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A Financial Safety Net for Synods

Background

1 The May 2011 Mission Council received a paper on Resourcing Synods (Paper A). Without endorsing all the recommendations, it passed the following resolution:

Mission Council requests the Finance Committee to bring to a future meeting of the Council proposals for how a system of underpinning Synod finances from the Assembly budget might work in practice.

2 Members of Mission Council had asked for the Finance Committee to do this work in consultation with other interested parties. After obtaining advice from the Mission Council Advisory Group on the best practical interpretation of this request, the Finance Committee met with appointed representatives of the Inter-Synod Resource Sharing Task Group. Both the full Task Group and the annual Inter-Synod Resource Sharing Consultation of all the Synods then discussed the issues.

3 Subsequently a previous draft of this paper was circulated to all Synods for an informal view from Synod officers; it was understood that the timescale did not allow for formal responses from Synods themselves. It was very helpful that 12 of the 13 Synods submitted a response. Ten of the twelve responses favoured bringing to Mission Council a Safety Net proposal broadly in the form suggested. The Finance Committee read all the responses and revised the proposals in the light of the constructive suggestions made.

4 This paper has been influenced by all these discussions to date. With an outline of a possible scheme before it, Mission Council now needs to decide whether to proceed with encouraging the General Assembly to set up a safety net or not. If any decisions are to be made by the 2012 Assembly to guide policy in 2013, a steer will need to come from this meeting of Mission Council. At the November 2011 Mission Council one Synod Clerk expressed the view that their Synod was likely to “be bankrupt in three years” so the underlying question retains a degree of urgency.

What sort of Church are we?

5 In seeking to move the discussion forward from the previous Mission Council paper, the core question that hampers choosing any straightforward policy is not financial but ecclesiological. Does the United Reformed Church express itself as a single Church operating through thirteen Synods or as a federation of thirteen largely autonomous Synods? In practice the Church veers more to one model or the other in its various decisions.

6 If the Church is essentially a single Church then the argument for “central” resources being made available to financially precarious Synods is clear. In practice “central” resources are largely drawn from Synods, principally through the Ministry and Mission Fund. The logic of a centralised Church would be that the Assembly could direct resources to move between Synods.

7 Any such proposal, however, quickly reveals the extent to which Synods, and their local churches, veer towards the second model of the Church. With Synod Trusts holding the major assets, and with Synods having been left free to develop their own policies for using their assets, it is clear there is a wide divergence of practice. While Synods are generally content for other Synods to operate a variety of different policies, with different financial consequences, they are much less persuaded that Synods whose policies have led to a strong financial position should be required to sacrifice them for the benefit of weaker Synods.

8 The position is further complicated by the fact that there has never been a level playing field in terms of Synod resources and factors such as different property prices in different parts of Britain means that even if two Synods both adopted identical policies for the use of their assets, one might over time become very much stronger financially than the other. In practice it is impossible to disentangle how much of a particular Synod's current financial position is due to its chosen policies and how much due to factors outside its control.

9 These dilemmas led to some at Mission Council calling for much more radical reviews of the number of Synods or the continuance of individual Synod Trusts. These views were echoed in some of the informal Synod responses to the ideas in this paper. Several Synods, including those opposed to a Safety Net being put in place, urged a much more major review of Synod structures. Some who do favour the Safety Net would prefer some assurance that it would only be needed for the short term, which also implies a more fundamental review of Synods. While the Finance Committee heard these pleas, the Committee is clear it is outside its brief to reorganise the constitutional structures of the denomination. It therefore simply reports to Mission Council the strength of feeling on this issue in some places.

10 Meanwhile the Finance Committee reiterates to Mission Council that the risk of a Synod facing acute financial difficulties is neither purely theoretical nor necessarily far distant. We note that, despite their other comments, a clear majority of the Synod responses said explicitly that this year's Assembly needs to address this issue and it should not be delayed. Thus this paper continues with the limited but important ambition of identifying how a Synod's finances are to be supported if they become impossible in the near future, well before any major constitutional reform would be possible.

Synod Accounting and Accountability

11 As in other areas of URC life, individual Synods have developed their own distinctive ways of presenting their finances. They also doubtless have their own ways of undertaking longer term resources planning in the context of Synod mission strategies. A prerequisite of being able to consider any help from the Assembly budget for a Synod would be for Assembly officers and staff to be sufficiently immersed in this to fully understand how the Synod thinks financially.

12 In an earlier version of this paper it was suggested that providing a three year budget should be required from any Synod wanting central help. In subsequent discussions a number of voices have suggested that it would be good practice anyway and for all Synods. This would help provide early warning of potential problems. To test the mind of Mission Council, Resolution A is offered.

