

GENERAL SYNOD

Resourcing Ministerial Formation Review Update

Summary

The Resourcing Ministerial Formation Review seeks to make the financing of initial ministerial formation more strategic as well as fairer. In July 2022, Synod warmly endorsed a direction of travel for the Review. This paper sets out more detailed proposals in some areas:

- Funding for each TEI based on a core range of expected ordinand numbers giving greater year-to-year consistency, but with revision if numbers are consistently significantly above or below expectations
- Retaining diocesan decision-making on ordinand pathways while eliminating the build up of significant funds in dioceses which they are unable to spend
- An innovation fund to enable new initiatives and enhancement of provision (particularly in response to the Vision and Strategy)
- A Service Level Agreement between each TEI and the wider church setting out clear mutual expectations
- Funding to support the training of licensed lay ministers with disabilities.

Work is continuing and proposals will be brought to Synod as soon as possible in relation to reforming the ordinand maintenance system and broader funding for lay ministry training.

The motion therefore invites Synod to:

1. Welcome and endorse the proposals set out here for implementing the Resourcing Ministerial Formation Review principles of reform previously endorsed by Synod.
2. Affirm the importance of further work in relation to ordinand maintenance and the funding of training for lay ministries, and request that Synod be updated on this and invited to discuss proposals as appropriate within 12 months.
3. Reaffirm its request that the Ministry Council closely monitor and support the capacity of TEIs through the RMF implementation period.

Introduction

1. The Resourcing Ministerial Formation (RMF) review was set up to review the structure and funding arrangements for initial ministerial formation in order to strengthen the theological education of the whole people of God. General Synod last July strongly endorsed a direction of travel for this, welcoming the principles set out in [GS2271: Resourcing Ministerial Formation Review](#) while asking that more detailed proposals based on this be presented to it for consideration prior to implementation. We therefore now set out more detailed proposals for aspects of the funding arrangements which we wish to implement from autumn 2023. These have been agreed by Archbishops' Council and seen by the House of Bishops. Further proposals in other areas are still under development and will be brought to Synod as soon as possible.

2. Key aims of the RMF project are:
 - a) Ensuring the church has the TEI sector it needs to serve it in the years to come
 - b) Increasing alignment with the Vision and Strategy
 - c) Encouraging and valuing the training of candidates for lay ministries through supporting local initiatives
 - d) Creating greater financial stability for TEIs enabling them to focus on the quality of their theological education and encouraging entrepreneurship
 - e) Creating greater clarity of expectations and accountability for TEIs through a Service Level Agreement
 - f) Maintaining diocesan decision-making over ordinand training pathways while continuing financial accountability for their consequences
 - g) Ensuring all funding disbursed from the national pot is used for its intended purpose rather than remaining unspent in diocesan accounts
 - h) Reviewing the ordinand maintenance system to ensure it provides fairly and transparently for the support of candidates.
3. The Ministry Council has articulated four values for the proposals, that they should be simple, transparent, fair (to the church, national and diocesan; to TEIs; to candidates) and mission focussed with a bias to the marginalised.
4. Dioceses and TEIs have been consulted on the proposals. They were in general broadly welcomed, and some points of detail have been adjusted in light of the consultation. As discussed below, the main proposal that had been developed for funding for lay ministry training was not well supported, and we therefore propose doing further work in relation to this rather than proceeding with it at this point.
5. As noted in GS2271, RMF does not intend to address every important issue in relation to ministerial formation, since it is a review of the structure and funding of initial ministerial formation. A helpful meeting in November of members of Archbishops' Council, members of the Ministry Council and theological educators discussed some of the issues relating to ministerial formation beyond the scope of RMF, for example reaffirming the importance of national standards across the whole ministerial lifecycle, at least for clergy. Ongoing work continues on the policies and good practice necessary to ensure high quality formation and outcomes for all ministers of the Church of England. The Service Level Agreements will ensure that TEIs continue to play their part in implementing the church's policies in these areas.

Context

6. The number of ordinands increased between 2016 and 2020 in accordance with the church's articulation of a need for more ordained vocations: in both 2018 and 2020 approximately 580 ordinands began initial training, and in 2020/21 there were 1373 ordinands in training. There has been a drop in the last two years, for a range of reasons including the pandemic. However, there are signs that the number exploring an ordained vocation is now increasing again. Work done for the *Vision and Strategy* has calculated that to fulfil its ambitions the church needs along with a growth in lay ministries at least 630 new ordained ministers per year, with 430 of these to serve in stipendiary ministry. The total number in training currently is approximately 1100 and new starters in 2023 are unlikely to be greater than the number completing training (which includes a significant proportion of the large 2020 entry year). Discernment of

around 630 ordained vocations each year would after several years increase the total in training to approximately 1400-1500.

