

# **GENERAL SYNOD**

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## **FEBRUARY GROUP OF SESSIONS 2016**

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### **SIXTH NOTICE PAPER**

- ITEM 501: DRAFT MISSION AND PASTORAL ETC  
(AMENDMENT) MEASURE**
- ITEMS 12 AND 13: PAROCHIAL FEES**
- ITEM 14: PROPOSED ENABLING MEASURE**
- ITEM 17: RENEWAL AND REFORM: RESOURCING  
MINISTERIAL EDUCATION**
- ITEM 18: RENEWAL AND REFORM: RESOURCING  
THE FUTURE**

## Financial statement pursuant to Standing Order 108

1. Financial Statements under Standing Order 108 set out the estimated financial effect of implementing recommendations of reports and taking forward motions if they are passed by the Synod. In most cases figures provided are approximate, recognising the inherent uncertainty in estimating various factors. Members are asked to take this statement into account alongside non-financial factors when considering these items of business.
2. Estimates of the financial implications of any amendments proposed by members will be provided either in a subsequent Notice Paper or in an oral statement from a member of the Archbishops' Council's Finance Committee who is a General Synod member (usually the Chair).
3. An item is included in this memorandum if (i) the estimated additional cost is £10,000 or more; or (ii) the estimated opportunity cost (e.g. staff time likely to be involved) is £20,000 or more; or (iii) if it is thought a statement on the estimated financial impact of a proposal would be helpful to members.
4. If the cost of work on any motion, if passed, would fall to the Archbishops' Council, it would be met from within the Council's 2016 budget which Synod approved at its July 2015 Group of Sessions. For any work not already scheduled, the relevant Director, in consultation with others, would consider whether other work of similar cost should be dropped or postponed or if additional, unbudgeted, staff resource could be provided by securing funding from another source. Estimates of staff time are usually an opportunity cost, illustrating the cost of other work that would need to be dropped or deferred. If it is not possible to drop or defer sufficient other work, there would be an impact on the timescale for delivery of the requested work.
5. All costs are estimated at 2016 levels unless otherwise stated. Costs include relevant salaries, employers' national insurance and pension contributions. They exclude office costs such as the printing and postage costs involved in the preparation of new legislation, and the opportunity cost of synodical time.

## **ITEM 501**

### **DRAFT MISSION AND PASTORAL ETC (AMENDING) MEASURE**

6. The cost of staff time to complete the Revision stage is estimated at £25,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £10,000.
7. The proposal in Clause 2 to enable dioceses to request the Commissioners to draft a scheme if they wish is likely to be broadly cost neutral for the Church as a whole. But for each scheme there would be clearly a modest saving in staff time for dioceses and a corresponding extra demand on time on Commissioners' staff. Initially it is considered such work will be able to be done within the Commissioners' existing staff complement. But if the casework load were to increase sufficiently, the Commissioners might need to employ an additional staff member on a part or full time basis. The cost of a full time post if it were to be deemed necessary at some point in the future is estimated at up to £40,000 p.a.
8. Clause 5 would make a significant change in the calculation of compensation for loss of office as a result of pastoral reorganisation. The difference in compensation payable by the responsible body (usually the diocese) if these proposals were brought into effect would clearly depend on the circumstances of each case. By way of illustration the maximum compensation for a displaced office holder aged 60 with a pensionable age for current service of 68 and over 21 years' service is estimated to be around £300,000 less under the proposals than the current arrangements. However, should the individual obtain a suitable alternative role within six months, it is estimated that the compensation payable under the proposed arrangements would be around £18,000 more than under the current arrangements.

## **ITEMS 12-13**

### **PAROCHIAL FEES**

9. Assuming that a robust figure can be obtained for the average figure for the cost of heating an "average sized Church" and vergers' fees the financial impact of the motion should be cost neutral for the Church overall.
10. However, clearly there would be a range of impacts for individual Parochial Church Councils (PCCs). For a smaller church the

increased income per service (in 2014 prices terms) would be no more than the sums in the “total extra” column of annex 1 of GS2017B.

11. For larger churches the reduction in income per service would depend on the sum currently charged for extras. No central record exists for the sums PCCs charge for extras, but from a sample the maximum sum charged appears to be broadly double the £81 quoted in paragraph 9 of GS2017B. So for illustrative purposes, in a parish with an average of one service a week for which fees are chargeable half of which require heating, the maximum annual reduction in income would be around £2,600.

## **ITEM 14**

### **PROPOSED ENABLING MEASURE**

12. The cost of staff time to prepare draft legislation for First Consideration as envisaged in part (c) of the motion is estimated at £10,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £15,000.
13. If the Measure proceeds the cost of staff time to prepare an Order and complete all the necessary stages to see it brought into force will be less than the cost of staff time incurred in connection with a Measure having the same legislative effect. But it is not possible to predict the extent of the saving, which will depend on the circumstances of the particular case. There should also be a saving in Synodical time, given that, in contrast to the position in relation to Measures, the Synod will only need to consider an Order on a single stage procedure. But it is again not possible to predict the extent of the saving, not least in view of the proposal that the Synod should be able to refer an order back to the Scrutiny Committee for further consideration.

## **ITEM 17**

### **RENEWAL AND REFORM: RESOURCING MINISTERIAL EDUCATION (RME)**

14. Under the new funding arrangements the costs of training for ministry will continue to be driven by the number of ordinands, but will also depend on their age profile rather than the costs and the numbers following each training pathway as at present.

15. Without any change in the number of ordinands and their age profile, the financial effect of the RME changes will be broadly cost neutral for the Church as a whole. But the impact on individual dioceses will vary depending on the number and age profile of the ordinands they have sponsored in any year and the dioceses' choice of pathway.
16. Under the RME proposals dioceses will have extra flexibility and choice how best to use the age related standard grants. The total sum they receive will depend on their own success in calling new ordinands, and in particular younger ordinands. This will become more significant as overall costs of training for ministry increase.
17. If the aspirations to increase ordinand numbers by 50% and the proportion of candidates aged under 30 from 25% to 50% are achieved, total Church costs for training for ministry are expected to increase by 65% in current prices terms from £21 million to £34 million. This increase is expected to be reached over several years and it is currently not expected to be achieved until 2020.
18. If this higher figure is reached, training for ministry costs funded from the apportionment are estimated to increase from £13.5 million in 2016 to over £22 million by 2020. Additional maintenance costs, funded by dioceses and then redistributed through the pooling mechanism, are estimated to increase from the current level of around £7 million to around £12 million.
19. There will be consultation with dioceses, initially at next month's Inter Diocesan Finance Forum, and then in a number of more detailed sessions around the potential increases in the Training for Ministry apportionment (sometimes referred to as Vote 1) and cashflow implications.

## **ITEM 18**

### **RENEWAL AND REFORM: RESOURCING THE FUTURE**

20. The financial consequences of this proposal are set out in GS 2021.

Canon John Spence  
Chair, Archbishops' Council Finance Committee

February 2016