

## General Synod

### Resourcing Ministerial Formation Review

*The aim of this paper is to inform members of General Synod about the work to date of the Ministry Council's Resourcing Ministerial Formation Review. Members of Synod are invited to ask any questions or make any comments by visiting the National Ministry Team stall at induction or by sending them to [keith.beech-gruneberg@churchofengland.org](mailto:keith.beech-gruneberg@churchofengland.org). It is expected that there will be full Synod discussions of the proposals as they are further developed.*

#### Background and aims

1. The RMF Review was established by the Ministry Council in 2019 in response to the commitment to Synod to review the Resourcing Ministerial Education (RME) funding arrangements after three years. Ministry Council was clear that what was required was not a narrow review of the working of RME, but strategic consideration of what arrangements for the structure and funding of ministerial formation would best serve the church's needs longer term, emerging from a recognition that theological education was to equip the whole people of God.
2. The RMF Review's work has been shaped by a number of key documents: *Ministry for a Christian Presence* (GSMisc 1224), a *Vision for Ministerial Formation* and *A Vision for Lay Ministries* (GSMisc 1265).<sup>1</sup> These all stress the priority of the ministries and formation of the whole people of God, served by ministers who are relational, missional, collaborative, diverse and adaptive.
3. The Review Group, established by Ministry Council, comprises 16 people, chaired by the Bishop of Croydon, and includes members of Ministry Council, diocesan and TEI representatives, ordinands and external experts in education and formation. The group has so far met 15 times. Engagement with diocesan and TEI stakeholders in autumn 2020 led to the identification of key priorities: to enable a more collaborative culture across the TEI sector; to develop a more accessible sector, serving an increasingly diverse body of candidates; providing initial formation for licensed lay as well as ordained ministries, and more continuing formation; and to bring a greater degree of financial stability and sustainability and so to foster greater innovation in the sector. In December 2020 Archbishops' Council agreed this direction of travel, and development work continued along these lines, including further engagement with the Archbishops' Council, House of Bishops, and TEI and diocesan stakeholders. This further engagement broadly affirmed the priorities and the goals for the funding system but raised significant questions and challenges particularly over the developing structural

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<sup>1</sup> GSMisc 1224 is available at <https://www.churchofengland.org/sites/default/files/2019-06/GS%20Misc%201224%20Ministry%20for%20a%20Christian%20Presence.pdf>, and GSMisc 1265 at <https://www.churchofengland.org/sites/default/files/2020-11/GS%20Misc%201265%20A%20Vision%20for%20Lay%20Ministries.pdf>.

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proposals. Archbishops' Council discussed the modified proposals and made recommendations for further developments at its meeting in September 2021. The House of Bishops is to have a short consideration of the developing proposals which will take place before Synod but after this paper has been written.

4. As the Review has progressed, the pandemic and the emerging Vision and Strategy for the Church of England have also changed the context for its work. Many of the detailed implications of the Vision and Strategy are still to be worked out, although the headlines for ministerial formation are the emphasis on the formation of all Christians as missionary disciples; on greater diversity throughout the church, including in its ministers; and on the importance of a significantly increased number of high-quality (and hence well-formed) leaders, lay and ordained, for the local church.
5. As the work of the Review Group has developed, some key themes have emerged which we must ensure are present in the sector:
  - that the quality of formation for ministers remains high and continues effectively to form ministers for the changing needs of the church, particularly that
    - ministers meet the church's expectations as set out in the emerging Vision and Strategy and the formation framework for various ministries
    - ministers are fit for the responsibilities they bear in promoting a safer church
    - ministers themselves are, and enable others to be, missionary disciples
  - a culture and practice of lifelong learning for all ministers.
  - increased accessibility to learning, and increased diversity of learners, through innovative approaches to learning and formation
  - broader opportunities for the whole people of God to engage with theological education and formation, deepening their rootedness in Christ and enabling them as missionary disciples in every aspect of their lives
  - institutions that enables students to understand and empathise with traditions different from their own
  - across the various institutions, continuation of theological research.

### Review of the RME funding model

6. Under the existing RME arrangements, each diocese receives an annual grant from the Vote 1 budget from which to pay the relevant TEI fees for its ordinands (including an 'accommodation' fee for those in residential training), together with some personal allowances and travel costs. The Vote 1 budget is primarily funded by the dioceses according to the apportionment formula but is currently also supported by the Church Commissioners. Diocesan grants are based solely on the number and age profile of ordinands (i.e. not the actual training undertaken), but each diocese is free to deploy the total amount received across its ordinands. The 'pooled maintenance' system provides for ordinand living costs beyond those met from Vote 1, not least for those with

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dependent families; this was extended under RME to cover the full maintenance costs of those in full-time non-residential training.

