

GENERAL SYNOD

**DRAFT STIPENDS (CESSATION OF SPECIAL
PAYMENTS) MEASURE**

Explanatory Memorandum

1. The draft Measure is introduced on the instructions of the Business Committee.

BACKGROUND

The Endowments and Glebe Measure 1976

2. The draft Measure relates to the opening sections of the Endowments and Glebe Measure 1976 ("the 1976 Measure"), which came into force on 1st April 1978. A detailed explanation of the 1976 Measure, the background to it and subsequent developments was provided for the Synod at the November 2002 Group of Sessions in the Church Commissioners' report *Promoting assistance for needy parishes: reform of guaranteed annuities and other direct payments to parish clergy (GS 1468)*.
3. In summary, the following were some of the main effects of the 1976 Measure:-
 - (a) It pooled assets which formerly provided endowment income for individual benefices. This pooling included the transfer of glebe to the diocesan boards of finance;
 - (b) It provided that, in place of the total endowment income of a benefice which had previously enjoyed such income, the incumbent was to receive an annual payment (the "guaranteed annuity") of £1000 or the amount of the endowment income of the benefice if less. These guaranteed annuities are payable by the Church Commissioners ("the Commissioners") under section 1 of the 1976 Measure, and constitute a charge on the Commissioners' general fund;

- (c) Section 2 provided for the Commissioners to pay a supplement to the guaranteed annuity where the value of the endowment income of a particular benefice exceeded £1000 immediately before the 1976 Measure came into force. This supplement (the "annual personal grant"), which makes up the income to the pre-1976 Measure amount, is payable under section 2 of the 1976 Measure to the person who was incumbent as at 1st April 1978 while that individual remains in office, and then ceases;
- (d) Section 4 gave the Commissioners power make schemes extinguishing certain trusts for specific benefices. Where the Commissioners exercised that power, the amount of any income payable to an incumbent under the relevant trusts immediately before the scheme took effect was to be included in the amount used to calculate the guaranteed annuity and, if applicable, the annual personal grant under sections 1 and 2 in relation to the benefice concerned. Thus payments under those sections would be made or increased accordingly; and
- (e) Section 8 required the Commissioners to make payments to the income accounts of diocesan stipends funds equal to the amounts produced immediately before the 1976 Measure by certain endowments for the stipends and emoluments of assistant curates and clerical and lay assistants engaged in the cure of souls in particular parishes. These endowments were also pooled by the 1976 Measure. In addition, section 8 provided for the relevant dioceses to make corresponding payments from the income accounts of their diocesan stipends funds to the clergy and lay assistants concerned.

Previous Synodical consideration

4. At the November 2002 Group of Sessions, the Synod had before it the report from the Commissioners on *Promoting assistance for needy parishes: reform of guaranteed annuities and other direct payments to parish clergy* (GS 1468) referred to in paragraph 2 above. The summary of the Commissioners' recommendations, as set out in paragraphs 37 and 38 of the report, is reproduced in the Appendix to this Explanatory Memorandum.

5. The Synod considered the report together with a report by the Financial Issues Working Group on *Clergy stipends, pensions and other financial issues* (GS 1487). After resolving to take note of GS 1468, the Synod passed a motion which

(a) approved the recommendations in GS 1468, save that, in recommendation 37(v), the words “during the planning period” to the end were to be left out, so that the amended version of recommendation 37(v) read as follows :-

“that all the money released through the above proposals should be applied for stipends support for the poorer dioceses”; and

(b) instructed the Business Committee to introduce a draft Measure to give effect to the recommendations (so far as legislation was required for that purpose) with the qualification in (a).

6. The Business Committee is now introducing the present draft Measure pursuant to that motion. After careful consideration, the Committee is satisfied that by passing the motion in the terms set out in paragraph 5 above the Synod instructed it to introduce a draft Measure for First Consideration which expressly requires the money released by termination of guaranteed annuities and other payments to be applied for stipend support for the dioceses most in need of it, without limit of time. Accordingly, provisions to that effect have been included in clause 3 of the draft Measure (although this of course does not fetter the power of the Revision Committee, or of the full Synod at the Revision Stage, to amend or delete them).