7. A number of new initiatives seek to provide formation primarily to older candidates for ordained ministry in an assistant capacity. Ministry Council wishes to encourage creativity in new kinds of training provision and is considering whether and how these should be nationally recognised and funded.¹ However, it believes that this needs to be additional to sustaining and expanding the existing work of the TEIs if we are to have the numbers of ordained ministers we require, as well as to enable the rich resources in the TEIs to have greater impact beyond the initial formation of ordinands.

Funding TEIs

8. Annexe 1 sets out detailed financial proposals. In relation to TEIs, they seek to ensure the church sustains the TEIs it needs for the medium- to long-term. They give TEIs greater financial security, enabling them to focus on formational excellence rather than having their energies consumed by annual concerns about their intake. They protect the national church against spikes in payments to particular TEIs. Key proposals are:
 - a) Allocating each TEI a core range of ordinands within which the TEI will receive full funding for its actual number of ordinands, paid directly from the Archbishops' Council to the TEI. If actual numbers are outside the core range, the funding will be subject to a marginal adjustment, with 20% of the appropriate fee for each candidate above or below the core range added or deducted as appropriate.²
 - b) Setting the bottom of the core range for each TEI at the average of the TEI's ordinand numbers in 2020/21 and 2021/22. The top of the core range will be 10% above the bottom. Hence the sum of the number of places across all TEIs would be the range from 1329 up to 1479 (rounding makes the latter more than 10% above the former).
 - c) Giving each TEI a six year funding agreement, with automatic review after three years if the TEI's ordinand numbers have been on average more than 15% above or below the bottom of the core range. Review will also be possible at other points by mutual agreement. Hence, TEIs are protected against small or temporary drops in numbers, but not if they have a sustained lower number because they are offering pathways that are unattractive to ordinands and dioceses. Numbers only have to be 5% above the top of the TEI's core range to lead to automatic review, so there is no disincentive to growth.
 - d) Transferring to TEIs from dioceses the payment of travel expenses for non-residential ordinands, increasing the relevant tuition fee accordingly.³ These generally depend more on TEI decisions, such as the number of onsite sessions, residential venues and the location of placements, and hence the TEI should be financially responsible for meeting the costs of travel, not least to encourage good stewardship for environmental reasons.
 - e) Otherwise maintaining TEI fee levels as now, with annual review e.g. for inflation.
 - f) Continuing to make to TEIs the current 'residential accommodation' payment (with inflationary increase) for each residential ordinand. This is in reality part

¹ The reclaimed diocesan surpluses described below are a possible source of some funding for this.

² If a TEI trains candidates in multiple modes, any adjustment will be based on the total fees across the modes.

³ Additional support would be available for particular cases, e.g. ordinands travelling from outside the UK mainland.

maintenance, part fee to the TEI, so how these costs are met will be reviewed as part of the maintenance review.

9. There will also be an innovation fund for which detailed criteria are being developed to support the development of new initiatives which improve TEIs' provision of ministerial formation, and/or respond to the church's strategic commitments. This would pay towards the set-up costs of the initiative, reasonably broadly conceived, rather than ongoing running costs. Partnership working, especially with other TEIs and with dioceses, will be encouraged. Schemes which would lead to streamlining in the TEI sector could be supported in this way, rather than as at present any costs falling on the TEIs. The fund would be established from money reclaimed from diocesan surpluses (for which see paragraph 16 below).

Service Level Agreement (SLA) for TEIs

10. Each TEI will have an SLA with the Archbishops' Council, to be seen more as a covenant than a contract. Annexe 2 contains draft sections from this. The SLA sets out expectations each of the parties should have of the other, making explicit existing expectations more than setting up new requirements. It values the work TEIs do by naming some of the ways in which they serve the church, going beyond the training of particular ordinands. But it also sets a clear accountability framework for the significant sums of money the church pays to each TEI.

Funding and Dioceses

11. The aims of the proposed new system for dioceses (as set out in Annexe 1) is
 - To preserve diocesan decision-making about each candidate's training pathway
 - To retain an upper limit on the cost of the training implied by diocesan decisions
 - To avoid accumulation of unspent surpluses of vote 1 funds
 - To minimise differences affecting decision-making for the 2023 intake ahead of changes expected in the funding of maintenance support before the 2024 intake.
12. Each diocese will be given an annual budgetary allocation limiting its call on Vote 1 for training its new ordinands. Each training pathway the diocese agrees is assigned a cost according to a standard formula (as under RME, though under RMF the cost for the full length of training is accounted for in the first year). Where these costs total less than the allocated budget, the national system will meet all the costs. If unusually the total cost exceeds the allocation, the diocese pays the additional amount.
13. For the 2023 intake, the budget allocated will be based on the RME banding and rates, enabling dioceses to make the same training decisions as before, knowing that if costs would previously have been covered they will also be under the new system. The allocation method will be reviewed next year taking account of any effect from the new maintenance proposals, and at this point criticisms of the RME allocation method, including the banding, will be addressed. We believe this is preferable to making changes which may affect training decisions in two consecutive years.
14. Further flexibility will be given by allowing the diocese to carry any underspend up to the greater of £50,000 or 10% of its allocation from one year to the next. In 2023, all diocesan allocations will be increased by 10% or, if greater, £50,000 in lieu of carry-over.

