

GENERAL SYNOD

JULY GROUP OF SESSIONS 2022

FOURTH NOTICE PAPER

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DEEMED ITEMS:

LEGAL OFFICERS (ANNUAL FEES) ORDER 2022

CONTINGENCY BUSINESS:

REDUCE PAROCHIAL FEES FOR MARRIAGES

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 2023 budget envelope which Synod is being asked to approve at this 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 2023 levels unless otherwise stated. Costs include relevant salaries, employers' national insurance, pension contributions and the apprenticeship levy.

ITEM 5: ROUTEMAP TO NET CARBON ZERO

6. As noted in GS 2258 and GS 2262 the national Church spending plans include an allowance of up to £30 million to support net Zero work in 2023-25 and up to a further £160 million in 2026-31. A Net Zero Expert Group is being created to oversee the allocation of this funding available from the Church's endowment managed by the Church Commissioners.
7. It is envisaged that the national Church funding will be used to provide tools, resources, training and fund raising expertise for the wider Church. It is also likely to be used to fund the cost of preparing and implementing Net Zero Carbon Action Plans for non-investment property held by the National Church Institutions and some exemplar properties held by cathedrals, Diocesan Boards of Finance (most notably clergy housing) and Parochial Church Councils.
8. It is not yet possible to estimate the cost of preparing and implementing Net Zero Carbon Action Plans across the Church. This is partly because the scope of the required works is not yet clear. But it is also because the cost of relevant technologies and materials is expected to fall over time and the level of support from government and grant giving charities is not yet clear.
9. However, it does need to be recognised that the majority of the costs of preparing and implementing Net Zero Carbon Action Plans may have to be borne by the body which has responsibility for the relevant Church building or Church property. Funds will need to be raised locally, including seeking funds from grant awarding bodies and taking advantage of any government grants or subsidies.
10. One diocese has recently announced its planned investment in environmental works to improve the carbon footprint of its clergy housing, which would be a significant step towards net Zero. However, this is only one type of Church owned property. This will take the form of a net zero retrofit housing strategy to improve the energy and heating efficiency of the properties. If this diocese's housing stock is representative, the cost of similar work across the Church would be in the region of £200m.

ITEM 9: SEE OF CANTERBURY CROWN NOMINATIONS COMMISSION

ITEMS 51-56: AMENDMENTS TO THE STANDING ORDERS FOR CANTERBURY CROWN NOMINATIONS COMMISSION

11. If the motion at item 9 is passed and the associated necessary amendment to the relevant Standing Order is approved by the Synod, then the increase in the number of Anglican Communion representatives on the Canterbury Crown Nominations Committee would be expected to result in an increase in travel, accommodation and subsistence costs on every occasion the See of Canterbury falls vacant. This cost, which would largely depend on which provinces the representatives came from, would be met from the Archbishops' Council's budget.

ITEM 15: SPENDING PLANS OF THE CHURCH COMMISSIONERS AND ARCHBISHOPS' COUNCIL

12. Since the paper GS2262 was written, the Church Commissioners Annual General Meeting has taken place at which the spending plans for 2023-25 set out in the paper were confirmed.

ITEM 17: SAFEGUARDING AND INDEPENDENCE: UPDATE AND NEXT STEPS

13. The Archbishops' Council's recommended budget for 2023 includes provision for the Independent Safeguarding Board as it is currently constituted. If its Terms of Reference were to be amended (e.g. expanded scope or a separate legal structure) this would have a financial implication and it would continue to be the responsibility of the Archbishops' Council to find the consequent financial resource, which it expects to be a long term commitment. If additional funds are required for this purpose the Council would need to find them, either from the diocesan apportionment, seeking a virement from the Church Commissioners (with a matching saving on other expenditure categories) or another source.

ITEM 500: CHURCH OF ENGLAND PENSIONS (APPLICATION OF FUNDS) MEASURE

14. If this motion is passed, the cost of staff time to support the Revision stage for this draft Measure is estimated at around £12,000. If the draft Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £8,000.

ITEM 18: INSURANCE PREMIUM TAX

15. The motion itself does not have financial implications. But, as noted in GS 2265B, it is estimated that the cost of Insurance Premium tax across the Church is in the region of £5m p.a..

ITEM 501: AMENDING CANON NO. 42

ITEM 503: CHURCH OF ENGLAND (MISCELLANEOUS PROVISIONS) MEASURE

ITEM 504: AMENDING CANON NO. 43

16. If these motions are passed, it is envisaged that a single Revision Committee will oversee the work progressing the draft Miscellaneous Provisions Measure and the two draft amending canons. The cost of staff time to support this Revision Committee during the Revision stages is estimated at around £20,000. If the draft Measure and draft amending Canons proceed, the cost of staff time to complete all the subsequent Synodical and, for the draft Measure only, the Parliamentary stages is estimated at a further £10,000.

