GENERAL SYNOD

Renewal and Reform: Resourcing Ministerial Education

This paper with its annexes provides an update on the progress of the Resourcing Ministerial Education funding arrangements in the light of the Synod motion of February 2016 which requested a report in July 2017 on the process of consultation and implementation, with a view to a further report in July 2018 on wider progress in the increase in the number, quality and range of candidates for lay and ordained ministry.

- 1. Resourcing Ministerial Education (RME) is part of the Renewal and Reform programme and is aligned with the aspiration to grow and the commitment to encourage mission, evangelism and discipleship. The aim of the new funding arrangements is to
 - ensure greater transparency and accountability in funding ministerial education
 - enable better alignment with diocesan strategy in the use of these funds
 - support the achievement of growth in number and improvement in quality of ordinands
 - strengthen the relationship between dioceses and TEIs for improvement of education
- 2. The attached annexes provide more detailed information about the final package of proposals and how they have been developed. In summary, the new arrangements are that each diocese will receive a block grant from the Training for Ministry Fund calculated on the number of its ordinands on an age related scale. The diocese then pays a Theological Education Institution (TEI) directly for its ordinands' training and various allowances directly to the ordinand. Vote 1 will be collected in the same way as at present. Family maintenance pooling arrangements remain the same. This replaces the current system in which all the costs of training are paid direct from the central fund on the basis of decisions made in dioceses without reference to cost and according to a set of regulations (Bishops' Regulations). These will be replaced by Bishops' Guidelines.
- 3. The new arrangements place the responsibility for decision about how funds are used in the diocese. This allows greater flexibility and widens choice. It strengthens the relationship between dioceses and TEIs and enables a better dialogue about strategic ministerial needs and how training can supply them. It creates clear accountability for how funds are used which is a prerequisite for seeking increase in funding as numbers of ordinands grow.
- 4. The final point becomes more significant as there are welcome signs of an increase in the number of ordinands. It is estimated that there will be a 14% annual increase in the number entering training in September. This is a great encouragement for all those who have prayed, hoped and worked for such an increase in the past couple of years.
- 5. The RME Handbook for dioceses and TEIs providing details of the arrangements and how they will operate is attached as Annex 1. The material in the draft has been widely

- discussed over the past year and staff support and advice have been given from Ministry Division in how to work with the new arrangements.
- 6. Annex 2 is a narrative of the RME process which began in 2014. The final proposals are the product of the work of the original RME Task Group which reported to General Synod in February 2015, the Ministry Council which took direct responsibility for the RME work from March 2015 and the RME Steering Group which included full representation from the TEIs and dioceses and took on the task after February 2016. These RME funding arrangements were approved by the Archbishops' Council at its May 2017 meeting with a view to implementation in September 2017.
- 7. The narrative includes in paragraph 15 a projection of costs up to 2020. The proposals have been developed in close liaison with the Archbishops' Council Finance Committee. The 2018 budget which will be considered by the Synod at the present sessions incorporates the funding requirements entailed by the implementation of the RME arrangements.
- 8. The change in funding arrangements does not in itself increase costs. The factor for increased cost is growth in the number of ordinands. There is a wider question about how the increased cost will be met in future years as numbers continue to grow, and the costs of training and eventual deployment as curates need to be met.
- 9. The new arrangements are significantly different from the current system and there is a proper concern that they should not create uncertainty, especially in the TEI sector, where time will be needed to adjust to the challenges and opportunities which the new system will bring. There are a number of measures designed to mitigate this, including the agreement that during the three year transition period Vote 1 funding may only be spent on pre ordination training (IME1). This is without prejudice to future discussion and decisions as to how IME2 will be funded.
- 10. Throughout the transition period there will be ongoing oversight of the arrangements by the RME Steering Group and a formal annual review by the Ministry Council. In November 2017 the Ministry Council will undertake a thorough assessment of the emerging impact of the new arrangements, seeking feedback from TEIs, DDOs and Dioceses so that any unforeseen or substantially negative consequences can be remedied quickly in the life of the new arrangements.
- 11. The RME report considered by the Synod in February 2015 put forward a wide range of proposals. Some of these were not pursued through the next stage of RME and have therefore been taken forward through other pieces of work. In particular, the development of lay leadership and lay ministries has been taken forward through "Setting God's people Free" and the Ministry Council Lay Ministries Working Group and its report, "Serving Together."
- 12. The "Serving Together" report is available on the link below, along with information about how the lay ministries agenda is being progressed through engagement with dioceses in a year of celebration, sharing and learning around lay ministries. This year will culminate in a report to the Synod in July 2018 on progress made by dioceses to secure a step change in both the number and variety of authorised lay ministries.

http://www.ministrydevelopment.org.uk/serving-together

13. Members who wish to have any of the information in this paper and its annexes clarified or who wish to ask questions about it are welcome to contact staff in Ministry Division at:

julian.hubbard@churchofengland.org or ian.barnetson@churchofengland.org

Julian Hubbard Director of Ministry

June 2017





Resourcing Ministerial Education

A Guide to the new Financial Arrangements

Version I: April 2017

A reference handbook for dioceses and TEIs

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Introduction



Ian Barnetson, Head of Resources

Dear Colleague,

The new Resourcing Ministerial Education (RME) financial arrangements are being introduced for all those commencing their training for ordination in September 2017. The detail of the new approach has been the subject of much consultation with dioceses, TEIs and governance bodies over the last 18 months, and we are grateful for your continued participation in the process whether it be through presentations given at forums, conferences, fringe events, answers to surveys, or involvement in Shadow Running.

This will be a significant change and we are conscious that there have been a number of announcements over the last year as we incorporate the feedback given to us. The purpose of this handbook is to bring all this information together in one place, to give you as full an overview as possible of what you need to know, what you need to do, and when the changes take effect.

The primary change will be the introduction of the RME Block Grant, which empowers each diocese to manage its own Training for Ministry budget. There are also important changes in the way Mixed Mode and Context Based pathways are funded. You will find details of these and other changes in the following pages.

Other than the regular increase in allowances and changing treatment for mortgage costs, there will be no changes in family maintenance arrangements. There will be a transition period of three years from September 2017 for adoption of the full RME arrangements. During the transition period, the implementation of the changes will be closely monitored to avoid as far as possible any transitional turbulence.

This edition of the handbook covers all the key information about the changes to the RME financial arrangements that we think will be helpful as you prepare for the next academic year. As you read through it and consider how these changes may affect you, there will inevitably be questions that you have or areas that you think we have not covered. If that is the case please get in touch. We will incorporate as much of your feedback as we can in the final version of the handbook, which will be issued in June 2017 following final consideration and ratification of the financial arrangements by the Archbishops' Council.

This handbook is being distributed to all Diocesan and other Sponsoring Bishops, Diocesan Secretaries, Heads of Finance, DDOs and Vocation Officers, and within the TEI sector to Principals and Bursars. Please pass it on to any further colleagues who may find it useful.

With kind regards,

lan Bareban

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Part I: Growing Vocations Everywhere



1.1 Why the current structure is not ready for tomorrow's challenges

RME financial changes take place amidst a renewed emphasis on growing vocations everywhere. We are called to be a growing church, in which lay and ordained ministers are able to flourish in their work. At the forefront of this is our target to increase the number of ordinands by 50% by 2020. Within this, we want to increase the proportion of younger ordinands, and to encourage more people from underrepresented groups to pursue a life in ministry. This includes younger women, those from Black, Asian and Minority Ethnic heritage, a diversity of social backgrounds, and those with disabilities.

Ministry Division is actively supporting dioceses to help them achieve lasting growth. We are identifying and sharing best practice, and using national initiatives to break down the barriers which prevent people from discerning and pursuing their vocation. We need to train ministers to be missional, adaptable and collaborative, and to fulfil the diversity of roles which dioceses need, from traditional ministry and chaplaincy, to pioneering and fresh expressions of church.

These are ambitious goals, which cannot be realised without a financial framework that provides a solid foundation. Now then is the right time to renew the way we resource ministerial education.

1.2 Comparing old and new

Put simply, the current framework for financing training for ordination is not ready to meet the challenge. It is neither transparent nor well-understood. It is unable to provide the flexibility dioceses require, has not kept up with changes in pathway structures and does not provide financial accountability for decisions made. Most fundamentally, it is unable to support the significant growth in ordinands which we want to see as we seek to fulfil the mission of the Church.

Clearly a new model is needed, so a clear set of objectives for RME funding arrangements was welcomed by General Synod in February 2016. These are to:

- Increase the number of ordinands, especially younger ordinands.
- Provide greater transparency between training decisions and financial outcomes.
- Operate with simplicity and certainty, whilst ensuring fairness to diocess, ordinands and TEIs.
- Maintain mutual support across the dioceses.
- Avoid transitional turbulence during early years of implementation.
- Support the mixed economy of TEIs.

To realise these ambitions, we have developed a new package of funding arrangements centred on a simple Block Grant, given to dioceses according to the number and age of their ordinands. The new arrangements will create a different set of relationships and demands for dioceses and TEIs, who will enjoy a closer partnership working together to improve training for ordination. In contrast to the current arrangements, the new framework offers:

- Clear links between training choices and financial implications.
- Funding spent according to individual training needs and in support of diocesan and national ministry strategy.
- Provision of sufficient funding for typical pathways, while providing equity and flexibility for new pathways.
- Support for growth while maintaining mutual support across dioceses.
- Incentives for sponsorship of younger candidates.

Dioceses will be able to make better decisions about pathways and the use of funding, with the flexibility and control the Block Grant will give them. Ministry Division and others will continue to provide advice and other support as the arrangements are implemented. Taken together, these reforms will provide a solid foundation for training for ordination, as we seek to grow vocations everywhere.

Part 2: Choosing Pathways



2.1 An overview of key reforms

As part of the RME process, funding reforms are supported by a renewed set of Bishops' Guidelines, offering flexibility for training appropriate for each ordinand, empowering them to flourish in their future ministry. Together, the arrangements will provide national confidence in the training of all clergy, with mutual accountability in the spending of money contributed by the dioceses to the national training budget. The information in this part has already been communicated to dioceses and Tels in December 2016, but is repeated here for completeness.

2.2 Bishops' Guidelines

The House of Bishops has agreed a new set of draft guidelines, included in Appendix A, to enable training pathway decisions to be made for ordinands entering training in 2017. These replace the existing Bishops Regulations for new ordinands and are expected to be confirmed by the House of Bishops in May 2017.

2.3 The Candidate Formation Plan

The Candidate Formation Plan accompanies the ordinand throughout their training, and should be used from now on for all candidates. A worked example of this plan is included in Appendix B The new policies are more flexible, providing sufficient clarity to determine appropriate training pathways and aiding communication between dioceses, TEIs and candidates.

To assist DDOs, an optional working sheet has been produced to help discern the appropriate pathway for a particular candidate. A worked example is included in Appendix C. The worksheet allows notes to be made of how the factors listed in the guidelines are relevant to pathway choices.

