

GENERAL SYNOD

DRAFT DIOCESAN STIPENDS FUNDS (AMENDMENT) MEASURE

REVISION COMMITTEE REPORT

Chair: Mr Geoffrey Tattersall KC (Manchester)

Ex officio members

(Steering Committee): The Right Reverend Pete Wilcox (Sheffield)
 Ms Julie Dziegiel (Oxford)
 The Reverend Patrick Richmond (Norwich)

Appointed members: Canon Nigel Bacon (Lincoln)
 The Reverend Arwen Folkes (Chichester)
 Mr Andrew Orange (Winchester)
 The Reverend Canon Eleanor Robertshaw (Sheffield)
 The Reverend Leslie Siu (St Edmundsbury and Ipswich)

References in this report to “the Committee” are references to the Revision Committee. References to clauses of the Measure are, unless otherwise indicated, references to those clauses as numbered in the Measure as originally introduced. All Committee decisions were unanimous except where indicated.

BACKGROUND

1. The draft Diocesan Stipends Funds (Amendment) Measure (**GS 2255**) was given first consideration at the July 2022 group of sessions, following which it was committed to the Revision Committee (“the **Committee**”).
2. In July 2021 General Synod heard that the House of Bishops and the Archbishops’ Council supported the recommendation of the Mutuality in Finances Group (**GS 2234**) to seek permissive legislative changes to the Diocesan Stipends Funds Measure 1953. The draft Measure amends the 1953 Measure to remove the geographical restrictions on the application of monies standing to the credit of the income account of a diocesan stipends fund (“**DSF**”).

thereby allowing a diocese to give funds from their DSF income account to the DSF income account of another diocese.

3. Explanations of the draft Measure as introduced were contained within the Explanatory Notes (**GS 2255XX**) and policy note (**GS 2255P**)
4. The Committee met on the 15 November 2022 and completed its remaining business by correspondence under Standing Order 56(4). All members of the Committee were present for the meeting.
5. The Committee received three submissions from members of Synod, one of which came from a member of the Committee. Of those submissions received one member who was not otherwise a member of the Committee exercised the right under Standing Order 55 to attend the Committee's meeting and speak to their proposal (**Mrs Karen Czapiewski (Gloucester)**).
6. The Appendix contains a summary of the proposals considered by the Committee as well as the Committee's decision on each.

THE DRAFT DIOCESAN STIPENDS FUNDS (AMENDMENT) MEASURE

Clause 1 Distribution of income to other diocese

7. **Mrs Karen Czapiewski (Gloucester)** proposed that section 5B(1) be amended to replace the words "is satisfied does not need" with "provided the diocesan board of finance is satisfied the purposes specified in section 5 (1) can be met to the extent agreed within the diocesan board of finance." Mrs Czapiewski spoke to her proposed amendment and argued that the current wording in reality precluded any diocese from giving money to another diocese as few, if any, DSF income accounts had credit and it therefore could never be satisfied that money was not needed. Mrs Czapiewski submitted that the current wording defeated the policy intention.
8. The Steering Committee did not support the amendment as, in their view, it would likely cause confusion and argument over what was meant by "extent agreed".

The Chair of the Steering Committee noted that the Steering Committee had discussed an alternative word to “need” but were satisfied that there was no better option.

9. The Committee considered the use of the word “need” and replacing it with “required”. The Committee reject the term “required” as being less permissive than “need” and thereby defeating the policy intention. Further, the Committee were advised that the relationship between section 5 of the Diocesan Stipends Fund Measure 1953 and this draft Measure must be clear and that would be best reflected by the use of the word “need.”
10. The Chair of the Committee noted that there would need to be clear guidance issued on how a DBF should approach the financial analysis of whether they were in a position to make a transfer to another DSF.
11. The Committee rejected the proposed amendment.
12. **Mrs Karen Czapiewski (Gloucester)** proposed that funds that originated from glebe income should be excluded from the draft Measure as valuations may relate to potential but as yet unrealised gains.
13. The Committee noted that some dioceses held both investments and land assets in their DSFs while others did not. The Committee were advised that a DSF contained the rental income and the total return from any glebe land, rather than the asset itself, and so as a general rule it would not be subject to market valuation.
14. The Steering Committee opposed the amendment as it would be difficult to impose a uniformity of accounting practices across dioceses.
15. The Committee rejected the proposed amendment.
16. **Mr Andrew Orange (Winchester)** withdrew his amendment to restrict the transfer of funds out of a DSF to the end of the financial year, only after all necessary costs under section 5(1) of the Diocesan Stipends Fund Measure

1953 have been met, and only when the DBF were satisfied that there will be no further costs in that year.