ITEM 502: DIOCESAN STIPENDS FUND (AMENDMENT) MEASURE

17. If this motion is passed, the cost of staff time to support the Revision stage is estimated at around £10,000. If the draft Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £10,000.

ITEM 29: AFFIRMING AND INCLUDING DISABLED PEOPLE IN THE WHOLE LIFE OF THE CHURCH

18. If the Synod approved the motion, the encouragement for dioceses to cluster together to employ a full time disability adviser in part (d) would have financial implications. If it is assumed that the dioceses were to aim to appoint 8-10 full time Disability Advisers between them the annual cost is estimated at between £550,000 and £700,000. We do not know how this compares with the current aggregate diocesan provision.
19. If the motion is passed it is envisaged that the legislative changes requested in part in part (c) of the motion would be proposed for inclusion into the draft Miscellaneous Provisions Measure at the revision stage. It is not expected that this would materially change the assessment of the costs related to that draft Measure set out in the financial comment on item 503.

ITEM 31: REVIEW OF QUALIFICATIONS FOR PCC MEMBERSHIP AND ENTRY ON THE CHURCH ELECTORAL ROLL

20. If the motion is passed, draft legislation would need to be developed to put the proposals into effect. The cost of staff time to draft legislation and see the necessary changes through to conclusion is estimated at £15,000.
21. If the proposed amendments to the Standing Orders are approved then the increase in the number of Anglican Communion representatives on the Canterbury Crown Nominations Committee would be expected to result in an increase in travel, accommodation and subsistence costs on every occasion the See of Canterbury falls vacant. This cost, which would largely depend on which provinces the representatives came from, would be met from the Archbishops' Council's budget.

ITEM 34: REPORT BY THE CLERGY CONDUCT MEASURE IMPLEMENTATION GROUP

22. The cost of staff time to prepare draft legislation for First Consideration as envisaged in part (b) of the motion is estimated at £25,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £35,000.
23. As stated in GS 2277, if the proposals made by the Clergy Conduct Measure Implementation Group come into force, it is estimated that the legal costs borne by the Church Commissioners will reduce by around £500,000 p.a. It is estimated that the additional costs of the proposed new arrangements, which would be met by the Archbishops' Council, on top of those already provided for in the current system, will be in the region of £400,000 p.a. and that there would be one-off project implementation costs of around £200,000. The implementation would include project management, backfill for legal office staff and training of bishops, assessors and Diocesan Safeguarding Advisers.
24. It is likely the Council would ask the Commissioners to consider a spending plans virement from anticipated savings to increase the grant towards the Council's operating costs to enable these proposed changes to be cost neutral for the Council.
25. It should be noted that the proposed new arrangements might increase the need for bishops to seek ad hoc request from their registrar on specific matters. Depending on the extent of this, in time this could lead to an above inflation increase in some or all diocesan registrars' costs funded by the Church Commissioners which would reduce the saving mentioned in paragraph [23].
- Estimated cost of staff time to complete all the Synodical and Parliamentary stages of a Measure to give effect to the proposals: £60,000, £25,000 of which relates to preparing a draft Measure for First Consideration.
 - Estimated implementation cost of the current proposals if brought into force: c. £200,000.
 - If the proposals are brought into force, estimated increase in the Archbishops' Council's budget: £400,000 p.a., estimated saving

in the Church Commissioners' budget: c £500,000, reduced by any above inflation increase in some or all diocesan registrars' costs.

DEEMED BUSINESS: LEGAL OFFICERS (ANNUAL FEES) ORDER 2022

26. As can be seen from the figures in paragraph 14 of GS 2278X-2279X if the Order is approved, retainers for Registrars in 2023 would be £540,000 more than in 2022. £313,000 of this increase will be borne by Diocesan Boards of Finance (DBFs) with the remaining £227,000 of the increase being borne by the Church Commissioners.

- Increase in Registrars' annual retainers: £540,000 (£313,000 to be funded by DBFs and £227,000 by the Church Commissioners).

CONTINGENCY BUSINESS: REDUCE PAROCHIAL FEES FOR MARRIAGES

27. As noted in GS2282B, if it is assumed that the number of marriage services remains at the 2019 level the estimated lost parochial fee income based on the 2022 fee levels the associated fees would be up to £15.7m: £9.2m for PCCs and £6.5m for DBFs.

28. If the parochial fee for marriage services was reduced to £100, just over 20% of the current level, the income loss to the Church is estimated at £12.4m: £7.2m for PCCs and £5.2m for DBFs.

Canon John Spence
Chair, Archbishops' Council Finance Committee

July 2022