

The Diocese of Southwell and Nottingham

REPORT OF PROCEEDINGS OF THE DIOCESAN SYNOD held on 14 October 2006 at The Bearings, Bowbridge Road, Newark

WELCOME

**DS06-
09/1**

Rt Revd George Cassidy welcomed our ecumenical observers and offered a special welcome to new members of Synod at the beginning of this triennium.

2 PRESIDENTIAL ADDRESS (delivered during a Inaugural Service Holy Communion)

Bishop George's address was based on Luke 14 v 27 – 33. He stressed:

- the cost of discipleship.
- that Christ asks for a 'facility for detachment' i.e the ability to prioritise.
- the challenge is - How far do we allow family ties, fear for the future, or possessions to tie us to this world? If there is a clash of loyalties, which gives way?

Service to the whole of the Diocese, meaning all the people of Nottinghamshire, will be costly. and will need a continual re-ordering of our priorities. He underlined the Diocesan Mission values - discerning God, valuing people, serving community and enabling change, through which as Christians we can influence society today. We must help each other to cultivate this discipleship and as a Diocesan Synod to serve this Diocese well.

3 ELECTIONS AND APPOINTMENTS

The following were congratulated on their elections:

- Chair of The House of Laity - Ms Christine Russell who will lead a Laity Standing Committee comprising of the Lay Chairs of the 14 Deaneries or their chosen representative.
- Chair of The House of Clergy - Revd Alan Howe who will lead the Clergy Standing Committee are of elected members, including Revd Linda Church, Revd Fiona Shouler and Revd Neil Weston.

Bishop George introduced his appointees to Synod:

Sir Andrew Buchanan, Mrs Maureen Weston, Ven Garth Norman, Judge John Hopkin, Ms Gail Dixon, Mr Arwel Griffiths, Mr John Jones, Mr Keith Stanyard, and Dr Richard Turner.

4 APOLOGIES FOR ABSENCE

There were 15 apologies from the House of Clergy and 3 from the House of Laity. Synod members were asked to sign in at Synod meetings as a Deanery attendance record will be kept.

5 MINUTES *DS/Oct06/01*

The Minutes of the previous meeting held on 10th June 2006 were agreed and signed.

6 There were no **MATTERS ARISING**

7 NOTICES AND UPDATES

- Archdeacon Gordon's Farewell Service – Mon 30th October, 7.30 pm St James Porchester.
- Dates for 2007 Synod Meetings were included in the Election Pack. Dates for the subsequent years would be announced as soon as possible.
- An Election Pack had been distributed to members on arrival at Synod, containing three sets of election papers - for Bishop's Council, the Board of Education, and the Vacancy in See Committee.
- The Book Stall would be available in the Coffee Break along with the opportunity to buy copies of the Diocesan Directory.
- Also during the Coffee Break, there would be a revolving presentation explaining how Synod works. A more detailed presentation could be arranged with the DCE.
- 'Back to Church Sunday' would be on 30th September 2007, with a taster evening in January. The challenge was that if 100 churches invited 10 people each, we could see 1,000 people back in Church later next year.
- Prayers were invited for Canon Mark Brown's daughter, Amy, who had been seriously ill.

8 INDUCTION TO THE NEW TRIENNIUM

Process: All Synod members had been sent an Induction Pack and now also received a copy of the fully revised Standing Orders. The Business Committee set the agenda, but all have the opportunity to bring matters to Diocesan Synod through their PCC / Deanery Synod. Diocesan Synod also considers topics which General Synod asks them to debate.

Issues: Current national issues include: Mission-shaped Church, Vocations to Ordination, Women Bishops, Sexuality, the nature, scope and authority of the Anglican Communion, Clergy conditions of service ('the McLean Report'), a new Pastoral Measure to cut bureaucracy ('the Toyne Report'), expansion of Church Schools, supporting our built heritage, and the 'Faithful Cities' report.

