

## **GENERAL SYNOD**

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### **NOVEMBER GROUP OF SESSIONS 2023**

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#### **THIRD NOTICE PAPER**

**ITEM 500: ABUSE (REDRESS) MEASURE**

**ITEM 501: THE PAYMENTS TO THE CHURCHES  
CONSERVATION TRUST ORDER 2023**

**CONTINGENCY BUSINESS: FUTURE OF WORK**

**CONTINGENCY BUSINESS: CLERGY PENSIONS**

**CONTINGENCY BUSINESS: PAROCHIAL FEES**

## **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 2024 budget envelope which Synod approved at the July 2023 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 2024 levels unless otherwise stated. Costs include relevant salaries, employers' national insurance, pension contributions and the apprenticeship levy.

## **ITEM 500: ABUSE (REDRESS) MEASURE**

6. As stated in GS 2305 the next steps outlined in 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.
7. 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 associated external legal fees from the third party expected to be appointed in due course to administer the redress scheme.
8. 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 (referred to as 'bespoke redress'). Nor is it possible to estimate the sum that might be paid in financial and bespoke redress awards as this will depend on the number of applications for redress that are received and subsequently approved and the average cost of awards.

## **ITEM 501: THE PAYMENTS TO THE CHURCHES CONSERVATION TRUST ORDER 2023**

9. As noted in 2325X, if the motion is approved the Church Commissioners' grant to the Churches Conservation Trust (CCT) between 1 April 2024 and 31 March 2027 will be at least £4.8million, i.e. £1.6million p.a. It is expected that £3.3million of this sum will be met from the Commissioners' General Fund and this is provided in the spending plans. It is forecast that the remaining £1.5million will be met from the Commissioners' one-third share of net sales proceeds from closed churches.
10. If the Commissioners' share of the net sale proceeds exceeds £650,000 in 2024, 2025 or 2026, the amount of the excess is payable to the CCT, subject to an overall cap of £900,000 on the additional payments for the whole of the three-year period commencing 1 April 2024.

## **CONTINGENCY BUSINESS: FUTURE OF WORK**

11. The estimated cost of additional (i.e. unbudgeted) staff resource 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 £95,000. 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: CLERGY PENSIONS**

12. The cost of investigating restoring the clergy pension to its pre-2011 benefit level for future service is estimated at around £10,000. The illustrative estimate of the additional pension contributions that would be required if this change were to be made subsequently is between £25million and £35million per annum based on figures from the end 2021 valuation, the recent value of the NMS and the current number of active scheme members. However, the caveats in paragraph 18 of GS 2330B should be noted: an actuarial assessment would be required to obtain a more accurate estimate of this figure.
13. As noted in GS 2330B, investigating increasing pension benefits already earned from service since the start of 2011 would be significantly more complex and several complex practical and policy questions would need to be addressed before considering the cost of such a change. Investigating the options would require specialist legal and actuarial advice, the overall cost of which is estimated to be least £100,000 which would need to be borne by the Archbishops’ Council. The cost of staff time, mainly in the Pensions Board, might be of a broadly similar level.
14. The impact of such a change on the funding position of the scheme would be very significant. As an illustrative estimate the scheme liabilities would increase by somewhere in the region of £0.6billion - £0.7billion. If this moved the scheme into deficit, a new deficit recovery plan would be required. The impact on the contribution level would depend on would depend on the size of any deficit and the length of the recovery period and is not possible to estimate at this stage.

15. The staff resources that would be required to implement such a change cannot be estimated at this stage. Any additional costs would need to be met from increased pension contributions.

### **CONTINGENCY BUSINESS: PAROCHIAL FEES**

16. If the motion is passed and the Archbishops' Council lays a draft Parochial Fees Order before the General Synod so that a fee (2023: £32, 2024: £34) is payable to Parochial Church Councils (PCCs) in respect of burials or cremations taking place at crematoria or cemeteries following a service in church with a corresponding reduction in the Diocesan Board of Finance (DBF) fee there will clearly be no change in the overall income to the Church. However, there would be an increase in aggregate PCCs incomes and a corresponding reduction in the aggregate fees to DBFs. Based on the average number of such services in 2017-21 if fees were charged at all such services this 'transfer' of income from DBFs to PCCs is estimated at £1.7m p.a.

**Carl Hughes**

Chair, Archbishops' Council Finance Committee

November 2023