

CHELMSFORD DIOCESAN SYNOD

Title: **RESPONSES TO THE BUDGET REPORT & CONSULTATION**

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Date: **12 NOVEMBER 2016**

1. INTRODUCTION

Following the agreement of the 2017 budget at the June Synod, a budget report was produced inviting responses on some longer term questions. The consultation period ran from late July to mid-October, rather than over the summer as in the past (to give PCCs a chance to consider collectively). This paper gives some headlines from the responses which will be supported by a presentation at the Synod meeting.

2. RESPONSES

In total 83 responses were received, 50 via the on-line survey and a further 33 by post and email. This is the first time there have been markedly more responses using the on-line survey option.

While the number of responses is lower than it has been in past years, a good proportion (30%) were collective on behalf of a PCC/Standing Committee following discussion.

The sample appears to be broadly representative of the diocese as a whole based on the respondent parish's episcopal area and parish share history.

Almost all (99%) respondents agreed that they found the report helpful in explaining the 2017 budget and longer term financial issues, though a few respondents reported they felt there was a level of assumed knowledge, particularly where new to a PCC. Almost all respondents received a personal acknowledgement and replies to specific questions where posed.

3. CONSULTATION RESPONSES

The consultation was particularly framed around longer term questions, to help develop longer term forecasts and ultimately a rolling three year budget as recommended by the Share Review Group. The responses to the main questions are summarised as follows:

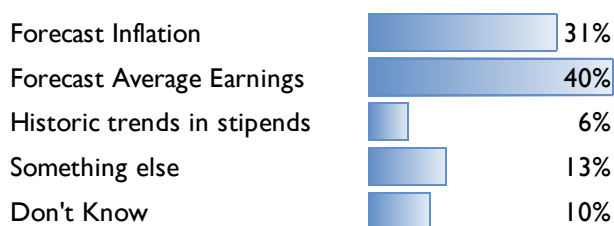
Do you agree that the budget should continue to follow ministry numbers and mission plans?

There was overwhelmingly clear support for this principle which has been at the heart of diocesan budget setting for some time:



Future Stipends

Two questions were asked, first about the most suitable basis for assumptions about future stipends growth:



Average earnings, and to a lesser extent inflation, were most commonly given as the appropriate benchmark. Where explained, the 'something else' response was commonly a combination of inflation and average earnings. This result is very interesting because historically inflation has been the primary benchmark for stipends (at a national level), but clearly there is a feeling in the diocese that average earnings needs serious consideration, and this should be reflected back to the national church.

A second question was asked about the sensible central assumption for future stipends growth, where a rate of 1-2% was clearly favoured. This is in fact in line with practice in recent years.



Should we budget to retain all future (stipendiary) ordinands as curates?

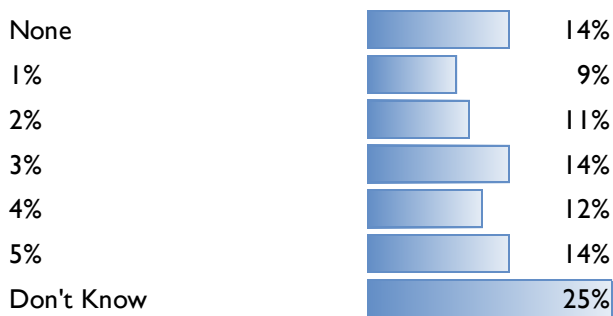
This is a very interesting question because of the loosening in diocesan allocations of deacons.



Around a third of respondents felt we should definitely do this, which is a very strong statement. Another third were more guarded but still positive. Just over a fifth however said no. In almost all cases the reason for saying ‘no’ was not to do with affordability, but instead a very firm belief that this diocese should not take more than our fair share, so as not to deprive other parts of the Church of England. This is a very interesting answer and reflects a principle which underpins ‘re-imagining ministry’.

Should we make provision for Share shortfall?

This question produced the greatest diversity and the largest proportion of don’t know answers. A number of respondents commented it was too early to say for certain given the changes in the share scheme. The raw results are as follows:



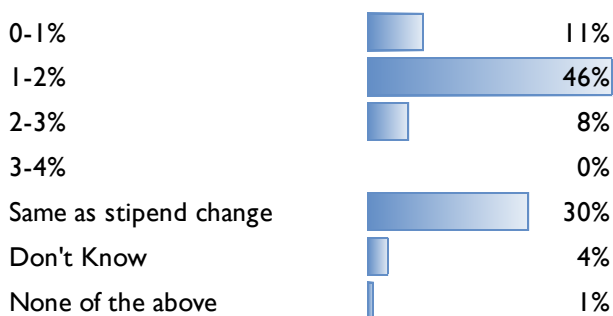
Looked at another way however this gives a clearer answer. Excluding the don’t knows, only 20% felt that no provision should be made and 80% felt a provision should be made, and of those a majority felt this should be above 3%. This is actually surprisingly consistent with a similar question a few years ago which established 4% as a maximum budgeted shortfall.



Looking at the respondents in more detail, respondents from parishes with a history of share difficulties disproportionately opted for the higher levels of provision against shortfall.

Sensible target range for Share changes over the longer term

Finally the consultation asked about what might be a sensible longer term trajectory for Share. The responses show a clear preference for the 1-2% range.



This response is consistent with the recent trends in the diocesan budget but may not be consistent with the direction of other answers offered in the survey, notably retention ordinands into curacy, which was the most significant area of growth in the 2017 budget.

Other comments

Where the free text box was used this often gave more explanation of answers to other questions or sought to ask for specific information. Otherwise the themes raised by more than two respondents included:

- Questions about the clergy pension scheme, and concerns about its affordability (often citing the trend away from defined benefit schemes in the private sector)
- Beneath the overall response on stipends, there were some contrasting extremes, as illustrated in these two examples, both as it happens from clergy:
 - “My stipend is more than my parishioners’ incomes.”
 - “Concerns about the limited income available to stipendiary clergy and for many, their continuing dependence on state support, hard working spouses or parents... the pension provision remains inadequate”
- Preference for resources being focused on front line ministry and therefore a need for continuing pressure on/management of other costs
- Concern about parish ability to meet share, falling numbers, giving risks etc. (And as always some contrary cases of stewardship and growth)

Switching the budget report to an email/web based publication

Readers were asked whether they would be content with future reports being issued by email / web link where a valid email address is held. (This would save printing and postage costs, but may be less accessible to some.)



A clear majority favoured this switch. However a third prefer to retain paper circulation. This will need to be considered for next year.

4. NEXT STEPS

These results will be reviewed in greater detail by the Finance Executive on behalf of the trustees and will be helpful in forming forecasts and plans for the budget in the future.

5. CONCLUSION

That this Synod note this report