Training pathway choices are ultimately the responsibility of the bishop, in consultation with the ordinand, DDO and TEI. Ministry Division staff are always happy to offer advice.

2.4 Confirmation of Training Pathways

Dioceses and TEIs need to agree the approved pathway to be followed by each ordinand. We do not intend to propose standard procedures for this, although we are introducing a straightforward form, referred to as a Confirmation of Training form (COT), as a record of every agreed pathway. The COT form replaces the current Notice of Acceptance of Training (NAOT) form.

The new form, an example of which has been included in Appendix D, has a first section completed by the TEI, who then sends it to the diocese. The diocese fills in its section of the form, and sends the form back to the TEI as confirmation that the diocese will fund the pathway. A copy of the form is also sent to Ministry Division, as confirmation that the ordinand is indeed entering training (and hence that payment can be made to the diocese as part of the Block Grant) and to enable national statistics of training pathways to be maintained.



The Block Grant can only be used to fund training on approved pathways at accredited institutions. A COT form must be completed for every ordinand entering training from September 2017 onwards (this includes any ordinands who have already been recommended for training but not yet started). Please ensure that any subsequent changes are agreed by diocese and TEI, and notified to Ministry Division – these include withdrawal from training, suspension of training, moving to a different TEI or change of pathway within the TEI. See Section 4.2 for more detail.

Part 2: Choosing Pathways



2.5 Individual Pathway Approval

We expect most ordinands will be following an approved pathway at an accredited TEI. However, we recognise that such a pathway will not always be appropriate for every ordinand.

It was the overwhelming view of consultations with dioceses and TEIs earlier in the year that there should continue to be national oversight of all pathways. Such oversight will ensure continuing confidence that all ordained ministers have received appropriate training. It will also maintain mutual accountability in the spending of money from funds to which all contribute.

National oversight of pathways will therefore continue to happen, but it needs to be a light touch process for evidently sensible proposals, thereby allowing more thorough scrutiny of cases which are more complex or raise issues of principle. There will be a new Individual Pathways Panel for this purpose, responsible to the Quality in Formation Panel. For speed and simplicity, straightforward cases will be agreed by Ministry Division staff on the Panel's behalf.

If you are proposing a pathway for an ordinand which will need individual approval, please get in touch with our IME Pathways Adviser, Keith Beech-Gruneberg, at keith.beech-gruneberg@churchofengland.org who will ensure it is handled appropriately. While strictly it is dioceses who should seek approval for pathways, it may sometimes be easier for a TEI to do so, and that is perfectly acceptable if the diocese is happy with this.

In general, it is best for approval to be sought after the ordinand has been to a BAP. However if the ordinand is coming to a BAP late in the academic year, or the training proposal is complex or unusual, it would be better at least to start the process of seeking individual pathway approval before the BAP.



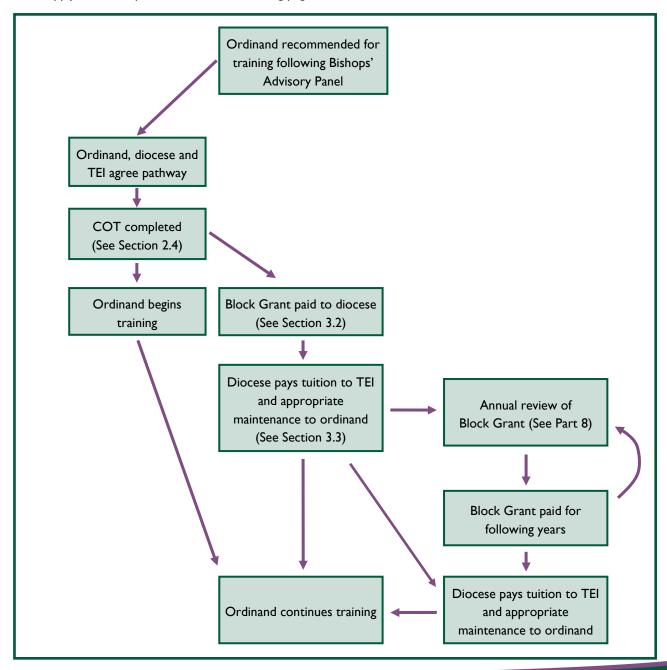


3.1 The new model in brief

From September 2017, ordinands entering training will have their tuition fees and some allowances funded by a Block Grant given to dioceses according to the number and age of the ordinands they sponsor, regardless of their pathway choice. The money continues to come from the Training for Ministry budget, funded by contributions from all dioceses on an apportioned basis and known as "Vote 1". Tuition fees and allowances of ordinands already in training will continue to be funded in the current manner. By September 2019 all ordinands will be funded according to the new Block Grant framework.

Funds provided for each age band are set to provide adequate funding for the most numerous pathway choice of ordinands in that age band. The aggregate Block Grant provided to all dioceses is expected to equate to the aggregate of funds raised on an apportioned basis from the dioceses.

An overview of how the process works is shown below. Precise details on the amounts of money available and how dioceses apply for it is explained within the following pages.





3.2 How much finance will dioceses receive?

The Block Grant is determined according to the age of the ordinand on September 1st in the year they begin training. For ordinands aged under 32 at the start of training, dioceses will receive sufficient funds to cover the costs of a three-year residential college pathway; those between 32 and 39 enough for two years' residential; those between 40 and 54 enough for three years on a regional course; and those 55 and over will receive sufficient to cover a two-year regional course pathway.

The Block Grant has been put together in this way because these have been the most numerous pathway choices of each of the respective age bands over the past four years. For example, a two-year residential pathway is typically followed by 64% of those aged between 32 and 39, which means the £15,396 allocated for this age band is sufficient to cover the costs of 93% of pathway choices for ordinands in this age bracket.

The level of Block Grant for each age band will be assessed in line with the actual training pathways followed as part of the annual review.

The Diocesan Block Grant is the aggregate of the grants calculated according to the age of all ordinands sponsored by that diocese. It will be paid by the Archbishops' Council to the dioceses termly.

The size of the Diocesan Block Grant does not depend upon the length of pathway chosen. So if ordinands from Band 1 or Band 3 only follow a two year pathway, the diocese would still receive funding in the third year.

Similarly, if ordinands in Band 2 or Band 4 follow a three year pathway the diocese will not receive funding in the third year. As with current practice, the Block Grant will be paid in the event of a Bishop's set-aside of a BAP recommendation.

Payments in the second and third years will reflect tariff and allowance levels pertaining at that time and not at the start of training. For ease, worked examples and illustrations in this booklet are based on 2017/19 levels continuing for 2018/19 and 2019/20.

Annual Block Grant for ordinands beginning training in autumn 2017.

Age Range	Band	Block Grant for 2017/18 (£)	Tuition costs for 2017/2018 (£)	Average basic allowances for 2017/18 (£)	Payable for (Years)	% of band following typical pathway	Block Grant coverage % of band
<32	Band I	15,396	8,575	6,821	3	65	99
32-39	Band 2	15,396	8,575	6,821	2	64	93
40-54	Band 3	6,582	5,950	632	3	47	66
55+	Band 4	6,582	5,950	632	2	45	63



3.3 How can the Block Grant be spent?

Upon receipt of the Block Grant from the Archbishops' Council, the diocese must pay it into a restricted fund for ministerial education training for the ordinands they sponsor. The Block Grant can only be spent on Initial Ministerial Education pathways, which have been approved by Ministry Division at accredited TEIs.

It has been agreed that for the transitional three year period to September 2020 the Block Grant can only be spent on IMEI pathways, although the vision remains that eventually the funding may be applied to other elements of ministerial training such as after selection but prior to entry into a TEI, or during a first curacy (IME2). The only exception to this is the non-poolable charge relating to Context Based maintenance, described in Section 6.3.

Dioceses will be required to report the details of their Block Grant expenditure to the Ministry Council as part of the annual monitoring review described in Part 8.

Expenditure from the Block Grant is not limited to the year the Block Grant is received. Indeed, one of the main purposes of the Block Grant is to provide the flexibility for dioceses to manage their own training funds on a continuous basis across many years.

Similarly, the grant calculated in relation to the age of a particular ordinand is not linked to expenditure on that ordinand, but can be spent on others in the cohort if their training needs require a more expensive pathway than their individually generated grant would permit. The typical pathway associated with each band should not be treated as the recommended route. It is merely the basis on which the size of the grant has been calculated. For example, a 29 year old may follow a Context Based course which does not require the full grant, whilst an ordinand over 55 may follow a more expensive pathway than a two year regional course. Worked examples can be found later in Section 4.3.

If the aggregate costs of training pathways in any year exceed the Block Grant received in that year then the dioceses would be expected to fund this from the balance of their Block Grant training fund account or from their own resources.

The Block Grant should be spent in the way that supports the most appropriate pathway choice for the ordinand. The tuition and allowance rates that will operate from September 2017 are shown below:

Annual tuition costs and related allowances for ordinands beginning training in autumn 2017

Pathway	Tuition costs	Single Accommodation Allowance (£)	Married Accommodation Allowance (£)	Personal/Book Allowance (£)	Average Travel Allowance (£)	Total (£)
Residential College	8,575	5358	3237	2636		16,569 (S) 14, 448 (M)
Non Residential Context Based	7,140			1176	1032	9,348
Regional Course	5,950			309	323	6,582

Tuition costs will continue to be set by Ministry Division at a standard rate according to pathway. TEIs are not permitted to set their own tuition fees for ordinands.

TEIs will invoice the dioceses in accordance with the process outlined in Part 4 for both the tuition fees and, if a residential college, the appropriate accommodation allowance (sometimes known as college maintenance). The Block Grant calculated for Band I and Band 2 ordinands includes a weighted average of the single and married accommodation allowance. Details of personal/book and travel allowances are explained overleaf.



3.4 Allowances and travel expenses payable from the Block Grant

Dioceses should pay the appropriate personal and book allowance to ordinands using money from the Block Grant, in accordance with the timeline process in Part 4. The dioceses should decide upon an appropriate payment schedule for these allowance, but they are likely to align with the start of term. Details of allowances are shown below:

Ordinand allowances by pathway

	Residential Full-Time (£ pa)	Non-Residential Full-Time (£ pa)	Regional (£pa)
Combined Personal/Book Allowance	1,620	1,176	309 (book only)
Short Vacation Allowance	456		
Long Vacation Allowance	515		

From autumn 2017, dioceses will also be responsible for paying the travel expenses of ordinands on non-residential full-time and regional part-time courses.

For residential ordinands, travel to and from their TEI is included in the personal allowance, with their travel to placement included within the tuition fee. The travel allowance figures in the table on the previous page are the average across all ordinand claims for the pathway in 2016 adjusted for inflation. They should be treated as guidance on likely levels of expenditure. Typically 10% of non-residential and 53% of regional ordinands do not claim a travel allowance, yet the Block Grant includes an allowance in Band 3 and Band 4 for all ordinands. The current guidelines on initial travel allowances for ordinands on non-residential full-time courses are shown below:

Non-residential full-time travel expenses guidelines

Distance between home and TEI (Miles)	Initial Travel Allowance (£pa)
Less than 20	150
21-40	270
41-65	474
66-150	678

Reimbursement of any travel expenses in excess of these sums are paid at 30p per mile.

