

**DRAFT NOTE OF A MEETING OF THE DIOCESAN SYNOD HELD ON MONDAY 6<sup>th</sup> OCTOBER 2014 AT 6:00PM AT ST JOHN'S CHURCH, PERCY MAIN, NORTH SHIELDS.**

The Budget process included a meeting of the Diocesan Synod to enable members to help to shape the Budget before presentation to a formal meeting of the Synod for approval. No decisions were taken by the Synod at the meeting held on 6<sup>th</sup> October 2014. The accompanying slides used at the meeting are attached to this note together with a note which supported the presentation by the Revd Rob Kelsey (Norham).

The Revd Canon John Sinclair, Chair of the House of Clergy, was in the Chair and the Assistant Bishop opened the meeting with prayers. Fifty two members of the Synod attended the meeting.

### **1. Our Aims and Priorities: Our place and our time**

Canon Carol Wolstenholme gave a presentation on the Five Diocesan Aims, *Just Society; Effective Support; Developing Ministry; Fresh Ideas and Good Conversation* and Six Priorities and highlighted what had been agreed at the start of the triennium and what had been discussed during group work about the priorities at the last meeting of the Synod held in May.

Canon Simon Harper, Chair of the Board of Finance, followed this presentation with an introduction to the draft Budget 2015 and highlighted some key points including a deficit of £82.5K and a proposed increase to Parish Share of 1.75%. Canon Harper went on to talk about income and paid attention to the fact that our planned giving was below the national average and the potential income that could be achieved if giving could be increased to the national average.

### **2. Finance Synod: listening to others**

The Area Deans of *Norham* and *Newcastle Central* presented a view from the two deaneries and highlighted the collaborative work that had been carried out to help parishes within each deanery to support a near 100% contribution to Parish Share.

For Norham, the Revd Rob Kelsey explained a key step in agreeing a collaborative approach was the positive recognition of mutual accountability. The Revd Allan Marks provided a different perspective from Newcastle Central which had recognised the diversity within the Deanery and flagged the challenges posed to morale when other deaneries do not manage to fulfil the Share request.

### **3. Table discussion and plenary**

Table discussions followed the presentations and members considered five questions. Comments which were fed back through the plenary included questions about where Research and Development was accommodated within the budget; the importance of youth and schools work despite the reduction to the staffing resource; whether a deficit of £85K was reasonable; whether a 92% contribution rate for Parish Share was achievable; the importance of including the Diocesan Priorities within the Mission Action Planning process; the importance of collaboration within a deanery in light of the presentation from Norham; and the importance of being positive and upbeat about where we want to be in terms of mission and ministry.

## Finance Synod helping to shape the Budget

## Finance Synod our aims and priorities Our place and our time....

### Five Aims

- Just Society
- Fresh Ideas
- Effective Support
- Developing Ministry
- Good Conversations

### Diocesan Priorities

### Diocesan Priorities: Ministry Deployment




<p><b>Ministry Deployment</b></p> <ul style="list-style-type: none"> <li>The effective deployment of accredited ministers (clergy and lay, Stipendiary and NSM) according to the numbers available – local and national allocation figures.</li> <li>Improving the support and development opportunities offered to ministers by the Diocese.</li> </ul>	<p><b>at the May Synod</b></p> <ul style="list-style-type: none"> <li>Leadership Training to be developed</li> <li>Continuing Ministerial Development (CMD)</li> <li>Deaneries Development Groups to be nurtured and well informed</li> <li>More resources invested in lay people</li> </ul>
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### Diocesan Priorities: Development of support given to parishes from Diocesan resources

<p><b>Support for parishes</b></p> <ul style="list-style-type: none"> <li>Re-configuration of role and working of the Supporting Ministers completed and new practices established</li> <li>To ensure that the Deanery Development process results in Deaneries becoming a more effective source of support to parishes</li> </ul>	<p><b>at the May Synod</b></p> <ul style="list-style-type: none"> <li>The importance of deaneries</li> <li>More training</li> <li>More time and resources for churches at risk</li> <li>Help with finance</li> <li>Sharing resources</li> <li>Access to the Giving Officer</li> </ul>
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**Diocesan Priorities: Increasing local capacity through the encouragement of 'grassroot' activity and innovation**

<p><b>Increasing local capacity</b></p> <ul style="list-style-type: none"> <li>• Task Group development</li> <li>• Innovative 'projects'</li> </ul>	<p><b>at the May Synod</b></p> <ul style="list-style-type: none"> <li>• 163 Readers in Parish based ministry</li> <li>• Supporting the Youth Team helping parishes discern 'what to do?'</li> </ul>
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**Diocesan Priorities: Ensuring Growth**

