

GENERAL SYNOD

JULY GROUP OF SESSIONS 2023

FOURTH NOTICE PAPER

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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.

ITEM 5: CHURCH OF ENGLAND YOUTH SYNOD

6. If a Church of England Youth Synod or similar was established as envisaged in parts (e) and (i) of the motion and it met once a year for a meeting over two days with a residential stay, the annual costs are estimated at £40,000.
7. The estimated annual costs for five young adults elected by the prospective Youth Synod called for in part (g) of the motion are £6,000.
8. The estimated cost of the part time post with responsibility for democratic engagement with young people as envisaged in part (h) of the motion is estimated at £30,000 p.a. based on a 0.5 full time equivalent post at an appropriate level.
9. The proposal to co-opt a member of the Youth Synod to the Archbishops' Council as envisaged on part (j) of the motion would require primary legislation. The cost of staff time to draft such legislation is considered to be below the threshold for comment. The estimated additional annual cost of increasing the membership of the Archbishops' Council by one person, or adding a member of the proposed Youth Synod as an observer, is up to £1,000 for travel, subsistence and accommodation.
 - Thus the estimated aggregate annual cost of the package of measures called for in item 5 is £77,000.

ITEM 500: LEGAL OFFICERS (ANNUAL FEES) ORDER 2023

10. As can be seen from the figures in paragraph 27 of GS 2299X-2300X if the Order is approved, retainers for Registrars in 2024 would be £220,000 more than in 2023. £123,000 of this increase will be borne by Diocesan Boards of Finance (DBFs)¹ with the remaining £97,000 of the increase being borne by the Church Commissioners.
 - Increase in Registrars' annual retainers: £220,000 (£123,000 to be funded by DBFs and £97,000 by the Church Commissioners).

¹ The position for each DBF can be seen by comparing the relevant figure on page 3 of GS2299 with the equivalent figure in page 3 of GS 2278.

ITEM 13: SAFEGUARDING REDRESS

11. As stated in GS 2305 the next steps outlined the paper will be carried out by the Redress Scheme Project Board, survivors and the staff team (which consists of a Project Team, colleagues in the National Safeguarding Team and other national Church teams). The forecast associated costs are included within the existing and recommended budgets.
12. The cost of staff time to prepare draft legislation for First Consideration as envisaged in part (b) of the motion is estimated at £40,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £50,000. There could also be external legal fees from the third party expected to be appointed in due course to administer the redress scheme.
13. At this stage of the project it is not yet possible to estimate the costs of the third party expected to be appointed in due course to administer the redress scheme and the necessary in-house support or the cost of delivering financial awards or other forms of redress.

ITEM 14: RESPONDING TO THE CLIMATE EMERGENCY

14. As background the triennial spending plans of the Church Commissioners and Archbishops' Council (see GS2262) included a one-off sum of £190m over nine years to support the Church in the transition towards Net Zero 2030, of which £30m is available in 2023-25. It has subsequently been agreed that £6m of the latter sum is available for capacity building comprising grants to dioceses. It has also been agreed that four additional support posts will be funded from the net Zero funding available in 2023-25. These are posts in Parish Buying (a dedicated net Zero procurement officer to provide capacity to engage with relevant manufacturers and suppliers), the Pensions Board (for clergy retirement housing), Cathedral and Church Buildings and the Education team.
15. Thus there is funding available to support the work envisaged in part (f) of the motion. A key imperative is for the Net Zero Carbon Programme Board, Council and Commissioners to ensure that the funding is deployed well and ensure that the support is distributed equitably recognising the variability of resources available to dioceses.

16. The work envisaged in part (b) of the motion for all Church of England entities to review their policies and procedures in order to ensure that they give due priority to creation care could be supported by an additional post in the Cathedral and Church Buildings Team. The cost of this potential additional post, together with a budget for research and communications, is estimated at £70,000 p.a. If agreed, it is likely that this would be a call on the Church Commissioners' budget as the Commissioners are the managing employer for this team.
17. In respect of the National Investing Bodies (NIBs), a review of all ethical investment policies (including policies on the environment and climate change) is currently being undertaken by the Ethical Investment Advisory Group. So no additional funding is required for this. Once this work is completed, each NIB will consider what action to take.
18. In respect of part (c) of the motion, a module on climate change is already included in the Durham Common Awards arrangement for ordination training and so is available for all Theological Education Institutions (TEIs) to incorporate into their training programmes. The estimated cost of creating a post in the Ministry Development team to coordinate the training provided by TEIs and existing lay and ordained ministers, if deemed a priority, is £70,000 p.a. It is estimated that such a post would be needed for up to five years to consolidate the work fully. If agreed, it is likely that this would be a call on the Archbishops' Council's budget as the Council are the managing employer for this team.