15. Where dioceses still pay personal allowances to ordinands,⁴ the money for these will be given to them from the national funds. But other than this no money will be given to dioceses. The funding for existing ordinands will come under the new system.⁵
16. Existing unspent balances from RME funding will be reclaimed from dioceses holding them: this was money given for a restricted purpose which is no longer required for that purpose. These total approximately £4.5 million. If immediate repayment would create a cash flow problem, dioceses may request to repay over several years.

Ordinand maintenance

17. It has not yet been possible to carry out the thorough review the ordinand maintenance system clearly needs. We wish to bring forward carefully worked through proposals during 2023 for implementation from autumn 2024 rather than to suggest more minor changes to the system now which leave other key issues unaddressed. Data is being gathered to ensure there is good information on how maintenance is currently financed in practice, i.e. what monies ordinands receive from dioceses or other sources beyond the pooled costs over which there is already national transparency.

Lay Ministry

18. General Synod enthusiastically endorsed the proposal to make some provision for national support for the training of lay ministers. The diversity between dioceses in how they believe lay ministries are best recognised (or not) and trained for meant that one national plan for supporting particular kinds of training in particular ways would not be appropriate: it is inherent to lay ministry that its expression will be different in different contexts. Though we expect perhaps £1 million per year to be available within this budget, this is not a large amount per diocese. Hence, we had developed a proposal for a system of grants to improve current provision in quality or quantity. In the consultation, dioceses were in general in favour of national financial support for lay ministry training but raised questions in relation to the detailed proposal and how it would relate to funding available from other funding streams: the processes for accessing these other streams, especially through the new Strategic Mission and Ministry Investment Board are now becoming clearer. We therefore wish to undertake further work to ensure any proposal is well aligned with other funding and would gain widespread support. This will be progressed as quickly as possible.
19. However, we do wish at this point to extend to those training for licensed lay ministry the current system which provides additional funding for training ordinands with a disability. Once we know the effects and costs of this, we will consider extension to others undertaking a substantial training programme for a diocesan-recognised lay ministry.

Budgetary Implications

20. The table below models the cost of the RMF arrangements for ordinand funding using a level of fees etc. plausible for the 2023/24 academic year, and compares this with the

⁴ As noted in paragraph 8d) above, travel expenses for non-residential students will be paid by TEIs.

⁵ Dioceses do not need to use their 2023 allocation for existing candidates: costs of existing pathways are automatically covered, with continuing students included in the TEI funding set out in paragraph 8 above.

cost under RME.⁶ As this shows, RMF provides better and more stable funding to TEIs, who are being given significant additional mitigation payments in 2022 totalling approximately £1 million to ensure they do not cut their longer-term capacity. However, it also generates savings through elimination of money being paid to dioceses and accumulated in unspent balances.

Total number of ordinands	Cost under RMF £m	Cost under RME £m	Difference £m	<i>Fees paid to TEIs under RMF</i> £m	<i>Fees paid to TEIs under RME</i> £m
1100	13.7	13.6	0.1	10.2	8.7
1200	14.2	14.7	-0.5	10.4	9.4
1300	14.8	15.9	-1.1	10.7	10.2
1400	15.4	17.0	-1.6	11.0	11.0

21. The table does not include any expenditure on lay ministry training. However, it demonstrates that significant money would be available for this, or indeed any other purpose, without any increase in the funding from the dioceses or Commissioners in comparison with RME for the number of ordinands we expect in the years ahead.
22. It is proposed that the reclaimed unspent monies from dioceses be used to continue to support theological education, including through the proposed innovation fund.

Conclusion

23. As we concluded GS2271, we believe these proposals would create a system which will promote adaptive, collaborative and sustainable provision of theological education, serving the initial ministerial formation of ordinands but also enhancing the theological education of the whole people of God. The system will be responsive to the church's Vision and Strategy and future needs as we continue to discern them. We therefore commend them to Synod.

Rt Revd Martin Seeley, formerly Chair of the Ministry Council

Rt Revd Mark Tanner, Chair of the Ministry Council

January 2023

⁶ Vote 1 also includes costs not affected by RMF e.g. university fees, research degrees and support for ordinands with disabilities.

