

GENERAL SYNOD

DRAFT DIOCESE IN EUROPE MEASURE

EXPLANATORY MEMORANDUM

BACKGROUND

1. The Diocese in Europe ('the Diocese') was established pursuant to the Diocese in Europe Measure 1980. Since then it has grown substantially. Chaplaincies are no longer confined to the traditional areas frequented by expatriates. Increased international travel and business mobility, the opening up of Central and Eastern Europe and the arrival of English-speaking Christian communities from Africa have created new opportunities and challenges for Anglican ministry and mission.
2. **There are now nearly 300 worshipping congregations in the Diocese, over 100 more than in 1980.** The 2009 statistics show that the Diocese has more full-time stipendiary clergy than 25 of our other 43 dioceses¹. These are mostly funded by local giving in each chaplaincy, not least as the diocese's annual common fund receipts are around £0.4 million and represent around 4% of income of Churches in the Diocese. Only a few of the oldest chaplaincies have any significant investment income and the Diocese has no endowment or glebe income.
3. At present the Diocese is only legally eligible for support from the funds managed by the Church Commissioners ('the Commissioners') for the support of its bishops. In 2010 support from this source for the stipend and office and working costs of its two bishops and housing and office premises costs of the diocesan bishop² totalled £0.4 million.
4. Until 2001, the Diocese paid apportionment to the Archbishops' Council ('the Council') as a contribution to national Church of England costs. Since then, with the collective agreement of the other dioceses, this has been waived to recognise that the Diocese does not receive any mission development funding (which all English dioceses do receive). It is estimated that waiving the apportionment currently gives the Diocese an additional £58,000 p.a. for spending on mission projects³.
5. All English dioceses also agreed to contribute small sums to the Diocese in 2008-2010 so that it received support on the same basis as other dioceses (i.e. in line with stipendiary clergy numbers) for the time-limited extra mission and ministry support monies distributed to help dioceses meet the pension contributions

¹ At the end of 2011 the diocese had 170 clergy holding bishops' licences, of whom around 40 are self-supporting while the others received at least some stipend (though the standard English categories are not directly comparable as the self-funding chaplaincies provide a range of terms for their clergy). In addition there were around 300 clergy with permission to officiate, 86 readers and a further 39 readers in training. In 2010, 26 new Readers were admitted, the largest number for any diocese.

² The Commissioners do have the legal power to assist with the provision of housing for suffragan bishops, including the suffragan in the Diocese, but the only distributions currently made for this purpose are to fund 50% of the Provincial Episcopal Visitors' housing costs.

³ The diocese does account for how this sum is spent each year and that information is shared in the annual GS Misc paper on the use of the mission development funding, the most recent example being GS Misc 988.

increase. This arrangement, by which the Diocese received £31,000 in 2010, ceased at the end of 2010.

The background to the current proposal

6. The Diocese requested that the differences in eligibility for support from the Commissioners' funds between the Diocese and the English dioceses be reviewed. This has been considered by the Inter Diocesan Finance Forum, the Council and Commissioners. The Diocese's initial request was for support towards the cost of free-standing archdeacons' roles it is considering creating, following a comprehensive strategic review the Diocese has undertaken. But whether the Diocese should become eligible for financial support from the national Church on a similar basis to the English dioceses has been considered as a wider principle.
7. During the discussions on this it has been acknowledged that any additional support for the Diocese would result in lower distributions for other dioceses. Nevertheless, the clear steer from a discussion at the Inter Diocesan Finance Forum was that in principle, notwithstanding the impact on other dioceses, as far as possible the Diocese should be treated on the same basis as the other dioceses.
8. The Commissioners' Board of Governors agreed that it had no objection in principle to the proposal of allowing the distribution of monies to the Diocese in the same funding streams as the other dioceses, as long as it was clear that such change would involve a reduction in support for their other beneficiaries.
9. In the light of the views outlined above, the Council has agreed to bring forward draft legislation for consideration by General Synod. If passed, this would enable the Diocese to receive funds from the Commissioners and Council for the same purposes as the other dioceses, albeit that those distributions would be made under different powers. But as currently drafted, the legislation does not commit the Commissioners or Council to any specific expenditure.