For ordinands on regional pathways the initial travel allowance is £150 with any excess claims also being paid at 30p per mile.

All travel expenses should be paid from the Block Grant. In the event that travel expenses differ significantly from theses levels then contingency funding may be available for ordinands in Band 3 or Band 4. A worked example is presented in Section 7.7.



4. I An overview of the mechanics

Step One: Confirm pathway

After recommendation following a Bishops Advisory Panel, the diocese, TEI and ordinand work together to establish which pathway the ordinand should follow and when the training should begin.

Step Two: Inform Ministry Division

After agreeing the ordinand's pathway, the TEI and the diocese together complete the Confirmation of Ordination Training form (COT) (See Appendix D). The diocese then returns this to the TEI, with a copy sent to Ministry Division as well. The COT should be completed as soon as the ordinand's pathway is agreed and no later than **Ist September**. It is essential that this form is completed on time, as the Block Grant can only be used to support the training of an ordinand for whom Ministry Division has received an appropriate COT form. The COT will be checked by Ministry Division and confirmation provided to both the diocese and the TEI that the Block Grant will be paid. The COT has replaced the NAOT.

September

Step Three: Confirmation from Ministry Division of block grant payment

Ministry Division will confirm to each diocese how much they will receive through the Block Grant, over what period and in relation to which ordinands, by the end of the first full week of September. The Block Grant is calculated according to the number of ordinands and their age bands, defined as the age of the ordinand on the 1st of September for the year in which they begin their training as an ordinand.

Each diocese will receive a schedule for the termly payments anticipated over the next year according to the age band guidelines. Payments in the second and third years will reflect tariff and allowance levels pertaining at that time and not at the start of training.

For ease, worked examples and illustrations in this booklet are based on 2017/19 levels continuing for 2018/19 and 2019/20.

Ministry Division will also confirm with each TEI the ordinands they have and from which dioceses, based on the valid COTs it has received.

Step Four: Payment of Autumn Term block grant to Dioceses

Ministry Division will pay each diocese the aggregate autumn term Block Grant in time for the money to arrive at the start of the final week of September. This money must be paid into a restricted Training for Ministry Fund established in each diocese (if the Diocesan Board of Finance has an existing Training for Ministry restricted fund that can be used, but the Block Grant can only be used for IMEI). The amount paid is based solely on the COT forms received by the Ist of September, so it is vital the COT is returned on time.

Step Five: Preparation of invoices by TEIs for Autumn term payments

TEIs should invoice the respective dioceses for the autumn term tuition costs (and if a residential pathway also for the single or married accommodation allowance as appropriate) for all ordinands who started training in the autumn term. TEIs can issue invoices as soon as they are ready, with payment according to normal terms by the end of September.



Step Six: Diocese pay TEI and ordinand

Dioceses should pay the TEIs in response to the invoices received in Step Five by the end of September. Payment should come from their Diocesan Training for Ministry Fund, which is where the Block Grant will have been paid into. Dioceses should also pay the necessary personal allowances, book grants and initial travel grants to ordinands from their Diocesan Training for Ministry Fund. The timing of these payments is at the discretion of the diocese, but is likely to align with the start of term.

Step Seven: Late confirmation of training pathway

Should the COT be completed late and received by Ministry Division after the 1st September, then adjustments will be made to the spring term Block Grant payment. This may result in ordinands commencing training without dioceses having received Block Grant funding for them. In these circumstances dioceses and TEIs should mutually agree payment arrangements.

Step Eight: Payment of Spring Term Block Grant to Dioceses

Ministry Division will pay the aggregate spring term Block Grant to each diocese in the last full week of January. As before, this must be paid into the restricted Training for Ministry Fund. This payment will include any adjustments for COTs received after the 1st September deadline.

Step Nine: Preparation of invoices by TEIs for Spring term payments

TEIs should invoice each diocese for the spring term tuition costs (and if a residential pathway also for the single or married accommodation allowance as appropriate) for all ordinands who started training in the autumn term as soon as they are ready. Payment terms should be **by the end of January**.

Step Ten: Diocese pay TEI and ordinand

Dioceses should pay the TEIs in response to the invoices received in Step Nine by the end of January. Payment should come from their Diocesan Training for Ministry Fund, which is where the Block Grant will have been paid into. Dioceses should also pay the necessary personal allowances, book grants and travel grants to ordinands from their Diocesan Training for Ministry Fund. The timing of these payments is at the discretion of the diocese, but it is likely to align with the start of term.

Step Eleven: Payment of Summer Term block grant to Dioceses

Ministry Division will pay the aggregate summer term Block Grant to each diocese in the last full week of April. As before, this must be paid into the restricted Training for Ministry Fund.

January

April



Step Twelve: Preparation of invoices by TEIs for Summer term payments

TEIs should invoice each diocese for the summer term tuition costs (and if a residential pathway also for the single or married accommodation allowance as appropriate) for all ordinands who started training in the autumn term as soon as they are ready. Payment terms should be **by the end of April**.

Step Thirteen: Diocese pay TEI and ordinand

Dioceses should pay the TEIs in response to the invoices received in Step Twelve by the end of April. Payment should come from their Diocesan Training for Ministry Fund, which is where the Block Grant will have been paid into. Dioceses should also pay the necessary personal allowances, book grants and travel grants to ordinands from their Diocesan Training for Ministry Fund. The timing of these payments is at the discretion of the diocese, but it is likely to align with the start of term.

Step Fourteen: Monitoring of Block grant and Training for Ministry Expenditure

By the end of September each Diocese should provide Ministry Division with an analysis of how the Block Grant has been spent in terms of ordinands, pathways, personal allowances, travel costs and receipt of any specific contingency funding for the preceding academic year. A standard submission will be provided by Ministry Division for this purpose. This will also show the cashflow status of each of the diocesan Training for Ministry funds. This material will be subject to review by the Ministry Council at their November meeting (See Part 8) and will be shared with all dioceses and TEIs.

September

4.2 Other issues

- I. Change of TEI: A new COT must be prepared by the diocese and TEI and sent to Ministry Division. This is likely to require individual pathway approval. The new TEI should include an appropriate termly charge for this ordinand in their next invoice to the diocese. There is no change in the payment of the Block Grant.
- Suspension of training: The TEI and Diocese must advise Ministry Division immediately and the next termly Block Grant payment to the diocese will be adjusted accordingly as will the next termly invoice from the TEI. Payment of the remaining Block Grant for this ordinand will resume when Ministry Division have been advised of the ordinand's recommencement of training.
- 3. Withdrawal from training completely: The TEI and Diocese must advise Ministry Division immediately and the next termly Block Grant payment to the diocese will be adjusted accordingly as will the next termly invoice from the TEI. If an ordinand has partially completed a term's training it is expected that this termly grant will be paid in full to the diocese and the TEI will be entitled to payment of the full term's cost.
- 4. **Payment of Contingency Funds:** Contingency funding for older ordinands will be paid alongside the termly RME Block Grant (see Section 7.3). Contingency funding for travel expenses will be paid in the autumn term following completion of the academic year when travel costs are known (see Section 7.6).



4.3 Worked examples

Example One: Where the Block Grant exceeds the cost of training

Peter is a married 26 year old ordinand. As he is under 32, Peter falls into Band I. A Block Grant of £15,396 would therefore be paid to his sponsoring diocese for each of three years.

Following conversations on pathways within the dioceses and with TEIs, it is decided that Peter should study an approved full-time course at an accredited residential college. Peter already has a theology degree so given his prior knowledge he will follow a two year course.

For each of these two years, the TEI charges £8,575 in tuition fees and £3,237 for his married accommodation allowance. Peter also receives £2,636 each year personal allowance. He will also receive family maintenance paid directly by his diocese which is poolable. Family maintenance is separate from the Block Grant.



Peter's diocese will receive three years of Block Grant funding even though Peter has completed his course in two. Overall, Peter's sponsoring diocese will receive a Block Grant from the Archbishops' Council totalling £46,188 paid in nine termly instalments. However, as Peter is only studying for two years, his training costs his diocese £28,896. This means Peter's diocese would have a surplus from the Block Grant of £17,292 which is more than enough to pay for a year's education, accommodation and maintenance for another ordinand. The diocese would use this money on the education of their other ordinands, either in the same year or in subsequent, but only for approved pathways at accredited institutions.



Example Two: How the Block Grant works for Context Based

Jessica is a 35 year old married ordinand. As an ordinand aged between 32 and 39, Jessica falls into Band 2.

A Block Grant of £15,396 would therefore be paid to her sponsoring diocese for each of two years.

Following conversations on pathways, the diocese send Jessica to study an approved full time Context Based course, through an accredited institution for three years.

For each of the three years, the TEI charges £7,140 in tuition fees. Meanwhile, Jessica receives £1,176 each year as a personal allowance from the diocese, along with her travel expenses which are expected to average £1,032. Jessica will also receive family maintenance according to the revised arrangements for Context Based courses (see Part 6) paid directly by her diocese and which is poolable, with the exception of the transitional charge. This is separate from the Block Grant.

Overall Jessica's sponsoring diocese will receive a Block Grant from the Ministry Division totalling £30,792, which would be paid in six instalments. It is not relevant that she is doing a Context Based course rather than a residential, as the Block Grant is based on her age rather than her pathway. However, as Jessica's fees are lower, her training costs her diocese £28,044. This means Jessica's diocese would have a surplus from the Block Grant of £2,748 which can be used to contribute to the costs of training of other ordinands, either in the same year or in subsequent, but only for approved pathways at accredited institutions.



Example Three: The Block Grant and Older Ordinands

Rachel is a married 45 year old ordinand. As she is aged between 40 and 54, Rachel falls into Band 3. A Block Grant of £6,582 would therefore be paid to her sponsoring diocese for each of three years.

Following conversations on pathways, the diocese send Rachel to study an approved full-time course at an accredited residential college for two years.

For each of these two years, the TEI charges £8,575 in tuition fees and £3,237 for her married accommodation allowance. Rachel also receives £2,636 each year as a personal allowance. Rachel will also receive family maintenance according to the current arrangements paid directly by her diocese and which is poolable. This is separate from the Block Grant.



Overall Rachel's sponsoring diocese will receive a Block Grant from the Archbishops' Council totalling £19,746, which would be paid in nine instalments. However, as Rachel is studying for two years at a residential college, her training costs her diocese £28,896. This means Rachel's diocese would have a deficit from the Block Grant of £9,150. The diocese would pay for this shortfall using the money they have accumulated from cases where the block grant has generated a surplus or from previous years. For example, if Peter and Rachel were both sponsored by the same diocese, then it could use the £17,292 of surplus from Peter's training to offset the deficit from Rachel's. In addition, contingency funding may be available to support Rachel's training depending upon the overall cashflow status of the diocese (see Section 7.3).