ANNEXE 1 FUNDING THE TRAINING OF ORDINANDS

Introduction

1. This paper makes proposals relating to
 - the funding of TEIs for ordinand training
 - limits on the extent to which each diocese can make use of vote 1 funding
 - the repayment of surpluses previously accumulated in dioceses
 - the transition from RME to RMF.
2. Although it is not possible to implement changes to maintenance in 2023, we are concerned to try to ensure that later changes do not require a significant further amendment to changes that can be proposed now and implemented in Academic Year (AY) 2023/24.

TEI Finance arrangements

3. The core proposal is that there should be
 - **A six-year SLA** with an annual block grant based on the numbers of ordinands in each TEI (aggregating modes of training for TEIs that offer more than one mode).
 - **A marginal adjustment** of 20% of the difference between funding associated with the actual numbers of ordinands in a TEI and the block grant.
 - **An automatic renegotiation** of the block grant for years 4, 5 & 6 if the average numbers in years 1, 2 & 3 are 15% or more higher or lower than the numbers assumed in the block grant.

The 20% and 15% figures above could be adjusted without changing the principles involved. They could therefore be different in any future SLAs.

4. As defined here, the TEI block grant includes tuition fees. In 2023/24, the residential supplement from vote 1 should be paid separately by MDT⁷ to TEIs for the actual number of ordinands. It should not be part of the block grant because new maintenance arrangements will be introduced during the period of the SLA.
5. We have not seen convincing accounting evidence relating to the relative costs of provision in each mode of training. Work done to seek to establish this was inconclusive – and perhaps demonstrated that the accounting used in different TEIs made comparisons impossible. We therefore propose that for AY 2023/24, tuition fees will increase with any decision on inflation adjustments, and will continue to be subject to annual revision thereafter. Fees for 2022/23⁸ are shown in table 1.

	Tuition fee	Differential
FTR	£9423	1.44
FTNR	£7860	1.2
PT	£6549	1

Table 1: 2022/23 tuition fees

⁷ MDT is shorthand for the recognition that funds come to vote 1 and Pooling from dioceses via Archbishops Council and from the Church Commissioners, and that any RMF scheme will be administered by Ministry Council through the Ministry Development Team.

⁸ https://www.churchofengland.org/sites/default/files/2022-06/RME2022%20Guide%20June%202022_0.pdf

6. We had previously assumed that each TEI should have a single number of ordinands allocated to it as the basis for our block grant. However, finding a single number that is neither too generous nor too small seems impossible. We therefore propose that each TEI have a range within which it will receive full funding for each ordinand, with the 20% marginal adjustment applied where its numbers fall outside that range. The bottom of the core range for each TEI will be the average of the TEI's ordinand numbers in 2020/21 and 2021/22. The top of the core range will be 10% above the bottom. Hence the sum of the number of places across all TEIs would be the range from 1329 up to 1479 (rounding makes the latter more than 10% above the former).
7. Basing the core range on the average of the TEI's ordinand numbers in 2020/21 and 2021/22 means there is a simple, transparent and objective basis for it, reflecting recent diocesan decisions on the appropriate training for ordinands and treating every TEI alike.
8. The automatic renegotiation of numbers in the SLA will apply where the TEI's ordinand numbers over three years are on average 15% or more below or above the bottom of the core range.
9. Numbers in, or any other aspect of the SLA, may also be renegotiated at any point by mutual agreement. For example, a TEI launching a new ordinand pathway might request a change in its numbers as part of the approval process for the new pathway. The additional numbers could be granted by increasing the upper limit of the TEI's range not the lower limit, so the TEI would receive additional funding only if it did actually attract the additional ordinands as a result.
10. Note that under RME, diocesan payments to TEIs in 2023/24 and 2024/25 would have included funding for ordinands who began training in 2021 and 2022. Under RMF, fees for these continuing ordinands are included in the SLA from 2023/24: other transitional arrangements relating to continuing ordinands are outlined in paragraphs 22 and 23.

Travel costs

11. We are aware of other discussions relating to environmental impact, and propose to transfer the payment of travel expenses related to FTNR and PT training from dioceses to TEIs.⁹ There will be a standard payment in each mode to TEIs who reimburse ordinands according to their actual costs. Work is needed to determine the standard payment, and to deal with exceptional cases where travel costs are atypical, noting in particular those ordinands who live outside the UK mainland. We believe that this improves accountability because the decision on the required number of day and residential components and their location lies with the TEI.

