

GENERAL SYNOD

FEBRUARY GROUP OF SESSIONS 2014

EIGHTH NOTICE PAPER

Financial Statement pursuant to Standing Order 98

ITEM 504

DRAFT PAROCHIAL FEES AND SCHEDULED MATTERS AMENDMENT ORDER (GS 1937)

1. Mr Cartwright's first amendment proposes that the inflationary element of the fee increase for 2015 and the increase for the four subsequent years would be the lower of RPI and CPI inflation (or zero if inflation on either measure was negative). The base fees would remain as envisaged in the draft Order.
2. Over the long term CPI inflation has been around 0.7% p.a. lower than RPI inflation. So if it is assumed that RPI inflation will be 3.0% as in the fifth notice paper, it is reasonable to assume that CPI inflation will be 2.3%.
3. If this amendment is passed, using the same assumptions set out in the fifth notice paper, it is estimated that the fees payable to DBFs in 2015 would be around £1.6 million more than in 2014. The fee income retained by PCCs is estimated to be around £2.3 million more than in 2014.
4. In 2016-2019, it is estimated fees receivable by DBFs would increase by around £0.7 million p.a. and fees retained by PCCs would increase by around £0.6 million p.a.
5. If Mr Cartwright's second amendment is passed inflationary increases would be limited to 2% and the base fees would remain as envisaged in the draft Order. An inflationary increase of this order would result in fees payable to DBFs in 2015 being around £1.5 million more than in 2014 and the fee income

retained by PCCs would be around £2.3 million more than in 2014.

6. On this basis in 2016-2019 it is estimated fees receivable by DBFs would increase by around £0.6 million p.a. and fees retained by PCCs would increase by around £0.5 million p.a.

Church House
February 2014