ST ALBANS DIOCESAN SYNOD

8 March 2025

QUESTIONS – FIRST NOTICE PAPER (with answers)

1) Ms Emma Robarts (Buntingford Deanery) to ask the Rt Revd Jane Mainwaring, Bishop of Hertford:

Re Item 7 on the Agenda for 8 March Synod: "I note that the supporting paper DS/25/02 for this agenda item is missing; therefore I am not clear whether the Diocese of St Albans will be requesting "Strategic Mission and Ministry Investment Board" ("SMMIB") grants in order to fund clergy stipends for parish ministry, as other dioceses have successfully done. It has been expressly stated that this is permissible by Carl Hughes (who is the chair of the Archbishops' Council Finance Committee and of the SMMIB), both privately in writing to diocesan secretaries on 2 July 2024 and publicly on Radio 4 in August 2024 ("I fervently believe that the thing that we need to be investing in is front line ministry. Every study shows that not having a priest present locally does not give rise to growth"). Indeed, pilot projects in in other dioceses such as Liverpool and Leicester show clearly the drops in attendance and giving resulting from reducing parish ministry.

If St Albans Diocese will not despite Carl's clear mandate be applying for grants to provide stipends for parish ministry, please explain what its diocesan priorities are for SMMIB funding and why."

The Bishop of Hertford will respond:

Paper DS/25/02 could not be posted to the diocesan website until 27 February as it remained in development before then and was subject to discussions in Deanery Synod meetings, at the Rural/Area Deans and Lay Chairs' Conference and with the national church team.

The letter from Carl Hughes to Diocesan Secretaries referred to in the question includes the following paragraph:

It is important to emphasise that DIP is available to support the development and revitalisation of existing Church ministry as well as for new approaches to mission. It is certainly not all about supporting 'new' things, where new means 'novel' or 'experimental'. The DIP funding criteria are aligned with the strategic priorities and bold outcomes of the Vision and Strategy. These hold together the renewal of the current Church (churches representing their communities, a parish system revitalised for mission, churches as hubs for formation) and the extension of its missionary reach (doubling the number of children and young people, new worshipping communities, and Christians living out their discipleship in the world). Programmes can involve the support of ordained and lay ministers and leadership development and capacity building. DIP is also available for dioceses which wish to trial new missional approaches as a small part of their wider change plan'

The diocese has been working with the national church team for the past two years and closely monitoring the successful applications for SMMIB funding from other dioceses. Our reading of the paragraph above, further informed by working with national church colleagues, is that SMMIB will be open to funding both existing and new models of mission. It is our interpretation and understanding that making an application to SMMIB which has a significant component seeking funding for stipends for parish ministry is unlikely to be successful.

Our funding bid, which is outlined in paper DS/25/02 and will be presented and discussed at Synod, specifically seeks to build on existing ministry models adding resources to existing parishes. The bid will tangibly support frontline ministry, including through a limited amount of additional stipend funding. In our application, we need to distinguish between seeking funding for parish-based ministry in specific parts of the diocese to support and develop the fruitful work that is being done, and avoiding asking for external funds for situations in the same parts of the diocese that are unsustainable from current income sources. We are clear from discussions with the national church team that providing external funds into currently unsustainable models will be most unlikely to receive support.

Our funding bid seeks to align with the national and diocesan priorities of missional activity to grow younger and more diverse.

As a diocese we remain deeply committed to maintaining ministry in our parishes, which are the bedrock of our mission and ministry. Funding stipends for parish ministry is a core part of the Diocesan Common Fund and cannot be left to the uncertainties of external funding streams.

2) Ms Emma Robarts (Buntingford Deanery) to ask David White, Diocesan Secretary:

"Could you please tabulate the total number of stipendiary clergy in full time posts in parish ministry (i.e. excluding Archdeacons etc.) in the Diocese of St Albans for each of the last five years and your forecast of the number for each of the next five years?"

The Diocesan Secretary will respond:

The total number of established posts in parish ministry over the last five years is shown below. These are stipendiary posts only and exclude self-supporting ministers and clergy with permission to officiate in the diocese. These are full time equivalent posts.

Year (Dec)	Stipendiary Posts
2019	213
2020	211
2021	207
2022	205
2023	202
2024	200

It is inevitable that not all posts are filled at any one time. Until 2023 the diocese had operated with a typical vacancy rate of 8-10%, which increased in that year to 12% - not through any policy initiative but through a short term inability to identify suitable candidates to fill vacancies (a national feature at that time and which has continued for many dioceses). Our vacancy rate was subsequently reduced to 10% in 2024.

In March 2022 Diocesan Synod approved a five-year financial plan to recover from the financial consequences of temporary church closures as a result of COVID19 restrictions. One component of that financial plan was to reduce stipendiary posts by 21 during the period 2022-26, of which a reduction of 16 was planned for 2022-24. This rate of post reduction has not been necessary because of positive financial developments, including increased investment income and reduced costs. The actual post reduction in the period 2022-24 was seven.

The Diocesan Board of Finance (DBF) has a rolling five-year forecast, currently covering the period 2025-29. A reduction of three stipendiary posts per annum is assumed in that financial modelling; however, that is likely to be limited by the practical difficulty in reducing posts in total and specifically in relevant locations.