Diocesan allocations

12. Block grants for TEIs are incompatible with continued funding from 42 dioceses to the TEIs. We propose the use of **budgetary allocations** to each diocese, to replace the cash allocations from vote 1 under RME. The purpose of diocesan allocations is to mitigate the possibility that a diocese can make excessive calls on vote 1 by sending all its ordinands on the most expensive forms of training.
13. One of the major ambitions of RMF is to sort out the distorting effects of the fact that some but not all maintenance is included in vote 1. Under RME, diocesan cash

⁹ Single ordinands in residential training receive as part of their personal allowance an amount based on the distance of the TEI from their 'home' base where it is presumed they will spend vacations. This will be reviewed with the rest of the allowances as part of the review of maintenance payments.

allocations from vote 1 include personal and book allowances for ordinands (differing by mode of training), single/married ‘accommodation’ allowances for residential training, and travel. Pending recommendations on maintenance, we propose that diocesan budgetary allocations in 2023/24 are made using the same formula used for cash allocations from vote 1 in 2022/23, with an inflation uplift. This avoids dioceses using a new system in 2023, and then moving to another revised system soon after. So the allocation for a diocese in 2023/24 is equal to the full allocation (i.e. 2 or 3 years according to banding) for its 2023 starters.

14. As under RME, there will be a contingency measure if a diocese wishes to send a band 3 candidate on a two-year residential pathway and this would cause it to exceed its allocation.

15. Under RME, vote 1 money flows as in table 2.

Mode	Tuition	Accommodation in TEIs	Personal	Travel
FTR	MDT pays dioceses. Dioceses pay TEIs	same as ←	MDT pays dioceses. Dioceses pay ordinands	
FTNR		n/a		
PT				

Table 2: Payments under RME.

16. The flows associated with the proposal here are shown in table 3.

Mode	Tuition	Accommodation in TEIs	Personal	Travel
FTR	MDT pays TEIs in block grant	MDT pays TEIs. Not in block grant.	MDT pays dioceses. Dioceses pay ordinands	MDT pays dioceses. Diocese pay ordinands (note 3, para 11)
FTNR		n/a		MDT pays TEIs. TEIs pay ordinands.
PT				

Table 3: Payments under proposals here.

17. Having established the allocation for each diocese for 2023/24, the following (blue cells in table 3) are debited to the allocated amount:

- The tuition fees for training for the duration of the training of all 2023 starters, at fee levels given in table 1 (uprated for inflation), and including travel costs.
- The residential accommodation supplements for the duration of training of all 2023 starters.

18. There are then three possibilities (see the worked example below):

- a. These debits leave sufficient headroom in a diocesan allocation to enable MDT to meet all of the costs in the pink cells in table 3 for the duration of training of all 2023 starters. In this case MDT pays the diocese sufficient to meet all of the costs in the

pink cells for the actual modes and durations of training of those starters. These payments are made using an appropriate profile over two or three years (see paragraph 19). The remaining balance from the 2023 diocesan allocation, up to the greater of £50k or 10% of the 2023/24 diocesan allocation, can be vired to add to the diocese's 2024/25 allocation (and **not** paid in cash to the diocese in 2023/24). [cf. Petersfield diocese in the worked example]. We would expect this to apply to the great majority of dioceses who have found the RME amounts sufficient to pay for the training they wanted candidates to receive, and in some cases accumulated surpluses.

- b. These debits allow resourcing from MDT to meet some but not all of the costs in the pink cells in table 3 for the duration of training of all 2023 starters. In this case MDT pays the diocese using an appropriate profile (up to the limit of its diocesan allocation), and the diocese supplements this from its own resources [Midhurst diocese in the worked example].
- c. These debits exceed the diocesan allocation. In this case MDT invoices the diocese for the balance and the diocese makes all pink payments to ordinands from its own resources [Petworth diocese in the worked example].

The possibility of a carry forward in case a can help dioceses to even out the financial implications of fluctuations in their starting ordinands. Note that, unlike under RME, this imposes a limit to the amount of carry-forward. In RMF, it is added to the budgetary allocation, and is never greater than £50k or 10% of the allocation in the previous year. In RME, the carry-forward can accumulate in diocesan balances without limit.

19. The 'appropriate profile' follows from the fact that dioceses pay ordinands the pink payments each year for two or three years. MDT will likewise pay dioceses (up to the limits in paragraph 18) each year, and these payments can be increased to allow for inflation.
20. If a decision is made that an ordinand should take an additional year of training, the costs can be met as a debit to the diocesan allocation for the additional year.¹⁰ A symmetrical adjustment could be made if an ordinand leaves training before completion.
21. These proposals imply that the implications of the banding and of the mode and duration of training pathways for 2023 starters (and additional years) can be calculated in the autumn of 2023 when debits and credits to the allocations for 2023/24 can be completed. The system has met its purpose of ensuring that dioceses meet excess costs if their decisions on modes and durations of training are more costly than the banding for their candidates implies. The allocation for 2023/24 has no further role so that there is no need to run more than one allocation at any time.

Transition

22. Many ordinands who started training in 2021 and 2022¹¹ will continue their programmes in TEIs in 2023/24. Under these proposals, they are included in the calculation of block grants for TEIs in 2023/24, and they have no impact on diocesan allocations in 2023/24 which are based entirely on 2023 starters. However, dioceses will continue to pay maintenance to continuing ordinands in 2023/24, including that

¹⁰ Note that there is no additional allocation for such an extension: the original allocation was made on the basis of the candidate's age when starting training, and that has not changed.