Example Four: The Block Grant and Regional Courses

Matthew is a 56 year old ordinand. As he is aged over 55, Matthew falls into Band 4. A Block Grant of £6,582 would therefore be paid to his sponsoring diocese for each of two years.

Following conversations on pathways, the diocese send Matthew to study an approved three year regional course through an accredited institution.

For each of these three years, the TEI charges £5,950 in tuition fees. Meanwhile, Matthew receives £309 each year as a book allowance and claims his travel expenses which on average are expected to be £323 (should his travel costs exceed this amount some contingency funding may be available, see Section 7.6).



Overall then, Matthews's sponsoring diocese will receive a Block Grant from the Ministry Division totalling £13,164, which would be paid in six instalments. However, as Matthew is studying for three years on a regional course, his training costs his diocese £19,746.

This means that Matthews's diocese would have a deficit from the Block Grant of £6,582. The diocese would pay for this shortfall using the money they have accumulated from cases where the Block Grant has generated a surplus. For example, if Matthew and Jessica were both sent by the same diocese, then their diocese could use the £2,748 of surplus from Jessica's education to contribute towards the deficit from Matthew's.

Part 5: Cashflow Implications



5.1 How will diocesan cashflows be impacted by the Block Grant?

The cashflow impact of the Block Grant in any year will depend upon the number of ordinands, their ages and pathway choices. Early work from the shadow running exercise in autumn 2016 was confirmed by an analysis of the diocesan cashflow impact for all 476 ordinands starting training in September 2016, using the rates that will operate from September 2017.

For a particular annual cohort of ordinands there is likely to be as many dioceses with sufficient or more funding than is required for the pathway choices of their ordinands as there are dioceses which have insufficient funding. For example, for 2016/17 cohort there were twenty dioceses which would have had sufficient or surplus funding and twenty three that would have recorded a cashflow deficit. The average deficit across cashflow negative dioceses was c£24k (c£8k pa). Only eight dioceses would have recorded a negative cashflow across the three years of this cohort of more than £30k (£10k pa).

By comparison, the average surplus across the cashflow surpluses was c£21k (c£7k pa). Five of the cashflow surplus dioceses would have recorded a surplus for the cohort of more than £30k (£10k pa). The above analysis of course reflects a hypothetical application of the Block Grant to pathway choices that had already been made. Outcomes may differ when the Block Grant mechanism is implemented.

The shadow running and later detailed analysis identified the main cause of cashflow deficit as being the choice of ordinands in Band 3 (40-54) to follow a two year residential pathway. As a result, contingency funding may be available during the transition period to support such choices (see Section 7.3).

5.2 What happens if there is a cashflow surplus in one year?

If a diocese records a cashflow surplus for a particular year it should be used to increase reserves in its Training for Ministry fund for the needs of future ordinands. As can be seen in the example on page 17, for a given cohort there is more likely to be a surplus in Years 1 and 2 than in Year 3.

However, Year 3 for one cohort will of course coincide with Years I and Years 2 of other cohorts, so the cashflow impacts may balance out. If one or more diocese is consistently building up surpluses in its Training for Ministry Fund then at the annual monitoring review of the RME process this will be identified and appropriate action recommended. (See Part 8).

5.3 What happens if there is a cashflow deficit in one year?

If a diocese records a cashflow deficit in a particular year it can draw from previous built up surplus reserves in its Training for Ministry fund or alternatively source it from its own funds. It may also be possible to make use of contingency funding for Band 3 ordinands (see Section 7.3) to reduce the size of the deficit during the transition period.

As above, a deficit in Year 3 of a particular cohort may often be matched by a surplus in Years I and 2 of other cohorts. If one or more diocese is consistently building up deficits in its Training for Ministry Fund then at the annual monitoring review of the RME process this will be identified and appropriate action recommended. (See Part 8).

An illustrative diocesan cashflow including the four worked examples is provided overleaf.

The key points to note in this illustration are:

- A total of £545k is paid in Block
 Grant over three years with the
 amounts in Years I and 2 being more
 than that received in Year 3 which
 relates only to those ordinands in
 Band I and Band 3.
- Overall there is a relatively small cashflow deficit of £15k across the cohort of twenty ordinands.
- Ten ordinands have followed a
 pathway that is more expensive than
 the Block Grant generated according
 to their age and six ordinands have
 followed a pathway that is less
 expensive.
- In relation to Rachel and Kenneth, contingency funding may be available which could help reduce the cashflow deficit. (See Section 7.3).

Diocese of Southbury - An Illustrative Diocesan Cashflow

						1				1													_
	Aggregate	17,292	-3,519	-3,519	18,144	2,844	2,748	12,096	-12,552	12,096	-9,150	-8,298	0	0	0	-8,298	-13,392	-8,298	-6,582	0	-6,582	-£14,970	(
Differences (£)	2019/20	15,396	-1,173	-1,173	6,048	948	-9,348		-14,448	0	6,582	-2,766				-2,766	6,582	-2,766	-6,582		-6,582	-£12,048	
Differe	2018/19	948	-1,173	-1,173	6,048	948	6,048	6,048	948	6,048	-7,866	-2,766	0	0	0	-2,766	-9,987	-2,766	0	0	0	-£1,461	
	2017/18	948	-1,173	-1,173	6,048	948	6,048	6,048	948	6,048	-7,866	-2,766	0	0	0	-2,766	-9,987	-2,766	0	0	0	194,13-	
	Total	14,448	16,569	16,569	9,348	14,448	9,348	9,348	14,448	9,348	14,448	9,348	6,582	6,582	6,582	9,348	16,569	9,348	6,582	6,582	6,582	£212,427 -£1,461	
s (£)	Travel				1,032		1,032	1,032		1,032		1,032	323	323	323	1,032		1,032	323	323	323		
Anticipated Costs (£)	Personal	2,636	2,636	2,636	1,176	2,636	1,176	1,176	2,636	1,176	2,636	1,176	309	309	309	1,176	2,636	1,176	309	309	309	£28,538 £9,162	
Anticip	Accom	3,237	5,358	5,358		3,237			3,237		3,237						5,358					£29,023	
	Tuition	8,575	8,575	8,575	7,140	8,575	7,140	7,140	8,575	7,140	8,575	7,140	5,950	5,950	5,950	7,140	8,575	7,140	5,950	5,950	5,950	£145,705	
Course	Length (Years)	7	ĸ	ĸ	m	m	ĸ	2	m	2	7	m	m	ю	m	3	2	ж	m	2	ъ	7	
Training	rathway (Tel	Residential	Residential	Residential	Context	Residential	Context	Context	Residential	Context	Residential	Context	Regional p/t course	Regional p/t course	Regional p/t course	Context	Residential	Context	Regional p/t course	Regional p/t course	Regional p/t course		
	2019/20	15,396	15,396	15,396	15,396	15,396					6,582	6,582	6,582	6,582	6,582	6,582	6,582					£123,054	£544,986
Block Grant (£)	2018/19	15,396	15,396	15,396	15,396	15,396	15,396	15,396	15,396	15,396	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	£210,966 £210,966 £123,054	
Blo	2017/18	15,396	15,396	15,396	15,396	15,396	15,396	15,396	15,396	15,396	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	6,582	4210,966	
Grant	(Years)	ъ	æ	æ	m	m	2	2	2	2	m	æ	т	ъ	m	3	ж	2	2	2	2		
	Dand	-	-	-	-	-	2	2	2	2	٣	m	ю	3	m	ъ	m	4	4	4	4		
	Age e	76	3	28	27	28	35	36	33	38	45	14	42	47	9	45	42	55	57	57	99		
Marital	Status	Married	Single	Single	Single	Married	Married	Single	Married	Single	Married	Married	Married	Married	Married	Single	Single	Single	Married	Single	Married		
Ordinand	Name	Peter	Sarah	Joshua	Elizabeth	Jonathan	Jessica	Fiona	William	Christopher	Rachel	Darius	Joseph	Daniel	Alison	Timothy	Kenneth	Brian	Edward	Helen	Matthew	Totals	



Part 6: Mixed Mode and Context Based Funding



6.1 How the pathway has developed

Four years ago, 68 ordinands were enrolled on a Context Based or Mixed Mode training course. Now 185 ordinands are following this pathway, which is currently provided by nine TEIs. More than 80% of dioceses have at least one ordinand on a Context Based or Mixed Mode course.

The opportunity to combine formal theological education with practical ministry experience has proved popular with ordinands and dioceses alike, such that this is now the fastest growing pathway accounting for 15% of all ordinands.

However, the funding for this pathway has developed on an ad hoc basis and is neither robust nor consistent enough to cope with the continued growth that is likely to play a significant factor in meeting the aspiration of an overall 50% increase in those in ordination training.

The main limitations of the current arrangements are that:

- In the majority of cases the cost of providing financial support for ordinands falls primarily on parishes, which can restrict the range of high quality placements available because of insufficient funds. As a result of this, on a temporary basis c20% of ordinands whose parishes would not be able to support them otherwise have had to be supported by central funding.
- Most ordinands are employed by their parishes, requiring the payment of income tax and national insurance; money which is lost to the wider church economy. As a result of this employed status, placement activity is not always treated as an integral part of training as it would be in other pathways.
- In aggregate, dioceses provide c40% of the financial support received by these ordinands. This is the only element of ordinand financial support that is shared across the Church, unlike other pathways. This is one example of the lack of equity between ordinands on this pathway and others, and indeed between different types of TEIs offering this pathway.



Following a comprehensive review by a working group drawn from specialists across the ministerial education sector, and extensive consultation, a new approach to funding the mixed mode pathway will be implemented from September 2017.

This new approach aims to:

- Provide sustainable growth for this growing part of the sector.
- Ensure that suitable training parishes are not excluded because they cannot contribute financially.
- Operate with simplicity and certainty.
- Deliver fairness of financial treatment for ordinands and TEIs.

Part 6: Mixed Mode and Context Based Funding



6.2 The key changes from September 2017

The new financing framework for ordinands beginning their training on a Mixed Mode/Context Based pathway in September 2017 will have the following key characteristics:

- 1. The pathway will be treated as full-time training, with maintenance funding for all full-time training pathways being determined on the same basis according to Ministry Division guidelines.
- 2. All maintenance costs will be paid by dioceses, rather than parishes, and be poolable across the dioceses as with other full-time pathways.
- 3. Activities within parishes are a training placement and should not be covered by a contract of employment. Thus no monies received by ordinands should be subject to tax or NI. Activities of ordinands within the parish should be agreed between the parish and the TEI within Ministry Division guidelines, and form an integral part of the training pathway with appropriate support and evaluation.
- 4. Parishes should not make significant demands on the time of ordinands beyond those activities agreed with the TEI. Ministry Division will also assist the sharing of best practice in this area.
- 5. The costs of travel between the parish and the TEI should be borne by the diocese from the Block Grant allocation. The parish should meet ministry related expenses of ordinands incurred whilst in context (such as travel within a large parish, and participation in meetings/events that are a part of the activities agreed with the TEI) according to the Ministry Division guidelines.
- 6. There will be no formal requirement for parish contributions to maintenance. This should remove the financial barrier which has limited the ability to place ordinands in appropriate contexts. Since the costs of maintenance will be pooled across all dioceses the centrally provided support for ordinands in less wealthy parishes will end.

