1. CONTEXT

The issues of sustainability faced by the Church of England have come into stark relief over the past twelve months, both locally and across the country. Bishop Stephen spoke powerfully about the challenges facing our Diocese in his March Synod Presidential Address and this was followed up by prayerful reflection on our financial situation at Bishop’s Council in May as well as the presentation and approval of the budget for 2020 at the June Synod. We are deeply grateful for the generous giving which has funded ministry across the Diocese of Chelmsford over many years but with the removal of national subsidies things have to change. There is no need for panic but decisive action is required.

A Finance Strategy Working Group was set up in December 2018 with a mandate from Bishop’s Council to identify ways of addressing the significant and growing general fund deficit. This group has made significant progress in the areas of process development, communication and roles and responsibilities. However, from the outset of the project it became apparent that, since deployment of stipendiary clergy is the primary driver of cost for the CDBF, any long term solution would have to have sustainable ministry at its heart. In parallel, a wider group has wrestled with the difficult questions of ministry deployment and developed a proposed new policy for discussion.

2. MINISTRY DEPLOYMENT POLICY

Our aim is to resource ministry in a sustainable manner across all Mission and Ministry Units (MMUs) so that Christ’s church might be a Transforming Presence across Essex and East London. We remain committed to supporting ministry in the most deprived areas of our Diocese and we pass on all of the Low Income Community (LinC) grant that we receive from national church. However, this still leaves a big gap. A range of options for moving towards sustainability has been identified and considered by a number of different groups including Bishop’s Council, the Deanery Finance Forum, the College of Canons and Bishop’s Staff. The consistent theme in the feedback from these groups has been that the most effective and proportionate action would be to develop a new policy for ministry deployment and change the way that we manage the vacancy process for stipendiary clergy. The following process has therefore been developed.
Vacancy Process Flow

The process flow has two key stages: the first half involves an objective evidence based assessment of benefice and MMU finances and the second, if required, involves an interactive dialogue with the benefice/MMU and an element of discretion:

Stage 1

1. **Benefice covering ministry costs and paying share?**
   - Yes: **Stipendiary priest**
   - No: **MMU/Deanery support covers ministry costs?**

   - Yes: **Stipendiary priest, possibly PiC**
   - No: **Credible 5 year MMU and deanery plan for sustainability?**

   - Yes: **Interim Ministry or part time priest**
   - No: **Can benefice fund £30k p.a. to cover cost of ministry?**

   - Yes: **HFD**
   - No: **Other Options?**

   - Yes: **Pastoral Reorg. Closure Other**
   - No: **Pastoral Reorg. Closure Other**

Stage 2

None of these options for sustainable ministry are likely to flourish without the essential local leadership and support given by Self-Supporting Ordained Ministry, Licensed Lay Ministry and Authorised Lay Ministry. The continued development of these ministries is central to our strategy going forward.

Stage 1

Vacancies are currently reviewed by the Bishop’s Staff Team on a monthly basis and, to a lesser extent, the Area Mission and Pastoral Committees (AMPCs) and Diocesan Mission and Pastoral Committee (DMPC) three times a year. It is proposed that the current reporting is enhanced to include management information about attendance trends, current resourcing, costs of ministry and historic giving. An example of the report is included below.
Where a benefice and MMU is covering their full ministry costs, after LinC grants are taken into account, then a stipendiary replacement would be recommended to the AMPC and DMPC and a letter issued to the church wardens accordingly (see appendices for sample letter text one). The total cost of ministry for a full time stipendiary priest in 2020 will be on average £80,180, a figure that has been calculated by adding together the direct costs of supporting and housing a priest, the costs of training future ministers and an allocation for central services. For some benefices this figure will be very different to the amount requested via parish share which was calculated using formulae which varied across the Diocese.

Where a benefice does not quite cover its ministry costs, but via increased local giving or mutual support from the MMU overall costs can be covered, then a stipendiary replacement would also be recommended to the AMPC and DMPC but as Priest in Charge of a suspended benefice given that pastoral organisation is a strong possibility. The appointment would then follow the standard process working closely with the Patron.

Stage 2

If a benefice or MMU is not able to cover the full costs of ministry then a letter would be sent by the relevant Archdeacon and Mission and Ministry Advisor inviting the church wardens and MMU leaders to join a structured conversation and explore ministry provision options given that there are insufficient financial resources to cover a full time stipendiary priest (see appendices for sample letter text two). This might include a part time stipendiary priest, a fixed term Interim Ministry appointment (subject to availability of an Interim Minister), a House for Duty priest (subject to availability), a Self-Supporting Priest-in-Charge, a Licensed Lay Minister or some form of pastoral reorganisation. Our intention is that every church will have a focal minister or focal ministry team. In the event of pastoral reorganisation being required, it may also be necessary to suspend ‘financially viable’ benefices given that a scheme normally only affects benefices that are suspended.