Current diocesan issues include: 'Shaping the Future' – our mission template, the Mission Development Fund, Key Leadership Roles and Deanery Futures, support for Asylum Seekers, Collaborative leadership and the Senior Leadership team (following 'The Sherwood Report').

Vision casting: Synod split into 'buzz groups' to consider the pressing issues for this new triennium, reporting back in written form for consideration by the Effective Synod Task Group.

Revd Alan Howe outlined the membership and work of '**The Effective Synod Group**'. Concerns had been expressed in four areas: Practical concerns eg comfort, time of meeting, etc; Relational concerns eg how can clergy and laity relate better to each other; Lack of understanding eg of role and function; and a desire to change and participate. The Task Group were looking at all of these areas to try to make Synod more effective.

9 QUESTIONS There were none

10 A FAIRTRADE DIOCESE *DS/Oct06/03*

Bishop George announced that the Diocese of Southwell and Nottingham had achieved Fair Trade Diocese status and thanked Shelagh Baird Smith, Global and Local Officer, for all her hard work in leading on this. Shelagh paid tribute to the inspiration and work of her predecessor, Karen Rooms. Shel explained the criteria for becoming a Fairtrade Diocese. 152 Churches had signed up to the Fairtrade commitment to serve only Fairtrade tea, coffee and other products and to encourage the use and sale of Fairtrade products through Tradecraft stalls, etc. Progress continues to be made and monitored and Synod Members were encouraged to take a church pledge form and a free Fairtrade chocolate bar.

RESOLUTION: That this Synod congratulates Mrs Shelagh Baird Smith, our Global and Local Link Worker, on her leadership in gaining our recognition as a 'Fairtrade Diocese', together with the parishes, deaneries and networks of the diocese who have pledged their commitment to Fairtrade.

Proposed: The Bishop of Southwell & Nottingham

Approved unanimously.

11 VOTE OF THANKS TO THE ARCHDEACON OF NOTTINGHAM ON HIS RETIREMENT

Revd Phil Williams spoke on behalf of the Clergy and thanked Archdeacon Gordon for his pastoral care, hospitality, encouragement in commitment to the gospel and mission, perseverance through constant change, walking alongside church communities in difficult circumstances, and patience, especially when people tried to 'shoot the messenger'!

Christine Russell spoke for the laity and paid tribute to Gordon for being a man of wit, learning and scholarship; for his courage and integrity as a fearless fighter for what he believed to be right and just; and for his sensitive work behind the scenes, listening and trying to bring mediation and being a faithful friend to many churchwardens in difficult times.

Archdeacon Gordon responded saying he had served in five posts and on five different diocesan synods, particularly enjoying synods because 'leadership has to pass through membership if we are to get ownership'.

12 AMENDMENTS TO THE STANDING ORDERS OF SOUTHWELL AND NOTTINGHAM DIOCESAN SYNOD AND BOARD OF FINANCE DS/Oct06/04

Chris Hodson, Diocesan Registrar, explained that these amendments were necessary to bring into effect the June 2006 Synod's decision concerning the membership of Bishop's Council.

RESOLUTION: That the Diocesan Synod approves the amendments of Standing Orders 72 and 73 of the Standing Orders of Southwell and Nottingham Diocesan Synod and Board of Finance as detailed in DS/Oct06/04.

Proposed: Ven. Gordon Ogilvie, Archdeacon of Nottingham

Seconded: Ms Christine Russell, Chair of House of Laity

Approved with one abstention.

10 YOUTH EVANGELISM FUND UPDATE

DS/Oct06/5

Revd Dr Howard Worsley, Director of Education, announced that 23 applications for use of the grant (totalling £23,500) had been received by the closing date, and had been submitted to for national approval.

John Gillespie, RC Ecumenical Representative, asked for clarification about the number of bids received. Howard Worsley explained that paper DS/Oct06/05 was written several weeks ago and the number recorded there had now been overtaken.