Existing ordinands continuing their training in September 2017 will continue to receive funding under current arrangements.

6.3 Moving to the new arrangements - the non-poolable charge

Although implementing these new financing arrangements is unlikely to add costs to the church economy as a whole, there will be an increase in the expenditure of dioceses matched by a reduction in expenditure by parishes. Therefore, on a pragmatic basis, there will be a charge of £3k pa per Mixed Mode/Context Based ordinand in 2017/18 that is not poolable, in recognition of the potential cashflow impact on diocesan funds.

Given that we want to achieve equity between pathways, the £3k charge is not permanent and will be phased out during the three year transition period. The non-poolable charge is £3k per ordinand in 2017/18, £2k in 2018/19 and £1k in 2019/20, so will have been removed by the end of the transition period in Autumn 2020.

The diocese can choose to what extent it recovers this non-poolable charge from parishes providing the context or whether to fund it in some other way. In particular, the diocese will be permitted to recover the charge from its Block Grant should there be sufficient surplus funds. On the basis of 2016/17 figures, we expect this to be possible for nine dioceses. If the diocese asks for a contribution from context parishes in addition to their parish share, this might be in the form of housing where available or contribution to housing costs. Where such a contribution is made and exceeds the non-poolable charge, the dioceses should reduce the call on pooled maintenance costs by the full amount of the contribution, except where parish contributions make possible a placement where housing costs exceed current national guidelines.

In order to maintain parity between forms of full-time training as far as possible, all full-time pathways are asked to specify whether they are residential or non-residential according to agreed criteria. Only residential pathways are immune from the diocesan non-poolable charge. A residential pathway is one which requires ordinands to attend the TEI's premises, or a recognised extension of its premises, on an average of four days per week in term time for activity which also involves staff. The non-poolable charge applies to all other full-time ordinands to whom maintenance is paid, whether or not they are currently described as Mixed Mode or Context Based, and whether or not there is currently a parish contribution for any or all of the maintenance.

Part 6: Mixed Mode and Context Based Funding



6.4 How will it work in practice?

Ordinands on a Mixed Mode/Context Based pathway will receive maintenance support paid by the diocese calculated on the same basis as that of current residential ordinands, in accordance with the current Support of Married and Single Candidates guidelines produced by Ministry Division. (Please note the updated version of this for academic year 2017/18 will shortly be released). Ordinands should complete the Family Budget for Ordinands or Budget Form for Single Ordinands as appropriate.

Some key points to note:

- 1. The accommodation allowances for single ordinands at residential colleges reflects the availability of lower cost college accommodation. This may be replaced by the maximum available for Context Based ordinands in London of £7,815. For married ordinands the maximum allowable is £17,445. In both cases the diocese should expect to see evidence of rental or mortgage payments.
- 2. Within these allowances, ordinands should be able to take account of both interest and capital repayment on mortgage payments. This is a change from current policy and will be applied to all ordinands on full-time courses starting in September 2017 as well (see Section 9.2).
- 3. Context Based Ordinands will also be eligible for the full TAP grant rather than only 50% as is current practice.

Dioceses will then provide details to Ministry Division of all the maintenance payable to ordinands on this pathway at the same time as they do for residential ordinands. With their submission they should indicate how the non-poolable charge for each ordinand is being funded. A standard template will be provided for this purpose.

Context Based ordinands are more likely than their residential counterparts to have a working spouse. On a means tested basis, this would lead to reduced maintenance payments than would otherwise be the case. It would also be likely to lead to a lower average take up of TAP grants for the same reason.

Any cashflow difficulty from these new arrangements is most likely to be among those less wealthy dioceses which see a significant increase in the number of ordinands in any year for whom they need to pay maintenance and must then wait for one year before a significant portion of that is "repaid" through pooling rather than rely on parishes to pay for this under the current arrangements. This would have a one-off negative cashflow impact in Year I because the repayment in Year 2 should contribute towards the maintenance costs of ordinands starting training in Year 2.

Accordingly it may be appropriate to consider some form of one-off transition support for such dioceses subject to assessment of need. This will be a key item that is reviewed during the annual monitoring review undertaken by Ministry Council (see Part 8).



Part 7: Managing the Transition



7.1 Transition period

There will be a transition period of three years from September 2017 for adoption of the full RME arrangements. During this period, funding for those ordinands continuing training in September 2017 in their second and third years will continue to be paid by the Archbishops' Council using the current arrangements. Each year the new cohort of ordinands will be funded by the Block Grant, meaning a diminishing number of ordinands will be funded by the current method.

A key objective of the RME arrangements is to avoid transitional turbulence during the early years of implementation, and as such to ensure any reasonably foreseeable inadvertent consequences are avoided. One of the purposes of the annual review by Ministry Council (see Part 8) will be to identify any unforeseen consequences of the changes during the transition period and to recommend any further appropriate structural changes to the arrangements.

As mentioned in Section 3.3, although it is anticipated that over time the Block Grant may be applied to all approved training components, for the transitional three year period to September 2020 the Block Grant can only be spent on IMEI pathways. This is without prejudice to future discussion and decisions as to how IME2 will be funded.





Resourcing Ministerial Education

Update on Shadow Running Exercise

December 2016

An update for the fifteen participating dioceses

7.2 Shadow Running and contingency funding

The RME Financial arrangements have been operated since September 2016 on a shadow basis amongst a cross section of dioceses and TEIs, who together cover more than a third of the typical number of ordinands entering training each year.

This approach is enabling us to test the detailed process mechanics and helped identify any transitional requirements before formally going live in September 2017. We are grateful to the staff of fifteen dioceses and five TEIs who have participated in this process so far. A detailed review of the first element of the shadow running exercise can obtained on request.

As a result of the shadow running exercise, and reinforced by further analysis, there are two circumstances where contingency funding will be made available during the transition period. The use of contingency funds is described over the following pages, and should help to ensure that all ordinands are able to follow the best pathway for their formation.

At the end of the transition period as part of the formal Ministry Council review (see Section 8.4) the future of contingency payments will be considered.

Part 7: Managing the Transition



7.3 Support for older ordinands

The Block Grant is set at levels to provide sufficient funding for the most numerous pathway choice followed by ordinands in a particular age band. For Band 3 (40-54) this is a three year regional part time course. In 2016/17 only twelve more ordinands (6.5% of the band) followed this pathway than did the next most popular which was a two year residential pathway. The impact, as demonstrated by the shadow running, is that it is members of this age band who are most likely to be limited in following their pathway choice as a result of the Block Grant arrangements.

For the transition period, and reviewed on an annual basis, there will be contingency funding from central Archbishops' Council funds of up to 50% of the difference between the Block Grant related to a Band 3 ordinand and the cost of a two year residential course. This will be dependent upon meeting all of the criteria below:

- 1. The diocese has a cashflow deficit over the anticipated three year period for the cohort.
- The diocese still has a cashflow deficit over the anticipated three year period after taking account of the current balance of the diocesan Training for Ministry fund.
- 3. The funding relates only to Band 3 ordinands following a two year residential course.
- 4. The diocese funds at least 50% of the differential between the Block Grant and the costs for the ordinand.
- 5. The pathway choice is acknowledged as the best route for the ordinand, based upon a review of the Candidate Formation Plan.
- 6. An application is made to the Finance Panel.

The shadow running exercise and subsequent analysis suggests that this contingency funding may apply to 35 ordinands or 7% of the overall cohort within 19 cashflow deficit dioceses for the first year.

Worked Example: Diocese of Southbury

Rachel and Kenneth are ordinands in the Diocese of Southbury, during the first year of operation of the RME arrangements. Rachel is a married ordinand in Band 3 (see example in Section 4.3) who will generate a Block Grant of £19,746 (3 \times £6,852) and who follows a two year residential pathway which costs £28,896 ($2\times$ £14,448). Thus her training choice leads to a Block Grant deficit of £9,150 over the three years.

Kenneth is a single ordinand in Band 3 who will generate a Block Grant of £19,746 and who follows a two year residential pathway which costs £33,138 (2x £16,569). Thus his training choice leads to a Block Grant deficit of £13,392 over the three years.

Both Rachel and Kenneth are sponsored by Southbury Diocese, and for the given cohort of ordinands starting training there is a cashflow deficit over the three year period, which means the diocese would be able to draw on contingency funding.

The diocese would be expected to pay the full residential costs for the two years of Rachel and Kenneth's training. The contingency fund would provide 50% of the total differential in this case 50% of £22,542 which is £11,271. The cashflow deficit occurs over the two years of residential training so the contingency provision would be spread across the two years as well i.e. in this case £5,635 in 2017/18 and a similar amount in 2018/19. This contingency funding will be paid to the diocese termly alongside the receipt of the Block Grant, in this case £1,878 per term.

7.4 The non-poolable charge for full-time Context Based ordinands

In Section 6.3 we describe how during the three year transition period a non-poolable charge will be applied to maintenance payments for full time non-residential ordinands. The charge will taper from £3k per ordinand in 2017/18 to £1k in 2019/20 and then end. The diocese will be permitted to recover the charge from its Block Grant should there be sufficient surplus funds. On the basis of 2016/17 figures we expect this to be possible for nine dioceses.

7.5 Other areas of transition support

During April and May 2017 the shadow running dioceses and TEIs are piloting the production and payment of invoices for tuition fees and allowances and linked financial requirements. This process should enable us to identify whether any further transition funding or other support should it be necessary.

Part 7: Managing the Transition



7.6 Support for travel costs for regional part-time and non-residential full-time courses

For 2017/18 average travel allowances have been calculated as £1,032pa for non-residential full time ordinands and £323pa for regional part time ordinands. These are based on the average claims of ordinands in that category for 2016 (adjusted for inflation). In 2016, 10% of non-residential full-time ordinands and 53% of regional part-time ordinands did not claim for travel. The regional travel average is incorporated in the calculation of the Block Grant for Band 3 and Band 4 ordinands.

As with all averages, a number of dioceses indicated during the shadow running that, given their geographic position and availability of local TEIs, this is likely to be insufficient for their ordinands' needs. A number of participants provided greater detail to enable us to determine that in certain cases an average figure nearer £600 may be more practical.