In preparation for this conversation, parishes and MMUs would be invited to reflect on their own strengths, weaknesses, opportunities and threats and how these might map onto future local ministry provision. Mission and Ministry Advisors and Archdeacons would have a key role in facilitating these conversations and working to identify a sustainable model of ministry for the benefice and MMU. The Patron would be consulted on next steps and a recommendation would be made to the AMPC and DMPC on a proposed way forward.
Exceptions

The new policy should be applied consistently, so as to avoid risk of discrimination; but it should be applied via careful consideration of each case using the discretion of AMPC and DMPC members rather than the approach being treated as an unswerving blanket policy. There may therefore be situations where legitimate exceptions need to be made and a stipendiary priest appointed in a benefice which is not currently covering its full ministry costs in order to further the mission and ministry of the church as a whole. These exceptions may be driven by particularly high levels of deprivation, specific missional opportunities, reputational considerations or clergy well-being factors. We also recognise the significant cost of maintaining historic buildings which places a particular burden on rural areas, which in turn impacts the ability to fund ministry provision.

Next Steps

This policy represents a step change in the life of the Diocese and, as such, is only being brought to Synod for discussion in November. However, doing nothing is not an option and a way forward will need to be decided at the March meeting. Without a decision, financial circumstances will force a solution upon us and take away the opportunity to plan carefully and strategically. Members are welcome to disagree with the proposed approach but only if they can suggest a viable alternative. Over the next 3 months we will be doing further work in the following areas:

- **Statutory Provisions**: the proposed policy must dovetail effectively with the statutory provisions relating to vacancies and appointments. Further work will be undertaken to map out the detail for procedural items such as the timetable for notices of vacancy.

- **MMU and Deanery plans**: we will be revisiting the work that was undertaken when MMUs were first developed and considering any changes that might be required in light of this new policy, in particular how MMUs and Deaneries relate to each other structurally and how MMU and Deanery plans can contribute to effective ministry deployment. We anticipate that some consultative workshops with Deanery officers and leaders of existing and emerging MMUs in early 2020 may be helpful.

- **Communication** will be critical to the successful implementation of a new policy: we will be working on how to convey gratitude for the generous giving which already takes place, increase effective stewardship, articulate the differences between parish share and cost of ministry and explain to benefices, MMUs and Deaneries how the new process might operate in practice.

- **Mutual Support**: we will be developing a proposal for all of our investment income (£1.4m p.a.) to be deployed alongside the LinC grant for mutual support in the most deprived benefices across the Diocese. This would result in the cost of ministry figure for a benefice in a deprived area being significantly less than the £80k average.
3. **PROCESS, COMMUNICATION AND ROLES AND RESPONSIBILITIES**

Significant progress has been made in the following three areas during the course of 2019:

**Share process and budget:** rather than the usual inflationary increase in overall expenditure, the 2020 budget approved by Synod in June included a 0.6% reduction in spend. Recognising that the share process did not work as planned for MMUs in 2019, resulting in a significant net reduction in contributions, a guided offer approach is being introduced for 2020 which focussed on the total cost of ministry. For benefices not following the MMU process, those covering their ministry costs in full will receive a 0% increase and those who are not will be allocated a 2.5% increase in share.

**Communication:** a programme of communication is underway to articulate the financial challenges we face as a Diocese, explain some of the complexities of parish finance in plain language and explore options for sustainability moving forward. Positive engagement took place with the College of Canons in June, the Deanery Finance Forum was resurrected in July and during the autumn the Barking Area Team will be holding a series of roadshows across the three archdeaconries with a particular focus on stewardship. A booklet has been produced which seeks to explain to parish and deanery treasurers in very clear and graphical terms how our ministry is funded. A prototype of this document is included in the appendices and feedback is sought from Synod members as this brochure is developed.

**Roles and Responsibilities:** a piece of work has been undertaken to map out the roles and responsibilities of the central, area and local teams. This has highlighted a number of issues: the need to clarify the roles of deanery officers (treasurers, area deans and lay chairs), the importance of the Mission and Ministry Advisors and the need for some additional resource centrally to support coordination and engagement. In parallel, a review is being undertaken each time a post becomes vacant for one of the diocesan support roles with a view to only replacing headcount where the need is essential and drawing on other sources of funding for roles wherever possible. This approach is bearing fruit with the salary bill for diocesan employees under budget for 2019.

Work will continue in these three key areas over the coming months.

4. **RECOMMENDATION**

Diocesan Synod is invited to:

- DISCUSS the proposed new ministry deployment policy
- CONSIDER any feasible alternative proposals to address the deficit
- NOTE the progress made on process, communications and roles and responsibilities

Approval will be sought from Synod in March 2020.
5. APPENDICES

5.1 Diocesan Synod 2020 budget and share process paper

Synod - Budget for 2020.pdf

5.2 Prototype cost of ministry booklet and narrative

DioShareBooklet_2019_v2.pdf  Cost of Ministry Narrative - draft Oct

5.3 R&R diagram

Finance Roles and Responsibilities - Oct

5.4 Draft letter texts and structured conversation document

Draft Letter One to churchwardens Oct 1  Draft Letter Two to churchwardens Oct 1  SWOT and structured conversation document