Rt Revd Tony Porter, Bishop of Sherwood, sought reassurance that adults would not interfere with the projects. Howard Worsley confirmed that while adults were very important in supporting projects, they were not in the driving seat.

11 CLERGY PENSIONS

DS/Oct06/6

Michael Arlington, Chair of Finance Committee, stated that the cost of meeting pensions for the currently employed Clergy was becoming unsustainable. In response to the request of the Archbishops' Task Group on clergy pensions a written diocesan consultation had been conducted with PCCs and Clergy and over 30 responses had been received to date. An earlier meeting with just over 50% of clergy in the diocese had also discussed the matter. The Bishop's Council discussed these responses and the 'take note' motion before Synod reflects the generality of the responses received.

The scale of the challenge of pensions over the last few years was illustrated by the following statistics and background information:

- In 1998 the cost per minister of pension contributions was £2,713, most of which was met by the Church Commissioners under transitional relief. Our Diocesan contribution totalled £160,000.
- In 2007 the cost per minister of pension contributions would be £7,351, all to be met by the Diocese. Our Diocesan contribution will total £1.2 million for 166 Clergy.
- In looking at pension provision, other elements of the remuneration package should also be taken into account i.e. stipend level, provision of housing, water rates and council tax.
- Overall rises in stipends since 1998 were roughly in line with the RPI.
- Clergy receive full pensions of two thirds of national minimum stipend after 37 years service, plus a lump sum of £36,120 (at current levels).
- Between 1998 and 2007 the % of diocesan budget represented by clergy remuneration packages including pension contributions rose from 73% to 77%, but at the same time the number of Clergy fell from over 200 to 165.
- Overall Clergy and Lay staff costs account for 90% of the diocesan budget.

The reasons for the high and increasing costs of pension contributions are:

1. The increased longevity of clergy.
2. Long term investment returns have reduced.
3. The 2004 Pensions Act is now requiring a more cautious approach to investing and less time allowed to repay fund deficits (Clergy Pension Fund deficit is £125 million).

Ian Park, Beeston Deanery, stated that we needed to show clergy how much we support and care from them. Perhaps this could be done by adding an appropriate paragraph to the motion stating that should the fund move into balance or surplus in the future that any benefits reduced should be reinstated. Michael Arlington responded that these sentiments were shared both locally and nationally.

Muriel Weisz, Gedling Deanery, asked whether any impending actuarial review might further drive up the employer's liability. Michael Arlington replied that the next actuarial review was due at the end of 2006 and changes were being discussed a year early because the church had already been alerted that a massive increase was needed.

Maureen Cole, Bingham Deanery, supported the motion. She also suggested that clergy needed to be given more choice about where pension money should be invested, and this could be achieved if there were some employee contribution element.

Peter Fisher, Gedling Deanery, suggested that a future debate might be needed on pensions for new clergy. However, his main concern was the proposal to have an upper limit on pension increases for retired Clergy of perhaps 2.5%, which would tie the hands of future trustees if inflation increased considerably even though investment returns would probably be consequently better. This could be to the detriment of clergy. Michael Arlington replied firstly that there were no plans to change the pension scheme for new clergy, even though this had 'risk' consequences. The upper limit on % increases was key to the future income of clergy, but it did limit the risk for the pension scheme.

Howard Bateson, representative for retired clergy, spoke on their behalf as follows:

1. It seemed sensible to raise the age of retirement, but given the stresses of the job, an expectation of full-time ministry beyond the age of 65 might be difficult.
2. Linking pensions to the RPI was only really acceptable for clergy with other incomes. The government had now abandoned linking pensions to the RPI instead of earnings, because pensioners lose ground over time. A ceiling of 2.5% would lead to a downward financial slope. There was particular concern if occasional office fees were to be reduced or removed also. The questions had been raised of whether the 2.5% ceiling would affect existing pensioners?

