GENERAL SYNOD

DRAFT DIOCESAN STIPENDS FUNDS (AMENDMENT) MEASURE

Explanatory Notes and Standing Order 51A Notice

The draft Diocesan Stipends Funds (Amendment) Measure makes provision to remove the geographical restriction on the application of moneys standing to the credit of the income account of a diocesan stipends fund.

This document gives notice of the matters set out in Standing Order 51A. The Business Committee has determined that it would be appropriate for this Measure to be deemed to have had first consideration before the next group of sessions begins on 8 July 2022.

Background

1. On 16 November 2021 the General Synod considered the paper **Generosity and Diocesan Finances** (GS 2234). That paper sets out a brief history of financial endowment in the Church of England, which has led to the present situation, which is a considerable disparity of wealth between dioceses. The following motion was carried:

   > “That this Synod request the Archbishops’ Council to develop legislative proposals, to be brought to a future Group of Sessions, to give dioceses more freedom to be generous with their historic wealth to other dioceses in the Church of England, and in this way enable a more equitable sharing of this wealth.”

2. The purpose of the Measure is to give effect to that motion through the option described in paragraph 21 of GS 2234, by removing the geographical restriction on the application of moneys standing to the credit of the income account of a diocesan stipends fund (“DSF”) in section 5(1)(a) of the Diocesan Funds Measure 1953 (“the 1953 Measure”), allowing Dioceses to give money from their DSF income account to the DSF income account of another Diocese.

Standing Order 51A Notice

3. Standing Order 51A(1) applies to this Measure. The Business Committee has determined that it would be appropriate for this Measure to be deemed to have had its first consideration before the next group of sessions begins on 8

July 2022. The Clerk will arrange to lay a draft of this Measure before Synod on 23 March 2022, and will do so by publishing the draft Measure and this document on the Synod website, and sending a copy of them to each member.

4. If at least 25 members have, no later than 5.30pm on 27 April 2022, given notice to the Clerk that they wish the draft Measure to be debated, then the Business Committee will lay notice to that effect before Synod, and arrange for first consideration of the Measure to take place at a group of sessions. In that event, Standing Order 51(5) and (6) do not apply, so the Measure cannot be deemed to have its first consideration without debate. If such notice is not given by at least 25 members, then the Measure will be deemed to have had its first consideration on 27 April, and the Revision Committee will meet to consider the Measure in May.

5. Proposals for amendment of the Measure by the Revision Committee under Standing Order 55(1) must be submitted by 27 April 2022.

The Measure

6. The Measure removes the geographical restriction on the application of DSF funds. It is purely permissive; there will be no obligation to use the power to give to the DSF of another diocese. In considering whether to use the power, a diocesan board of finance ("DBF") will need to have regard to its own charitable objects and obligations under general charity law.

7. The Measure gives two ways for a DBF to make a payment. The first is a direct gift, i.e. the giving DBF identifies one or more recipient dioceses, and gives some of its DSF income to them. But that may be uncomfortable, as it means the giving DBF has to make the decision about which of several dioceses who are genuinely in need should receive what may be a relatively small gift. So the second option is for the giving DBF to give the funds to a Church charity which is willing to act as administrator of the funds in order to pass onto one or more recipient dioceses. The most likely candidate to act as administrator is the Archbishops' Council, as due to its other work at the national level, including the award and distribution of grants to dioceses from funds made available to it by the Church Commissioners, it is well-placed to identify the most needy recipients. However, other charities may also fulfill this role. Any charity which does accept this role will need to be sure that to do so is within its own charitable purposes.

8. The administrating charity will be able to decide, based on criteria that it will be free to formulate, which diocese(s) should receive the funds. It is expected that the administrating charity will manage the reporting back of the allocation and end use of the funds for the giving DBF. The funds would be transferred

first from the giving DBF to the administrator, and then from the administrator to the DSF income account of the recipient diocese, so that its DBF can use the funds for any of the purposes set out in section 5(1), with the provisions of sections 5(2)–(4) applying in the usual way.

Notes on the clauses of the Measure

Clause 1 – Distribution of income to other dioceses

9. Clause 1 is the principal provision of the Measure and inserts a new section 5B into the 1953 Measure.

10. The new section 5B(1) sets out when the clause applies, namely when there is money standing to the credit of the income account of the diocesan stipends fund of a diocese, which the DBF is satisfied does not need to be applied for a purpose specified in the existing section 5(1) of the 1953 Measure. Those purposes are:
    a. Providing or augmenting the stipends or other emoluments of incumbents, assistant curates licensed under seal and other persons who are declared by the bishop to be engaged in the cure of souls within the diocese;
    b. Meeting expenses incurred in repairing and maintaining parsonage houses;
    c. Paying secondary Class 1 contributions under section 6 of the Social Security Contributions and Benefits Act 1992 in respect of ministers of the Church of England who are not employed under a contract of service; and
    d. Defraying the expenses incurred by the sequestrators of any benefice in the diocese in the discharge of their functions.

11. The section is permissive rather than mandatory; such money may be applied in accordance with the section. The effect is to add to the existing purposes for which the money can be used as set out in the list in section 5(1) of the 1953 Measure.

12. The new section 5B(2) sets out the two options which a DBF has, either to transfer the money to the income account of the DSF of another diocese, or to an account held for the purposes of this section by a charity. For the avoidance of doubt, it is provided that such a charity may be one established before or after the passing of this Measure.

13. The new section 5B(3) requires the charity to which the money is transferred to decide which diocese or dioceses to make the transfer to, and then make the transfer or transfers.

Clause 2 – Short title, commencement and extent

14. Clause 2(1) provides for the short title of the Measure.

15. Clause 2(2) provides for the Measure to come into force on the day on which it is passed (ie the day on which it receives Royal Assent).

16. Clause 2(3) provides for the extent of the Measure.

The Legal Office
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Westminster March 2022