

## **GENERAL SYNOD**

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### **NOVEMBER GROUP OF SESSIONS 2014**

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#### **SEVENTH NOTICE PAPER**

**ITEM 501-502: DRAFT CARE OF CHURCHES AND  
ECCLESIASTICAL JURISDICTION  
(AMENDMENT) MEASURE**

**ITEM 507: DRAFT DIOCESDAN STIPENDS FUND  
(AMENDMENT) MEASURE**

**ITEM 10: SPARE ROOM SUBSIDY**

## **Financial statement pursuant to Standing Order 98**

1. Financial Statements under Standing Order 98 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 only 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.
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 2015 budget which Synod agreed at its July 2014 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 2015 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 501-502: DRAFT CARE OF CHURCHES AND ECCLESIASTICAL JURISDICTION (AMENDMENT) MEASURE**

6. If the Measure becomes law, further regional training events for Archdeacons may be held. The cost of these is estimated to be below the normal £10,000 threshold for comment, not least as the main changes that would result from the Measure are being communicated in training that is already taking place.
7. There is likely to be some reduction in the amount of work on faculty matters carried out in diocesan registries as it is intended that certain works of a routine nature would no longer require a faculty. But it is not possible to reliably estimate the extent of any savings that might arise as this would depend on the weight and complexity of casework and as consistory court are due to be reviewed by the Fees Advisory Commission during the next twelve months.

**ITEM 507: DRAFT DIOCESAN STIPENDS FUND (AMENDMENT) MEASURE**

8. If the draft legislation proceeds, the cost of staff time to see it through the Revision Stage and all the remaining Synodical and Parliamentary stages and draft guidance for the Archbishops' Council to issue is expected to be well below the £20,000 threshold for comment.
9. As noted in the explanatory memorandum, if the Measure becomes law Diocesan Boards of Finance (DBFs) would have a permissive power - subject to certain safeguards - to spend some of any accumulated capital gains in their diocesan stipends fund capital account. If a DBF decided to follow this approach, it would need to determine the base level of its endowment - which could not be spent - and consider how this base level might be adjusted for inflation.
10. How much money might be released and over what time period would be a matter for each individual DBF to determine, having regard to their normal trustee obligations including the principles of sustainability and intergenerational equity: balancing the needs of the current and future generations of beneficiaries. It is worth

noting that, according to dioceses' financial statements, at the end of 2013<sup>1</sup> the balances on the diocesan stipends were £1.1 billion. A significant proportion of this – perhaps up to half the stipend account balance in some dioceses – is likely to be potentially distributable over time in support of dioceses' mission and other charitable purposes for the diocesan stipends funds.

## **ITEM 10: SPARE ROOM SUBSIDY**

11. The cost of staff time to evaluate the findings of research into the effect of removing the Spare Room Subsidy is estimated at between £6,000 and £10,000. Recognising the current work programme of staff with the skills and knowledge to undertake this work, it is likely that additional resource would need to be brought in to undertake the work that would result from part (a) of the motion.

- Estimated cost of additional staff resource to evaluate research: up to £10,000

Canon John Spence  
Chair, Archbishops' Council Finance Committee

November 2014

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<sup>1</sup> For the West Yorkshire dioceses figures as at 30 April 2014 have been used.