Michael Arlington was not able to reply definitively but believed any ceiling would affect existing pensioners. Bishop George said that DRACS was due to report on retired Clergy fees before the next Synod.

Ruth Bushey, West Bingham Deanery, said that as there was a proposal to increase full years of service from 37 to 40, was it likely to be increased again in a few years to 45?

Michael Arlington said that the Clergy Pensions Board can change the rules whenever it likes. It has a finite amount of money and a legal responsibility to pay pensions as due. However, it cannot back-date changes to affect rights already earned.

Peter Clark, Nottingham Central, asked whether the change was designed to be long term. Michael Arlington replied that in his personal view the proposals would need to be amended again at some point.

Marlene Simpson, Bawtry Deanery, stated that under new laws people could take 25% of pension fund as cash and wondered whether this would affect the clergy lump sums. Michael Arlington replied that the clergy pension fund has its own rules and the amount of lump sum is not negotiable.

Christine Russell, Chair of House of Laity, asked whether Synod should vote against this motion, if Synod believed that a more radical look, perhaps introducing a defined contribution scheme and reviewing the whole remuneration package was needed. Canon Peter Hill, Diocesan Chief Executive, replied that if Synod voted to 'take note' they were agreeing with the general tone of the 30 submissions received in the consultation process. If Synod believed a more radical look was needed for the long term they should vote against the motion.

Nick Narracott, Newark Deanery, said that it was the lack of regular review that led to difficulty. While painful, this had been an excellent debate.

Andrew Allsop, Mansfield Deanery, asked whether there was any proposal for pension for non stipendiary clergy. Michael Arlington replied that by definition, non stipendiary clergy were outside of the pension arrangements.

Christina Baxter, General Synod and Archbishops' Council, said that pension fund reviews had taken place regularly. Benefits for the Clergy Pension Scheme need to be agreed by General Synod which includes clergy and bishops, so any decision made will take account of the clergy views. The Pensions Board will do what Synods recommend. We may need to review decisions in five years time, but this is intended to be a medium term solution. Michael Arlington replied that, in terms of pension, this was a big review, but we are touching on the wider issue of the whole clergy remuneration package. He would like that wider debate to take place at the same time, but had been told that was not possible nationally within the time frame. Bishop's Council had voted to bring this motion to Synod, but not unanimously.

RESOLUTION: That the Diocesan Synod takes note of the following response of the Bishop's Council, it's Standing Committee, to the Archbishops' Task Group on future clergy pension provision.

a) That the current national policy of relying entirely on the dioceses to continue to meet whatever increase in the contribution rate is required to keep the present arrangements for clergy pensions unchanged will not be sustainable from 2008

b) That a 'defined benefit' scheme should be retained with pension benefits modified to make it less expensive, and

c) That the suggested changes to be considered should include

- increasing from 37 to 40 years the service needed to earn full pension and***
- pensions in payment, should increase each year in line with price inflation (subject to an upper limit) and not in line with stipends as at present.***

Proposed on behalf of Bishops Council by Mr Michael Arlington, Chair of BC Finance Committee.

In favour: 14 Against: 72 Abstentions: 8

The Resolution was defeated.

Christina Baxter, General Synod and Archbishops' Council, asked for clarification over whether this result meant that Synod was requesting a more radical review, or for the status quo to be retained. Michael Arlington replied that the request was for a more radical review. This was verbally strongly affirmed by Synod.

12 DIOCESAN BUDGET 2007

DS/Oct06/7

Financial Overview - *Michael Arlington, Chair of Finance Committee*

In the past a combination of remaining within the budget with a failure to have our full allocation of Clergy led to substantial surpluses over a number of years. In 2006 a break-even budget was set, but as the Diocese is 7 or 8 posts below budget, there is likely to be a surplus providing the target of 97% of Deanery Share is paid. It is proposed to adopt a deficit budget funded by past surpluses in 2007.