Possible mechanisms for support if legislation were passed

10. In bringing forward this proposal, the Council has given initial thought to how distributions might be made to the Diocese in an equitable way. In particular it has begun to consider how the very particular circumstances of the Diocese might be weighed against those of the other dioceses, and indeed other potential recipients of the funds generated by the Commissioners.
11. The formulae used to calculate entitlement to ministry support for low income dioceses (sometimes referred to as 'the Darlow formula') and Mission Development Funding grants and the Council's apportionment cannot be applied to the Diocese since the relevant socio-economic data is not available in a comparable form. So the Council and the Commissioners, in consultation with the dioceses, would have to decide what constituted a reasonable financial settlement for the Diocese alongside all the other claims for distribution. While this is something that could in principle be reviewed every three years in the light of the overall sums of money available, establishing some fixed ratio could be considered.
12. The main issues that would need to be considered in determining the financial settlement are likely to be:

- (a) whether as part of ‘normalising’ the Diocese’s financial arrangement with the rest of the church, it should once again pay apportionment;
- (b) whether the Diocese should get an explicit mission development fund grant (assuming such a stream still exists for dioceses after 2013) at a level to be determined with regard to the arrangement that has applied since 2002;
- (c) whether the Diocese should be eligible for any special development or new opportunities funding that might be available;
- (d) whether the Diocese should get any mission and ministry support for low income dioceses, recognising that eligibility for this funding stream depends on a calculation of diocesan resources per minister, which could not easily be calculated in a consistent manner for the Diocese; and
- (e) what the level of oversight funding for senior clergy should be (currently the funds provided can be used only for the Diocese’s two bishops, and the level of funding has regard to the costs of such ministry borne directly by the Commissioners prior to 2011)⁴.

13. In practice, and recognising that legislation introduced in 2012 is unlikely to become law before 2014, it is likely that a final view on the level of grants to the Diocese would be considered by the Spending Plans Task Group or its equivalent when recommendations for distributions from the Commissioners’ fund in 2014-2016 are made to the Council and the Commissioners.

Amendment of arrangements for Article 8 references in respect of the Diocese in Europe

14. When the Diocese was founded it did not have a diocesan synod. Therefore, General Synod’s Article 8 procedure provided for the decision of the Diocese to be made by its bishop’s council and standing committee of the Diocese rather than its diocesan synod (as is the case for the other dioceses). Now that the Diocese’s diocesan synod is well established, the Diocese has requested that the Article 8 procedure be amended to bring it into line with the other dioceses. As the Diocese is satisfied in can cope with the practical implications of such a change, including the possibility of increased costs and the need to schedule synod meetings to enable the timetable for any Article 8 business to be met, the draft legislation makes provision to that effect, providing for the diocesan synod rather than the bishop’s council to be the consenting body for the purposes of Article 8 references.

NOTES ON CLAUSES

Clause 1 (Power for Church Commissioners and Archbishops’ Council to make financial provision for the Diocese)

⁴ At present it is only permissible, even within the English dioceses, for the Commissioners’ funds to be applied to archdeacons’ stipend costs. The Commissioners’ Board of Governors is to consider a proposal to introduce legislation that would give the Commissioners the power (probably by way of inclusion of a provision in a future Miscellaneous Provisions Measure) to direct funds towards the support of archdeacons’ office and working costs as well as stipend costs. This would give effect to the intentions underlying the introduction of the block grant system for senior clergy oversight which came into effect at the start of 2011.

Sub-clause (1) confers a discretionary power on the Commissioners to enable them to make payments out of their general fund for the development of the mission of the Diocese.

Sub-clause (2) applies section 2(3) of the National Institutions Measure 1998 to enable the Council to make payments to the Diocese out of the funds paid to them by the Commissioners under section 2(1) of that Measure. The restrictions contained in section 2(3) therefore apply to payments to the Diocese. This means that, in determining whether or not to make a payment, the Council must have particular regard to “the requirements of section 67 of the Ecclesiastical Commissioners Act 1840 relating to the making of additional provision for the cure of souls in parishes where such assistance is most required”.

Sub-clause (2) also applies section 8 of the National Institutions Measure 1998 to payments made by the Commissioners under sub-clause (1), to ensure that the requirement to have particular regard to section 67 of the Ecclesiastical Commissioners Act 1840 applies to payments by the Commissioners as well as to payments by the Council.

Clause 2 (Amendment of Article 8 of Constitution of the General Synod)

Sub-clause (1) confirms, for the avoidance of doubt, that the Diocese is a “diocese” for the purposes of interpretation of Article 8 of the Constitution of the General Synod, which provides for certain Measures, Canons and schemes to be referred to diocesan synods for approval before they can be finally approved by the General Synod.

Sub-clause (2) repeals the provision of Article 8 of the Constitution that required references under that article to be made to the bishop’s council and standing committee of the Diocese. In future the function of giving or withholding consent on behalf of the Diocese for the purpose of Article 8 of the General Synod’s Constitution will be given to the diocesan synod of the Diocese in the same way as in every other diocese.

Sub-clause (2) also consequentially repeals section 3 of the Diocese in Europe Measure 1980, which made provision about the application of Article 8 where a reference was made to the bishop’s council and standing committee and is therefore no longer required.

Clause 3 (Short title and commencement)

This clause specifies the short title of the draft Measure and makes provision for commencement.

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January 2011