Therefore for the transition period and reviewed on an annual basis, there will be contingency funding for travel support of up to £200 per ordinand per annum in the following circumstances:

- 1. The diocese has a cashflow deficit over the anticipated three year period for the cohort.
- 2. The diocese still has a cashflow deficit over the anticipated three year period after taking account of the current balance of the diocesan Training for Ministry fund.
- 3. The diocese still has a cashflow deficit over the anticipated three year period after allowing for the receipt of any "older candidate" contingency funding.
- 4. The contingency funding relates only to Band 3 or Band 4 ordinands following regional or non-residential courses. It is expected that any greater than average travel expense from these pathways for Band 1 or Band 2 can be covered by the Block Grant they generate.
- 5. The diocese funds at least 50% of the aggregate differential between the Block Grant and the travel costs for ordinand on regional part-time and non-residential pathways.
- 6. An application is made to the Finance Panel.

7.7 Worked example

The Diocese of Southbury has an anticipated cashflow deficit of £14,970 over the three years of the cohort which is reduced by £11,271 by the payment of older ordinand contingency funding to cover the training costs of Rachel and Kenneth (as described in Section 7.3). The adjusted anticipated deficit would be £3,699. Within this cohort and contributing to the overall cashflow deficit are the following Band 3 and Band 4 ordinands following non-residential full time and regional courses. Their actual travel costs for 2017/18 are shown below:

Name	Band	Pathway	Average Travel Allowance (£)	Actual Annual Travel cost (£)	Difference (£)	50% Difference (£)	Incorporated in Contingency Payment (£)
Darius	3	Non Res	1032	970	-62	-31	-31
Joseph	3	Regional	323	0	-323	-161	-161
Daniel	3	Regional	323	0	-323	-161	-161
Alison	3	Regional	323	300	-23	-11.5	-11.5
Timothy	3	Non Res	1032	1300	268	134	134
Brian	4	Non Res	1032	1200	168	84	84
Edward	4	Regional	323	600	277	138.5	138.5
Helen	4	Regional	323	750	427	213.5	200
Matthew	4	Regional	323	500	177	88.5	88.5
Total			5034	5620	586	293	279.5

In the above example Southbury would receive a contingency payment of £279.50 in the first termly Block Grant payment after the academic year is completed and actual travel costs known. This is likely to be September 2018. As shown above the payment would cover 50% of the travel costs above the average, limited to £200. This would bring the anticipated cashflow deficit down to £3,419 over three years, with subsequent potential travel contingency payments reducing it further.

Part 8: Review of the RME Financial Arrangements



8.1 Governance

Throughout the transition period there will be a regular annual review of the implementation of the RME financial arrangements. This will form a core element of a regular review of Ministerial Education undertaken by the Ministry Council, typically at their November meeting. The first of these, initially of limited scope, will take place in November 2017.

The RME Steering Group will continue to meet into 2018. Since April 2016 the group has been charged by Ministry Council with oversight of the design and implementation of the RME financial arrangements.

There will be a full review in November 2020 of the new arrangements by the Ministry Council and at that point any necessary adjustments can be made.

8.2 Preliminary review

At the November 2017 Ministry Council there will be an opportunity for a preliminary review of the first term's financial changes under RME. This review should cover amongst other things:

- The size of Block Grant paid to each diocese.
- The profile of ordinands in terms of age, number and pathway choices by each diocese.
- The identification of typical pathway for each age band.
- The likely requirements for contingency funding for older ordinands.
- A qualitative assessment of the effectiveness of the mechanics of the system.

Following the Ministry Council Review, elements of this information will be shared with the diocese and TEI.

8.3 Subsequent reviews

At the November 2018 and 2019 Ministry Council reviews there will be an opportunity to confirm the details of the previous academic year's review and in addition to assess amongst other things:

- The actual requirements for contingency funding for travel support.
- The utilisation of the RME Block Grant for payment of the non poolable charge for full time non-residential courses.
- The cashflow status of each diocese's Training for Ministry restricted fund.
- A more through qualitative assessment of the effectiveness of the mechanics of the system.
- Report of the RME Steering group on detailed implementation issues.
- Recommendations for any structural changes to the financial arrangements prior to the full review in November 2020.

Key elements of this Ministry Council Review will be shared with dioceses and TEIs.

8.4 Formal end of transition review

At the November 2020 Ministry Council there will be a thorough review of all elements of the financial mechanism based on the evolution of the system and its review in the preceding three years. This will also take a more strategic perspective and focus on the extent to which the changed financial arrangements have supported the growth and development of the ministerial education sector and met the RME objectives.

Part 9: Other Elements of the Financial Framework



Many of the remaining elements of the financial framework for ministerial education are not changing. However, for completeness, the way in which these elements will be funded from September 2017 are laid out below:

9.1 Continuing ordinands

The RME changes only apply to ordinands entering training from Autumn 2017. For ordinands already in training, arrangements for funding and everything else relating to their training are unchanged. By September 2020, all ordinands will be funded according to the Block Grant framework. The tuition fees and related allowances that will pertain for continuing ordinands are the same as those for new ordinands and are shown in Section 3.3.

9.2 Family maintenance

When calculating expenditure for family maintenance purposes from September 2017, ordinands should be able to take account of both interest and capital repayment charges on mortgage payments upon receipt of written evidence. This is a change in policy.

Other than regular increases in allowances there will be no other changes in family maintenance arrangements. In particular the limitation of pooling of maintenance for these ordinands who will be ordained by the time they are 50 having completed their normal training will continue. The new arrangements for non-residential full-time ordinands are set out in Part 6. Updated versions of the Support of Married and Single Candidates guidelines will be released shortly.

9.3 University fees

There will continue to be payments made by Ministry Division to TEIs for university fees as now. This continues to apply both when ordinands are undertaking a Common Awards programme and when they are undertaking a university award which is an approved exception to Common Awards.

9.4 Higher cost pathways

There is no change to the way in which the additional cost of higher cost pathways (e.g. Cambridge Tripos or Oxford BA) are funded. Ordinands will still generate Block Grant funding according to their age which will be used to fund their training. The central Training for Ministry budget will continue to be used to share with the TEI the additional tuition and related costs up to £4.5k.

9.5 Research degrees

There is no change to the role of the Research Degrees Panel in approving proposals for ordinands to undertake research degrees as part of their training, and the way in which additional funding may be made available for such degrees. Ordinands will still generate Block Grant funding according to their age which will be used by the diocese to fund their standard training. The central Training for Ministry budget will be used to finance the appropriate university fees and any single or married college maintenance fee as is currently the case.

9.6 Disability and dyslexia support

New arrangements for disability and dyslexia support will be implemented from September 2017. Details of these will be communicated separately.

9.6 Candidates Panel

Candidates Panel will continue to exist, and its approval will be needed for an ordinand to re-enter training after a withdrawal lasting three months or more (amongst other things). However approval for ordinands to undertake non-standard pathways now comes from the Individual Pathways Panel (see Section 2.5). Length and mode of training is no longer restricted by age, so no application is necessary for ordinands to undertake training that would be more expensive than is typical for an ordinand of that age — and, as a result, the 'Gathered Field' will no longer exist. However no additional funding is available for such candidates beyond the Block Grant.

9.7 The Train a Priest Fund (TAP)

TAP maintenance payments will continue to be calculated on the current basis. Payments will be added to the Block Grant termly payments to dioceses with the requirement that the TAP maintenance is passed to the appropriate ordinands. Ordinands on non-residential full-time courses will from September 2017 be entitled to 100% TAP allowances. This is an increase from the current 50%.

Part 10: Contacts



Who's who in the Ministry RME team?

Ministry Division staff are always happy to offer support and advice. Please don't hesitate to get in touch.



Ian Barnetson

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IME Pathways Adviser

keith.beech-gruneberg@churchofengland.org

020 898 1397

Key Diocesan and TEI contacts

The final edition of this handbook will feature a set of contacts for diocesan and TEI finance staff.

Please could each diocese provide the name, email address and phone number of your key vocations/ministry contact and your key finance contact.

Please could each TEI provide the name, email address and phone number of your key finance contact.

Appendix A

Draft Bishops' Guidelines



Draft Bishops' Guidelines for Ordinand Pathways in IME I

- I. It is ultimately the responsibility of the bishop to decide an ordinand's training pathway, in consultation with the candidate, the DDO and the training institution, and in light of the agreed policies of the House of Bishops.
- 2. In principle a pathway includes every aspect of the candidate's formation and training. However an agreed pathway normally sets parameters for the training while allowing the TEI flexibility on matters of detail.
- 3. The goal of any IMEI pathway is to ensure good foundations are in place for the candidate's ongoing ministry, including ensuring that the candidate appropriately fulfils the relevant formational criteria for the point of ordination. Since ordained ministry exists to serve the church and world, decisions should be made by bishops and their advisers judging what is the best use of the church's resources to fit the candidate to be the ordained minister the church needs. It is reasonable to ask candidates to train beyond the minimum that would enable ordination if this would offer them additional resource in their future ministry.
- 4. The church values both diversity in its ordinands, and (in part as a consequence of this) corporate and community dimensions of training ordinands learning with and from others, and giving to others as well as receiving from them. Appropriate training pathways are generally ones in which the ordinand is part of a cohort of other ordinands (and sometimes also others training for various forms of Christian ministry) for at least a significant part of their learning, rather than being shaped primarily by the distinctive features of the particular candidate.
- 5. Length of training is dependent on factors such as those identified in paragraph 7 below. However candidates without significant relevant prior learning will normally train for 3 years part-time, 2 years full time or 3 years full-time. Only in the most exceptional cases will training take less than I year.
- 6. When aspects of an IME pathway are HE accredited, candidates for incumbent focus almost always achieve a Diploma of Higher Education, a Bachelor's Degree or a higher award in theology/ministry unless they have such an award already. Candidates for assistant focus generally do so many of the formation criteria imply a level of understanding and skill characteristic of level 5 (though that does not imply that appropriate fulfilment of the criteria can only be demonstrated by means of a pathway including a level 5 award).



- 7. Decisions on training pathways are always matters of discernment, and often a matter of weighing a number of different factors. Therefore there can be no neat formula for determining the appropriate pathway for a particular candidate. Dioceses will also need to have regard to the cost implications of the candidate's undertaking the training pathway. However factors which may influence the shape and length of the training undertaken by a particular candidate include:
 - a. Existing personal and emotional maturity i
 - cf. selection and formation criteria relating to personality and character, and relationships
 - b. Existing faith development ii
 - cf. selection and formation criteria relating to faith and spirituality
 - c. Existing ministerial or missional experience iii
 - cf. selection and formation criteria relating to ministry in the Church of England, leadership and collaboration, mission and evangelism

Long experience will in general be a valuable resource on which the candidate may draw. However sometimes it may mean the candidate is set in particular ways of thinking and behaving which may need time to modify.

