

GENERAL SYNOD

FEBRUARY GROUP OF SESSIONS 2024

FIFTH 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 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 contributions, pension contributions and the apprenticeship levy.

ITEM 4: PAROCHIAL FEES

6. If the motion is passed and the Archbishops' Council lays a draft Parochial Fees Order before the General Synod so that a fee (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.

ITEM 6: CODE OF CONDUCT FOR PAROCHIAL CHURCH COUNCILS

7. If the motion is passed, the Archbishops' Council will be requested to bring forward legislative proposals as outlined in part (c) of the motion. The cost of staff time to prepare a report on proposed principles in respect of draft legislation on this subject is estimated at £12,500. It is likely that this work would be carried out in parallel with the work needed in respect of item 14 if that motion is approved.
8. The cost of staff time to produce draft legislation and progress it through the Synodical and Parliamentary stages and any additional on-going costs for dioceses that may arise (e.g. for suitably trained and qualified investigators to carry out the work of dealing with complaints of bullying) cannot be estimated realistically until the principles relating to the draft legislation are agreed.
9. Though it is premature at this point to estimate what might be the cost to dioceses of implementing and running a system of investigations and discipline for church officers who are laity, it is likely to be considerable.

ITEM 9: SAFEGUARDING INDEPENDENCE

10. The estimated costs of the internal team and comprehensive engagement activities with survivors and across the Church outlined in paragraph 12 of GS 2336 are in the region of £300,000 respectively. These costs, for the period March to August 2024 inclusive, would be additional to the Archbishops' Council's 2024 budget.

11. The report by Professor Jay was published on 21 February. It is too soon to conduct an analysis of the financial implications.

ITEM 10: LAND AND NATURE

12. 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 study¹ 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.
13. 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.
14. 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.

ITEM 11: SYNOD CODE OF CONDUCT

15. The estimated cost of staff time that would be needed to prepare a draft revised General Synod Code of Conduct to be presented at a future group of sessions is estimated at between £15,000 and £20,000. If the group were to recommend work beyond drafting a revised Code of Conduct those costs would need to be considered separately.

¹ See <https://www.churchofengland.org/media/30318>

ITEM 12: FUTURE OF WORK

16. 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.

ITEM 13: RACIAL JUSTICE: FURTHERING THE IMPLEMENTATION OF ‘FROM LAMENT TO ACTION’

17. £20m has been allocated for Racial Justice work in the current 2023-25 triennium spending plans (see GS2262). The outline spending plans to 2031 noted in GS 2262 included expected future funding for many expenditure categories including further funds to support the successful implementation of the ‘From Lament to Action’ report. The outline spending plans will be reconsidered when the spending plans for 2026-28 are developed fully in the first half of 2025.

ITEM 14: BULLYING BY LAY OFFICERS

18. If the motion is passed, the Archbishops’ Council will be requested to bring forward legislative proposals as outlined in part (c) of the motion. The cost of staff time to prepare a report on proposed principles in respect of draft legislation on this subject is estimated at £12,500. It is likely that this work would be carried out in parallel with the work needed in respect of item 6 if that motion is approved.
19. The cost of staff time to produce draft legislation and progress it through the Synodical and Parliamentary stages and any additional on-going costs for dioceses that may arise (e.g. for suitably trained and qualified investigators to carry out the work of dealing with complaints of bullying) cannot be estimated realistically until the principles relating to the draft legislation are agreed.
20. Though it is premature at this point to estimate what might be the cost to dioceses of implementing and running a system of investigations and discipline for church officers who are laity, it is likely to be considerable.

ITEM 15: ARCHBISHOPS' COMMISSION ON FAMILIES AND HOUSEHOLDS

21. The Archbishops' Council discussed the report of the Archbishops' Commission and Families and Households at its December 2023 meeting. The practical responses to the report included agreement to provide £20,000 for the estimated costs of (i) the production and distribution of a summary with questions and Bible Study material for use in parishes, Deanery Synod and Chapters and (ii) production of interactive materials for children and young people to be used in schools, youth groups and churches is £20,000.

ITEM 503: PAROCHIAL FEES ORDER 2024

22. Based on the number of services in 2022 and parochial fee levels in 2024, estimated parochial fee income in 2024 is £69m, £43m of which would accrue to PCCs and £26m to DBFs.
23. If the motion is passed the parochial fees for 2025 will increase in line with CPI inflation for the twelve months to August 2024 and the parochial fees for 2026 will increase in line with CPI inflation for the twelve months to August 2025. If it is assumed that annual CPI inflation is 3% in August 2024 and 2% in August 2025 and there is no change in the number of services taking place, then the aggregate increase in parochial fees would be £2.1m (PCCs: £1.3m, DBFs £0.8m) in 2025 and a further £1.4m (PCCs: £0.9m, DBFs: £0.5m) in 2026.

ITEM 500: CHANCEL REPAIR (CHURCH COMMISSIONERS' LIABILITY) MEASURE

24. If the motion is passed the draft measure would proceed to the Revision Stage. The cost of staff time to support this stage of the work is estimated at around £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 £5,000.

ITEM 19: ESTATES EVANGELISM

25. National funding has already provided significant investment in mission within estates and other deprived areas, and will continue to be used – through the Diocesan Investment Programme (which includes Lowest Income Communities Funding) – to support mission and ministry in such areas with the aim of generating new disciples and leaders.
26. A specific proposal is currently under consideration which, if approved, would result in investment of around £150,000 from People and Partnerships funding over 2024-5 in specific actions to inform the ongoing work to address the classism faced by clergy and others within the church as part of the commitment to great diversity within the Vision and Strategy. This work would build on the qualitative research of the “Let Justice Roll Down Like Waters” report published in October 2023.

ITEM 20: CLERGY PENSIONS

27. As noted in paragraph 12 of GS2330T1 the indicative estimate of the additional pension contributions that would be required from Responsible Bodies if future service benefits were restored to the pre-2011 terms is around £18m p.a. This updates the illustrative estimate of between £25m and £35m p.a. in GS2330B which was based on figures from the end 2021 valuation rather than the most recent information available from the Pensions Board’s actuarial advisers.
28. 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.
29. The impact of this latter change on the funding position of the scheme would be very significant. As an illustrative estimate the scheme liabilities might 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 the size of any deficit and the length of the recovery period

and is not possible to estimate at this stage. Such a change would be likely to result in a large augmentation of benefits for clergy with significant length service since the start of 2011 which might lead to a personal tax charge. No estimate has been made for this.

30. 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.

ITEM 21: LIVING IN LOVE AND FAITH

31. If the motion is passed, the estimated additional costs in respect of residential meetings to take the work forward with key stakeholders would require additional funding of £175,000 from the Archbishops' Council.

ITEM 501: CHURCH FUNDS INVESTMENT MEASURE

32. If the motion is passed the draft measure would proceed to the Revision Stage. The cost of staff time to support this stage of the work is estimated at £12,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £8,000.
33. The costs of restructuring the CBF Church of England funds that would be enabled if the Measure proceeds and is brought into force would be borne by CCLA Investment Management Limited.

ITEM 23: REMOVAL OF DIVORCE IMPEDIMENT TO ORDINATION

34. If the motion is passed the draft measure would proceed to the Revision Stage. The cost of staff time to support this stage of the work is estimated at £9,000. If the Measure proceeds, the cost of staff time to complete all the subsequent Synodical and Parliamentary stages is estimated at a further £7,000.

Carl Hughes

Chair, Archbishops' Council Finance Committee

February 2024