

Archbishops' Council

Review of sources of funding for CME 1-4 and the proposals for research

1. Background

- 1.1. The report *Formation for Ministry within a Learning Church* GS 1496 (the Hind Report), as amended and approved by the General Synod in July 2003, recommended a more seamless approach to pre- and post- ordination training. It proposed a new concept of initial ministerial education (IME) which would stretch from entry into training to the end of the first training post. This training was to be delivered through new institutional arrangements structured through partnerships drawing on diocesan training establishments, theological colleges and courses, in collaboration with other churches and higher education, i.e. Regional Training Partnerships (RTPs).
- 1.2. The Report recommended that additional funding of £1,000,000, consisting of £700,000 for accredited training and £300,000 for residence or equivalent training, should be made available to the post-ordination phase of IME, commonly referred to as CME 1-4. This funding was proposed to:
 - a. enable candidates to continue their ministerial development in the first four years of ministry through modules of learning which would be

taught and assessed to a professional standard ('accredited training'). The content of such modules would combine learning in the parish/ministerial context, resourcing immediate learning needs (e.g. developing collaborative patterns of ministry in the parish; urban/rural issues; hospital or prison ministry), all enriched by continuing theological study. Much of this £700,000 would go to the training providers in course fees.

- b. the residential training element was envisaged as the opportunity to have short blocks of time out of the immediate parish context, in a place with theological and communal resources, to reflect with others on emerging issues in ministry. There was seen to be particular value in this for those whose pre-ordination training had been via the (non-residential) courses.

1.3. The Hind Report also recommended that there should be a budgetary provision of £240,000 within Vote 1 for research, commissioned by the Church as a whole, to be carried out within the RTPs. This was part of the Hind vision of changing our training institutions from being merely 'deliverers of ordination training' to being a wider resource to support the Church's mission in a variety of ways. Thus, an RTP might build up a specialism in, say, urban ministry or new forms of church, and would underpin that with research into this area (as commissioned/authorized by the Church) which in turn would contribute to high quality teaching in this area.

1.4. The Hind Report required of institutions in the RTPs economies of 7.5% in both academic and administrative

staff budgets. This was envisaged as a saving of £269,000 per annum. This saving would have financed the research proposal, and explains why the funding gap was envisaged as £1m rather than £1.24m.

- 1.5. The Hind Group's intention was to make recommendations that were, taken together, cost neutral.
- 1.6. The Report therefore proposed a way of funding the additional expenditure of £1m for the post-ordination phase of IME through savings in Vote 1 on pre-ordination training. It recommended reducing by 75 the number of candidates training residentially at colleges who received financial support from the church for their families. This sum, calculated at £1,017,000, together with funds released through academic and administrative cost savings following the establishment of the RTPs, would have balanced the books.

2. Earlier proposals to meet the funding gap

- 2.1. When Synod debated the Report in July 2003, however, it was unhappy with a proposal which was seen as making it more difficult for younger ordinands with families to be trained at the colleges.
- 2.2. Instead it asked the Archbishops' Council to explore alternative sources of funding with the aim of seeking a less drastic reduction in pre-ordination residential training. A Working Group under the Revd Dr. Richard Turnbull was set up to carry out this task and reported to Synod in July 2004. The Group's report (Alternative Sources of Funding, GS 1541A) put forward a number

of alternative sources of funding for the £1m for CME 1-4:

- a. a personal contribution from each person embarking on ordination training of £500 raising at a conservative estimate £500,000 per annum.
- b. a partnership scheme between colleges/courses and parishes raising £200,000 per annum.
- c. retaining within the theological training budget the savings accruing through money becoming available for family support through Child tax credits, around £300,000 per annum.
- d. The Group also recommended that further research be undertaken regarding the level of funding needed for CME 1-4 phase of training.

2.3. At its meeting in June 2004 the College of Bishops, whilst expressing its support for the importance of safeguarding residential pre-ordination training for all candidates who would benefit from it, was unable to support the recommendations regarding the alternative sources of funding,

2.4. Following the Bishops' Meeting a revised paper was presented to Synod in July 2004 (together with the Working Group's Report) which made new proposals to bridge the funding gap. This gap, being the £1m cost of funding CME 1-4 as recommended in the Hind Report, was proposed to be found by:

- a. taking account of the contribution of the Child tax-credits amounting to £300,000;
- b. reducing the quantum of post-ordination training so that it can, if desired, be delivered in 3 years rather than 4, a saving of £250,000.

