

GENERAL SYNOD

FEBRUARY GROUP OF SESSIONS 2020

SIXTH NOTICE PAPER

ITEM 502: DRAFT CHANNEL ISLANDS MEASURE

ITEM 505: THE CLERGY COVENANT FOR WELLBEING ACT OF SYNOD 2020

ITEM 501: DRAFT CATHEDRALS MEASURE

ITEM 9: SAFEGUARDING: RESPONSE TO RECOMMENDATIONS IN IICSA MAY 2019 INVESTIGATION REPORT

ITEM 10: CLIMATE EMERGENCY AND CARBON REDUCTION TARGET

ITEM 11: END TO PAUPERS' FUNERALS

ITEM 500: DRAFT DIOCESAN BOARDS OF EDUCATION MEASURE

ITEM 14: THROUGH HIS POVERTY

DEEMED ITEMS:

HOUSE OF LAITY ELECTION RULES 2020

CLERGY ELECTION RULES 2020

CONVOCATION (ELECTIONS TO UPPER HOUSE) RULES 2020

Financial statement pursuant to Standing Order 108

1. Financial Statements under Standing Order 108 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 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. As agreed with the Business Committee in 2016, an item is included in this memorandum if (i) the estimated financial impact (either actual costs or savings or the opportunity cost or saving - e.g. the cost of clergy or staff time) is £20,000 or more or (ii) it is thought a statement on the estimated financial impact of a proposal is thought likely to be helpful to members. These thresholds are applied to the whole of any time-limited project or a period of three years for on-going activities.
4. If the cost of work on any motion, if passed, would fall to the Archbishops' Council, it would need to be met from within the Council's 2020 budget envelope which Synod approved at the July 2019 Group of Sessions, or subsequent budgets. 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 or drawing on reserves. Estimates of staff and clergy 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 2020 levels unless otherwise stated. Costs include relevant salaries, employers' national insurance and pension contributions.

ITEM 502: DRAFT CHANNEL ISLANDS MEASURE

6. The financial effect of the draft Measure on the Channel Islands deaneries and parishes is expected to be cost neutral.
7. It is understood that the Channel Island parishes currently pay around £90,000 in respect of various services provided by the diocese of Canterbury. If the Measure is brought into force, the Channel Island parishes will begin to pay parish share to Salisbury diocese and cease paying contributions to Canterbury diocese.
 - Estimated transfer of parish share income in respect of services provided from Canterbury diocese to Salisbury diocese: around £90,000 p.a.

ITEM 505: THE CLERGY COVENANT FOR WELLBEING ACT OF SYNOD 2020

8. If the Act of Synod is agreed, there will be no direct financial implications.
9. However, dioceses and the Archbishops' Council would need to decide on what action to take in the light of the Covenant set out at paragraph 20 of GS 2133, having regard to their available resources and other budget priorities. Some illustrations were provided in the financial comment prepared for the motion passed at the July 2019 Group of Sessions.
10. The extent of additional costs for each diocese arising from the Covenant would depend on the existing level of provision in a variety of areas (such as MDR, pastoral supervision and reflective practice) and the future desired level and regularity of such provision. Depending on the level of additional funds required, some dioceses may need to make a judgement about the relative priority of improving the quality of their MDR beyond the legal minimum and providing pastoral supervision.
11. Any additional provision should be regarded potentially as an investment as well as a cost, as it could reduce cases of expensive ministerial burn-out and enable clergy to be more effective in ministry. Better MDR and pastoral supervision and reflective practice should help issues to be resolved earlier before they become acute.

12. Many of the proposed commitments outlined in GS 2133 (e.g. in respect of clergy housing and ensuring that clergy receive appropriate training and development, support, and participate in Ministerial Development Reviews – MDR - at least every other year) are already legal requirements and should not therefore in themselves generate additional costs. However, some other proposals in the report would be likely to result in additional costs to dioceses.
- Estimated cost to dioceses and the Archbishops' Council of implementing the Covenant: dependant on diocesan decisions.