7. Under RME, the necessary funding has been provided for the increased number of ordinands over the last five years, including offering better support for full-time non-residential training than the system which preceded it. It allowed dioceses greater freedom in discerning the appropriate training for particular candidates, which they have widely welcomed. It also offered greater financial transparency than the previous system, ensuring that dioceses had some awareness of the financial consequences of their decisions. During this period we have seen ordained vocations grow, grow younger and more diverse. There are clearly many factors that have led to this welcome development and it is difficult to assess the degree of contribution made by the RME funding model itself. RME has thus achieved some of its aims, and it is important to seek to preserve its strengths in any new system.
8. However, some significant weaknesses have also become evident:
  - a) RME has led to an accumulation of unspent money in dioceses. Something over £1 million per year is being transferred to dioceses which they are not in practice spending on agreed costs for IME1 for ordinands. This accumulation is irregular across dioceses and was not predicted in RME modelling. About half the accumulated surplus is held by eight dioceses, and nearly half of that by two.
  - b) RME funds only the training of clergy at a time when we are increasingly concerned with the development of a wide range of licensed lay ministries. We believe this is an unsustainable position for a church which affirms the equal esteem of lay and ordained vocations, especially in regard to lay ministers who hold the bishop's licence to preach and teach.
  - c) RME limits the scope for national strategic decision-making in relation to this significant investment of funding. National decisions are made about what are appropriate training pathways, and the level of funding for each mode of training. However, TEIs receive funding based on the individual decisions made by dioceses on the training of particular ordinands. This may not align with any strategic goals (for example, continued availability of residential training offered by a range of TEIs of different character and tradition), and there is no ability to provide strategic support to any particular innovation or initiative.
  - d) RME does not help good financial management in the TEI sector. TEIs do not know their income for the following academic year until the start of that year, and the relatively small numbers involved mean random fluctuations between years do not smooth out. This limits the ability of the TEI to plan and consumes energy in anxiety over each year's forthcoming intake, thereby reducing confidence and creativity.
  - e) Similarly, the pressure to recruit fosters TEIs relating to each other more as competitors than as potential collaborative partners in serving the church. (This is not to deny that an element of competition may be good and healthy, nor that some collaboration does currently take place.)

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f) There are also several issues in regard to maintenance, discussed separately below.

### **Towards a new funding system**

9. In light of this analysis and the feedback from the TEIs, Ministry Council and Archbishops' Council, the RMF Review has identified a number of desirable characteristics of a new funding system:
- a) Continue to fund in full the tuition for and expenses of ordinands in training.
  - b) Continue to operate a national funding system for those fees and expenses. The consultations strongly supported this as an expression of our life together as a national church with dioceses mutually supportive of one another and ministers deployable across dioceses. It also gives scope for national strategic decision-making in relation to the significant scale of investment involved.
  - c) Return to disbursement of money from the national system directly, not via dioceses. This will better align the amount collected in apportionment with the amount being spent and may also lead to some administrative efficiencies.
  - d) Preserve appropriate flexibility for dioceses in discerning the appropriate training for candidates (without creating excessive risk of dioceses overusing expensive pathways).
  - e) Include funding for those training to be licensed lay ministers in the national system. While diocesan initiatives for encouraging lay ministry and hence for lay ministry training will rightly be very varied – and much lay ministry is fundamentally the responsibility of parishes more than dioceses – licensed lay ministry is nationally recognised, subject to the canons, and in general transferable across dioceses.
  - f) Establish a system with an element of multi-year block grants for TEIs (to offer greater stability in their income) though still with some variation based on actual candidate numbers. The block grants would be accompanied by a Service Level Agreement for each TEI. This would reflect the commissioning of the TEI to serve the church in multiple ways, including the training of particular candidates. The SLA would provide a mechanism under which the TEI would make formal commitments to the church both in relation to the work done at present but also including areas such as diversity upon which its funding would be dependent.
  - g) Establish an innovation fund to which bids can be made for funding to develop a new programme or resource in response to the church's identification of its strategic needs, for example a new training pathway for particular forms of ministry, a specialist online module to be accessed by a range of ordinands and curates or as part of continuing ministerial development, or a lay training resource to be shared across TEIs and dioceses.
  - h) Consider establishing a diversity fund – in general in Higher Education it is recognised that widening participation requires investment, for example in providing access years.
10. Any system needs to be designed in light of assumptions about the number of candidates it needs to fund and an acceptable cost for that system. In 2020, £17.1