¹¹ And possibly a very small number from earlier years.

included in the pink cells of table 3. We propose that a payment is made by MDT to dioceses to cover all of these costs.¹² A smaller payment would be needed in 2024/25.

23. This proposal implies that in 2023/24 MDT funds pink maintenance for continuing ordinands (paragraph 22), and for new ordinands as the first part of the profile under RMF (paragraphs 18 and 19). The transition might lead to some temporary increase in calls on vote 1 but this can be offset by the repayment of balances.

24. Paragraph 18a allows virement from 2023/24 to 2024/25, and thereafter. Given the change from cash to budgetary allocations, it would be difficult to devise an arrangement for each diocese to cover the transition from 2022/23 (RME) to 2023/24 (RMF). We propose therefore that the 2023/24 allocation for each diocese (as defined in paragraph 13) is increased by 10% or, if larger, by £50,000, in lieu of a carry forward from 2022/23. To some extent this is rough justice, but no alternative arrangement (including doing nothing) seems to be attractive.

Diocesan balances

25. If the proposals for diocesan allocations are implemented from the start of 2023/24, there will be no further contributions to or calls on the vote 1 balances held by dioceses. TEIs will receive funding via the SLA from MDT, and diocesan calls on vote 1 will be capped by their allocations. We propose that these balances are repaid. If doing so immediately would cause a cashflow problem, dioceses with a large balance may request to repay over a period of time which should not exceed five years even for the largest.

A worked example

All the figures in this example are invented, but the relative costs bear a reasonable similarity to the RME allocations for 2022/23 given in the 2022 RME Guide.

The all-year costs at (illustrative) 2023/24 prices to be paid from vote 1 are as in table A1.

	All-year costs for 2023 starters			
<i>Table A1</i>	Tuition	Accommodation	Other	Total
FTR3	30000	15000	9000	54000
FTR2	20000	10000	6000	36000
FTNR3	24000	0	7500	31500
FTNR2	16000	0	5000	21000
PT3	21000	0	2400	23400
PT2	14000	0	1600	15600

¹² A purist might argue that this payment should be based on the banding rather than the modes of training of the continuing ordinands, leaving dioceses to make up any difference. But then dioceses would argue that they should be allowed to use previously accumulated balances for this purpose, as they would have done under RME. There are proposals here to reclaim these (paragraph 25) and so this seems to be an unnecessary complication, albeit with a small benefit to dioceses that have no accumulated balance.

Under the proposals here, tuition and accommodation are paid by MDT to TEIs. 'Other' (pink in table 3: personal, travel for ordinands in FTR) are paid by dioceses to ordinands. In reality, accommodation costs vary (single vs married) as do some included in 'other'. That variation does not affect principles, and so this example is based on standard figures.

The band allocation conventions are unchanged. So the allocation for each band is given in table A2. This is credited to diocesan allocations in line with their ordinand age profile.

<i>Table A2</i>	Sufficient for	Total
Band 1	FTR3	54000
Band 2	FTR2	36000
Band 3	PT3	23400
Band 4	PT2	15600

We compare the diocesan allocations for three dioceses whose 2023 starters are given in table A3. They have exactly the same age profile of starters, but make different decisions about modes and durations. Petworth sends all starters on 3 year programmes; Petersfield sends all starters on 2 year programmes. Midhurst is in between (though in this illustration, the Midhurst proportion of candidates doing part-time training at 20% is well below the national average, which is over 40%).

<i>Table A3</i>	2023 starters		
	Diocese		
	Midhurst	Petworth	Petersfield
FTR3	3	8	0
FTR2	3	0	5
FTNR3	4	5	0
FTNR2	2	0	6
PT3	2	2	0
PT2	1	0	4
Totals	15	15	15
	All dioceses		
Band 1	2		
Band 2	4		
Band 3	6		
Band 4	3		
Totals	15		

Diocesan allocations are determined by numbers and bands, and so all three dioceses have an allocation in 2023/24 of **£439200**. This is calculated as the red numbers times the green numbers. Paragraph 24 adds 10% to this in lieu of virement from 2022/23, giving an allocation of **£483120** to each diocese.

Midhurst

The debits in paragraph 17 (for payments made by MDT to TEIs) for Midhurst total **£409000** (the yellow numbers times the blue numbers plus the yellow numbers times the purple numbers). So Midhurst has a net credit in its allocation for 2023/24 of **£74120** (= £483120-£409000).

Over their two or three years of training, Midhurst pays **£91400** to its 2023 starters (yellow numbers times grey numbers) for 'other' at 2023/24 prices. Of this, Midhurst receives the remaining net credit of **£74120** in three instalments (paragraph 19) from MDT. This is **81%** of **£91400**. Midhurst pays the remaining **19%** to its ordinands from other resources.

