

GENERAL SYNOD

FEBRUARY GROUP OF SESSIONS 2023

FIFTH NOTICE PAPER

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MEASURE**

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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. If estimated costs have previously been included in budgets or spending plans the financial estimate comments on any difference to the previous estimate. 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 approved at the July 2022 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.

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6. 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 504-505: DIOCESAN STIPENDS FUND (AMENDMENT) MEASURE

7. 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 9: RESOURCING MINISTERIAL FORMATION

8. The financial effect of the proposals for Resourcing Ministerial Formation (RMF) compared with the existing Resourcing Ministerial Education (RME) system is illustrated in the table paragraph 20 of GS 2286. This shows the relative costs under four different scenarios for the number of ordinands.
9. It is estimated that expenditure on the RME/RMF element of ordination training (which is the majority of the Archbishops' Council's Training for Ministry budget) will be lower under the RMF proposals provided the number of ordinands in training is at least 1,115. Under all the scenarios in the table the fees paid to Theological Education Institutions (TEIs) under the RMF arrangements would be at least as high as under the existing RME arrangements. This combination is possible as there will be no further addition to the unspent balances that have accrued under the RME system (see paragraphs 16 and 22, the latter of which states that any unspent balances will be reclaimed from dioceses to be used by the Council to support theological education).

10. The majority of the Council's Training for Ministry budget (£14.8m out of £15.7m in 2023) is funded by the diocesan apportionment with the balance from Additional Ordinands Funding granted by the Church Commissioners. The anticipated saving under RMF will mean that the Additional Ordinands grant will be lower than would have been the case under RME, potentially enabling any saving to be vired for other purposes.

ITEM 511: DRAFT PAROCHIAL FEES (AMENDMENT) ORDER

11. Assuming the same number of life events services are held in 2023 as in 2019 the increased income from parochial fees in 2023 under the current arrangements compared with 2022 is estimated at £7.2m: £4.4m of which would accrue to Parochial Church Councils (PCCs) and £2.8m to Diocesan Boards of Finance (DBFs). However, if the level of fees caused a reduction in the number of life events services, PCCs and DBFs would see an income reduction of £460,000 and £280,000 respectively for each 1% reduction in the number of life events services.
12. If this motion is passed and the fees payable for 85% of life events services in 2023 are at the rate that would apply once the Amendment Order had been brought into force (broadly assuming the Amendment Order is brought into force in early March and the frequency of life events services is even throughout the year), the increased income from parochial fees in 2023 compared with 2022 would be reduced to £3.6m: £2.2m of which would accrue to PCCs and £1.4m to DBFs.
13. Thus the estimated effect of the Amending Order in 2023 would be to reduce aggregate PCC and DBF incomes by £2.2m and £1.4m respectively. There would be a similar effect in 2024. Parochial fee levels for 2025 and beyond will be determined by subsequent Parochial Fees Orders.

ITEM 11: LIVING IN LOVE AND FAITH

14. If the Synod approves the motion, a programme of work would be needed over the next few months to undertake follow-up work including supporting the House of Bishops in the development of new pastoral guidance to replace Issues in Human Sexuality and the refinement of the Prayers of Love and Faith as envisaged in parts (d)

and (e) of the motion respectively. The estimated cost of staff time to support this work is £100,000.

15. In addition a new Pastoral Consultative Group would be set up as set out in GS2289. Its work would include supporting the House of Bishops in the work set out in part (f) of the motion. The estimated annual cost of staff time to support this Group and undertake work on its behalf is £105,000. Additional resources would be likely to be required to undertake the four streams of work on embodiment; singleness, celibacy, friendship, community, family and household; human identity and everyday faithful relationships but these are not yet sufficiently scoped for an estimate of staff time or any additional costs to be made.
16. It is envisaged that any printed material resulting from any of the above work would be published under the agreement the Archbishops' Council's Church House Publishing Team has with Hymns Ancient and Modern. This would be likely to result in a modest increase in the income the Council receives under this arrangement, but it is not possible to quantify the level.

ITEM 12: GOVERNANCE REVIEW

17. The spending plans for 2023-25 and the Council's 2023 budget include provision for the programme resource to manage both the legislative and operational implications of the Governance Review. An estimate of the cost of transition in respect of any revised arrangements that may be progressed will be made at a later stage.

ITEM 15: INSURANCE PREMIUM TAX

18. 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..

Canon John Spence

Chair, Archbishops' Council Finance Committee

February 2023