17. The Committee considered comments on the removal of the geographical restrictions and the consequence that monies that originated in one area could end up being utilised in an area far away. The Steering Committee indicated that, in any event, they opposed the amendment, noting to the Committee that there was clearly a difficulty in some dioceses in funding stipendiary ministry and Synod had in July 2022 endorsed this small step of permission, notwithstanding where the funds originated or how far they would travel.
18. Mr Orange withdrew his amendment.
19. **Mr Clive Scowen (London)** proposed that section 5B(2)(b) be amended to make explicit reference to the Archbishops' Council as the charity to which monies will be transferred for the purposes of the Measure.
20. The Steering Committee noted to the Committee that reference to the Archbishops' Council had not been made in the draft legislation partly in recognition of the impending governance review which could result in structural changes to the NCIs. That said, the Steering Committee agreed that the Archbishops' Council was the most likely charity for the purposes of the Measure and in principle did not oppose the inclusion.
21. The Committee were advised that the phrase "the Archbishops' Council or by another charity" could be used and that, should at some future date the Archbishops' Council cease to exist, amendments would be made to legislation that referred to the Council.
22. The Committee accepted the proposed amendment; to read "the Archbishops' Council or by another charity"
23. **Mrs Karen Czapiewski (Gloucester)** proposed and spoke to her amendment that provision should be made in the Measure to enable DBFs to use capital funds in the form of a loan to another DSF. Mrs Czapiewski argued that a further option of using capital as loan would mean more dioceses could be generous on

the basis that some could feel that they would not be in a position to simply divest themselves of funds altogether.

24. The Steering Committee expressed anxiety about the use of capital which, it noted, had not been part of any discussion before Synod. Additionally that, whilst the Steering Committee had sympathy with the desire to explore all avenues to be permissive as possible, given that a recipient diocese could only use the investment return from any capital loans, there would be little material advantage to the amendment.
25. The Committee noted that many DBFs may not wish to take the risk of a loan, particularly if they were already struggling financially.
26. The Committee rejected the proposed amendment.
27. **Mr Andrew Orange (Winchester)** proposed, as a member of the Revision Committee, a new amendment to section 5B(1) that any transfer must be "...agreed within the DBF, subject to vote of approval by Diocesan Synod". Mr Orange argued that that there should be a wider approval of the transfer of funds, and that exceptional situations such as giving away money required exceptional approval. He stated that his proposal was to inject broader democracy into the system.
28. The Committee noted that in some dioceses the DBF and the Diocesan Synod were the same body, and in others they were separate. A concern was raised that the proposed amendment could make the use of Measure, which was intended to be permissive not prescriptive, difficult.
29. The Committee rejected the proposed amendment 1 in favour 7 against.

Clause 2 Short title, commencement and extent

30. **Mr Clive Scowen (London)** queried why the draft Measure did not extend to the Diocese of Sodor and Man or the Deaneries of Guernsey and Jersey and whether the exclusion meant that those jurisdictions could not receive or transfer

monies. The Committee were invited to consider whether they were content with the current extent of the draft Measure.

31. The Committee were advised that the Diocesan Stipends Fund Measure 1953, which this draft Measure amended, did not extend to the Diocese of Sodor and Man or the Deaneries of Guernsey and Jersey, with those areas having different arrangements for payment of stipends. Consequently, extending this draft Measure would have no effect. Further, the Committee were advised that, for the purposes of considering whether the Dioceses of Winchester and then Salisbury could rely upon this draft Measure despite their connection with the Channel Islands, no monies currently held in those diocesan stipends funds originated in the Deaneries, the financial arrangements being entirely separate.
32. The Committee agreed to make no changes to the extent of the draft Measure.

CHARITY COMMISSION

33. The Charity Commission have been updated of the proposed amendments accepted by the Committee and have not indicated any objection to the progression of the Measure.

Geoffrey Tattersall KC
Chair of the Revision Committee

January 2023

Appendix

SUMMARY OF PROPOSED AMENDMENTS & THE COMMITTEE'S DECISIONS

DRAFT DIOCESAN STIPENDS FUNDS (AMENDMENT) MEASURE

Clause in original draft Measure (GS 2255)	Name	Summary of proposal	Committee's decision
1	Karen Czapiewski	Replace 'need' with "to the extent agreed"	Rejected
1	Karen Czapiewski	To exclude glebe income from the provisions of the Measure	Rejected
1	Andrew Orange	May exercise provisions only at the end of the financial year	Withdrawn
1	Clive Scowen	Make explicit reference to the Archbishops' Council	Accepted
1	Karen Czapiewski	To include the use of capital funds in the form of a loan	Rejected
1	Andrew Orange	Requirement for Diocesan Synod approval	Rejected
2	Clive Scowen	Consider extent	Rejected