Similar calculations can be made for the other two dioceses.

Petworth

The debits in paragraph 17 for Petworth total **£522000** which exceeds its allocation of **£483120**. Petworth pays **£38880** to MDT and in addition has to meet all payments to its 2023 starters from other resources.

Petersfield

The debits in paragraph 17 for Petersfield total **£302000**. Its allocation is **£483120** leaving a net credit of **£181120**. Petersfield pays **£66400** to its 2023 starters all of which is paid to Petersfield by MDT (in two annual instalments as in paragraph 19, because all its ordinands train for two years). This leaves a balance of **£114720** in its 2023/24 allocation. Paragraph 18a allows Petersfield to carry forward £50000 (which is more than 10% of its 2023/24 allocation) to 2024/25. The remaining balance of **£66408** (= £114720 - £48312) remains with MDT – unlike under RME, where it is accumulated by the diocese.

Notes

- i. In 2023/24 MDT pays the full amount to each diocese to cover payments made by the diocese from vote 1 to 2021 and 2022 starters who continue training in 2023/24 (paragraph 22). MDT pays tuition and accommodation (in FTR) to TEIs for these continuing ordinands.
- ii. If the inflation increase between 2023/24 and 2024/25 were 6%, MDT would pay a second instalment of £35192 (= 66400/2 times 1.06) to Petersfield. A 6% increase would be made to the second instalment of the MDT payment to Midhurst, and then a further inflationary to the third annual instalment of the MDT payment to Midhurst in 2025/26 because some Midhurst ordinands train for three years. The fraction (19%) paid by Midhurst from other resources remains unchanged.
- iii. Our 42 dioceses exhibit a great variety of numbers and bands and these change from year to year. We know that most have continued to accumulate balances of unspent vote 1 money (cf. Petersfield), while a few have more than spent their allocations (cf. Midhurst and, in more extreme cases, possibly Petworth).

Annexe 2 Draft Sections of the Service Level Agreement

Scope

1. This SLA sets out the expectations for the partnership between the national institutions of the Church of England and XXXX as a Theological Education Institution (TEI) serving the Church of England in various ways including the formation of ordinands.
2. The TEI is free to offer any additional services it wishes and enter into any other agreements it wishes provided they do not contradict what is agreed in this SLA.
3. The SLA is formally made with the Archbishops' Council. However, responsibility for its operation is delegated to the Ministry Council. [This may need revision following the governance review]

Term

4. This SLA is made for a six year period commencing on 1st September 2023.

Define numbers and money STILL BEING DRAFTED – DEPENDENT ON FINANCIAL DECISIONS

5. First clause in this section
6. Second clause in this section
7. Etc.

Responsibilities of the TEI under this SLA

8. As an institution working in partnership with dioceses and the Archbishops' Council and receiving funding from them, the TEI will
 - a. Promote the Vision and Strategy of the Church of England through forming ministers who will enable the Church of England to work towards it and through contributing to discussion of appropriate and effective ways in which the Vision and Strategy may be realised in practice. This will include a particular priority on helping the church become younger and more diverse.
 - b. Work actively to promote diversity and inclusion at all levels of its life, including in relation to governance, staffing, curriculum and teaching, worship, student interaction and access.
 - c. Promote engagement with others (both within the Church of England and ecumenically) who differ in theological position and a culture of appreciation of their views.
 - d. Contribute to the church's living out of all of the Five Marks of Mission.
 - e. Maintain a culture of safeguarding, following best practice and complying with all relevant Church of England policies, and contribute to the promotion of such a culture across the church.
 - f. Actively sustain and develop collaborative working with dioceses and with other TEIs as well as with the national Church of England bodies, contributing generously to these partnerships.
 - g. Serve the theological education and formation of the whole people of God by contributing to an ecology of ongoing training and formation that resources lay and ordained ministry and discipleship.
 - h. Act as a theological resource for the church, including by disseminating the fruits of teaching and research which enhances the life and mission of the church.
 - i. In its training of licensed ministers for the Church of England, strive to form the best possible ministers who inhabit the qualities set out in the relevant formation framework

as fully as they are able, are prepared as appropriate to exercise the ministry set out in the ordinal or the Service of Admission and Licensing of Readers, and will be theologically literate reflective practitioners in ministry.

- j. In its training of licensed ministers for the Church of England, follow all policies set by the responsible bodies for this.
- k. Participate fully and openly in the quality assurance and enhancement processes established by the Church of England.
- l. Respect the *Five Guiding Principles*, and seek to form ministers who will also respect them.
- m. Offer as standard pathways for Church of England ordinands pathways which are either within Common Awards or are exceptions to this approved by the Ministry Council.
- n. Maintain good practice in governance with due regard to Charity Commission guidance.
- o. Maintain its ongoing viability and alert the Archbishops' Council if it has concerns about its ability to continue to deliver the services required under this agreement.
- p. Take significant action to reduce carbon emissions for which it has responsibility.
- q. Pay its staff at least the Living Wage, unless they are undertaking a formal apprenticeship.
- r. Take every reasonable step to ensure that it and its suppliers and contractors avoid modern slavery.

