recommendation 17

We recommend that, using the conservative estimating principles already adopted (costing based on 1,000 ordinands), that the sum of £200,000 be used in assessing the saving from such partnership schemes.

Recommendation 18

We recommend that the Archbishops of Canterbury and York, in conjunction with the colleges and courses, write to every parish of the Church of England inviting them to join a partnership scheme of their choice in long-term support of theological education in the Church of England.

E. Tax Credits**Recommendation 19**

We recommend that the savings accruing through the money becoming available for family support through the system of tax credits (from April 6, 2003) should be retained within theological education as part of the overall savings that are being sought.

Recommendation 20

We recommend that the Ministry Division monitor at staff level the actual saving to the family support budget for the academic years 2003/04 and 2004/05 from the impact of tax credits. We note that family maintenance payments will be made centrally from September 2005.

Recommendation 21

We recommend that in the light of the Ministry Division's current estimate of approximately £233,000 having accrued from this source for 2003/04, together with the estimated 2/3 take up reported from the consultation that a provisional sum of £300,000 be used as an estimate for the savings from tax credits.

Recommendation 22

We recommend that appropriate guidance, together with relevant claim forms, are made available to all ordinands in order to ensure the maximum take-up of eligibility for tax credits.

Recommendation 23

We recommend that wider issues relating to tax credits and the application of the current rules be considered as part of the review in recommendation 7.

F. Training parishes

Recommendation 24

We recommend that all training parishes be expected to be either in a partnership scheme with a college or course (and contributing financially through such a scheme) or to make a direct contribution to Post Ordination Training at a level to be agreed appropriate to the parishes circumstances and in accordance with guidelines to be developed.

Recommendation 25

We recommend that in the interests of conservative financial estimates no additional amounts be assessed as savings in this regard other than that already noted through the partnership scheme.

G. Administration

Recommendation 26

We recommend that revised and clear guidance on the financial arrangements for ordinands be prepared and made available to diocesan officers, Bishops' offices and to potential ordinands at appropriate stages in the selection process.

Recommendation 27

We recommend that such guidelines deal specifically with key areas of sensitivity including the appropriate advice to be given to ordinands on housing, families and book grants together with arrangements for the payment of any grants.

H. Other matters

Recommendation 28

We recommend that further work be undertaken to ensure that the proposals for research funding are more fully worked out and costed.

Recommendation 29

We recommend that the Financial Framework Task Group, in consultation with the Curriculum Task Group, undertake further work to review the amount of funding for CME 1-4 that may be required.

Recommendation 30

We recommend that our assessment of total estimated savings of £1m be accepted in the light of the above recommendations

Recommendation 31

We recommend that the additional expenditure on CME 1-4 should not happen until these proposals, or alternatives, have been implemented.

Appendix B

Membership and Terms of Reference

The Revd Dr Richard Turnbull *Chair*

(Member of General Synod, of the Archbishops' Council, of the Archbishops' Council Finance Committee and of the Ministry Division's Deployment, Remuneration and Conditions of Service Committee)

The Revd Canon Michael Roberts (Principal, Westcott House Cambridge)

The Revd Canon Dr Michael Parsons (Member of General Synod, Diocesan Director of Ordinands and curate trainer, Gloucester Diocese)

Dr Matthew Lavis (Diocesan Secretary, Ely, member of the Ministry Division's Finance Panel)

The Revd Dr Ian Paul (Salisbury Diocese, member of General Synod)

The Revd Dr Audrey Elkington (Diocesan Director of Ordinands, Newcastle Diocese)

Staff members

The Ven. Dr Gordon Kuhrt (Director of Ministry)

The Revd Dr David Way (Theological Education Secretary, Ministry Division)

The Revd Chris Terry *Secretary* (Finance & Administrative Secretary, Ministry Division)

Mr Mark Humphriss (Chief Budget Officer, Finance Division)

Terms of Reference

1. To investigate alternative sources of funding for families of college ordinands with the aim of seeking a less drastic reduction of residential places than the 75 specified in the Hind Report;
2. to do further research into secular employment and retirement trends before reducing any residential theological training places;
3. to investigate and bring forward other possible proposals for the raising of the additional funds required for the CME 1-4 phase.