ITEM 501: DRAFT CATHEDRALS MEASURE

13. If the draft Measure completes the revision stage, the estimated cost of staff time involved in completing the remainder of the legislative process for the draft Measure, including the Parliamentary stages, is estimated at £10,000.
14. If the Measure is brought into force cathedrals would need to revise their constitution and statutes and register with the Charity Commission. A memorandum of understanding would also need to be agreed between the Church Commissioners and the Charity Commission. The NCIs' Legal Office would provide guidance and a template constitution and statutes, liaise with the Charity Commission to assist in the process of registration and NCI staff would be available to help cathedrals with the registration process. The cost of staff time on this work, including reviewing cathedrals' revised constitution and statutes is estimated at £45,000. The legal costs cathedrals would incur in revising their constitution and statutes and to implement the accompanying governance restructure is estimated at up to £5,000 per cathedral: the level of such costs would depend to some extent on the number of variations from the standard template.
15. The draft Measure would lead to cathedrals becoming co-regulated by the Charity Commission and the Church Commissioners, with an increased regulatory role for the latter which will require guidance to prepared on a range of issues to support the draft Measure. Taking account of the staff resources currently allocated to the Cathedral Support Group (which is intended to be time limited) and the Cathedral Sustainability Fund, the working assumption is that the Church Commissioners would be able to exercise this expanded role going

forward using existing staff resources devoted to supporting cathedrals.

16. It is envisaged that any additional resource required for the implementation phase would be paid for from within the £10 million earmarked by the Church Commissioners for Cathedral Sustainability Funding in 2020-2022. To date one additional time limited role has been identified: a paralegal role in the Legal Office to assist with managing the new constitutions and registrations over a period of up to two and a half years, The cost of this is estimated at up to £135,000.
- Estimated cost of staff time to complete the remaining Synodical and Parliamentary stages for the draft Measure: £10,000.
 - Estimated cost for agreeing a memorandum of understanding between the Church Commissioners and the Charity Commission, revising cathedrals' constitution and statutes and registering with the Charity Commission: up to £5,000 per cathedral and NCI staff time of £45,000.
 - Estimated additional costs in the implementation phase: up to £135,000 for a time-limited paralegal role to be funded by the Church Commissioners from the sum allocated for cathedral sustainability funding.

ITEM 9: SAFEGUARDING: RESPONSE TO RECOMMENDATIONS IN IICSA MAY 2019 INVESTIGATION REPORT

17. GS 2158 notes the progress that has made against the five recommendations of the May 2019 IICSA interim report. The cost of staff time in the National Safeguarding team and the Legal Office to complete the work addressing recommendation 2 is estimated at around £30,000. This will include work in relation to proposed amendments to the Safeguarding and Clergy Discipline Measure 2016 to replace the duty to 'have due regard' and revising and consulting on policy documents to provide greater clarity about issues such as what requirements are mandatory.
- Estimated cost of staff time to complete the implementation of recommendation 2: £30,000.

ITEM 10: CLIMATE EMERGENCY AND CARBON REDUCTION TARGET

18. The Archbishops' Council has allocated additional resource to work on environmental issues following a General Synod motion which was passed last year. This additional resource was included in the Council's 2020 budget is now in place and is considered sufficient to support the Council's contribution to work envisaged in the motion.
19. Each diocese will need to decide the extent of any additional resource required to deliver its contribution to the work envisaged in the motion depending on the current level of resource it allocates to environmental issues.
20. The costs of some initiatives may be very significant, particularly in view of the number of Church buildings and the challenges in adapting many of them. If on-going financial savings arise from initiatives, the financial payback period will vary. Therefore the relevant parts of the Church will need to evaluate the cost and benefits (which may include financial savings as well as contributing to reducing emissions) of specific initiatives to reduce emissions on a case by case basis in the light of their other potential calls on their funds.
21. The on-going cost of staff time that would be needed to support the effective use of the Church Energy Footprint Tool noted in paragraphs 7 and 8 of GS 2159, including data cleansing, analysing and reporting on the data and trends moving forward which would enable progress to be monitored is estimated at £25,000 p.a. This includes work to better enable the carbon footprint of Church House to be monitored which could potentially be used for other NCI and diocesan offices. It does not make any allowance for any future system development costs that may be required.
 - Estimated cost of specific measures to contribute to the aspiration of reducing emissions: variable and uncertain and potentially very significant for some initiatives.
 - Estimated cost of staff time to support the Church Energy Footprint Tool: £25,000 p.a..