ITEM 16: NATIONAL CHURCH GOVERNANCE

19. As noted in Annex Three of GS 2307, the estimated cost of the transition phase of the National Church Governance Programme is £1,245,000.
20. The cost of staff time to prepare draft legislation for First Consideration as envisaged in part (b) of the motion is estimated at £30,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £50,000.
21. As noted in paragraph 8 of Annex Three of GS 2307, if the forthcoming draft Measure proceeds the potential costs to implement and launch Church of England National Services are estimated at between £1m and £2m. More detailed estimates will be developed as the transition phase develops.

ITEM 508: CLERGY CONDUCT MEASURE

22. If the Synod approves the motion, the draft Measure will proceed to the Revision Stage. The cost of staff time to support the work of the Revision Stage 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 £10,000.
23. As was 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 requests 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: £35,000, £25,000 of which relates to the Revision Stage.
 - 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.

ITEM 26: ELECTIONS REVIEW GROUP

26. Recommendation (d) in GS 2312 – to have a national contract with Civica (or an alternative provider) would lead to an average saving per diocese in the region of £3,000 (the average sum paid by a diocese in relation to the General Synod elections held in 2021) in each year elections to the General Synod were held. In 2021 money terms the Archbishops' Council would incur additional costs of up to around £125,000 in each General Synod election year, but would expect to negotiate a lower cost due to economies of scale.

ITEM 28: REVIEW OF THE MISSION AND PASTORAL MEASURE

27. The cost of staff time in the Legal Office to prepare draft legislation for First Consideration as envisaged in part (b) of the motion is estimated at £30,000. If the Measure proceeds, the cost of staff time in the Legal Office to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £45,000.

28. If the motion is passed, staff in the Church Commissioners' Pastoral and Closed Churches Team would begin work supporting the legislative process and planning for non-legislative improvements which can be rolled out in 2024/25. The estimated cost of staff time is £125,000 up to First Consideration and £250,000 during the Revision Stage. If a draft Measure completed the Revision Stage, additional staff resource would be required in the team to prepare properly for implementation as well as delivering the current service. An estimate of this and the resource likely to be required at national and diocesan level during the implementation phase will be made at the First Consideration stage if the motion is passed, together with an estimate of the anticipated efficiency savings for dioceses from revised processes.

ITEM 29: REDUCE PAROCHIAL FEES FOR MARRIAGES

29. As noted in GS2282B revised, if assuming that the number of marriage services remains at the 2019 level, the estimated lost parochial fee income based on the 2023 fee levels would be up to £16.5m: £9.7m for PCCs and £6.8m for DBFs.

30. 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 £13.2m: £7.7m for PCCs and £5.5m for DBFs.

CONTINGENCY BUSINESS: LAND AND NATURE

31. The amount of work and associated cost of the work to prepare the data on their glebe holdings, which is a pre-requisite for the work envisaged in part (b) of the motion for dioceses to create an action plan to achieve the 'Land' section of Eco Diocese at Silver level by no later than 2026, will depend on the number of glebe holdings and the state of the maps and records associated with it. It is not feasible to estimate this accurately until the work is done. However, the recently published glebe guidance includes a case study² that shows how this can be done relatively efficiently and cheaply at a cost of £3 per title plus a data extraction fee of £50 for each batch of titles.

32. Once all the necessary data and information is available, the cost of staff time across all the dioceses to prepare an action plan is estimated at around £60,000.

² See <https://www.churchofengland.org/media/30318>

33. It is considered that the work envisaged in part (c) of the motion for all diocesan property or finance committees to incorporate nature-positive objectives into their asset management policies would take around half a day in each case. Similarly it is considered that the work envisaged in part (d) of the motion would take a representative of each entity involved around half a day for each entity. Thus in each case the cost of staff or volunteer time is well below the threshold for comment.

CONTINGENCY BUSINESS: FUTURE OF WORK

34. The estimated cost of additional staff resource or staff time that would be required if a working group was established to reconsider and if considered necessary update the theological work on “work” carried out several years ago is between £45,000 and £90,000. The actual resource required would depend on how long it took for the working group and the governance body or bodies to which it reported to reach consensus.

CONTINGENCY BUSINESS: ARCHBISHOPS’ COMMISSION ON FAMILIES AND HOUSEHOLDS

35. The estimated costs of the Archbishops’ Council developing the practical responses and associated resources as envisaged in part (c) of the motion would depend on the volume and complexity of the resources required. If it were to be decided that a three year full time post was required to develop bespoke resources, it is estimated that the cost over the three year period would be in the region of £200,000.

Canon John Spence

Chair, Archbishops’ Council Finance Committee

July 2023