7. Sets of copies of some of the relevant legislation are available by post or e-mail before the July 2003 Group of Sessions from Mrs Sue Andrews, Legal Office, Church House, Great Smith Street, London SW1P 3NZ (sue.andrews@c-of-e.org.uk) (telephone 020 7898 1694). Copies will also be available from the Enquiry Desk during the July 2003 Group of Sessions. The legislation included will consist of:-

sections 1, 2, 4 and 8 of the 1976 Measure;
sections 1 and 5 of the Diocesan Stipends Funds Measure 1953;
section 67 of the Ecclesiastical Commissioners Act 1840.

NOTES ON CLAUSES

Clause 1

8. Clause 1 provides that, subject to two groups of exceptions, the payment of guaranteed annuities under section 1 of the 1976 Measure is to cease. (These provisions include payments by way of guaranteed annuity made as a result of schemes under section 4 of the 1976 Measure.)
9. The Commissioners are required to serve written notice of the provisions of the Measure regarding guaranteed annuities on the incumbent of any benefice in respect of which a guaranteed annuity is at present payable. This notice must give the incumbent a period of not less than three months (which the Commissioners may extend in individual cases) in which to notify the Commissioners if he or she wishes to continue to receive the payments. If the incumbent gives such notice, the guaranteed annuity will continue for the benefice concerned for so long as that individual continues to hold office as the incumbent. It will cease if he or she later reverses the decision to continue to receive the annuity and gives notice of that to the Commissioners, and the payments will in any case come to an end when he or she ceases to be the incumbent.
10. An incumbent receiving an annual personal grant under section 2 of the 1976 Measure will also continue to receive the guaranteed annuity, but both will cease when that individual ceases to hold office as incumbent of the benefice concerned. (The reference here to an annual personal grant includes any payment by way of an annual personal grant made as a result of a scheme under section 4 of the 1976 Measure.)

Clause 2

11. Clause 2 brings to an end the obligations on the Commissioners and the dioceses to make payments under section 8 of the 1976 Measure, and repeals section 8.

Clause 3

12. Under clause 3, the Commissioners are to pay to the Archbishops' Council, at least once a year, the amounts which they would otherwise

have paid out by way of guaranteed annuities (less any amounts still payable under clause 1) and under section 8 of the 1976 Measure. The Archbishops' Council, after consulting the Commissioners, is to allocate these payments to the income accounts of diocesan stipends funds, in a way which is consistent with the requirements of section 67 of the Ecclesiastical Commissioners Act 1840. (Section 67, which applies to the Commissioners as successors to the Ecclesiastical Commissioners, obliges them to make additional provision for the cure of souls in parishes where such assistance is most required.) The Archbishops' Council must also provide the Commissioners annually with a certificate that it has complied with these requirements.

13. Under subsection (4) of clause 3, a diocese receiving payments from the Archbishops' Council under clause 3:-
 - (a) may apply them only for providing or augmenting stipends or other emoluments for incumbents, assistant curates licensed under seal and others declared by the bishop to be engaged in the cure of souls within the diocese; and
 - (b) must in addition apply them in a way that is consistent with the requirements of section 67 of the 1840 Act.

Clauses 4 and 5

14. Clause 4 deals with interpretation.
15. Clause 5 deals with citation, commencement and extent.

Church House
June 2003

RECOMMENDATIONS IN GS 1468

37. Synod is invited to approve the following recommendations:

- i) that the statutory “guaranteed annuity” element of incumbents’ stipends, paid by the Church Commissioners under Section 1 of the Endowments and Glebe Measure 1976, should cease;
- ii) that the Commissioners’ direct grants to dioceses in respect of former curacy endowments (section 8 of the 1976 Measure) and of individual benefice trusts extinguished by a scheme made under section 4 of the 1976 Measure should cease;
- iii) that money released through i-ii) above should return to the Commissioners’ general fund to be applied in line with the National Institutions Measure 1998 which gives priority to the making of additional provision for the cure of souls in parishes where such assistance is more required;
- iv) that the Commissioners’ equivalent discretionary grants to priests-in-charge and team vicars should cease;
- v) that all the money released through the above proposals should be applied for stipends support for the poorer dioceses during the planning period 2005-07, its use to be reviewed thereafter in the light of the Church’s agreed needs and priorities and its plans for meeting them;

subject in the case of recommendations i) and iv)¹ above to an option for any minister at present receiving a guaranteed annuity or equivalent discretionary grant to continue to receive it while he or she remains in post.

38. Synod is further invited to instruct the Business Committee to introduce a draft Measure to enable the above proposals to take effect.

¹ The original version – “i and iii) – was corrected by a Notice Paper.

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