- d. Prior study, especially of ministry and/or theology iv
 - cf. selection and formation criteria relating to faith and quality of mind
- e. Existing transferable experience (and evidence of the ability to transfer it) v
 - cf. selection and formation criteria relating to mission and evangelism, leadership and collaboration, and relationships
- f. Envisaged future ministry vi
- g. Personal characteristics, with full inclusion of those with disabilities a particular priority vii
- h. Personal circumstances including family circumstances viii
- i. Particular development needs ix
- i. E.g. someone who has not yet demonstrated resilience and growth in the face of a wide range of life events may benefit from longer in formation/training than someone who has done so
- ii. E.g. someone who has relatively recently come to faith may need longer formation/training than someone with a long history of active Christian discipleship
- iii. E.g. someone with five years' experience of Reader ministry may need less ordination formation/training as a result
- iv. E.g. someone who has I20 credits at HE level of study addressing areas across the ministerial curriculum may need less ordination formation/training as a result (degrees in 'Theology and Religion' will need careful assessment to see how much of the normal content of ministerial training is included); some pathways may assume those coming on them are already graduates in another discipline
- v. E.g. someone who has worked for several years full-time as a community worker, and can relate this to the role of a deacon may need less formation/training than someone with no such experience
- vi. E.g. is the candidate being prepared for the demands of assistant-focus or incumbent-focus ministry? Are they being equipped to minister in one context for the next few years or for ministry in potentially a diverse range of contexts across several decades?
- vii. E.g. preferred ways of learning
- viii. E.g. can training be combined with the candidate's existing employment? What would the effect of different training options be on the candidate's family?
- ix. E.g. it may be desirable for a particular candidate to undertake a pathway with particular emphasis on interfaith engagement; it may be desirable for a potential theological educator to undertake a higher degree in their training (and possibly for them to have extra time for this)

Appendix B



The Candidate Formation Plan (EXAMPLE)

Candidate Formation Plan

for ordained ministry in the Church of England

Name	Jane Wilson
Date of birth	1980
Diocese	Barchester
Envisaged category of ministry	Incumbent - pioneer
Particular areas of interest or focus	
Particular prior study or experience affecting training pathway	BA in Theology (2:1), University of Merseyside
Date of last revision	9/10/16

Pre-IMEI

Particular areas of development for this phase and how they might be addressed

Particular areas of development	How these might be addressed

IME1

Mode	Context-based
Length	2 years
Institution	St Matthias
Award	Common Awards Graduate Diploma

Description of pathway

Based on continuing work on the Trollope Estate within St Saviour's parish

Selection of modules taken to complement work undertaken on previous theology degree – to include a range of modules from across the normal 3 year programme, not all of which will be part of the Graduate Diploma

As agreed with St Matthias, to take some pioneer courses with the Northern Pioneer Centre



Particular areas of development for this phase and how they might addressed

Particular areas of development	How these might be addressed
Understanding of the theory and practice of Fresh Expressions	Courses with Northern Pioneer Centre

IME2

FTE or hours given specifically to ministry	Full-time
Stipendiary or SSM	Stipendiary
Length	3-4 years
Primary context	Trollope Estate (within St Saviour's parish)
Secondary context I (if any)	
Secondary context 2 (if any)	

Training provision

Will be important to ensure appropriate balance between work developing a Fresh Expression on the Trollope Estate and wider involvement in St Saviour's parish

Ongoing involvement with the Northern Pioneer Centre network in addition to diocesan training

Particular areas of development for this phase and how they might be addressed

Particular areas of development	How these might be addressed
Working with children and young people	tbd

Additional comments (if any):

If a Fresh Expression is developed on the Trollope Estate it may be desirable for Jane not to move for several years after the end point of IME2. Jane has indicated that she would expect to offer a degree of flexibility at that point, including the possibility of moving to SSM.

Appendix C



Ordinand Training Pathway (EXAMPLE)

Ordinand Training Pathway - DDO Working Sheet

Candidate Name: Jane Wilson

Factor	Comment
Existing personal and emotional	Good general maturity, but aware that needs to develop
maturity	robustness under pressure.
Existing faith development	Came to active faith in teens; has consistently practised it since.
Existing ministerial or missional	Leading church cafe on Trollope Estate. Has led worship
experience	and preached occasionally at St Saviours. On PCC. Member of Baptist churches until four years ago.
Prior study, especially of ministry and/or theology	Degree in theology – solid coverage of biblical studies, church history, doctrine, ethics; two modules on other
G/	faiths; no practical theology.
Existing transferable experience (and evidence of the ability to transfer it)	Runs own business; reflects well on entrepreneurial skills.
Envisaged future ministry	Potential incumbent
	Pioneer
	Staying on Trollope Estate for medium term, but in ten years
Personal characteristics with full inclusion of those with disabilities a	
particular priority	
Personal circumstances including family circumstances	Staying on Trollope Estate works well for family.
Particular development needs	Needs to engage more with work on pioneering in the church and Fresh Expressions.

Appendix D





Confirmation of Ordination Training

Name of candidate: Jane Wilson
Date of birth: 21/3/1980
Sponsoring diocese: Barchester
Training Institution: St Matthias

To be completed by Training Institution

Start date: Septe	mber 2017		
Length: 2 years			
, , ,	ar context based BA, 2 year Graduate a and other modules agreed with d	Diploma): iocese, including some at Northern Pioneer Cent	tre
Mode (for funding Full-time context	purposes - e.g. non-residential; full-timbased	ne residential, full-time context based):	
Please select one of these options	This is one of the TEI's standard validated pathways	This pathway has been given individual approval	x
	Approval for this pathway is pending	This pathway is not eligible for funding from the diocese's block grant	
Additional notes:			
Name of person	completing form: Mark Johnston		
Position and cont	act details: Admissions Officer - m	.g.johnston@stmatthias.ac.uk 01222 123456	
Date: 24/4/17			

Please email this form to the candidate's diocese

To be completed by DDO or other diocesan official

We agree to the candidate undertaking the above training, and (unless otherwise indicated) to funding it in accordance with current Ministry Division guidelines.

Name: Rachel McMahon
Position and contact details: DDO - ddo@barchester.anglican.org 01333 987654
Date: 27/4/17
Legal entity for invoicing: Barchester Diocesan Board of Finance
Contact name and address for invoicing: Roger Brown Diocesan House Barchester BCI IAZ
Additional notes:

Please email the form back to the Training Institution, copied to the candidate and to Ministry Division (training.accept@churchofengland.org)

GENERAL SYNOD

Resourcing Ministerial Education (RME) proposals - Narrative

Background and Governance

- 1. The RME Working Group began in February 2014 and produced an initial report which was presented at the February 2015 General Synod. The twelve proposals contained in the report were approved for wide consultation with dioceses, theological education institutions (TEIs) and others with a commitment and interest in ministerial education. In the light of that consultation, significantly revised proposals were produced and presented to the February 2016 General Synod. These were approved for further consultation and have been developed into the arrangements that are being to being reported to Synod today.
- 2. Since February 2015 responsibility for leading RME has been taken directly by the Ministry Council and they have received regular updates on progress. During this period the financial proposals have been considered in addition by the Ministry Council's Finance Panel and the Archbishops' Council Finance Committee.
- 3. In September 2015 the Archbishops Council received a report on the existing arrangements for funding ministerial education and gave provisional acceptance to a preferred future model. This approval to a model based on a block grant calculated in accordance with the number and age of students was formalised at its January 2016 meeting and was recommended to Synod for implementation from September 2017.
- 4. General Synod approved these high level RME proposals in February 2016 and in doing so "recognising the vital contributions of TEIs and the importance of their full involvement in developing with dioceses a shared understanding of ministry and ministerial education". Synod also required that implementation should follow a series of seven related workstreams that had been described in GS 2020 Annex F. In addition the Archbishops Council was required to report back on implementation of the proposals in July 2017.
- 5. The Ministry Council established an RME Steering Group to provide oversight of the RME implementation programme. The Steering Group, which is chaired by the Bishop of Oxford and which also includes the Bishops of Chichester and Kensington, 3 TEI Principals, and Diocesan Finance and Ministry representatives has met 5 times since April 2016. It monitors the implementation programme and reports to the Ministry Council on progress and recommends to them issues for decision.
- 6. The Ministry Council has also established a Theological Development and Formation Reference Group chaired by the Bishop of St Edmundsbury and Ipswich to hold the RME proposals to account and reflect on their consonance with understanding of ministry held in the C of E.
- 7. The final package of RME proposals was approved by both the Ministry Council and Archbishops' Council in May 2017. The House of Bishops also approved it in May 2017 alongside a revised selection process and the final draft of the Bishops' Guidelines and other parts of the educational infrastructure.

Overview of the Proposals

- 8. The current framework for financing training for ordination is not ready to meet the challenge of a 50% increase in the number of ordinands by 2020. It is neither transparent nor well-understood. It is unable to provide the flexibility the dioceses require, has not kept up with changes in pathway structures and does not provide financial accountability for decisions made.
- 9. The purpose of the RME proposals is to support achievement of these growth aspirations and to meet the following aims
 - a) Encourage growth in numbers and quality of ordinands
 - b) Improve ministerial education and widen choice
 - c) Strengthen the relationship between dioceses and TEIs, for improvement of education and closer alignment with what dioceses need
 - d) Enhance diocesan strategic capacity through greater flexibility/control of resources
 - e) Provide greater transparency and better accountability for use of resources
- 10. The new arrangements will create a different set of relationships and demands for dioceses and TEIs, which will enjoy a closer partnership working together to improve training for ordination. However, the objectives for the new arrangements remain the same as proposed in February 2016:
 - a) Simplicity and certainty in operation
 - b) Fairness to dioceses, candidates and TEIs and support the mixed TEI economy
 - c) Maintain mutual support between dioceses
 - d) Avoid transitional turbulence during implementation
- 11. The seven workstreams required by Synod (GS 2020 Annex F) to be the framework for the design and implementation of the RME funding arrangements are to
 - a) Establish the administrative and financial framework
 - b) Establish the educational infrastructure
 - c) Identify transitional issues
 - d) Review Maintenance Guidelines
 - e) Formalise Mixed Mode Arrangements
 - f) Model future training numbers and funding sources
 - g) Undertake shadow running of the system

- 12. The RME Steering Group has ensured that satisfactory progress has been made on each of these. (Key decisions of the Steering Group and any commentary or outstanding issues can be found at Annex 3.)
- 13. The RME proposals are centred on a simple block grant given to dioceses according to the number and age of their ordinands that will empower each of them to manage their own Training for Ministry budget. There are also important changes in the way Mixed Mode and Context based pathways are funded. Full details of the proposals can be found in the *RME Reference Handbook for dioceses and TEIs* which was widely distributed in April 2017 (See Annex 1)
- 14. The new funding arrangements in themselves create no additional cost to Vote 1, though an increase in the number and/or an increase in the proportion of younger candidates will do so. In light of the proposed changes to mixed mode funding, family maintenance pooled costs will increase as costs currently borne locally either by parishes or dioceses will be drawn into pooling. Costs to the whole church economy will however remain the same.
- 15. A significant amount of work has been done to model the financial impact of RME on individual dioceses, TEIs and the various categories of student. This has been shared with them during the consultation process. Preliminary estimates of future training numbers and costs have been modelled and were included in illustrative training budgets that were shared with diocesan finance staff in February. These have been updated and now form the basis for the Training for Ministry element of the Archbishops' Council budget for 2018 and illustratively beyond that. These indicate that the Training for Ministry expenditure levels could rise from £15.2m in 2018 to £19.7m in 2020 assuming a constant 10% annual increase in the number of ordinands and no changes in the relative proportion of younger ordinands. However this could rise to £22.7m in 2020 if the rate of growth in numbers of ordinands were to reach 15% pa and the proportion of those under 32 rise to 40%. Although we have already seen encouraging growth of c14% in the number of ordinands expected to begin training in September 2017, there needs to be further consistent growth before consideration will be given to seeking funding support from the Church Commissioners.
- 16. A resource planning tool which the dioceses can use to model the potential financial impact of implementing their deployment strategies is being developed by Finance and HR. Whilst including potential changes in the numbers and costs of ministerial education, it will also enable them to assess the likely impact on curacy and related costs.