There remains a very strong commitment from diocesan leadership to maintain the number of stipendiary posts at the highest possible level.

3) Mr James Stewart (Sharnbrook Deanery) to ask Dr Tim Coulson, Chair of Diocesan Board of Finance:

"Can you confirm that any additional investment income generated as a result of total return policy can only be used to pay for stipends and housing for parish clergy? And, if that is the case, how is the £500,000 investment in mission and net zero carbon projects (in budget as funded from the total return policy) being funded?"

The Chair of the Diocesan Board of Finance will respond:

Following a decision of the DBF in May 2022, total return has been applied to three of our Endowment Funds: Glebe, Stipends and Benefice Funds. The total return distribution rate has been set at 3.5% and has increased the income received from investments. This is because the rules set by the Charities Act 2011 allow for a portion of the capital investment to be transferred as income. Total return is transferred from the Endowment Funds to the Common Fund.

It should be noted that total return is also applied to the Consolidated Fund for Statutory Education and the Property Ring Fenced Fund. These are not technically endowed funds. The 3.5% annual distribution under total return is retained in each of these funds.

Income from the Endowment Funds has to be used according to the terms of the Endowment. Glebe funds have to be used to pay stipends and associated on-costs; Benefice funds have to be used for the repair of parsonage houses; Stipends funds have to be used to pay stipends and associated on costs, repair and maintenance of parsonages.

The increase in funds from Endowments has enabled the DBF to recommend the release of other income (parochial fees, rental income, interest on common fund deposit account and general grants and donations) to designate to other projects, which are agreed by Bishop's Council. This approach has been applied in 2022, 2023 and 2024 and is budgeted for 2025. The release of other funds has enabled mission, net zero carbon and other projects to be funded. The release can only be applied if sufficient funds are available from other sources and that application of these funds does not yield a deficit in total for the year. The decision is taken following adoption of the financial accounts.

The Management Accounts are less formal and enable the DBF to understand the financial position through the year. As part of this, the representation of the flow of income has been shown in shortened form. This has had the unintentional effect of giving the appearance that income from total return has been used to directly fund designated projects. Hopefully, this full explanation demonstrates that this is not the case and that the decision-making process is clear. The Finance Director is seeking to improve how this information is represented to ensure that there is no uncertainty in the DBF's decision-making.

4) The Revd Christopher Kilgour (Vicar of Northaw and Cuffley, Cheshunt Deanery) to ask the Diocesan Secretary:

"In the June 2024 meeting of Synod, a presentation was given on Clergy Wellbeing: Stipends, Pensions, Housing, Retirement Housing. I, and I am sure others, am most grateful for the recognition of the situation, and the desire to rectify it. With the passage of nine months, please could there be an update on: (i) what steps have been taken to lobby nationally for changes to stipends, pensions and retirement housing; and (ii) what actions have been taken within the diocese to move towards the provision of appropriate and well-maintained housing for all clergy?"

The Diocesan Secretary will respond:

(i) The Diocesan Secretary and the Finance Director are consistently involved in national consultations around stipends, pensions and retirement housing. These matters are also regularly raised in the House and College of Bishops.

In particular the Diocesan Secretary has had input to the Diocesan Finances Review which has led to proposals for changes in the financial relationship between the national church and dioceses and to stipends specifically. The Diocesan Finances Review is under consideration by the Triennium Funding Working Group and the Archbishops' Council Finance Committee which in turn will lead to the 2026 national church budget proposed for approval by General Synod in July. Lobbying on behalf of this diocese has specifically been around the areas of clergy wellbeing mentioned in the question.

(ii) This question is best answered with financial details and descriptions of policy developments. Expenditure on repair, maintenance and improvements of parsonages and related properties in 2024 was:

Category	Expenditure (£000)
Quinquennial repairs	643
Interim repairs	392
Improvements	637
Corporate houses	141
Total	1,813

Expenditure on repairs, maintenance and improvements is 54.5% of the total cost of housing clergy which also includes council tax, water rates and insurance. The total housing expenditure was £3,327k in 2024 which was 18.9% of total common fund expenditure.

In 2024 the property budget was overspent as a result of responding to urgent needs. Repairs and maintenance to the parsonage estate have priority, leaving a relatively unsatisfactory sum for improvements in 2025 – less than £1,200 per property. This is against the reality of an old and aging housing stock and under investment in improvements in previous periods.

The Property Committee of the DBF has commenced a strategic review cycle for housing stock which will include assessments on (1) liveability, covering physical condition and cost to occupants, (2) suitability for the vocation of clergy, local ministry requirements and family life, and (3) cost to the diocese for maintenance. It is intended to review all houses on these criteria at least every five years.

This year, in-person net zero carbon retrofit assessments are planned and funded for the entire housing stock, the results of which will contribute to the assessments of liveability and cost to the diocese. Retrofit assessments are due to commence once the updated assessment tool for the new RdSAP standard is released this year.

The review cycle will inform recommendations for improvements, disposals and acquisitions to refresh the housing stock. The average build date of our houses is 1967. Many of our much older houses would be prohibitively expensive to retrofit to improve energy efficiency. We therefore expect increased buying and selling activity over the next few years, which will bring this average age down.

In parallel to the strategic review, consideration is being given to team restructuring to improve the capacity to manage the parsonage estate and deliver improvements.