Resolution A

Mission Council requests all Synods to prepare three year budget plans as a matter of routine and to copy them to the Finance Committee, with the first plan being provided not later than the end of 2013.

Synod Core Work

13 Given the wide variety of what individual Synods have chosen to undertake as Synod work and staffing, and the difference of view about what is appropriate now, the only secure principle on which to assess the basic core work of a Synod is to take the functions required of it by the General Assembly, through the Basis of Union and subsequent decisions. This does not imply Synods which have added many other tasks have been mistaken, simply that any underpinning from Assembly funds should be limited to functions required by the Assembly.

14 Earlier versions of this paper drew the definition of what Assembly required of Synods tightly and focused on legal and constitutional requirements. A number of responses suggested that the training and development role now played by Synod officers in many places had become an essential part of a Synod's life and therefore this paper includes some provision for that.

15 The stipends and some related costs of Synod Moderators are already funded from the Assembly budget. In broad terms the other essential Core Costs of running a Synod arise from the following requirements:

- (i) Holding decision-making sessions of Synod, traditionally two annually
- (ii) Providing administrative support for the Moderator
- (iii) Providing administrative and professional support for the Synod Trust, especially with regard to property matters, and the Trust providing such support to local churches
- (iv) Overseeing ministers/CRCWs and candidates for the ministry and providing pastoral and mission support to churches
- (v) Fulfilling the functions of Synod between Synod meetings
- (vi) Liaising with General Assembly as required
- (vii) Providing support to local churches regarding good practice
- (viii) Functions required, urged or requested by Assembly resolutions, including currently:
 - Employing and providing line management for a Children and Youth Development Officer (CYDO)
 - Implementing Local Ministry and Mission Review and various other training requirements for EM2, EM3, elders, lay preachers and others.

16 To fulfil these responsibilities Core Costs in practice may have to cover, depending on the availability of skilled volunteers:

- (i) Costs of holding two full meetings of the Synod per year
- (ii) Provision of an office base for administrative staff
- (iii) Administrative and venue costs for committee meetings
- (iv) Part-time Administrator to liaise with Church House and act as PA to Moderator
- (v) CYDO, also acting as Safeguarding Adviser
- (vi) Training and Development Officer
- (vii) Part-time Trust and Property Officer
- (viii) Part-time book-keeper
- (ix) Audit, accountancy and legal fees.

An Outline Support Process

17 It is assumed that the pattern since 1972 of Synods normally funding their own operations will continue. This pattern is enriched by the voluntary Inter-Synod Resource Sharing (ISRS) process, which is principally designed to allow less wealthy Synods to add to the Core Costs some funding for other exciting mission projects. There is no suggestion that anything proposed in this paper supersedes the valuable work of the ISRS process. As several responses have pointed out, if more Synods were able to give more generously into the ISRS pot, some of the pressures on the financially more fragile Synods would be reduced.

18 If however a financial safety net were needed at some point for a Synod, the following process might provide it within the framework of relationships that makes the United Reformed Church what it is today.

- (i) The Safety Net process would only be initiated at the request of the Synod concerned.
- (ii) If the Synod had not already supplied a three year budget plan to the Finance Committee it would present one.
- (iii) The Finance Committee would provide someone - the Finance Friend - to work alongside the Synod to clarify its financial position and consider options for the future.
- (iv) If the Synod wished to pursue the possibility of support from the Assembly budget, the Finance Friend would bring to the Finance Committee proposals supported by the Synod.
- (v) The Finance Committee would make recommendations to Mission Council within the context of the Assembly budget in the light of the request from the Synod. Any proposal for support would make clear whether this was a short term measure or expected to continue for the longer term.

19 In implementing this procedure, the following principles would be followed:

- (i) The Synod would accept that all its resources, including designated funds and property, would be part of the discussion with the Finance Friend
- (ii) The Synod would accept that only the sort of Core Costs outlined above would be eligible for any support from the Assembly budget
- (iii) The Synod and Assembly would accept their legal and moral responsibilities towards all employees, and to ministers and CRCWs carrying out Synod duties as part of their scoping.

20 While it would be easy to design a more complicated process, it is hoped something along the lines outlined here would be an adequate framework for discussions between people all seeking the good of the whole Church. It would also avoid the need for the creation of any new committees.

Resolution B

Mission Council recommends that the General Assembly agrees to a financial Safety Net for Synods of the form outlined in paragraphs 15, 16, 18 and 19 above.

John Ellis
Treasurer

20 February 2012