<p><b>Ensuring growth</b></p> <ul style="list-style-type: none"> <li>• Numerical growth of congregations</li> <li>• More young people involved in life of the Church</li> <li>• Deepening spirituality and prayer</li> </ul>	<p><b>at the May Synod</b></p> <ul style="list-style-type: none"> <li>• Local Ministry</li> <li>• Help overcome fear</li> <li>• Ministry conversations between task groups</li> <li>• Learning from each other</li> </ul>
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**Diocesan Priorities: Financial prudence**

<p><b>Financial Prudence</b></p> <ul style="list-style-type: none"> <li>• Improving attitudes towards Stewardship and giving</li> <li>• More monitored and participative budgeting</li> <li>• Improving Parish Share collection</li> <li>• Attracting new resources</li> </ul>	<p><b>at the May Synod</b></p> <ul style="list-style-type: none"> <li>• Budgeting support</li> <li>• Further training for treasurers</li> <li>• Support for incumbents</li> <li>• Information for parishes on Parish Share distribution</li> <li>• Invest outwards in Mission</li> </ul>
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**Diocesan Priorities: More Intentional engagement with society**

<p><b>Intentional Engagement</b></p> <ul style="list-style-type: none"> <li>• Task Group development and support</li> <li>• Use of Supporting Ministers</li> <li>• More effective partnership working with national, regional and local agencies</li> </ul>	<p><b>at the May Synod</b></p> <ul style="list-style-type: none"> <li>• Effective partnership with national, regional and local agencies</li> <li>• When Churches work together for society they work better together</li> <li>• Ecumenical Task Group – more lay members needed to engage with new churches and communities</li> </ul>
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**Diocesan Priorities**

ministry deployment	support for parishes	growth
increasing local capacity	financial prudence	intentional engagement

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**Finance Synod  
introducing the draft budget**

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### Draft Budget 2015

<p><b>generous</b></p> <p>Parishes contributing to the Parish Share system</p>	<p><b>engaged</b></p> <p>Parish Share contributions supporting Christian presence across Newcastle Diocese</p>	<p><b>open</b></p> <p>Parishes collaboratively supporting one another</p>
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### Draft Budget 2015

#### Income

Parish Share (100% received) = (contributions)	68.7%
National Church = (selective allocation)	20.5%
Fees = (weddings, funerals etc)	5.2%
Grants = (Lord Crewe, Marshall's Charity)	3.3%
Investment Income & Glebe = (Education Board and regional training)	2.3%

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### Draft Budget 2015

#### Expenditure

Parish Ministry incl. housing = (stipends, pension costs, housing)	73.3%
Administration & Legal = (Church House, Registrar, Safeguarding)	8.3%
Supporting Ministers = (parish support officers)	7.5%
National Church = (training, admin, retirement housing)	5.1%
Education & Lindsafarne RTP = (Education Board and regional training)	3.3%
Other responsibilities = (Pension deficit, Task Groups, Boards & Cttee)	2.5%

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### Draft Budget 2015

<p><b>2015</b></p> <ul style="list-style-type: none"> <li>Increase in Parish Share request</li> <li>Increase as a percentage</li> <li>Stipends rise by 2.0%</li> <li>Administration at Church House</li> <li>Clergy headcount</li> </ul>	<p><b>Change</b></p> <ul style="list-style-type: none"> <li>up £82.5K</li> <li>up 1.75%</li> <li>up £484 per full-time cleric</li> <li>down 2.25%</li> <li>down by one full-time post</li> </ul>
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### Draft Budget 2015

Figure produced annually show:  
Direct giving per week per electoral role member

	Newcastle	Nationally
2010	£4.90	£6.30
2011	£5.10	£6.40
2012	£5.30	£6.70

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### Questions

1. Is the budget **reasonable** and **achievable**?
2. Are we **committed** to the **six priorities**?
3. Is the budget presented for 2015 **pertinent** to the **Diocesan Aims and Priorities**?
4. Are there any areas **not included** in the budget **that are important** to realizing our aims and priorities?
5. Are there areas in the budget we should **stop** funding?