Appendix C

Evidence Received

Evidence was received from the following individuals and institutions:

Canon Dr Christina Baxter (Principal of St John's, Nottingham)

The Revd Prof David Peterson (Principal of Oak Hill College)

Association of Ordinands and Candidates for Ministry (AOCM)

Teaching and Administrative Staff, and students of St John's, Nottingham

Teaching and Administrative Staff, and students of Oak Hill College

Teaching and Administrative Staff, and students of Westcott House College, Cambridge

Teaching and Administrative Staff, and students of Cranmer Hall, Durham

The Rt Revd John Packer, Bishop of Ripon & Leeds

Appendix D

Results of questionnaire as at 29th March 2004

Responses received:

Ordinands	45 out of 76	59%
Deacons	21 out of 50	42%
DDOs	23 out of 47	49% including 1 diocesan secretary
Princ/Bursar	7 out of 11	64%
Total	96 out of 184	52%

Section B the Present System

Q1: Was the system of ordinands financial support clearly explained to you as part of the process of discernment and selection?

	Yes	No	Maybe	No Answer
Ordinands	25	19	1	0
Deacons	9	7	2	3

Q2: Did you perceive any specific requirements or constraints upon you?

	Yes	No	Maybe	No Answer
Ordinands	16	25	2	2
Deacons	8	10	0	3

Q3: How much financial support did you receive from the following sources and were your grants reduced accordingly?

Source	Ordinands	Deacons
Family members	2	1
Home church	11	3
Friends	3	0
Spouse's employment	21	12
Part-time work	3	1
Investment income	14	5
College bursary	1	0
Other trust funds	6	4
Other sources	8	1
No support	6	2
No grant	4	0
No answer		2

Question 4: Have you made any claim for state benefits to which you might be entitled?

	Yes	No	If No, have children	Not answered
Child Tax Credit				
Ordinands	20	22	5	3
Deacons	6	7	3	8
Working Tax Credit				
Ordinands	5	37		3
Deacons	4	9		8
Child Benefit				
Ordinands	20	22	5	3
Deacons	11	4	0	6

Section C

Q1 and Q2: Do you consider it reasonable for candidates for ordination to be invited to make a contribution towards the cost of their training?

	No	Yes	£0- £100	£500- £1000	£1000- £2000	Other	Maybe	£0- £100	£500- £1000	£1000- £2000	Other
Ordinands	23	15		4	3	8	5		1		4
Deacons	7	9		2	2	5	2	1			1
DDOs	7	9		3		6	7				7
Colleges	3	3			2	1	1				1

Q3: In your judgement, is there scope for a general church-wide appeal to establish an endowment fund for the support of married candidates in training?

	Yes	No	Maybe	Don't know	No answer
Ordinands	20	10	9	2	4
Deacons	10	5	3		3
DDOs	8	8	6	1	
Colleges	5	0	2		

Q4 and Q5: In your judgement, would it be reasonable to ask a sponsoring parish to make a specific additional contribution towards the cost of training?

	No	Yes	£0- £100	£500- £1000	£1000- £2000	Other	Maybe	£0- £100	£500- £1000	£1000- £2000	Other
Ordinands	17	15	2	6	2	5	11	1	2	1	7
Deacons	6	8		1	4	3	4	1			3
DDOs	16	6		3		3	1				1
Colleges	3	3		2	1		1				1

Q6 and Q7: In your judgement would it be reasonable to ask a parish receiving a curate-in-training to be invited to make a specific additional contribution towards the cost of post-ordination training?

	No	Yes	£0- £100	£500- £1000	£1000- £2000	Other	Maybe	£0- £100	£500- £1000	£1000- £2000	Other
Ordinands	14	20	2	7	6	5	9	1		1	7
Deacons	1	10	1	3	3	3	6	1			5
DDOs	15	3	1	1		1	5	4			1
Colleges	2	3		1	2		2	2			