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million was disbursed from Vote 1, of which £14.7 million was raised from dioceses through apportionment and £2.4 million was funded by the Church Commissioners. The funding allocated by the Commissioners will be utilised by the end of the triennium in 2022, and further bids to them will be needed to confirm the need for their continued support. Clearly dioceses are also facing significant financial challenges. The number of candidates we should expect going forward is also unclear. We do not believe there is significant scope for a reduction in TEI fees without changing expectations of what they will deliver and note that a reduction in total income for any TEI will also create a challenge.

11. The Archbishops' Council affirmed the importance of continuing to invest in the training of ministers, both their initial formation and contributing to their continuing ministerial development, through the TEIs. It supported continued planning based on a central assumption of maintaining the current levels of disbursement, noting that this would, for example, fund 570 annual ordinand starters (as in 2020, maintaining the 2020 levels of fee) and provide £2k for each of 520 licensed lay ministers in training (again the 2020 number) by eliminating money being passed to dioceses and not spent.<sup>2</sup> However, Archbishops' Council was unable to give any guarantees on future funding levels prior to the outcomes of the work of the Triennium Funding Working Group.
12. Significant unspent money has been accumulated in dioceses. This will amount to a surplus of c£4 million by summer 2022, unevenly spread across dioceses, which is increasing by c£1 million per year. It is held in restricted funds, limited to financing ordinand training, so dioceses have little realistic chance of being able to use the money. Ministry Council recommended that much of this money be reclaimed so that it benefits all the dioceses.<sup>3</sup> Each diocese under this arrangement would reasonably carry some money forward so it was estimated that c£2.4 million could be reclaimed while RME continued. This could provide funding to establish the innovation and diversity funds.
13. The current maintenance arrangements seek to ensure ordinands and their dependent families have sufficient on which to live. Some allowances, and in particular costs for single students in residential training, are met from Vote 1, but most costs are borne through the means-tested 'pooled maintenance' system, restricted to those in full-time training due to be ordained before their 50<sup>th</sup> birthday. The total cost has risen by 50% in recent years, from £5.15m paid to 633 ordinands in 2016/17 to £7.75m for 716 ordinands in 2020/21. Of this, £1.1 million is currently borne by the Commissioners; the rest is paid by the dioceses according to the apportionment formula, but many dioceses report a lack of understanding of the system. Questions have also been raised over the adequacy and fairness of the amounts for which ordinands are eligible.

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<sup>2</sup> Implicit in the paper presented to Archbishops' Council was the assumption that all figures were subject to inflationary adjustment rather than representing static costs.

<sup>3</sup> The timing of any reclaim would need to be agreed, but this need not be immediate if the money was designated for future spending rather than immediate use.

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14. It would seem unrealistic to expect most ordinands in full-time training to self-fund or to be supported largely by loans. This is common in other professions, but they are normally better remunerated and/or the training is for many in lieu of a first degree. However, the current maintenance system leads to the costs given above – and pays whatever is given to ordinands in any particular year with no mechanism to control the total cost which is borne by the Church in addition to the amounts paid through Vote 1. There are anomalies in what is paid from Vote 1 and what through the pooling system, and the division between the two systems risks making the real cost of training less transparent and obfuscates comparisons between the cost of different pathways. This all suggests the need to review the maintenance system.

### Other issues

15. We believe these initial funding proposals, outlined above, both through restructuring the funding for those undergoing formation programmes and through the provision of innovation and diversity funds, will greatly contribute to fostering an increasingly collaborative, accessible, diverse and sustainable sector and institutions to meet the Church's needs. Further consideration of structural issues is required, but this will need to include how best to promote joined up working between TEIs and dioceses. The goal of this would be to ensure that all candidates have the breadth of opportunity and engagement with others that might not be available in a small institution working on its own, as well as enabling better use of the resources of all TEIs. It will also include ensuring good relationships between TEIs and bishops/dioceses/the national church so the TEIs are clearly responsive to the church's needs. Continued development of good online/digital learning opportunities across all areas – discipleship, formation of the breadth of lay and ordained ministers, continuing ministerial development – is also to be encouraged.
16. There are other issues which continually need review to ensure high quality formation for all those called to ministry, but which fall beyond the scope of a review of structure and funding. We believe a process of ongoing engagement with these issues to develop the sector is needed, rather than the model hitherto of major reviews every several years.