9. XXXX will in particular

- a. Do this
- b. And this

[This clause is a place holder for any particular things agreed for each TEI]

Responsibilities of the Archbishops' Council under this SLA

10. The Archbishops' Council will

- a. Pay promptly all monies due to the TEI in line with an agreed payment schedule for the year.
- b. Take due account of the needs of TEIs in setting fee levels.
- c. Consult the TEI on any decisions it makes in relation to other TEIs which are likely to significantly affect the number of ordinands training at the TEI, for example the validation of a new TEI to offer ordinand training based in a similar area.
- d. Consult TEIs individually or collectively on significant changes to policies affecting the ministerial education offered under this SLA.
- e. Work with the TEIs to foster good practice in ministerial formation and theological education.
- f. Offer the TEI
 - i. An option for HE validation to be sought for ordinand pathways, with the direct costs of the validation services borne by the Council
 - ii. A cost-effective option for enabling other students at the TEI to gain an HE award aligned with i. above
 - iii. Assistance in maintaining a Virtual Learning Environment aligned with the requirements of the HE validation option above.
 - iv. Use of shared electronic resources by the TEI's staff and students including an ebook collection

Alternatively, in the event that the Council is unable to offer one or more of these, it will offer substantial additional support to the TEI in lieu of the service it is not offering. This additional support applies where the Council is unable to offer the service, not where the TEI chooses not to use the option provided by the Council.

Reporting / monitoring

11. The TEI will make an annual report to the Archbishops' Council on its performance in a mutually acceptable format, which will also enable the TEI to raise issues for the attention of the Ministry Council or the Archbishops' Council. The Council will seek to ensure that there is no unnecessary duplication of work between this and other quality assurance processes.
12. The TEI will respond to any follow-up questions raised following receipt of its annual report
13. The TEI will make a full report on how it has fulfilled the SLA at a time to be agreed within the last 18 months of its duration.
14. The Archbishops' Council may in addition draw on any other evidence available to it to inform its assessment of the TEI's performance.

Unsatisfactory performance

15. Where there are concerns about unsatisfactory performance of obligations under this SLA, the Archbishops' Council and TEI will seek to work together to resolve that concern (whether through justifying past performance or improving future performance), and where possible will seek to do this informally. Both parties agree to seek to avoid problems arising by raising with the other any issues which they could foresee becoming significant concerns.
16. Where informal attempts to resolve a significant concern have proved unsuccessful – or exceptionally if the concern is judged so serious that initial informal attempts at resolution would be inappropriate – either party may send the other a formal notice of concern. The recipient shall make a formal response to this within 30 days, but may in that response request further time to address the substance of the issue raised.
17. When a concern has been raised by the Council, whether formally or informally, it will on request from the TEI offer the services of an Improvement Adviser to help the TEI address the concern.
18. Where there is a significant disagreement between the parties, the parties agree to seek to use a mutually acceptable mediation process to resolve the dispute. If they cannot agree an alternative mediator, both parties agree to accept as mediators a bishop chosen by the TEI but not involved in its governance and a TEI Principal chosen by the Council.
19. If following the response to a formal notice of complaint, and any agreed additional time to address the issues, the complainant judges that the issue has not been appropriately remedied and will not be remedied within an appropriate time frame,
 - a. The TEI may exercise its right to withdraw from this SLA as set out in paragraph 22 below.
 - b. The Archbishops' Council may notify the TEI that it will cease funding new ordinands from the following academic year. [wording to be refined when there is detail in the funding section]

Changes to the SLA

20. Changes may be made to this SLA at any time by mutual agreement. It is expected, given that the SLA is for a six year period, that some changes may well be needed.
21. [Either here or in the numbers/money section above there will be a statement about automatic revision when ordinand numbers are sufficiently below or above the core number]
22. If the TEI wishes to cease training Church of England ordinands, it may withdraw from this agreement, other than continuing to maintain the quality of formation expected under the agreement for those licensed ministry candidates already at the TEI. The Archbishops' Council will make a per capita payment to the TEI for those ordinands completing their training. [to be refined once details of the finance are filled in]
23. If the Archbishops' Council wishes to cease the intake of ordinands to the TEI, other than in the circumstances set out in paragraph 19 above, it will undertake a process of consultation and give the TEI at least 12 months notice following the consultation. The standard funding arrangements set out in this SLA will continue to apply until the end of the SLA period unless otherwise agreed with the TEI.