These proposals reduced the funding gap to £450,000.

In respect of (a), family support for ordinands has always been subject to an assessment of need. The receipt of these Child tax credits by married ordinands has reduced the call upon Diocesan and national budgets since April 2003. Dioceses have already benefited from this contribution. It represents a saving in total expenditure as calculated by the Hind group. Nevertheless, since dioceses have already had the benefit of the £300,000 saving and, no doubt, factored it into their budgets, additional expenditure on CME 1-4 of this amount would all constitute a net increase in diocesan expenditure.

In respect of (b) the proposed reduction in the quantum to enable delivery in three years rather than four follows feedback from the dioceses. It does not change the policy of the House of Bishops that title posts should be about four years in duration but it gives some flexibility over the pace of continuing training in these early years of ministry.

- 2.5. The General Synod in July 2004 also decided against supporting the main proposals of the Turnbull report (an element of self-funding by ordinands and a partnership scheme between training institutions and parishes) and requested that further work should be carried out to identify ways in which the costs of the enhanced CME 1-4 and research could be funded.

3. Current Proposals

- 3.1. A staff group has been looking at the various options for meeting the funding gap. It was recognised that the receipt of Child tax credits have been factored into diocesan budgets. As a result the funding gap stands at £750,000. (This sum is made up by the £450,00 as set out in paragraph 2.4b above plus the £300,000 received in Child tax credits but already factored into diocesan budgets.) The core proposal is that the responsibility for the funding of the post-ordination phase of training remains with the dioceses (see 3.13 below). The costings of this proposal are contained in Appendix 2 below. It shows that the total net cost is estimated to be around £360,000pa in a situation in which the receipt of Child tax credits has been benefiting the Dioceses to a level of £300,000pa.
- 3.2. The Hind report objective was a considerable improvement in the overall quality of initial ministerial training. Some additional investment in CME 1-4 was a vital part of this improvement.
- 3.3. We believe that the best way of securing this is for expected learning outcomes to be set by the House of Bishops at national level with implementation of the policy remaining with each diocese. Each individual diocese would commit itself to the training of the newly ordained to the approved national standard. The cost would remain on diocesan budgets (rather than being added to the Vote 1 apportionment). Unlike the family maintenance payments, there will not be a pooling arrangement.

- 3.4. Not to invest more in CME would greatly weaken Hind. One element which might, however, be dropped or reduced if dioceses so decide (and it will be down to their discretion) is the residential proposal (in paragraph 1.2b above). This is costed at £300,000 but re-valued to £225,000 because of the reduction in paragraph 2.4b above. This was partly seen as a quid pro quo for the Colleges who were set to lose 75 candidates. That no longer obtains, though the residential proposal had value in its own right. As a residential element to CME 1-4 will be entirely at the discretion of individual dioceses, no amount has been included in our calculations for this item (see Appendix 2 below).
- 3.5. The advantage of this overall approach is that the additional expenditure is under the direct control of each diocese. It does, of course, involve additional expenditure for many dioceses. We note, however, that some dioceses already invest in very high quality CME and will therefore not have to make further provision.
- 3.6. The point, however, is that any extra investment in CME is going to cost more, now that the Turnbull options and the possibility of reducing the number of college places for candidates requiring family support have both been rejected.
- 3.7. The only alternative would be to reject what was a central plank of Hind accepted by Synod, namely to make initial ministerial education more seamless with a real enhancement of post ordination training. We cannot recommend that, though we recognise that each diocese will have to make judgements over the pace at which it can afford the increased investment.

- 3.8. With regard to the funding of research, the Hind report proposed expenditure of £240,000pa which was accepted as part of the Hind proposals by Synod in July 2003. However, given the current need to reduce costs, it is now proposed to start more modestly at a level of £100,000pa pending assessment of the first research projects and the final structure and composition of the RTPs.
- 3.9. These proposals have been discussed at the Inter Diocesan Finance Forum and approved by the Ministry Division's Theological Education and Training Committee, the Finance Committee, the Archbishops' Council and the House of Bishops.
- 3.10. The Ministry Division is also carrying out research into the question of Higher Education Funding Council for England (HEFCE) funding to investigate whether the Church's colleges and courses, in partnership with HE institutions, could access this government funding to a greater extent. This is however only likely to reduce costs in the medium to long term. It is impossible at this stage to give any indication of the likely level of such funding. And we would need to be sure that funding did not involve an unacceptable loss of control.
- 3.11. In appendix 1 are other options which have been reviewed but not recommended.
- 3.12. In appendix 2 is a summary of the relevant costs as proposed in the Hind Report, the savings which have been identified and the estimated amount to be found by the dioceses in order to improve the overall quality of CME 1-4. Appendix 2 also identifies the recent under-spending in respect of the Vote 1 budget and the

benefit received from the introduction of Child tax credits.