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## The story of the Norham Deanery approach to the allocation of Parish Share

### The process

1. In response to the concerns expressed by several parishes about their ability to pay Parish Share, **a Deanery Finance Group was formed in early 2011.**
2. **The remit of the Finance Group was to:**
  - Identify and clarify the main problems and complaints, so that we could have a more constructive discussion.
  - **Work out what we, as a deanery, might do to help ourselves**, in terms of allocation, information and advice to the parishes.
  - Identify ways in which parishes might be helped to help themselves.
  - Work out an informed and coherent case to put to the Archdeacon, so that we could do more than just complain!
3. **The members of the Finance Group** met six times during the year, **developed a good working relationship**, and identified a range of both problems and possibilities.
4. **The Area Dean did his best** to keep reminding the group of its remit, to ensure that the meetings were focused, and **to summarise the main findings of each meeting in a way that kept moving things forward.**
5. Some of the main findings of the Finance Group were that:
  - We get a good deal in terms of the cost of the ministerial provision we receive compared to the amount of Parish Share we're asked to pay.
  - While there's no 'perfect solution' to the problems associated with Parish Share, some things can be done to improve the situation.
  - The problems associated with Parish Share are the responsibility of the whole deanery, not just the particular parishes that struggle to pay their Parish Share.
  - The situation will only improve if ways are found of encouraging parishes to increase their income.
6. **One of the main problems identified was the 'moving target' effect of allocating Parish Share on the basis of income**, whereby, if a parish increases its income by a large amount, then its Parish Share increases by a large amount a few years later. **This acts as a disincentive for parishes to increase their income**, and makes it almost impossible for a parish that's been digging into its reserves to replenish those reserves at a later date.
7. Having been formed for a particular purpose, and having produced its report, the Finance Group disbanded.
8. At its meeting on 6th December 2011, **Deanery Synod broadly welcomed the Finance Group's proposal to allocate Parish Share on the basis of what parishes might reasonably be expected to pay, rather than on their actual income. This was defined as a 'stabilized target' approach to the allocation of Parish Share** because, after a base-line had been established of what each parish might reasonably be expected to pay, the Parish Share allocations would remain relatively unchanged for a number of years. (The target figures might be challenging in themselves, but parishes would have an incentive to increase their income, in the knowledge that anything they might raise above their Parish Share allocation would be 'theirs to keep,' and that they wouldn't face a dramatic increase in Parish Share at a later date.) Deanery Synod asked the Deanery Development Group to investigate the practicalities of moving to such an approach.
9. **A proposal to fix the base-line by means of a negotiated settlement, rather than a formula, was brought to Deanery Synod** on 27th March 2012. One advantage of a negotiated settlement is that a variety of factors can be taken into account (such as wealth,

deprivation, the cost of ministerial provision, a parish's current ability to pay, etc), which could never be incorporated into a simple formula. The proposal was not taken to a vote because of a lack of consensus about the practicalities.

10. **The House of Clergy met on 30<sup>th</sup> May, and was able to reach a reasonable consensus** about the practicalities of fixing the base-line by means of a negotiated settlement.
11. At its meeting on 6<sup>th</sup> June, Deanery Synod approved the proposal from the House of Clergy.
12. **Parishes were invited to send two representatives from each parish to a negotiating meeting on 2<sup>nd</sup> October.** The purpose of the meeting was to foster a spirit of mutual trust and accountability, in order to identify a 'stabilized target' for each parish, with a view to paying the deanery allocation in full within three years. The Deanery Treasurer chaired the meeting, and invited the representatives, in turn, to specify a challenging but achievable three-year target for their own parish, and the local circumstances that precluded them from accepting a higher target. Particular parishes were encouraged to volunteer to take up some of the overall shortfall. The remaining shortfall was divided *pro rata* between all the parishes in order to achieve a target for each parish.
13. At its meeting on 27<sup>th</sup> November, Deanery Synod approved the Parish Share allocation for 2013.
14. Since then, the **Deanery Finance meetings have become an annual feature of life in Norham Deanery, when representatives of the parishes tell their story and listen to each other, and are accountable to and supportive of each other. It's an effective way of expressing our sense of belonging as a deanery,** and is an important part of the wider Deanery Development agenda.
15. At the second Deanery Finance meeting on 22<sup>nd</sup> October 2013, it was agreed that the Parish Share allocation for all parishes should rise by 3% (the increase in the deanery allocation from the diocese).

#### Other key elements of the process

16. **The process itself was as important as the end result.** Over the past three years of meeting and talking we've learnt to trust each other better (on this issue at least). The irony is that the shared problem of Parish Share has been a source of blessing to Norham Deanery.
17. **The solution emerged from the process,** rather than the process being used to serve a pre-determined solution.
18. **Parishes have an incentive to undertake a planned giving campaign in their own time,** and are more-or-less left to get on with it, rather than being told what to do.
19. **As a general rule, people feel more positive about a target that they've negotiated for themselves.** The irony is that parishes feel happier about a higher target that they've volunteered to take on than a lower figure that they've been told to accept.
20. One advantage of a 'non-income based' approach to Parish Share allocation is that **there's no reason for parishes to create restricted accounts in order to reduce their assessable income.**
21. **The Norham Deanery approach to the allocation of Parish Share will continue to flourish so long as the deanery as a whole doesn't face a dramatic increase in its allocation from the diocese.**