Consultation and Involvement with all Stakeholders

- 17. The funding arrangements have been the subject of wide consultation with all stakeholder groups over the last 18 months, which has led to a number of improvements and a clearer path for implementation. In addition a range of members of the various stakeholder groups have been involved in the design of the proposals through their participation in the various governance bodies and working groups.
- 18. During June and July 2016, a series of 8 Regional Conversations were held with representatives from both Dioceses and TEIs to consider the detail of the administrative and financial framework for the block grant. These Regional Conversations involved more than 160 participants representing 40 dioceses and 21

- TEIs. Those attending the events included 16 Diocesan Secretaries, 35 Directors of Finance, 38 DDOs, 19 TEI Principals and 13 Bursars.
- 19. By bringing together both dioceses and TEIs, a greater sense of shared commitment to the design of the new arrangements was established whilst enabling all views to be fully heard together. As a result of these conversations a 4th age band (40-55) was agreed and the youngest age band was set at those under 32. These conversations also focused on the educational infrastructure, in particular the need to replace the current Bishops' Regulations with a new series of Bishops' Guidelines which have now evolved to those recently approved in draft by the House of Bishops in May 2017.
- 20. As the first part of the Shadow running exercise in Autumn 2016, 12 dioceses covering more than 1/3 of the typical number of ordinands entering training each year were asked to assess how the block grant would impact them were it to be applied to their 156 students entering training in September 2016. The shadow running suggested that a limited amount of additional funding may be required in cashflow negative dioceses to maintain pathway choices. (This has been taken account of in the transition arrangements). Many dioceses indicated they would not have changed the pathway choice and that they would make up any shortfall themselves.
- 21. In April 2017 the shadow running continued with the involvement of 5 TEIs as well as the 12 dioceses. The cashflow mechanics were tested, including dummy invoices being produced and dummy payments being made, and amendments to the processes incorporated in the *RME Reference Handbook*.
- 22. The Inter Diocesan Finance Forum (IDFF) has been consulted regularly since 2014 and most recently in March 2017. Diocesan Secretaries and Finance Leads have also been kept informed as the proposals have evolved. The TEI Principals Steering Group and the TEI Bursars have also been informed and consulted regularly. In addition well attended fringe presentations were held to explain the evolving proposals at the Synods in both February 2016 and February 2017.

Mixed Mode Working Group

- 23. A Working Group made up of diocesan and TEI practitioners has delivered a report to Finance Panel, Ministry Council and the RME Steering Group, aimed at developing proposals that provide a more robust and equitable financing arrangement for this growing part of the ministerial education sector.
- 24. The Working Group recommended that all training pathways should be designated either as full-time or as part-time. Pathways currently designated as mixed mode or context based should be designated as full -time and maintenance funding for them should be determined on the same basis as other full-time pathways. As with other full-time pathways, these maintenance costs should be pooled across the dioceses.
- 25. In addition there should be no longer be a requirement for a financial contribution from the parish to the maintenance support of ordinands. This should remove the financial barrier which has limited the ability to place students in appropriate contexts. This specifically means that activities within parishes are a training placement and are not to be covered by a contract of employment. Thus no monies received by the students should be subject to tax or NI.

- 26. The Finance Panel, RME Steering Group, Ministry Council and Archbishops' Council all agreed with the recommendations of the Working Group during the cycle of meetings in January and February 2017, and that the new arrangements should be implemented in September 2017.
- 27. Overall it is expected that implementing the proposals will not increase the costs to the church economy of providing maintenance support for this category of students. By replacing the parish contribution, the levels of support provided by dioceses will however increase. In order to mitigate the potential financial impact on the dioceses, The Archbishops Council Finance Committee accepted the suggestion, in February 2017 that dioceses will recover a charge from the parishes of £3k per mixed mode/context candidate p.a. which will not be allowable for pooling. This charge will be phased out during the 3 year transition period. The diocese can then choose to what extent it recovers this from the parishes providing the context or funds it in some other way including from the RME Block grant. These changes to funding were discussed with the Inter Diocesan Finance Forum in March 2017 and there seemed to be wide acceptance.

Family Maintenance Working Group

28. A separate Working Group also drawn from Dioceses and TEIs was established to develop proposals for the payment of maintenance to full time students that would be simpler and more transparent than the complex and administratively burdensome arrangements which currently exist. The Ministry Council endorsed the views of the RME Steering Group that further work needed to be completed in relation to the specific grant allowances before the proposals could be finalised. This should also entail a consultation programme with those who will be most affected by it. Consequently there will be no material change to family maintenance arrangements from September 2017.

Transition Arrangements and Annual Review

- 29. The new arrangements are significantly different from the current system and the Ministry Council has agreed that there will be a transition period of 3 years from September 2017 for adoption of the full RME arrangements. There is a proper concern that the changes should not create uncertainty, especially in the TEI sector, where time will be needed to adjust to the challenges and opportunities which the new system will bring. There are some measures designed to mitigate this, including the agreement that during the transitional phase no funds sourced from Vote 1 and intended for IME1 training can be spent on IME2. This is without prejudice to future discussion and decisions as to how IME2 will be funded.
- 30. Following the results of the shadow running the Ministry Council, RME Steering Group, Finance Panel and Finance Committee have all supported the establishment of a contingency fund of up to £200kpa whose purpose is to support the training costs of those students in Band 3 (40-54) who are following a 2 year residential pathway. (This is anticipated as potentially being required by c7% of the overall cohort and echoes some concerns about the arrangements raised in the Synod in February 2016) Within this contingency funding up to £200pa travel expense support per student can be provided for students in Band 3 and 4 following regional and non- residential courses from geographically dispersed dioceses. The contingency fund would remain active for

the transition period after which point its effectiveness will be assessed. The financial provision for this contingency fund will be met from Archbishops' Council's restricted funds and not from Vote 1, an approach that was endorsed by the Finance Committee in February 2017.

31. Throughout the transition process there will be an annual review of the profile of sponsored candidates and use of the block grant across the dioceses. This will be undertaken by Ministry Council and elements from it shared amongst dioceses and TEIs. In these reviews the evolution and effectiveness of the RME mechanisms will also be monitored. The RME Steering Group will continue its oversight role into 2018. There will be a full review in 2020 of the new arrangements and at that point necessary adjustments can be made. This review will take a more strategic perspective and focus on the extent to which the changed financial arrangements have supported the growth and development of the ministerial education sector and met the RME objectives.

Ian Barnetson Head of Resources, Ministry Division

June 2017

Review of progress of RME Funding Implementation Programme (from first Steering Group Meeting in April 2016)

Workstream (from GS 2020	Actions (from April 2016)	Key Steering Group Decisions	Commentary/ Outstanding Issues
Annex F)			
Establish administrative and financial framework And financial fr	 Confirm age bands Determine approach to gender Determine how grant will be allocated across years for budgeting Determine frequency of collection and distribution of grant funding to dioceses Confirm approach to paying Vote 1 costs not included in grant Investigate impact on dioceses and TEIs of direct payment and any support required Develop mechanism to enable monitoring spending of grant by diocese Develop approach for monitoring expenditure and pathway choices for mutual accountability Identify familiarisation/training requirements within dioceses and TEIs Develop Governance arrangements 	 Lower age band set at under 32 at start of training Age at 1st September determines age band funding Tuition costs remain set in same way and TEIs cannot set differential tariffs No change to arrangements for funding of higher cost pathways and Research Degrees 	 No specific policies re gender – contingency for older students covers all students Cashflow mechanics developed during Shadow Running Monitoring and review arrangements described in Handbook
2. Establish educational infrastructure	 Develop initial proposals re pathways, monitoring body and amendments to Bishops' regulations Review IME2 and implications/ opportunities under RME Consult and then confirm proposals on pathways and structures Consult and then confirm replacement for Bishops' Regulations Determine how IME2 funded and included in grant arrangements Identify familiarisation/training requirements within dioceses Develop Governance arrangements 	 Draft Bishops' Guidelines recommended Support for Candidate Formation Plan 	 Funding of IME2 and inclusion in arrangements post transition outstanding Training Guidelines for non-residential full-time training under development

3. Identify transitional Issues	 Scope transitional issues for rural dioceses and develop recommendations Identify any other diocese related transition issues Identify any TEI related transition issues 	 Transition period of 3 years (until Sept 2020) for adoption of full arrangements Block grant not to be spent on IME2 Contingency Funding for older students and travel Non- poolable charge for Mixed mode/ Context based can be charged on tapering basis to block grant 	Transition funding monitored as part of annual review
4. Review maintenance guidelines	 Update guidelines for financial/social changes Ensure consistency between pathways and student circumstances (5.4) Develop policy to ensure targeted at most need 	 Family Maintenance Report to other governance bodies for information Further work to be done No implementation before Autumn 2018 	 Concerns over child grants and non-working spouse funding Consideration being given to incremental approach with changes to accommodation allowances first
5. Formalise mixed mode arrangements	 Classification as "training" Pooled treatment of poorer parish support and criteria Continuance of poorer parish support for 2016/17 Review of maintenance arrangements for consistency with other pathways(4.2) Consider review of tariffs 	 Recommend Mixed Mode Report Full time training Poolable maintenance on same basis as residential Tapering non-poolable charge during transition period No formal parish contribution No parish employment Implementation from Sept 2017 	Training Guidelines for non- residential full-time training under development
6. Model future training numbers and funding sources	 Develop alternative growth scenarios Calculate likely cost implications Investigate likely fall in stipend costs Consider alternative funding approaches 		 Preliminary estimates of training costs shared with diocesan finance staff Resource Planning tool being developed by Finance/HR
7. Shadow running of system	 Complete preliminary finance and admin decisions (1.1-1.6) Identify dioceses and TEIs to participate Establish regular review mechanism and key impacts for full implementation 	Establish Contingency Fund to support older candidates and travel costs during transition period	 Cashflow mechanics developed during Shadow Running Possible charge to block grant to cover admin costs in larger dioceses