ITEM 11: END TO PAUPERS' FUNERALS

22. As stated in GS 2160B, if the motion is passed it is envisaged that work envisaged by parts (i) and (ii) of the motion will be carried out by staff, including the Life Events team, working with the ecumenical Churches' Funerals Group. The cost of staff time to carry out this work is estimated at around £20,000 over a three year period.
23. If a dedicated Task Force were to be formed the additional costs of its work would depend on the size of its membership and number of meetings. As an illustrative example, if the Task Force had ten members and met on ten occasions the additional cost of meetings, travel and subsistence is estimated at around £10,000. This would be in addition to the staff time costs outlined above.
- Estimated cost of staff time in Archbishops' Council: around £20,000.
 - Additional costs if a dedicated Task Force were to be formed: around £10,000.

ITEM 500: DRAFT DIOCESAN BOARDS OF EDUCATION MEASURE

24. As noted in GS 2131X, the key change proposed in the draft Measure is the introduction of the option for Diocesan Boards of Education (DBEs) to be constituted as a statutory committee of their Diocesan Board of Finance (DBF) and clarification as to how the two current options for the constitutional form of DBEs (i.e. being either incorporated or unincorporated) should operate.
25. If the Measure completes all the Synodical and Parliamentary stages and is brought into force, DBEs will need to review their constitutional form and consider whether they wish to change their legal form, register with the Charity Commission (if they are not already so registered) and determine what changes may be needed to their governing documents. In addition, a new diocesan scheme will be needed in each diocese, conferring DBE status on the chosen entity.
26. The NCIs' Legal Office will provide guidance, as well as template schemes for diocesan synods, but DBEs are likely to need their own legal advice. The cost of such advice for each diocese is estimated to range between £1,500 (if an incorporated DBE decides to continue to

operate under a diocesan scheme and needs to make very modest changes to its articles of association following the introduction of the new Measure) and £10,000 (if an unincorporated DBE decides that a new incorporated body should be formed and registered with the Charity Commission). The legal costs could potentially be more if the changes a diocese decides to make are particularly complex and/or significant challenges arise which need to be addressed.

- Estimated legal costs to review the structure of the DBE and make any changes identified: between £1,500 and £10,000 per diocese

ITEM 14: THROUGH HIS POVERTY

27. The study envisaged in the motion could be carried out at a range of different scales ranging from a fairly basic piece of research to the equivalent of several PhDs. The costs of a fairly basic piece of research taking 12-18 months, including a scoping study, undertaking research and testing the findings, is estimated to be at least £35,000.

- Estimated costs of a basic study exploring the issues raised in the motion: at least £35,000.

DEEMED ITEMS:

HOUSE OF LAITY ELECTION RULES 2020

CLERGY ELECTION RULES 2020

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28. If the Rules set out on GS 2164 – GS 2166 are made, an online facility for the conduct of elections will need to be procured. This facility will have a fixed set up cost for each diocese and a variable cost depending on the number of candidates. Assuming an average of 2.5 candidates per seat, the total cost is estimated at around £140,000.
29. It is envisaged that the variable cost will be shared amongst the dioceses based on the number of candidates across the three Houses. The cost for individual dioceses is estimated to range between £1,700 and £5,000.
30. Adjusting estimates made in July 2017 for inflation, it is estimated that switching from paper based to online elections would save around £140,000 across the dioceses in printing, stationery and postage costs and around £70,000 in diocesan staff time. In addition, staff time savings of £15,000 are estimated in the Archbishops' Council.
31. Therefore, the estimated cost of conducting the elections online is expected to be very similar to that of the current system. The estimated saving in staff time across the Church if the change is made is estimated at £85,000.
 - Staff time savings arising from the introduction of an online facility for elections compared with a paper based system: £85,000 (£70,000 in dioceses and £15,000 in the Archbishops' Council)

Canon John Spence
Chair, Archbishops' Council Finance Committee

February 2020