In 2007 68% of income will come from Deanery Share, 14% from Church Commissioners, 11% from Investments, 5% from Fees and 2% from a transfer from reserves. Expenditure will be 78% on Ministerial Staff, 9% on Support Services, 8% on Strategic Support and 5% on the National Church, including Clergy training.

Strategic Overview - *Canon Peter Hill, Diocesan Chief Executive (DCE)*

Financial strategy means resourcing our diocese according to our agreed Mission Values - discerning God, valuing people, serving community, and enabling change. Within this the current key parameters for the budget setting are: generous ministry provision, minimal extra financial demand to deaneries / parishes, continued reduction in availability of stipendiary clergy, resourcing of enhanced lay ministry, resourcing strong deanery leadership.

Budget Detail - *David Meredith, Director of Finance and Administration*

Key details in the budget decisions were: the unexpected increase of 18% in Clergy pension costs (£180,000), lower increase in stipend levels of 2.5%, decrease of two in our fair share of Clergy to 164 in 2007. For the first time it was decided to budget for the actual number of clergy that were projected to be in post of 161, rather than our national fair share figure of 164. This was not for financial reasons, and for future budgets we would revert to the full fair share allocation.

The total cost of an incumbent status minister in 2007 is £36,826, an increase of 5.4% over 2006 costs, made up of stipend £21,113, employer's NI £1,267, pension contributions £7,350, housing £4,703 and Council Tax / Water charges £2,393.

Other influences on costs were: non replacement of some dual ministry posts, reduction of 1.5 Dunham House posts and reviewed departmental spending and the provision for an ordination recruitment initiative.

In summary, the 2007 Budget was a deficit budget using reserves, but an eventual return to

breakeven was forecast, and there was an intention to keep future increases within 3% if possible. The Mission Development Fund would continue to be enhanced by Church Commissioners' grants and possible use of reserves and funds from sales of redundant parsonages.

The overall increase in Deanery Share would be 2%, with a maximum of 4% and a minimum of 1%.

Steve Sylvester, West Bingham Deanery, supported money being set aside for mission, but was concerned over loss of capital and unconvinced that the lack of mission initiatives was always due to lack of money. He asked how we can avoid mission plans being devised in order to 'chase money'.

Peter Hill, DCE, said that the review by central leadership of Mission Development Fund bids was becoming increasingly rigorous and that the new Bishop's Council would need to take strong leadership decisions on the targeting of the Mission Development Fund as well as supporting local initiative.

Christina Baxter, Beeston Deanery, asked whether the Diocese had a policy on reserves. Michael Arlington confirmed the policy was to maintain at least three months of Deanery Share in reserves to cover current expenditure.

Ian Park, Beeston Deanery, asked whether the diocesan ethical investment policy was being adhered to and when considering investments, what priority was placed on ethical considerations. He also requested 'hatching' on pie charts to assist any members with colour blindness. Michael Arlington replied that investments were managed by outside bodies, but they were work within our ethical policy. In the recent choice of new investment managers the plans for active management of the ethical policy had been a key factor.

RESOLUTION: That the Diocesan Synod approves the 2007 Diocesan Budget as set out in paper DS/Oct06/7.

Proposed: Michael Arlington, Chair of Finance Committee

Approved unanimously.

13 SYNODICAL REPORTS

General Synod Report. *Synod Digest July 06 had been distributed.*

Nick Harding, General Synod member, advised that more information could be found on the General Synod and our own Diocesan websites.

Bishop's Council *DS/Oct06/8*

Canon Peter Hill, DCE, introduced this new report covering the July and September meetings.

CLOSING PRAYER AND BLESSING - The Bishop of Southwell and Nottingham

Synod members were encouraged to pray for Amy Brown, Martyn and Greer Alvey, and Bishop Reuben of Natal and his family following the death of his son.

Bishop George closed with the prayer for our partnership link with Natal.