3.13 Recommendation

We recommend that the desired improvement in the overall quality of CME1-4 should be pursued by setting expected learning outcomes nationally while keeping responsibility for funding with the dioceses.

The Rt Revd John Gladwin, Ministry Division

Mr Michael Chamberlain, Finance Division

7th January 2005

Other options reviewed but not recommended

1 Increase the Vote 1 provision.

It was suggested in the Bishops' meeting that consideration should be given to a straight increase in Vote 1 to cover the extra costs of post-ordination Initial Ministerial Education. The advantage of this approach is that it would allow the Hind objectives to be pursued in a uniform way across the Church with candidates being dealt with on an equal footing. But Synod voted in July against switching the cost of providing family support to Vote 1 and, given the present restiveness over the size of the apportionment, this does not seem the moment to try and bring a further category of expenditure onto central costs. Consultation with Diocesan representatives has indicated that the Diocesan Boards of Finance would be very hostile to this option.

2 Find savings within the current Vote 1 budget.

The current funding to the courses and colleges reflects the number of candidates in training. There is no real scope for further reducing the budget whilst supporting the current number of candidates in training. Over the last three financial years the Finance Panel has already reduced the core costs of the institutions by around £500,000. About £350,000 has been returned from Vote 1 to the Dioceses during 2003 and 2004. In addition, there is a projected under-spend of approximately £300,000 in 2004. These, however, both reflect the point that dioceses expect there to be Vote 1 savings when numbers in training are below budget. The Finance Panel is looking for a further saving of 7.5% in

both academic and administrative costs (see paragraph 1.4 above). To plan on anything beyond this is unrealistic.

3 Find savings within residential training through college reorganisations

Numbers in residential training have fallen significantly over the last few years. When the Hind report was written there were 560 ordinands in residential training. In the current academic year, 2004/05, there are 501 students. Inevitably a number of theological colleges are facing significant financial problems. A number of institutions have been urged to consider merger and/or federation in order to achieve economies of scale. There are clearly issues which are going to have to be addressed over the coming period, but it is too early at this stage to predict where this painful process might lead and what any resulting savings might be. Past experience suggests that immediate cash savings to the church of any college closures/amalgamations are unlikely to be substantial.

4 Drop the allocated funding for research.

The Hind Report argued that, as in other educational sectors the quality of training institutions would be enhanced if they undertook some research. They considered that £240,000pa was the appropriate level at which centrally funded research should be supported through the RTPs. It was calculated on the basis of allowing the equivalent of one full-time post in each of eight projected RTPs in order for research to have a proper profile in each RTP. We could not recommend dropping the research component but we do make a proposal about initial funding at a more modest level (paragraph 3.8 above).

Summary of sources of funding for CME 1-4 and the proposals for research

The Cost Calculations in the Hind Report

	£	£
Cost on course fees etc CME 1-4	700,000	
Cost of CME 1-4 Residential element	300,000	
	<hr/>	1,000,000
Provision for Research		240,000
		<hr/>
		1,240,000
To be funded by:		
Reduction in residential training for married ordinands	1,017,320	
Savings on Admin staff	69,943	
Savings on Academic staff	195,356	
	<hr/>	1,282,619
Net savings to Vote 1 costs		<hr/>
		42,619
		<hr/>

The General Synod declined to support the proposed cut in residential training for married ordinands and asked for further work to meet the £1,000,000 funding gap.

Current Proposals

	Original cost £	Potential savings £	Revised cost £
Course fees CME 1-4	700,000	175,000	525,000
Residential element CME 1-4	300,000	300,000	-
Research	240,000	140,000	100,000
	<hr/>	<hr/>	<hr/>
	£1,240,000	£615,000	£625,000
Less as before			
Savings on Admin staff		69,943	
Savings on Academic staff		195,356	
		<hr/>	265,299
Estimated net cost to Dioceses			<hr/>
			£359,701
			<hr/>